

(ii) One Hundred and Nineteenth Report, regarding Appropriation Accounts (Defence Services), 1967-68 and Audit Report (Defence Services), 1969.

REFERENCE TO REPORT PUBLISHED IN THE NAV BHARATI TIMES RE ATROCITIES COMMITTED ON HARIJANS

श्री गणेशी लाल चौधरी (उत्तर प्रदेश) : उपसभापति महोदय, मैं आपकी आज्ञा से दो बड़ी महत्वपूर्ण घटनाओं की तरफ सदन का ध्यान दिलाना चाहता हूँ। इन घटनाओं का विवरण 25 अप्रैल के नव भारत टाइम्स के प्रथम पृष्ठ पर प्रकाशित हुआ है। एक घटना का संबंध तो सारे माननीय होम मिनिस्टर माहब के प्रान्त से संबंधित है।

विपक्ष के नेता (श्री श्यामनन्दन मिश्र) : सदन में इस समय कोई भी मिनिस्टर मौजूद नहीं है।

SHRI K. S. CHAVDA (Gujarat) : Sir, there is no Minister in the House.

MR. DEPUTY CHAIRMAN : One hon. Minister is sitting there.

SHRI K. S. CHAVDA : Just now he has come, Sir.

श्री गणेशी लाल चौधरी : श्रीमान्, एक घटना तो हमारे माननीय होम मिनिस्टर के खुद के प्रान्त से संबंधित है। वह घटना इस प्रकार से है। एक हरिजन युवती जिसका नाम श्रीमती चंदर बाई था, जब वह शौच करने जा रही थी, तो कुछ व्यक्तियों ने युवती को पकड़ लिया और उस पर मिट्टी का तेल छिड़क कर गिला जला दिया। इस तरह की घटना माननीय मंत्री जी के खुद के प्रान्त में हुई है।

दूसरी घटना जिसकी तरफ मैं इस आदरणीय सदन का ध्यान दिलाना चाहता हूँ, वह देहरादून से संबंध रखती है। यह हरिजन युवती 113 दिन से सामाजिक न्याय के लिए भूख हड़ताल कर रही है। तो मैं मंत्री जी से

यह चाहता हूँ कि हरिजनों के ऊपर जो इस तरह के अत्याचार किये जा रहे हैं, उनके बारे में सारे तथ्यों की जानकारी प्राप्त करने के बाद इस हाउस में एक वक्तव्य दें। यह बात मैं आपके द्वारा माननीय मंत्री जी से कहना चाहता हूँ।

MR. DEPUTY CHAIRMAN : The House stands adjourned till 2.30 P.M.

The House adjourned for lunch at thirty-six minutes past one of the clock.

The House reassembled after lunch at half past two of the clock; THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair.

DISCUSSION ON THE WORKING OF THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS

THE VICE-CHAIRMAN : (SHRI AKBAR ALI KHAN) : Mr. Krishan Kant, you will initiate the debate.

SHRI KRISHAN KANT (Haryana) : Mr. Vice-Chairman, Sir, with your permission I beg to raise a discussion on the working of the Ministry of Industrial Development, Internal Trade and Company Affairs. Sir, I am very glad that the Rajya Sabha has started this new convention. This new practice this year will enable us to discuss four Ministries. I hope next year the number will increase and slowly we will discuss the working of all the Ministries because that is very important for the Rajya Sabha because we represent the States and we should discuss the pattern of the working of the Ministries.

Mr. Vice-Chairman, Sir, I am sorry the Minister of Industrial Development, Internal Trade and Company Affairs, has not found it possible to be present at 2.30.

SHRI A. G. KULKARNI (Maharashtra) : He will come.

SHRI KRISHAN KANT : But he should be here when the debate is starting. I think he has not done justice to the Rajya Sabha. He should have been here at 2.30.

[Shri Krishan Kant]

Mr. Vice-Chairman, Sir, I would like to start by congratulating the Ministry for the good work they have done because the industrial production has gone up by 7½ per cent. last year. Not only that, if we exclude textile, rise in industrial production comes to 10 per cent. which is a very good augury after the days of recession to have shown general growth in the economy as well as recovery from recession.

I would also congratulate the Minister for successfully piloting some of the measures which deal with the basic character of the regulation and development of the industrial sector. First of all, I would like to congratulate the Minister for having abolished the managing agency system. Secondly, I would also like to congratulate him for bringing a Bill and getting it passed for banning of company donations to political parties. Not only that, the Bill for Monopolies and Trade Practices has gone through both the House and I hope something will be done to implement it. Not only that, the Patents Bill has also gone through the Select Committee, and I think the Government deserves congratulations for having done something in this matter. But I will not fully congratulate the Ministry until the present Bill gets through both the Houses of Parliament.

Above all, I would congratulate the Government, because they deserve it, for the report of the Industrial Licensing Policy Enquiry Committee which is a monumental work in the history of enquiries because for the first time in a big way it exposes the functioning of the monopoly capitalism in conspiracy with the politicians and administration and opens the eyes of the people how the whole things works in a vicious circle and lets us know what we should do in the matter so that this vicious circle is broken at the earliest possible time.

May I also congratulate the hon. Minister for appointing...

SHRI K. S. CHAVDA (Gujarat) : How many more congratulations ?

SHRI KRISHAN KANT : They have done a lot.

SHRI A. G. KULKARNI : You have yet to see. It is coming one after the other. These are only his opening remarks.

SHRI KRISHAN KANT : I am also somewhat happy that they have shown some awareness about the malfunctioning of the public sector to which, I hope, they will give more consideration. But I would not like to confine myself to mutual praise but will now come to my parliamentary duty of really giving my suggestions and criticising some of the activities of the Ministry.

First of all, I should like to refer to the Monopolies Commission. May I know from the Government why the Monopolies Commission has not been appointed up till now ? Why is it delayed ? What hampers the issuance of notification ? Why I am afraid is that the big monopolist capitalist system. . .

SHRI BHUPESH GUPTA (West Bengal) : On a point of order, Sir. The point of order is that I find in the House one who should be regarded as a stranger. I mean Mr. Bhanu Prakash Singh, Deputy Minister in the Ministry of Industrial Development, Internal Trade and Company Affairs. I believe he wants to represent the Government. His recent statements make it quite clear that he is defying the Government openly which is contrary to all accepted principles of collective responsibility to Parliament. Mr. Bhanu Prakash Singh wants to criticise or attack the policy with regard to privy purses. Before doing so he should have resigned. Instead of that he is attacking all of us, the Government and the Members of his Party whom he calls 'Young Turks' and he would like them to be expelled from the party.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : What is your point of order ?

SHRI BHUPESH GUPTA : Since when has it become the practice. . .

SHRI DAHYABHAI V. PATEL (Gujarat) : Since the most disunited party in West Bengal, the United Front, started the practice.

SHRI BHUPESH GUPTA : Do not follow bad examples. Do not give him protection. Let him fight out his own case.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : You are going through an important debate.

SHRI BHUPESH GUPTA : I am raising a Constitutional point.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : That is not a point of order.

SHRI BHUPESH GUPTA : His presence itself is a constitutional point. So this is a Constitutional point of order. Mr. Bhanu Prakash Singh is not a Member of this House.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : But he can enter this House as a Minister.

SHRI BHUPESH GUPTA : I agree. we entertain a Minister as a member of the Council of Ministers subject to the convention and principles of collective responsibility of the Council of Ministers to the House. Normally he should have been expelled from the Council of Ministers or should have resigned.

SHRI R. C. PARTHASARATHY (Tamil Nadu) : You ask the Prime Minister to do that. If she has the courage let her do that.

SHRI BHUPESH GUPTA : Mr. Parthasarathy is quite right. I am asking her. Just because he sits on these Benches, it is not for the Prime Minister alone. The Prime Minister is to function within the four corners of collective responsibility of the Council of Ministers to the House. Our Constitution lays down a system of parliamentary democracy in which the Council of Ministers, and the Prime Minister particularly, are responsible to both Houses of Parliament. Every Minister, who is in the Council of Ministers, must go with the majority of the House, and when a member of the Council of Ministers defies the Government and the majority of the House in certain matters, he ceases, for all practical purposes, to be a member of the Council of Ministers.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Not legally, not Constitutionally.

SHRI BHUPESH GUPTA : It is surprising there is mutual party accommodation. Although he is a Member of the Council of Ministers, Mr. Bhanu Prakash Singh is mobilising people inside the Congress Party, making public statements in order to stall the Privy Purse Abolition Bill which is going through the Lok Sabha.

DR. BHAI MAHAVIR (Delhi) : There is nothing wrong.

SHRI BHUPESH GUPTA : In any case we are not going to listen to any speech delivered by Mr. Bhanu Prakash Singh. Secondly, his presence here on the Treasury Benches is a violent insult to all the norms and concepts of parliamentary democracy and the principles of collective responsibility. Therefore, I say that we are not going to listen to any speech in case Mr. Bhanu Prakash Singh continues sitting here in this House. Secondly, his presence here on the Treasury Benches is an insult to all norms and concepts of parliamentary democracy and principles of collective responsibility. He is continuing in the Council of Ministers in his capacity as a Deputy Minister to blackmail this Government by mobilising people against the abolition of the Privy purses and against any moves to bring forward that Bill. I am sure, whatever may be our differences over the abolition of the Privy purses, my friend would not encourage a member of the Council of Ministers openly defying and saying something contrary to the declared policies of the Government. I have never heard such a person ever continuing in the British Cabinet. In England a single word or even a syllable of utterance which goes against the accepted policies of the Government, leads to the immediate resignation or expulsion of that man from the Cabinet...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : All right, please sit down.

SHRI BHUPESH GUPTA : What is your ruling?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : My ruling is that you are giving undue importance to a very insignificant point.

SHRI BHUPESH GUPTA : Your ruling is I am giving undue importance to an unimportant man...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Exactly.

SHRI BHUPESH GUPTA : Therefore, Mr. Bhanu Prakash Singh is an unimportant man.

SHRI CHITTA BASU : Mr. Vice-Chairman, your comment is very significant. He says Mr. Bhanu Prakash Singh is an insignificant man. So...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Please sit down. No more now.

SHRI BHUPESH GUPTA : It is a shameful thing that this Government tolerate Mr. Bhanu Prakash Singh in the Council of Ministers because it wants the support of all big people while Mr. Bhanu Prakash Singh is openly sabotaging the will of Parliament expressed through a Resolution of this House. Mr. Bhanu Prakash Singh is sitting on the Treasury Benches knowing well that this House passed a Resolution asking for the abolition of the Privy purses. Against that Resolution Mr. Bhanu Prakash Singh has declared an open war. Are we to tolerate him on the Treasury Benches today? I should like to know this...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : I have heard you. Please sit down. Let us proceed with the business before the House.

SHRI DAHYABHAI V. PATEL : He has not heard of the modern trend of freedom of conscience. Mr. Bhupesh Gupta should be enlightened of the modern trend, the modern thinking on the freedom of conscience.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : All right, Mr. Krishan Kant, you continue and do not follow Mr. Bhupesh Gupta's interruptions.

(Interruptions)

SHRI SALIL KUMAR GANGULY (West Bengal) : Sir, I am on a point of order, may be, an insignificant point of order. The Minister there is chewing betels inside the House. Might I be permitted to smoke here? After hearing Mr. Bhupesh Gupta shouting for such a long time I feel inclined to smoke. If it is not against the Parliamentary Rules I request to be permitted to smoke here. The Minister there is chewing betels.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : No, no. Please sit down.

SHRI KRISHAN KANT : Sir, what Mr. Bhupesh Gupta has said may be relevant in one respect. Let us ignore it. We should ignore the small Deputy Minister in the Ministry of Industrial

Development when he comes here in that capacity. As far as the political things go, Mr. Bhupesh Gupta should know that the Congress Party in Parliament and the Congress Party in Madhya Pradesh to which State Mr. Bhanu Prakash Singh belongs, have shown no confidence in him...

SHRI BHUPESH GUPTA : And still he is in the Council of Ministers. You are so weak; you are also afraid. Can you not compel the Prime Minister to chuck him out of the Government? Why are you afraid of him? You are afraid of him because he is really not a small man and you are not sitting on the Treasury Benches. You would have been a much better man to be there. But the trouble is you are kept away and Mr. Bhanu Prakash Singh with his Privy purse has got forty Members in his pocket making nonsense of all your declarations.

SHRI KRISHAN KANT : Sir, I will only try to enlighten Mr. Bhupesh Gupta. There are only ten or fifteen Members, not forty...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Let us get back to our business, Mr. Krishan Kant.

SHRI KRISHAN KANT : Even the Madhya Pradesh Congress has shown a complete lack of confidence in Mr. Bhanu Prakash Singh. So I think by this time Mr. Bhanu Prakash Singh knows his place in the country as well as in the party...

SHRI DAHYABHAI V. PATEL : Yesterday's voting has shown it. What happened in the Lok Sabha yesterday has proved it.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Let us proceed with our business and not waste our time.

SHRI KRISHAN KANT : Only a small Deputy Minister he is and let him sit here.

SHRI BHUPESH GUPTA : One thing I say. You take this thing very lightly. We are today discussing the working of the Ministry of Industrial Development. Surely Mr. Bhanu Prakash Singh claims that he is a member of the Council of Ministers...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : It is all on record.

SHRI BHUPESH GUPTA : No, no. Mahabharata is also on record. Ramayana is on record. Quran is on record. And so many things are there on record like this. It is not the record that matters. I want to know what steps the Prime Minister is going to take. How is it that Mr. Krishan Kant is treating him as a small man and feeling secure? I do not think Mr. Bhanu Prakash Singh is such a weak person. He is a powerful man. He has got the big money with him. Therefore, I say one thing. The working of the Ministry is important. We are today discussing the working of the Ministry of Industrial Development and here is Mr. Fakhrudin Ali Ahmed heading the Ministry with an open rebel of the Council of Ministers as his Deputy, one who assails Government policies publicly, one who finances his partymen for breaking the will of Parliament. If such a provocation is given to us all inside the House, we are entitled to bring it to the notice of the House, more especially when we are discussing the working of that particular Ministry. Therefore, Mr. Bhanu Prakash Singh's presence here is a constant, standing provocation. I think it will be in the fitness of things if he kindly withdraws from the House and goes to the Princes' Chamber or to the Concord of Princes where he can pursue his intrigues in order to stall the enactment of the Privy Purses Abolition Bill. Therefore, Sir, it is difficult for us ...

SHRI S. S. MARISWAMY (Tamil Nadu) : On a point of order, Sir. I would like to know what the subject is which we are discussing. Is it the Industrial Development Ministry or the Princes?

SHRI BHUPESH GUPTA : No, no...

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Please sit down, Mr. Bhupesh Gupta. Mr. Krishan Kant, you please proceed with your speech.

SHRI KRISHAN KANT : Sir, I was referring to the Monopolies Commission.

SHRI BHUPESH GUPTA : Mr. Dharía was insulted by him.

SHRI KRISHAN KANT : Why do you insult Mr. Bhanu Prakash Singh now? He and his princely order are fighting their last ditch battle now. Why should we care for him?

SHRI M. M. DHARIA (Maharashtra) : Mr. Vice-Chairman, he is too small a man. Why should Mr. Bhupesh Gupta unnecessarily take notice of him?

SHRI BHUPESH GUPTA : He is a small man, but the power behind him is rather strong. That is why the Privy Purses Abolition Bill does not come. It is not a question of smallness. Even if he is a small man, he is an evil. Therefore, chuck him out of the Government.

SHRI M. M. DHARIA : While insisting on the implementation of our programmes we shall see that such elements are properly crushed. So do not bother about them.

SHRI KRISHAN KANT : They are going to eliminate themselves.

Now, Mr. Vice-Chairman, I was referring to the Monopolies Commission Report. I was saying that the Monopolies Commission has not been appointed up till now. What was the difficulty in issuing a notification of its appointment? What I am afraid is that the big monopoly capital is trying to subvert the whole thing, the appointment and functioning of this Commission. Even if it is appointed, they want to see that it does not start functioning.

This leads me to think about whole gamut from the very beginning. There is the Planning Commission, there is the Industrial Development Ministry, there is the licensing policy, and so on. What I am afraid is that the role of the Planning Commission has not been very helpful in the development of industry in the country. But for the role of the Planning Commission the monopolies might not have grown in our country. The report of the Monopolies Inquiry Commission, the Hazari Report, the Industrial Licensing Policy Inquiry Committee Report and the data published by the Reserve Bank of India relating to income distribution, all of them show that the Planning Commission and the Ministry have not functioned on the guidelines according to which they were supposed to function.

SHRI DAHYABHAI V. PATEL :
Who is the Chairman of the Planning
Commission ?

SHRI KRISHAN KANT : I am
going to say. I am glad you are not
there.

SHRI DAHYABHAI V. PATEL :
You are very happy with the person
there.

SHRI KRISHAN KANT : I am
glad Mr. C. C. Desai is putting in you
some knowledge. The Planning Com-
mission which is expected to plan for
social transformation has been a willing
agent of Indian capitalism. That is
my charge against the Planning Com-
mission. The Planning Commission
has not played its proper role. Though
it was started and presided over by
Pandit Nehru, it became an enemy of
socialism and in the process cheated
Nehru. The role it is even now play-
ing, though headed by Dr. Gadgil, is
that of an agency of monopoly capital-
ism in the country. I will tell how
the Ministry and the Planning Com-
mission are functioning. There is no
coordination between the financial insti-
tutions and the Ministry of Industry.
At the time of licensing, no scheme
of finance is asked and the financial
institutions go on doling out money
and give loans much in excess of what
the Ministry might have contemplated
or the Planning Commission might have
included in the plan document. If we
look into the Second and Third Plans,
it was provided that the financial
institutions will give Rs. 130 crores
to the private sector but in actual
practice an amount of more than
Rs. 450 crores was given to the private
sector and the Minister is on record
about this figure and I am saying on
his authority that instead of Rs. 130
crores, an amount of Rs. 450 crores
was given to the private sector
which means Rs. 320 crores more
than stipulated. Is it not a fact when I
say that the Government, the Ministry
and the financial institutions have work-
ed in building up State capitalism
rather than built up a public sector or
bring up socialism in this country? On
the one side there is affluence of
finance for the private sector. On the
other side the Ministry is struck with
polio when it is asked to to finance
the public sector. What happens?
You know that the aluminium industry
was given to the Birlas because the
Government said : "We have not the

finance for aluminium'. Previously
aluminium was in the public sector but
it was handed over to the Birlas. Ferti-
lizer was not taken up in the public
sector because of lack of finance. At
the same time finance comes for the
private sector and it is very strange
that all this is happening. Is it the
policy of the Government to build up
State capitalism with the help of Gov-
ernment money, public money, tax-
payers money so that this monopoly
capitalism in its turn can dominate the
political life of this country. This is
the position that I would like the
Government of India to know.

Before proceeding further, I would
mention about the Bureau of Costs.
May I know why a retired ICS person
has been made the Chairman of the
Bureau of Costs? Could not anybody
else in the country be found out? A
person who was considered—be he ICS
or anybody else—not suitable for the
Government at a certain age, with that
mind, tired mind and brain,
is made the Chairman of the Bureau of
Costs. Is it marching towards socia-
lism after the Bombay Resolution, after
the split in the Congress? Is
Mr. Wanchoo the symbol of socialism?
I told you how the Planning Commis-
sion is functioning as the cell of the
big business. Here Mr. Wanchoo, a
retired ICS man, is treated as the
symbol of socialism. Will the Govern-
ment of India look into this and see
that such people are not appointed?

May I also ask what has happened
to the Birla Enquiry Commission?
Mr. Sarkar has resigned from that posi-
tion. Is the Commission going to
work or will again the Ministry work
under the pressure of the Birlas and this
enquiry will never take place? May
I know the present position?

In regard to the joint sector, may I
know what is happening? How do you
spell it out? May I know what you
mean by joint sector? The appoint-
ment of directors who attend Board
meetings now and then has been a
miserable failure if the past history is
to be any guide and if we appoint the
Directors now, they will attend meetings
off and on. Do you think they will be
able to serve the interests of the pub-
lic exchequer and of the people whose
tax money is put in the private sector?
Does it not require that there should be
wholtime technically qualified directors

who will be responsible for the success of the venture to the extent of Government participation in equity? Our experience has been very bitter and very sad. We know how the LIC has been functioning. You know the role of the LIC in the management of companies through participation in equity has been completely against the public interest and it acted as a first class, over-zealous agent of the monopoly capital even in those institutions where the LIC had given money. A clear example is that of Indian Iron and how the LIC sold its sixty-two lakhs of shares to Goenka. I was sorry that our Deputy Prime Minister at that time, Mr. Morarji Desai, defended the selling of the shares by the LIC and the purchase of those shares from the LIC by Goenka. The entire concept of joint sector should be revised; otherwise it may become one more powerful instrument of the development of State capitalism. I would like the Government to give some direction in this matter.

SHRI MAHAVIR TYAGI (Uttar Pradesh) : You are acting as our fifth columnist.

SHRI KRISHAN KANT : I do not know whether you are a fifth columnist or I am. You may be in Cong(O) as our fifth columnist.

If we trace the history of our past development after 1948 and also the history of development of our industrial policy, you will see how dramatic it looks. You are going more from mixed economy to socialistic pattern and from socialistic pattern to democratic socialism and from that to pure socialism and on the other hand our policies have been completely in the reverse gear. Here I have a report from the Reserve Bank of India from which I am quoting. In 1948, the Industrial Policy Resolution envisaged :

"The major interest in ownership and effective control would normally be in Indian hands though some provision in special cases may be made."

That was in 1948. In 1949 :

"Foreign enterprise was assured non-discriminatory treatment."

We are moving towards socialism.

SHRI T. N. SINGH (Uttar Pradesh) : Who made that statement in the House? It was Pandit Nehru himself.

SHRI KRISHAN KANT : It may be but it does not mean that whatever Pandit Nehru said is sacrosanct. Even Gandhiji is not sacrosanct, what about Pandit Nehru? I am reading from the Reserve Bank report :

"Foreign enterprise was assured non-discriminatory treatment on par with domestic enterprise in regard to industrial policy requirements, facilities for the repatriation of profits and capital as well as payment of compensation in event of compulsory acquisition."

"Although as a rule the major ownership and effective control of the undertakings was to be in Indian hands. The Government said that it would not object foreign investor having control of a concern for a limited period. . . Foreign expertise was permitted only when Indian expertise was not available."

What happened after 1954 when the Parliament passed a Resolution on the socialistic pattern of society? In the mid-fifties there was a sizeable increase in technical collaboration arrangements. In the close of fifties, minority foreign capital participation gained acceptance. Foreign enterprise took to equity participation to provide foreign exchange component for the import of machinery and equipment. Then immediately tax concessions were given to foreign enterprises. Here are the tax concessions. Socialism is coming! In May 1957 tax concessions to foreign investors was given on salaries. In July 1957 concession on Wealth Tax to foreign nationals was given. In September 1957 concessions on Super-Tax to foreigners were given to attract foreign investment. I do not know whether it was an implementation of socialism. I agree with Mr. T. N. Singh but I am tracing the history and where we are leading to. I do not know who befuddled Mr. Nehru also at that time. At that time the State reserved industries viz., Drugs, Aluminium, Heavy electrical equipment, fertilizers and synthetic rubber were thrown open to majority foreign participation. In Aluminium the Birlas were permitted to have collaboration with Kaisers. In February, 1958, for the first time, major 3 P.M. foreign participation was allowed in Ceat Tyre (India) with an Italian firm. This was probably immediately after the Nagpur Congress Session, where we talked of socialism.

[Shri Krishan Kant]

I am just telling you what sort of mixed socialism has come in this country. Two other things happened. In 1961 the first thing was that the Indian Investment Centre was set up to attract foreign private capital to India. From this Reserve Bank of India report, I am saying. This was for what purpose? "This was to give an impetus to foreign link-ups, through systematic and sustained efforts to bring together Indian and foreign entrepreneurs. This is now the socialism was coming! The second thing was the financial institutions like the ICICI. The ICICI, which was launched in 1955, was given additional funds by Government to give them not to the public sector but to the private sector. Also, the NIDC, which was supposed to be spearheading the public sector in new industries, was converted into a loan-giving agency for the private sector. An organisation, which was built up in the public sector, was given all the powers and money so that it could give help to the private sector. Now in 1964, perhaps you remember that, after the Bhuvanewar Congress Session,—where we marched from socialistic pattern to democratic socialism—the fertilizer industry in Schedule B was opened up not only to the private sector, but to majority foreign participation also. The fertilizer policy was so modified and they were allowed to come in. And not only that : in 1965 they were given the freedom for price and distribution control and they were controlling its price and distribution. This is how socialism came !

Mr. Vice-Chairman, Sir, it is rather interesting how the new licensing policy had come, and I would like to tell you.

(Time bell rings)

Sir, I should be given at least half an hour, and twenty minutes to every one else.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : The whole period we have got now including the time for the Minister is one hour and twenty-eight minutes.

SHRI KRISHAN KANT : I am the person who initiated the debate, Sir. Will you not count the time taken up by the interruptions made, Sir? Mr. Bhanu Prakash Singh has taken away so much time.

Mr. Vice-Chairman, Sir, it is interesting how the exemption limit in the fertilizer industry has grown up with every passage of socialist resolutions, and how the Government has deviated slowly from planning, and how State control and direction have been reduced after 1952 onwards. The exemption limit was only Rs. five lakhs. This was under the so-called mixed economy. At that time we were thinking that after six or seven years of experience of mixed economy more and more of socialist content would be contained in our policies. But what do we find? In February, 1960, the exemption limit was raised from Rs. five lakhs to Rs. ten lakhs—that was the march to democratic socialism. Then after the Bhuvanewar Session in January, 1964, the exemption limit was further raised from Rs. ten lakhs to Rs. twenty-five lakhs. Is this the march from democratic socialism to pure socialism of the Bombay type—I refer to the Bombay Congress Session after the one in Delhi. Then, Sir, on 19th February, 1970...

SHRI BANKA BEHARY DAS (Orissa) : The Bombay plan was drafted by Tatas, and so is it the Tata Plan?

SHRI KRISHAN KANT : You are talking of history. The Bombay plan was launched before independence. *(Interruptions)* Now in the days of pure or undiluted socialism, on the 19th February, 1970, we raised the exemption limit from Rs. 25 lakhs to Rs. 1 crore. Mr. Vice-Chairman, Sir by this we have opened up the doors for the misdirection of investment completely. Now, Mr. Vice-Chairman, Sir, what I am afraid is that, when the charter of socialism comes, with the trends presently followed and the trends projected to be made in the future, the charter of socialism may contain a declaration announcing a raise in the exemption limit from Rs. 1 crore to Rs. 5 crores, which was perhaps the figure—the Minister might confirm—given by the socialist Planning Commission. Mr. Vice-Chairman, Sir, here is a challenge before the Government to prove today, after twenty-two years of independence, when the people in the country are astir, whether we and our party are astir whether we are sincere in our professions of socialism or not, whether we want our economy to be directed in the proper direction or not, whether we want to control monopoly capital or not,

whether we want to control the monopoly licences and other things enjoyed by them or not.

And how the monopoly has grown, I will just come to analyse. In 1951 the assets of Birlas were Rs. 51.1 crores. In 1953 their assets were Rs. 112.94 crores—after the socialistic pattern resolution adopted by Parliament. Then the Monopolies Inquiry Commission said in 1964 that their assets were Rs. 792.72 crores, an increase of 24 times nearly in six years. But has the rate of increase grown with the growth of the socialist professions? In the next two years—the first was six years—in the next two years they rose to Rs. 458.24 crores. Now it is about 1000 crores. I need not read the figure about Tatas. (Interruptions) Mr. Vice-Chairman, Sir, here we have to decide—and I would refer to the suggestion given by Mr. Manubhai Shah in Faridabad—here the party and the Government have to decide whether we are sincere about having a ban on monopoly capital or not, thus far and no further, no more licences will be given and other avenues will be found out and something will be done. Now, Sir, again the Government has to make the decision and the Government has to tell the country and the people, tell the parties in Parliament, whether they mean business, whether they are sincere to what they are saying, whether monopoly capital is to be allowed to grow or not to grow and whether foreign collaboration is to be allowed to come in or not to come in. Mr. Vice-Chairman, there are very interesting figures and they are in this Reserve Bank Bulletin.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Now you must finish within five minutes.

SHRI KRISHAN KANT : In the period of mixed economy, 1948 to 1955, only 284 agreements were sanctioned for foreign collaboration. In 1956, when the Industrial Policy Resolution was brought, there were 382 collaboration agreements. If you see year by year, in 1957—81 collaboration agreements, in 1958—103 and in 1961 403 collaboration agreements. Mr. Vice-Chairman, in 1964, when we passed the resolution on democratic socialism—we did not want other things—then the number of foreign

collaboration agreements was 203. Somehow, when we needed planning most after the two wars with China and Pakistan, planning was given a recess. I want to know; is this the way how the whole thing has to be done? May I know, Sir, from the Government whether they would like to really stop monopoly capitalism from growing? Then may I ask him that all projects with fixed assets of Rs. 2.5 crores and above should be only undertaken in the public sector and not given to the private sector at all? The recommendations of the Industrial Licensing Policy Inquiry Committee suggested the conversion of past loans and other forms of financial assistance from public institutions into equity which should be accepted and it should be made applicable to all projects where the fixed investment is Rs. 2.5 crores and above. In respect of the industrial houses, because of their growth into monopolies, the Economic Policy Committee of the AICC under Pandit Nehru had said that monopoly capital, if its products came to be made in two or more States, such an industry should be in the public sector, not in the private sector. That should be done. May I know, Sir, if the Government of India will look into this that industrial houses should be encouraged to specialise in one or two industries and not allowed to take up various products.

Now all those things can be possible if you make the public sector as an ideal. But, Mr. Vice-Chairman, today I am constrained to say that is the biggest drawback. When we are asking that we want socialism to come, we want the public sector to grow, the functioning of our public sector is in a very dismal condition. Mr. Vice-Chairman, Sir, through you I would like to ask the hon. Minister if he knows of the report of Mr. Skatchov, the Russian expert who came here and looked into the working of all those projects which were financed and technically helped by the Russians. Now I say with full authority that the Government of India later on approached him and then his report was changed. Mr. Skatchkov was disgusted with the way the public sector institutions were functioning in this country, those public sector institutions where the Russians had given help. And that Report was changed. Was it not better

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that it should have seen the light of the day so that you can work with greater zeal to make the public sector a success? It is in such half-hearted manner that we approach the public sector.

I referred to Mr. Wanchoo because I cannot understand this. Whenever they want to appoint anybody it is either a businessman or an ICS as if there are no other experts, no other geniuses in the country who can manage these undertakings. Here are some figures to show how the public sector undertakings are headed by Chairman. The figures are given in a paper on the nature of management of industrial companies by Dr. S. K. Goyal. He has given an analysis and he says that in the 52 undertakings, 34 per cent of the Chairmen are either ICS or ex-ICS officers, 23 per cent IAS; 27 per cent other civil servants, 2 per cent are from defence services; 4 per cent are from big business; 6 per cent are from politicians.

SHRI DAHYABHAI V. PATEL :
Even now . . .

SHRI KRISHAN KANT : I am glad you are not there ; otherwise you would have made a greater mess.

Other non-officials are 4 per cent. This is how our public sector undertakings are managed. Is this the way we should approach the question of management of our public sector undertakings? Is it public sector or is it bureaucratic sector? The country has to know whether the public sector is to be run as bureaucratic sector, If it is to be run as bureaucratic sector, better hand it over to the private sector. Let us not have these professions of socialism ; let us not pass these Resolutions. Mr. Vice-Chairman, sometimes I feel that it is inverted socialism which we are having, *shirsha-san* socialism. We say something head when it is tail ; we say something tail when it is head. The whole progress of socialism is backward. In Japan a capitalist country there are foreign collaborations and whenever the holding goes beyond 8 per cent they consider it management control but here the Birlas have 500 crores or 600 crores and we do not do anything. May I know from the hon. Minister whether he will tell us what are the Government's intentions, what are the Government's

policies? Are they sincere and serious about implementing all these things and if so what new departures they are going to make in the country in regard to these matters so that the many hopes that were raised about the new Government may not be disillusioned, may not be frustrated? That is my humble request to the Government through you, Sir.

SHRI MANUBHAI SHAH (Gujarat) : Mr. Vice-Chairman, Sir, my task which would have been otherwise difficult has been somewhat rendered very easy because of the previous speaker who initiated the debate on this Report. He started by saying that he would congratulate the Government and the Ministry but if you looked at the contents of his speech nothing could be more denouncing and more condemnatory of the working of this Government. Now, it is not my purpose here today to condemn the Government roundly. I would like to take the House into confidence as far as the statistical compilation of the present state of affairs in the country is concerned regarding industrial production in the different sectors of our economy. Sir, I am only taking the figures from the Ministry's Report lest somebody should say that figures which I will be quoting are not tallying with those which are published in the Report. The basic point that emerges is as against the growth of 8 per cent at the compound rate of industrial production over the years from 1960 to 1966—sometimes it was 9 per cent in those years—there was virtually no growth at all in the years 1966 and 1967. Actually it was minus in 1967 and furthermore in 1968 and 1969 what we are reaching is about an average of 6.5 per cent per annum. As a person who has worked both in private industry and as a Minister in the State and the Centre I am shocked to see that the industrial growth instead of rising is continuously deteriorating in this country for the last few years in spite of the fact that human development in the industrial sector in this country has been enormous as compared to any developing country of the world. It was a matter of great privilege that we could establish three steel plants within a period of five or six years and it was the large number of young men, engineers, technicians, managers, administrators and others which made this possible. But if the Government of the day and

the Ministry fail to give proper leadership the result is what we are witnessing today. And whenever we have asked questions in this House and in public as to why there was no increase in production in 1966 and 1967 and why it was minus, we have had no satisfactory answer. In the whole history of 22 years, even when planning had not been started our production had risen yearly by four to five per cent. During the First, Second and Third Plan, as I have mentioned and as is borne out by the facts, the growth of industrial production has been on an average 9 to 10 per cent. It is only in the last few years, particularly last four years, that the production is sagging and is on a declining trend. In spite of two favourable monsoons we have not been able to pick up more than 6.5 per cent. Now the problem here is, what are the reasons which have led to this state of affairs. Every time they say that famine and scarcity of the two years have eroded the purchasing power and that is why there has been a recession and that recession is the main cause they say, for the slower industrial growth. In my view it is all right as an alibi; it is a reason which nobody can easily challenge because there was famine. But there have been famines in the past also. In these twenty-two years of Administration and the existence of democracy this country has witnessed famines. The main problem is that a proper atmosphere has to be created in the country and a motherly nurturing service and leadership should be provided. If each and every individual segment of the economy had been properly attended to we would have been in a much better position than what has been brought out in this Report, the previous Report and the still previous Report of the Ministry of Industrial Development and other Ministries of the Central Government.

Now we have been witnessing this industrial growth which in terms of indices stood at 52.4 in 1966 came down to 151.4 in 1967 and 161.1 in 1968 and between January and November 1969 it registered at 170.7. If we see the trend of industrial growth in the last ten to fifteen years, since the time industrial planning began in this country, it is not as if the growth comes from the air; it is like the growth of a tree. It requires human energy, technical skill, administrative

ability and a proper atmosphere and leadership so that the entrepreneurs, both in the private sector and in the public sector, can function in an effective manner. Then only growth takes place. But what is the position in the country during the regime of this Ministry for the last three or four years?

The annual average flow of applications for licences was in earlier years 1961 to 1968 of the order of over 2,000 per year. It was 2274 applications in 1965. After the first process of delicensing started in 1961 raising the limit of delicensing, as my friend said, to Rs. 25 lakhs, the number of applications received was 2274 in 1965, but what is happening today? As deterioration took place in the atmosphere in the country for various reasons to which I shall come later, as the leadership in this and other Ministries declined, as the dismemberment of the Commerce and Industry Ministry took place, we find that during the years 1966 to 1969 the average rate of applications for licences received was only 1,100 per year as against the average of 2,000 applications per year in earlier years 1961 to 1965. On an average 2,000 entrepreneurs were coming forward from year to year to increase the dimensions and horizons of industrial development but today we have been brought to this state of affairs even though conditions of human development and other factors have improved. We had a bumper crop of foodgrains, larger development of technological skills in the country but still we have not been able to achieve even the previous rate of growth when really we should have considerably jumped up. We have now half a million engineers, we have acquired greater managerial talents but with all this, the number of applications for licences per annum went down from 2,000 to 1100. And the applications sanctioned was a miserable 415 per annum during 1966 to 1969 as against an average of 800 applications per year being approved earlier during 1961 to 1965. The problem that arises is, why did this happen? When the leadership was changing everybody was saying, After Nehru what, After Nehru who. We knew that democracy will throw up new leaders and that the question 'After Nehru Who' was not a matter we should be worried about because we have laid the founda-

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tions of democracy in a big way. But After Nehru what has become a classical question now. Now, I have no objection to what Mr. Krishan Kant says but does he realise that democracy in this country can be built up only by Joint efforts from all sides? Two things we have accepted, socialism and the development of public sector and the private sector, and the contribution that many of us have made entitles one to say this. Unless and until in the mixed economy that we have, there is a commanding height for the public sector in the economy there is no chance for growth and achievement of socialism in this country. There are three aspects. One is the private sector, with large-scale and small-scale industries. Then, there is the co-operative sector of industries to which Mr. Kulkarni has been wedded and many of us swear by that. Then there is the public sector. I will come to the performance of the public sector later on. But what about the investment pattern in the private sector of industries in the last four years? I would compare it for the information of the House.

From the year 1961-62 up to 1966-67, the new capital raised against consent *i.e.* paid-up capital was much higher, and the actual paid-up capital in the private sector was on an average Rs. 120 crores per year between the years 1961-62 to 1966-67. Now, the new atmosphere comes where various types of questions are being raised, to which also I will make a reference later on. In these last three years *i.e.* 1967-68 to 1969-70 the paid-up capital in the private sector comes to Rs. 64 crores per year. Therefore, just when we thought that the enthusiasm of the people should be harnessed, we find delays in decision. Applications were not being attended to in a proper manner and a hundred questions were being raised without giving legitimate support to the entrepreneurs to industrialise the country. Every time there were various types of character assassination, various types of allegations and various types of enquiries and committees, to which also I will come during the course of my speech. Capital formation has dried up. The Governor of the Reserve Bank said recently that unless you revive the industrial investment climate in the country, both in regard to investment

in the private sector and the public sector, you will have nothing of industrial development in the coming years. Why is scarcity of capital developing? It is because production is not catching up and as the purchasing power of the people in the countryside is going up, you find the scarcity of *vanaspati*, paper and other consumer goods. There is a terrible scarcity of steel. Where we should have reached in the public sector, as envisaged in the Third Plan, ten million tonnes of finished ingot steel, per year, we could not reach even six million tonnes. This is the performance of the two sectors. The investment pattern did not keep pace with what this country requires to break through the barriers of poverty and to help our people to attain their modest living, decent living. Therefore, I would beseech the House, the various Members to create a healthy and helpful atmosphere and climate. In the past, I have seen that this August House has backed up various types of proposals both in the public sector and the private sector. It is not only the Minister who runs the Government. It is not only the Prime Minister who runs the Government. It is also the function of this House, the function of the public in general to appreciate and support good efforts. Certainly go against those people who have mis-handled money, who have defalcated money, but for the sake of one man or one or few firms, to which some Members take objection, or for the sake of a feeling that monopolies are growing in certain sections we should not vitiate the whole atmosphere and climate of growth. Because the Government did not know its mind, they appointed the Dutt Committee, a classical Committee which produces a report on how the industrial licensing has led to concentration of wealth. Firstly, I submit that industrial licensing can never, whatever be the policy of licensing, be a potent instrument for curbing monopolies or concentration of economic power in few hands. There are many other measures. Nationalisation of industries is one effective instrument which we have adopted from time to time. Nationalisation of banking is another which we have adopted. The commanding heights of the public sector the growth of the small industries and medium industries and the regulated growth of the large-scale industry in private hands are some of the measures for curbing this evil and checking concentration of wealth in

the hands of a few people. Now, if all these things are balanced, then alone it is possible to check the concentration of wealth under a mixed economy.

I want hon. Members to ponder over this matter, without any blind faith in a particular dogma. Either we accept communism. There will be no private property. I am for private property and I am not for private property. Therefore, I am not against it, if you decide to do away with private property. But if you want socialism in this country, socialism in the true sense, you will have to stand by all the defects and achievements of the private sector in a mixed economy. Also we will have to stand by the managers of the public sector with all the handicaps they are experiencing today. You will have to back up where the work is good and condemn individual cases where the work is bad. I have gone through the reports of many Parliaments of this world and having been in association with the Governments of twenty-two years, I have not known of any Government handing over to the committee to scrutinise the working of the same Government for the past ten or twenty years because during this period the Government belonged to the very ruling party as it is today. The whole gamut of licensing was to be examined in order to find out who benefited by the licensing and you find a mountain of labour producing the proverbial dead mouse. Who are these three great gentlemen? None of them was an economic administrator. They had never been industrial entrepreneurs. None of them had worked in an industrial sector. Because the names are known. I do not want to give their names and you have entrusted to them the examination of the entire industrial sector. Suppose there were some well-known people who had their socialist bias, I do not mind. Select whom you like, but then select people who have some experience of this type of activity and administration. They would have then written chapter and verse about the saga of industrialisation, which India has achieved in the last two decades since Independence. No developing country out of the 77 or 81 countries can claim such an achievement. India was a pioneer in industrialisation. We broke through the barrier of technological infancy. Before 15 years, we did not even make a pin. We were only bottlers of compounds. We were filling certain

imported bulk antibiotics, penicillin and vitamins and various other things in vials. When I came into the Central Ministry in 1956, the production of industrial machinery in this country was worth Rs. 15 crores and about Rs. 150 crores of assembled goods. Today our production of machinery and equipment in the public sector and private sector is worth Rs. 600 crores. This is what we have achieved. What has the Dutt Committee to say except to run down the great achievement? When I read the Dutt Committee Report I remembered Mahatma Gandhi and what he said about the book—"Northern India" written by Miss Mayo on India. Bapu said that this book was presented to him and when he read it he felt that it was a drain inspector's report. Similarly, I would consider the Dutt Committee's Report. . .

SHRI KRISHAN KANT : What were the terms of reference of the Industrial Licensing Committee? Whatever it was, it was not a monumental work.

SHRI MANUBHAI SHAH : My point is that no Government in its wisdom would appoint such a committee. It was within the competence of the Government to change the terms of reference and formulate the terms properly. I am neither defending the appointment of the Committee nor its terms of reference. I am merely questioning the wisdom of the Government, a Government which wants to run the country with stability, which wants to achieve progress, which wants to have socialism leaves to a Committee which condemns them. . .

SHRI BHUPESH GUPTA : Miss Mayo "examined" India's drains, but the Dutt Committee examined the drain called monopoly capital.

SHRI MANUBHAI SHAH : Whatever it is, it is a drain inspector's report on the great achievements of the industry, both in the private sector and public sector.

SHRI CHANDRA SHEKHAR (Uttar Pradesh) : Mr. Manubhai Shah, if you go into the Report of the Dutt Committee you will find test cases and how deeply you are involved in all these things. I know that. Do not condemn the Dutt Committee. Mr. Manubhai Shah, if you want, I can bring some of those reports

THE LEADER OF THE OPPOSITION (SHRI S. N. MISHRA) : Mr. Vice-Chairman, on a point of order, it does not behove any hon. Member to refer to the conduct of another hon. Member.

SHRI CHANDRA SHEKHAR : Why not? The hon. Member is condemning three hon. and distinguished members who have signed the Report.

SHRI S. N. MISHRA : If he wants to refer to anything, we also would refer to many other things.

SHRI M. M. DHARIA : You can refer.

SHRI CHANDRA SHEKHAR : Do not threaten us that way. This is not the way. You are treading on the wrong path. You cannot be allowed to run amuk like this. I am not a Minister to be taken in by such threats. If you give me such challenges I would bring out these matters before the House. Mr. Vice-Chairman, I say only this. All those three gentlemen who have given this Report, are not present in the House and the hon. Member who is mostly responsible for many of the misdeeds in the previous Government is condemning this Report because he is certainly involved in the matter.

SHRI S. N. MISHRA : Why do you allow it? If the Chair is allowing such remarks, then shall we also say all that?

SHRI BHUPESH GUPTA : Why are you wasting time? The Dutt Committee was entrusted with the task of inspecting the drain of the Birlas, corrupt Ministers and officials and having done the inspection they made the report, which will certainly be a monopoly capital drain inspectors' report.

SHRI CHANDRA SHEKHAR : It will be in the fitness of things if the hon. Member cares to study the reports submitted by them. The case-study reports were laid on the Table of the House, so that you may know who were the drain inspectors, who were the culprits responsible for draining out all the resources of the country to the foreign nations.

SHRI MANUBHAI SHAH : The hon. Member will have opportunities many times to do this. I had worked in this Ministry. Mr. T. T. Krishnamachari had worked. Mr. Morarji Desai

had worked. Mr. Lal Bahadur Shastri had worked. Mr. T. N. Singh had worked. It was not one Minister at one time connected with this Ministry. Let them examine them. Let them examine them again and re-examine us. We have nothing to hide. A dozen people presided over this Ministry. We have nothing to hide. Let anybody examine what he likes, but the fact of the matter is that the Dutt Committee did not comprehend that they were examining a great country's industrial achievement. (*Interruption*) You will have your say. There are many days in the session in which you will get an opportunity to attack me. Therefore, Sir, what I was saying is this.

SHRI M. M. DHARIA : The Leader of the Opposition has raised one vital issue. Mr. Manubhai Shah is criticising the report. Particularly the various credit surveys which were before the Dutt Committee, they have brought on record and the various misdeeds of one person. Naturally if he wants to criticise the Dutt Committee report, there should be an opportunity for others to see that all those study reports should also be considered by this House. There is nothing wrong in it.

SHRI MANUBHAI SHAH : I have no objection to anybody bringing any report.

SHRI CHANDRA SHEKHAR : If the hon. Member wants, I shall lay it.

SHRI MANUBHAI SHAH : What I was saying is this. The first was that the appointment of the Dutt Committee without any understanding that if you examine all these matters without the positive achievements of the country being brought out together—the net impression that it will leave over all the foreigners and people of our country will be of utter condemnation of all that has taken place during these two decades of achievement of our country.

Coming to the second point, what were the other factors? When we said that entrepreneurship should be developed in this country, we were for a progressive policy. All of us know that devaluation was brought about in June 1966. I am not against devaluation in certain circumstances. I fought hard against devaluation then because it was my contention, which has been proved

by facts, that I was brought above at a wrong time. As the world economists described our devaluation at that time, "it was like a big departmental store declaring a grand reduction sale when the shelves of store were empty". This country was facing an acute famine in 1966 there were no food-grains, jute production had gone down, sugar was not available, most of the other goods were in short supply and at that stage we requested the leadership of this country at the higher quarter that this was not the right time for devaluation and that the quantum of devaluation should be smaller, that the quantum should be different. It was not devaluation of the rupee that took place. It was the devaluation of the prestige of this country that took place throughout the world. Our own people thought that we had mismanaged our economy. We had devalued ourselves politically, economically and socially both in this country and abroad.

AN HON. MEMBER : Was it not under America pressure ?

SHRI MANU BHAI SHAH : I am glad that you remind me of that. I have a feeling that this was done at the pressure of one country. Again, I have never heard devaluation being accompanied by import liberalisation. Because somebody has agreed to foot the import bill and give as much money as we want we had even been asked to suggest that our import policy must be looked into by them. I will not name the authorities because we have so many relations with them. We have the love of this country at heart. We do not want to bargain that love for anything. But I would say this that it was done under foreign pressure and at a wrong time and in a depth which has also caused economic havoc. Devaluation was brought in at the wrong time. When the investment pattern had to be stepped up, devaluation raised the cost to the investors. What was to cost somebody Rs. 10 crores cost him Rs. 16 crores. Somebody had a small project of Rs. 20 lakh ; he had to pay 57 per cent more, that is Rs. 12 lakhs more. Like that so many investment proposals died. When I gave the figures to show that investment went down, it was also partly, in a larger way, due to the devaluation that took place. Then what happened? After the mistake of devaluation, other mistakes also were committed. It all started as if the love for the radical

approach to problems meant that the private sector was always to be hammered at and fought out. Commissions after Commission of enquiry were to be set up, and what did they produce? If you see their recommendations and the decisions of the Government on the Dutt Committee report, that is a classical example in administrative folly. You will not be able to prevent by the industrial policy announced now any concentration of economic wealth. The new policy will add to more concentration than any policies in the past. Over Rs. 5 crores, you have allowed industrial licences to all big industrial houses. It is these big investment projects which mainly contribute to concentration of wealth. I in a humble way had the temerity in 1953 to write on bank nationalisation ; I wrote six articles in a Bombay weekly and continued to write about that. In 1956, when I joined the Central Government, I wrote that the bigger houses should be denied big project licences. But nothing was done.

(MR. DEPUTY CHAIRMAN in the Chair).

Now about the new licensing policy I again warn you that licensing is not an instrument to check monopolies or concentration of wealth, because as long as your public sector does not achieve the commanding heights by proper performance—to which I will come later all this talk of licensing being an instrument of checking the growth of monopolies is just bunkum. This Committee produced a document on which it was necessary for them to have wasted all these years. The great Prime Minister Nehru was the architect of the theory of socialism in this country. I have worked with him shoulder to shoulder as his small colleague. A large number of agreements out of 87 major public sector projects have been signed by me with the Communist countries, with the U.S.A., with various other countries.

What do you find in the public sector steel plants of India which are public undertakings? In 1969-70, 5.9 million tonnes was the rated capacity of Bhilai, Durgapur and Rourkela. But what did they produce? 3.4 million tonnes. We lost 2.5 million tonnes by bad performance, and as evaluated by the Committee on the public undertakings, the public sector steel plants are working to 50 to 68 per cent of the rated capacity. Where

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is socialism? Unless we improve the administration of the public sector undertakings, our economy will never progress. Some of the champions of the public sector, who always denounce the private sector, have not even an understanding of the problem that the management of the public sector has to improve. If we have to succeed in socialism in this country, in my view the main remedy and the most important remedy is improvement in the management of the public sector. When we were negotiating Bhilai, Durgapur and Rourkela, we were told by the British, the German and Russian experts: "You live in ignorance without understanding the process of public sector growth and the management of the economic apparatus, while all the time talking of socialism without bringing about the needed improvement in the public sector". A man with an experience of *Vanaspati* marketing Government appoints as Chairman of H. S. L. after keeping the post vacant for one whole year. The same is the case in various other projects. Are we so short of men of calibre? Shri Krishnakantji has given the types of people who are Chairman of our public sector undertakings. He has lightened my task. The Volkswagen, which is Germany's *magnum opus*, had a Chairman for 17½ years, Dr. Nordhoff. I had occasion to meet him some years before he died. He said: "As far as I am concerned I produce results. Many Ministers have come and gone, but I am here on this plant". For the management of a big enterprise you have to select the right man. You have to have him there for at least five or seven or ten years, not change him every third day because somebody does not like him or somebody else has to be provided for or somebody else is spoken highly of at good dinner or lunch party. In the mismanagement of the public undertakings, let us see what have we lost? The Public Undertakings Committee says that in 1966-67 H.S.L. lost Rs. 19.8 crores; in 1967-68 Rs. 38 crores; in 1968-69 Rs. 39.42 crores; in 1969-70 Rs. 27 crores. At one time when I had a temporary chance to look into the Steel Ministry, we had reached 95 per cent capacity in Rourkela and about one hundred per cent capacity in Durgapur. Today if the working is 50 per cent or so of the rated capacity, we have lost 2.5 million tonnes. If

you take the average price of billets and flats at Rs. 1000 per tonne, the national exchequer has lost Rs. 250 crores worth of production in one single year in our public sector steel plants. This to my mind is a great national loss. I would have liked the public sector to make a profit, because in my time I have seen the Hindustan Anti-biotics making profit. At other times, other projects also used to make profit. There may be times when a new growing concern can suffer some loss in the beginning. Prime Minister Nehru used to consider Hindustan Machine Tools as a shining jewel of the Indian public sector. We used to boast and Prime Minister Nehru mentioned in the Lok Sabha that the H.M.T. from 1962 onwards was going to add one HMT unit every year out of its own profit. If the House looks HMT's profits, they are: Rs. 215 lakhs in 1962-63; Rs. 300 lakhs in 1963-64; Rs. 3.78 crores in 1964-65. Then comes the sorry tale. In 1967-68 Rs. 66 lakhs loss; in 1968-69 Rs. 34 lakhs loss; in 1969-70 Rs. 1 crore loss. Is this the manner to achieve socialism? Is this the manner by which you say that the concentration of economic power will be prevented by the public sector achieving commanding heights? Therefore, I would plead with the House I have no grudge towards anybody who condemns me but I am prepared to tell him that unless you hold the balance even for those who are working in the private sector, it is not right. They should not be brought into contempt continuously with harping against them, with character assassination. Punish the defaulters as much as you like. The laws of the land are wide and stronger. If one has to enact a special law to punish an evildoer, do it. But to condemn them all, round every day is not right. If you go to the lobbies of the Ministries, the officers are afraid: they are nervous as to who will be handed over to the police, everybody fears that there will be inquiry against them. Why should anybody work? Questions are asked: Why were the licences issued in two or three or seven months or one year? Delay is encouraged, and quick action is punished. That is the atmosphere. If you create that, you will never get out of the vicious circle of poverty. Unless there is production and continuously increasing production to distribute, what shall we distribute except poverty? If socialism is to be achieved, the first thing is that there

should be a growth-oriented economy with identification of points of growth to be tapped and developed by the Minister. May I say that I have nothing against the personality of the Minister? But this is a difficult task. Some acquaintance with and knowledge of this type of administration is required. I would suggest that some persons who have knowledge of this matter should be there, even though it may be a minor portfolio or a bigger portfolio. A senior man like him can be put in charge of something else to look after. But here we want men with knowledge, men who are committed, men who have some understanding of the process of industrial growth and people who can stand up in this House with courage and knowledge against either the friend or the foe and defend what is defensible; can fight against what is wrong; can penalise the evildoer. But never to succumb every time to some pressures because somebody has advanced some argument against him and to find some scapegoats and then to make the whole administration loose and weak is not good. Commission after Commission have been appointed. Another Commission will examine the same thing after 20 years. Is this the fruitless task to which this Ministry is wedded that you have to get another High Court Judge to examine again the working of the big houses and the licences? There are better methods to do it. On specific charges, any defaulting party or parties can be prosecuted. Even you can condemn those people. But if you create such a climate in this country, what will happen? Sir, whenever I look at some of the industrial complexes at some places, what do I find? The Gujarat Petro-Chemical Complex which was to have been finished three years back is still lingering on because every time the Minister and the Ministry are afraid as to what will some people say. Just like for the Tata Fertilisers, two, three, four years have gone. The Gujarat Petro-Chemical Complex is not the property of Gujarat, it is the property of the whole nation. If you want to do it, do it quickly; if you do not want to do it, then stop it. But if you are determined, give something to the private sector and something to the public sector. Time is the most important input in a socialist country. Money is not the input, money can come and go and money can multiply. But time is the most

essential input which we should take care of. Let the Minister say, yes or no. But do not make the entrepreneur hang on or make him the laughing-stock of the world, saying parrot-like that it is coming, it is coming, just like the picture houses of the fraudulent people where people who have got tickets get disappointed and go back when the show does not come up. That is what I am saying—you say, “aya, aya”, but the Tata Fertiliser never comes up. The Gujarat Petro-Chemical Complex does not come up. The Madras Refinery Complex is still in the air. I appeal to this House and to our Minister who is my personal friend to see to this that time is the essence of the whole thing. This country is fighting a battle against poverty. If you cannot remove poverty, the Naxalites will take over, whether it is a political problem or an economic problem or whatever problem you want to call it.

Sir, I just want to say something about the small-scale industry. Now, one of the segments of our Industrial Policy is to bring about decentralised economy, to remove the concentration of wealth, to see that the wealth is properly and widely distributed, to create a million small entrepreneurs in the small-scale industry with units of five thousand or fifty thousand or a lakh of rupees. What is the plight of that small-scale sector? We give foreign exchange to the extent of about 1,300 crores of rupees to the large-scale enterprises and the heavy industries in this country, but we are giving only Rs. 75 crores of foreign exchange in 1966-67 to these small enterprises. And the present allocation is only Rs. 51.5 crores in 1969-70. Is this the way to treat the small-scale industry? I am saying this deliberately because you say that all the import restrictions and all the import troubles are only to visit the small man but the big man is given two crores and three crores worth of licences. Why not have a deliberate policy of at least allocating out of Rs. 1,500 crores, Rs. 100 or Rs. 125 crores of foreign exchange for small industries which will be a quick relief to the deserving small people? I do not say that you should fritter the money away. But the small people want it. They cannot even approach the various types of officers; they cannot telephone them just like the big people or ask them to the Ashoka Hotel and contact them.

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This is their plight. I know that my friend, Mr. Bhanu Prakash Singh, takes a lot of interest. Some people may consider him to be less important or more important. But I know he takes personal interest. And as he is holding the charge, I have to appeal to him. I would request him to make every effort to see that a proper law is enacted by Parliament called the "Small-scale and Ancillary Industries Development Act, 1970" by which you can give statutory protection to certain ancillary items which the large-scale industry should not manufacture. We have toyed with this idea for too long. Every time we talk of a common production programme, reservation in the field of development. My friend, Mr. Development Commissioner, shouts a great deal but nobody listens to his words because the people who command the administrative heights have very little sympathy or acquaintance with the problems of the small-scale industries. Therefore, this august House should decide to take up a policy and see that we protect the small-scale industries, give them greater input and see to it that their requirements are fulfilled. I can assure you from my long experience of the small-scale industry, as the first Chairman of the Small Scale Industries Board of this country, that the small man will deliver the goods. He is ready today as never before because there are people who are skilled. But they only want finance and a certain amount of foreign exchange. If this House cannot spare, if this Ministry cannot spare Rs. 100 or Rs. 125 crores for the small-scale industries when Rs. 1,500 or Rs. 1,200 crores are there for big people, it will be a woe unto us. No socialism will come about if only those organised big sectors are to be brought into the picture all the time and then with Commission after Commission being appointed. I am again repeating it because I am not speaking out of anger, but I am speaking out of pain and anguish. This country launched upon an industrial revolution of a magnitude not seen before and the other developing countries of the world including Pakistan, Burma, Ceylon, Thailand and countries of Africa, were looking to us. There is a book written by the United Nations on "Model India," on the growth of the small and medium-scale industries. Now we have come to this plight that

our own countrymen do not get the hearing that they deserve. Before I conclude, I only want to say this. The hon. Minister and the Prime Minister both—I do not want to criticise the leader of this country because we have worked together—must be very clear that we have to have a mixed economy with a well-supported and regulated private sector and with the public sector in the commanding heights. They should give a comprehensive policy-orientation to this healthy approach. Every time some problem comes up, by immediately not defending the correct thing, by not punishing the wrong thing and putting off the thing and merely going on creating such a climate, we will be facing a crisis.

After the devaluation, we thought that the exports would go up. What happened? In these five years, the total growth of exports from 1964-65 to 1969-70 was a gross 10 per cent with 2 per cent rise per annum at simple rate of growth, not compound rate of growth. Before that in the Third Plan, we had 20 per cent rise in our exports giving us an average growth of 4 per cent. we are now talking of 7 per cent of export increase. Where will the export viability come unless production goes up, unless you decide in the House that the atmosphere will be created which will all the time give a spurt to production? And we should have a policy, production-oriented. See that those people produce more. Now, if anybody produces more than the licensing capacity, under technical reason or other, the Ministry writes a letter to him, "why did you exceed the licenced capacity?" I hold no brief for anybody. But we must support production increase, we must have policies which will be production-oriented and growth-oriented and not the type of policies which today compel us to call this Ministry as the "Ministry of Industrial Ignorance and Industrial Stagnation."

SHRI A. G. KULKARNI : Mr. Deputy Chairman, Sir, I am very happy that I am getting a chance of participating in this debate particularly on the working of industrial undertakings. Sir, at the outset I am one with the view expressed by my colleague that this country has got a spectacular record of building industry in an under-developed country like India where technology was absent. It is really the

leaders of this country who have taken steps to create a formidable industry and an industrial structure which, if properly utilised and all the policies co-ordinated, will work miracles.

Sir, at the outset, I think we should not make an injustice about the performance of the Ministry and the Minister because this all has to be seen in the background of recession though my colleague Mr. Manubhai Shah, said that recession should not be always taken as an alibi. Sir, he is also a technocrat and he knows me as a technocrat that any pick-up in the industry takes a certain time; it is not a magic that once the wheels of the industry grind to a halt, you cannot pick up industrial production immediately. Sir, I for one impartially think that the credit goes to the present Minister, Mr. Fakhruddin Ali Ahmed, for taking it out of the rut of recession. The growth which he has mentioned and the growth which he has been mentioning are not comparable. He was also responsible for it. Recession in the engineering industry has halted industrial production in this country. In that background, perhaps he was unfair when he stated that the growth in production in 1967-68 or 1968-69 should not be taken as a comparison with the previous growth.

Sir, I do not want to spend my time in giving figures because already so many figures and statistics have been given. I say Sir, in the background of recession, the work of the Industrial Development Ministry, particularly in increasing the corporate sectorial sector's production like steel, like zinc, like aluminium, like machine-tools is absolutely a commendable performance.

As for the performance about licences, my colleague, Mr. Manubhai Shah, said that against some 2,000 licences some 500 licences were issued in this period. Sir, I know what type of licences and what type of applications and duplication were made. The Dutt Committee has really studied this problem. The difficulties and results of the Dutt Committee can be gone into by experts. I can understand that because there are some genuine difficulties. But they are not for the larger sector, for people like me in the smaller sector. In this connection, he will agree with me that since the value of the licences was increased to Rs. 25 lakhs naturally that led to a reduction into the number of licences.

SHRI MANUBHAI SHAH : It is after taking into account the delicensing of industries upto Rs. 25 lakh investment. This policy of delicensing was implemented in 1964 onwards. After that the number of applications received in 1965 was 2,247, whereas the number of applications for licences went down to half in the last four years.

SHRI A. G. KULKARNI : That is what I am saying. After increasing the figure to Rs. 25 lakhs and after taking into consideration recession, the number of licences and entrepreneurs coming forth is going down. That is why I am bringing to the notice of this House the fact about the licences. I think, Sir, the growth between 1951 and 1969 period in industry and commerce was not also very bad, giving all the credit to the recession period.

About the capital formation and the dying down of, what you call, the investment climate, I am not one with you. Sir, if you see the performance of the industries, as available in the Reserve Bank Bulletin or in the statistics available, 63 per cent. of the companies in this country in the corporate sector have improved their performance in 1967-68 and 1968-69. This is the report as available with me from the Reserve Bank. So, Sir, when the performances are being improved and profitability has been maintained even at the cost of great competition, how do you say that the Ministry's work is not up to the mark or the Ministry lacks a certain vision in this connection? But if Mr. Manubhai Shah agrees with me in his clear heart, the difficulties are of the past period also. Though you have created a large capacity in this country, it has been observed by various Commissions and Committees, that the capacity created was disproportionate in certain industries. That might have been created in enthusiasm, I do not deny. But having that capacity not utilised, the blame on the future Ministry or the Government-thinking is not right.

I say, Sir, the capacity created in wagon-building was commensurate with the requirement. The capacity created in certain other sectors was commensurate with the consumption. No. It was created in an atmosphere of enthusiasm and an atmosphere to industrialise this country. I can understand that up to that extent the capacity was

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unutilised, and that is why the production lapses are there. I can understand also that there are production gaps still in certain industries like aluminium, paper, etc. which have to be taken care of. Sir, I am going to devote my major time to the small industries. Therefore, I do not want to go on arguing on other matters.

Sir, the Industrial Development Ministry has great achievements to make. Nobody has referred to it. It is in the case of import substitution. Sir, during the last two or three years a greater stress has been placed on import substitution and a staggering figure of Rs. 600 crores of import substitution has been achieved. In regard to foreign collaboration and import of foreign goods, I am prepared to go to an extent that it should be completely banned. But I know that certain vital industries are depending on them, and we should not take that drastic step. Therefore, credit should be given to the Ministry for indulging in a process of import substitution which, in the long run, will help the industrialisation of this country.

About small industries and the policy of the Government of India in regard thereto, I have got certain observations to make which may not be palatable. I do not think that there is a faith lacking in small industries in the Ministry's thinking. The faith is there, the faith that small industries have to be encouraged at all cost. But where the shoe pinches and who is throttling the pipeline I do not know. I do not want to blame any officer or any bureaucrat or any Secretariat people. But I say, Sir, the Ministry has failed absolutely in protesting the interests of the small industry.

In this connection also I say that the recent relaxation in the industrial licensing policy has got potentiality of throttling development in the small-scale sector. The cardinal object of licensing, among other things, is to channelise the resources available in the country in fruitful productive activities and regulate the overall growth of the economy by avoiding sectoral imbalances. Presuming that this should be the object of our licensing policy, it is difficult to visualise how liberalisation of licensing to the extent envisaged is going to meet the aims of centra-

lised planning and prevention of excess industrial capacities at the same time promoting horizontal and decentralised industrial pattern. Though this liberalisation gives the maximum of freedom and scope to private enterprise and initiative and adheres to the true democratic principle of *laissez faire*, it should be ensured that it does not throttle the growth of small units.

Sir, I do not want to enumerate here the achievement of the small industries. By the way, I can say that out of the total gross contribution by the corporate sector, I think the contribution by the small sector was something like Rs. 1150 crores, and it is giving employment to a sizeable number, about 8.5 million employees in the corporate sector. About, I think, 5.3 million accounts for the small sector. Sir, what I want to say is the small industry is not merely a slogan. It is a movement with a message which aims at transforming our economy into a socialist frame. This economic transformation is a must to achieve egalitarian social structure to fight unemployment, to eschew monopoly and to wage a war against the spectre of poverty.

Sir, the Government documents wax eloquent or shed crocodile tears about helping the small industry. Truly speaking, I have got no praise at all for the Ministry's working in this respect. My colleague, Mr. Manubhai Shah, has rightly stated that

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Board has been there for the last ten or fifteen years in this country fighting for getting a proper share for small-scale industries commensurate with their capacity for receiving the raw materials, indigenous as well as foreign. What has the Government achieved? It is on record that while the corporate sector with the DGTDL level gets about 75 per cent of licences, it is a shame for any Minister in charge of this Ministry to say that the small-scale industry is not even getting 25 per cent of its capacity. I do not understand why the Ministers are sitting here. They must see that the necessary raw material is made available to the small-scale industry and the problem of its growth has to be solved with top priority. You want to achieve your social objectives, but it is no use talking of socialism. Mere theoretical socialism will not help the specific

objectives of a welfare State. A negative aspect of socialism is not going to help anybody. In that connection I want to suggest one thing. As regards the availability of indigenous raw material I am in correspondence with the Minister for the last one year, but without any help. It is a fact that the industries at the DGTD level are producing with the raw materials which are meant for ancillary or small-scale industries. I am pleading with the Government to please allocate certain of these scarce raw materials on a priority basis to the small-scale sector because they are starving of raw material. And the reply I get from the Government is, "we are thinking over it". I can quote figures about indigenous production, if you want. But since I do not have time, I will not read them. They are on the records of the Ministry. I can give you figures about indigenous products which have been produced by the large-scale sector on the basis of import licences granted by this very Government and they are earning 100 per cent and 1000 per cent profits. Take the case of nylon. Take the case of copper, stainless steel. I can quote any number of instances. In that connection I pleaded with the Ministry to please use any Essential Commodities Act.

Sir, I have no other suggestion to make today. If necessary, the Government should utilise its powers under Section 18(g) of the Industrial Development and Regulation Act which empowers the Government to ensure a portion of the production of the main producers to the consumers. Section 18(g) says,—

"The Central Government, so far as it appears to it to be necessary or expedient for securing an equitable distribution and availability at fair prices of any article or class or articles relatable to any scheduled industry, may notwithstanding anything contained in any other provision of this Act, by notified order provide for regulating the supply and distribution thereof and....."

I do not want to go into that matter now...

SHRI PREM MANOHAR (Uttar Pradesh) : Is the Ministry aware of it?

SHRI A. C. KULKARNI : It is perhaps aware of it. (*Time bell rings*) Sir, please give me five or ten minutes more. This is a very important subject.

Now I come to the indigenous raw materials and the provision made in the Industrial Development Act and other rules. My colleague, Mr. Manubhai Shah, has rightly stated that it is a poultry amount of foreign exchange that is allotted to the small-scale sector. The small-scale sector gets a wrong treatment in the allocation of foreign exchange. They give us not the free foreign exchange, but they give us what you call a tied-up, a linked-up, foreign exchange which we cannot utilise. So, an operation has to be done in the Ministry of Industrial Development for the benefit of the small-scale industries.

Another point I wanted to mention about the small-scale industries was about the reservation and the liberalisation of their industrial policy. I tried to highlight this problem during the last session and I am again highlighting it now. I tried to explain to the Minister a few cases. After studying the entire pattern of their policy, I cannot say I am really happy. But about certain unreserved items I am convinced that by not reserving certain items you have introduced an element on competition into the production capacity whereby so many entrepreneurs can take advantage of this. But at the same time you must take immediate action as regards reserving certain basic products for the small-scale sector. In that connection I want to say, do not reserve broomsticks and chopsticks and such other sundry items. The small-scale sector has already grown very much. It is manufacturing even electronics now. It has gone into the consumer goods. It has gone into the chemical industry. Sir, an immediate survey must be made. The Federation of Small-Scale Industries has submitted a list of 171 items. What forbids you from reserving all those things for the small-scale sector? If you have any love for the small-scale sector, immediate action in this matter must be taken.

Another point I want to make is on the report about the development of ancillary industries. There must be some statute, some law in this connection. We know Mr. Bhanu Prakash Singh's team went to Japan. They also printed a book. And hundreds of such books and reports are available with the Government. In U.S.A. also where 60 to 70 per cent of the work has been given to the small-scale sector, they have protected the small-

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scale sector statutorily. The same is done in Japan, in England and such other countries. And in this country I do not know what forbids the Government from doing it. This Government talks of socialism. This Government wants to take credit for talking about and for supporting socialism and small-scale industries. But what prevents them from giving statutory protection to the small-scale sector? The Bhanu Prakash Singh Committee report and this Committee report have specifically mentioned how Japan has developed. You have got all those reports with you. I think now at least by June if you do not reserve the entire products mentioned by the Federation and give statutory protection to them, I take it that this Government is not interested in the development of small-scale industries. You will not get a better time after 30th June; after that the small-scale sector and the public at large will be at a great loss.

Now my last point and that is about the public sector, socialism or no socialism. I say that the public sector and its commanding heights must be maintained. But the public sector is failing. We are failing in the development of our public sector. How can you improve them? We have got many reports but I do not want to take the time of the House quoting from them. There was a committee which went into the working of the public sector undertakings and that committee has reported that the public sector has become a milching cow for the private sector. You must stop this. The public sector along with basic industries like steel, fertilizers, chemicals, etc. must enter into consumer field where large profits are assured. In this country the public sector has been given a place where the public sector industries are still in gestation period lacking the required capital. The Government should now take a decision and Parliament should bring pressure on the Government to see that the public sector industries undertake consumer items, particularly the profitable items, whose licences you are yourself giving to the Birlas. For example, take the production of nylon, the production of stainless steel, or are assured, immediate profits are available. You have to take a decision that the public sector must enter into them. At the moment the work-

ing of the public sector is a failure. The Government is responsible for the failure of the public sector, and if the people are not attracted to the public sector, it is not because the public sector is bad, but profits in the public sector are not good and they think that their investment becomes a waste when the allocation is very scarce. So, the future generations, the students, the unemployed, etc. are not going to permit you if the public sector continues to be a failure unless you take corrective steps just now as was rightly pointed out by my colleague, Mr. Manubhai Shah. Here money comes and money goes. Why worry about money? It is the time that is precious. I want to repeat only that the time is very short for the public sector to enter into consumer products or to enter into an area where profitability is assured. And if you do not take these measures for the small-scale sector now, there is no better chance for you and the people will take it that the Government shows no interest in the growth of the small-scale industries.

Sir, I want to make my last point. I wanted to highlight particularly about the working of the Hindustan Machine Tools. This H.M.T. was started by Mr. Manubhai Shah with so much of grandiose promises and the Chairman and the Managing Directors who were appointed, though they are supposed to be technocrats, they are working as politicians. They are starting one branch to-day, and another branch tomorrow. The H.M.T. requires to be toned up considerably but I will take another opportunity to touch the case but I only highlighted it to-day the difficulties of the small sector and the inefficient working of the public sector and the necessity of the public sector entering into profitable items in the consumer sector.

श्री प्रेम मनोहर : उपसभापति महोदय, हम औद्योगिक विकास, आन्तरिक व्यापार और समवाय-कार्य मंत्रालय के ऊपर चर्चा कर रहे हैं। यह मंत्रालय वैसे अपने तीन हाथों से काम कर रहा है, इंडस्ट्रियल डेवलपमेंट, ट्रेड एंड कम्पनी एफेयर्स। इसका जो सबसे बड़ा हाथ है, वह इंडस्ट्रियल डेवलपमेंट है। इंडस्ट्रियल डेवलपमेंट में भी दो भाग हैं, एक पब्लिक अंडरटैकिंग्स और प्राइवेट अंडरटैकिंग्स।

सबसे पहले मैं पब्लिक अंडरटेकिंग्स के बारे में कहूंगा; कंफिन पब्लिक एकाउन्ट्स कमेटी ने और एडमिनिस्ट्रेटिव रिफार्म्स कमीशन दोनों ने एक मन से यह लिखा है कि पब्लिक अंडरटेकिंग्स को देश की उन्नति में जितना सहायक होना चाहिए उतना वे नहीं हुईं। जो आज इतनी आर्थिक अवस्था बिगड़ी हुई है, उसका बहुत बड़ा कारण हमारी पब्लिक सेक्टर अंडरटेकिंग्स है। वैसे तो माननीय सदस्य मनुभाई शाह ने काफी आंकड़े दिये हैं और उन आंकड़ों का मैं दोहराऊंगा नहीं, फिर भी दो-तीन आंकड़े आपके सामने रखूंगा। 1-1-70 तक 3,942 करोड़ रुपया पब्लिक सेक्टर में लग चुका है, 31-3-74 तक वह 6,400 करोड़ हो गया। इसमें रेलवे, पोस्ट एंड टेलीग्राफ और बिजली शामिल नहीं है। इस पर 1966-67 में 12 करोड़ रुपए का लास हुआ और 1967-68 में 35 करोड़ रुपए का लास हुआ। हिन्दुस्तान स्टील में टोटल लास 1968 तक 22.44 करोड़ रुपए का हुआ। इसे 1966-67 में 22.9 करोड़ और 1967-68 में 40.63 करोड़ रुपए का लास हुआ। इन सब वैसे-वैसे के बारे में पब्लिक एकाउन्ट्स कमेटी ने एक ही बात लिखी है कि इन सब में ओवर-ड्रॉटमेंट है और इनमें से अधिकतर प्लान्ट अपनी अन्डर-केपेसिटी पर काम कर रहे हैं। हम सब लोगों को मालूम है कि इनकम टैक्स डिपार्टमेंट में जब कोई पब्लिक का आदमी जाता है तो इनकम टैक्स आफिसर एन-दो साल तक लास मानता है। लेकिन दस साल तक इंडस्ट्री चलाने के बाद 3-4 साल तक लास हो सकता है, इसको नहीं मानता। लेकिन ये पब्लिक अंडरटेकिंग्स ऐसी हैं, जिनमें बराबर लास हो रहा है और कोई नहीं पूछता कि लास क्यों हो रहा है। यह लास कैसे कम हो, इसका न किसी मंत्री को और न जो काम देख रहे हैं उनको चिन्ता है। अगर किसी भी प्राइवेट कम्पनी में ऐसा होता तो वह पूरा का पूरा स्टाफ दो साल के बाद निकाल देते। लेकिन यहां पर सारी व्यवस्था वैसी है, किसी की कोई रेस्पॉसिबिलिटी नहीं है, आल मैनस

रेस्पॉसिबिलिटी इज नो मैनस रेस्पॉसिबिलिटी। सब काम उसी रफतार से चल रहा है, लास भी बार-बार होता चला जा रहा है और देश का नुकसान भी होता जा रहा है। इसके बारे में मैं अधिक नहीं कहूंगा, केवल एक ही बात कहूंगा कि मैं या मेरा दल पब्लिक सेक्टर के अगेस्ट नहीं है, लेकिन यह बात जरूर है कि हम लोगों को एक लक्ष्मण रेखा खींचनी होगी कि जब तक पब्लिक सेक्टर अंडरटेकिंग्स फायदा नहीं दिखाएंगे उस समय तक दूसरी पब्लिक अंडरटेकिंग्स नहीं लगाएंगे; क्योंकि टोटल एफेक्ट उसका इकानामी पर बहुत बुरा पड़ रहा है।

हां, मैं यह भी कहूंगा कि हमारी पब्लिक अंडरटेकिंग है एच० एम० टी०। कुलकर्णी ने कहा कि पब्लिक अंडरटेकिंग्स को कन्स्यूमर आइटम्स बनाने चाहिए। मैं मंत्री महोदय से पूछना चाहता हूं कि किसने मना किया था, आज भी एच० एम० टी० की केपेसिटी क्यों नहीं बढ़ाई? एक-दो व्यक्ति आते हैं और लेटर ले जाते हैं कि एच० एम० टी० की वाच दिलवा दीजिए। किसने मना किया कि उसकी केपेसिटी डबल या ट्रिबल नहीं की जाय? यह आपकी गलती है, इसको सुधारे। ठीक है, कन्स्यूमर आइटम्स बनाइए। जो अच्छे आर्टिकल्स आप बनाते हैं, उनकी केपेसिटी लगातार बढ़ाते जाइए। फारेन एक्सचेंज का बहाना न बनाइए। वहां के अधिकारी ने बताया कि हमने केपेसिटी बढ़ाने के लिए लिखा तो गवर्नमेंट ने यही उत्तर दिया कि फारेन एक्सचेंज की कमी है, उससे 4-5 गुना घड़ियां स्मगल होकर हिन्दुस्तान में आती हैं और उनकी कीमत उस फारेन एक्सचेंज से कहीं ज्यादा होती है, जो केपेसिटी बढ़ाने के लिए जरूरी है। इसी वजह से स्केयरसिटी होती है। इस प्रकार की गलतियां गवर्नमेंट क्यों करती है, इसका निश्चित उत्तर दें।

आज ही टाइम्स आफ इंडिया में आया है कि जूते की फैक्ट्री जो आगरे में लगी है, उसमें बना हुआ जूता 33.30 रुपए प्रति पेयर पड़ेगा जबकि मार्केट में बिकता है 9 रुपए का।

[श्री प्रेम मनोहर]

एक विशेष बात यह है कि फारेन एक्सपर्ट्स की भी एडवाइस है। जूते बनाने के लिए बीस साल तक प्रयत्न करने के बाद फारेन एक्सपर्ट्स से एडवाइस लेनी पड़ती है कि जूते कैसे बनाए जायें। इसीलिए यह बराबर लास होता चला जा रहा है। हमारा मंत्रालय पहले उनसे सेंक्शन लेता है। फिर कहते हैं कि पब्लिक अंडर-टेकिंग में फायदा नहीं होता। यह फैक्ट्री 6 महीने में चलनी चाहिए थी, लेकिन 6 साल में यह प्रोडक्शन आया है। वैसे पेपर में यह चीजें रोज आती हैं, लेकिन आज की आगरे की बिल्कुल नेटस्ट है।

चारों तरफ बड़ा शोर है समाजवाद का। मैं यह पूछना चाहता हूँ कि जो हमारे डाउन ट्रोडेन एरियाज हैं, नेगलेक्टड एरियाज हैं, वहां कोई माडेल इंडस्ट्री गवर्नमेंट ने लगाई। ऐसे व्यक्ति हैं जिनके पास पैसा नहीं है, केवल अपने उद्योग से काम कर सकते हैं, क्या आपने उस तरह के नेगलेक्टड एरियाज में कोई इंडस्ट्री लगाई? सारे देश में भ्रमण करिए, एक भी ऐसी स्टेट नहीं मिलेगी, जहां गवर्नमेंट ने उन गरीब लोगों के लिए, जो केवल मेहनत कर सकते हैं, कोई इंडस्ट्री लगाई हो। नारे लगाए जाते हैं कि समाजवाद आना चाहिए, विषमता कम होनी चाहिए, लेकिन विषमता कम करने का नमूना प्रत्यक्ष रूप से क्या गवर्नमेंट ने कोई रखा है?

हम यहां पर प्रतिदिन दो साल से मोनो-पोलीज के पीछे बहुत जोर में पड़े हुए हैं। एक एटमासफियर बन गया है। अब बिजनेसमैन कहते हैं कि हम काम नहीं करेंगे, काम भी करो, गाली भी खाओ, वहां बैठ कर पार्लियामेंट में गाली देते हैं, इधर आफिसर, ब्यूरोक्रेट्स परेशान करते हैं। हम कहते हैं कि मोनोपोलीज बढ़ने नहीं देंगे, लेकिन मित्रों मैं आपको बताना चाहता हूँ कि मोनोपोलीज बनाने से नहीं बनती, हमारी नीतियों से बनती है, उसकी जिम्मेदारी सारी मंत्रालय पर है और इस आगस्त हाउस पर है कि मोनोपोलीज बने या

बिगड़े। अभी बिल्कुल ताजी बात है। तीन साल पहले पेपर का एक्सपोर्ट हुआ करता था; क्योंकि उनके पास ओवर-प्रोडक्शन था, देश में उसका कन्जम्पशन कम था। अपने देश के कागज की क्वालिटी दूसरे देशों की क्वालिटी से अच्छी है। मिनिस्टर साहब के सामने एक्सपोर्ट की सारी डिटेल्स होंगी। पेपर का एक्सपोर्ट कम हुआ और अब बिल्कुल नहीं हो रहा है। उसका कारण यह भी कंट्री का कन्जम्पशन बढ़ा है, लेकिन इसके साथ-साथ यह भी है कि हम प्राइवेट सेक्टर में इंडस्ट्री लगाने नहीं देते; क्योंकि मोनोपोलीज बढ़ेंगी जबकि पेपर कारपोरेशन की आपकी स्कीम पेपर पर ही है और कार्यान्वित नहीं हुई। आज दशा यह है कि पेपर पर ब्लैक मार्केटिंग शुरू हो गई है। पेपर इंडस्ट्री, कैंपिटल इन्टेंसिव इंडस्ट्री है, बड़े रुपए की जरूरत है। आज आप निर्णय लेंगे, तो 6 साल के बाद पेपर का प्रोडक्शन शुरू होगा। मैं समझता हूँ कि मंत्री महोदय को पता होगा कि आज पेपर के ऊपर 100 रुपए से लेकर 150 रुपए तक ब्लैक चल रहा है। जब तक नया प्रोडक्शन आएगा, यह ब्लैक 500-600 रुपए तक बढ़ जायगा। आप चिल्लाते रहिए कि मोनोपोलीज फार्म न हो, लेकिन आपकी इन अकर्मण्य नीतियों से मोनो-पोलीज फार्म होंगी, डबल होंगी, ट्रिबल होंगी। इधर आप चिल्लाते जाएंगे और उधर मोनो-पोली बढ़ती जाएगी। यही नियम बराबर चलता रहा है और चलता रहेगा। जैसा कि मनुभाई शाह जी ने कहा, आज आपकी पालिसीज इसे रोक नहीं पायेंगी। मैं मान सकता हूँ कि आपके मंत्रालय को कुछ व्यक्तिगत डिफिकल्टीज होंगी, उनका कहना है कि प्लानिंग कमीशन नहीं मानता। लेकिन मैं पूछना चाहता हूँ कि प्लानिंग कमीशन क्या किसी फारेन गवर्नमेंट का है? या मोनोपोलीज ने प्लानिंग कमीशन को सिखा रखा है? जैसा हमारे मित्र ने अभी कहा था, मोनोपोलीज कमीशन के बारे में, मेरा भी कहना है कि उनको आप ठीक करिये, लेकिन इसके लिए जरूरी है कि आप कुछ रेडिकल चेंजेज करिये

आप को जो कुछ करना है उस के लिए आप कुछ निर्णय लीजिए। दो, तीन साल हो गये, लेकिन आप कुछ निश्चय ले नहीं और यही कारण है कि आज मोनोपोलीज बढ़ रही है और वे और बढ़ेंगी। आप भी ही उनको गाली दीजिए, लेकिन वे अपनी जगह पर बढ़ती जायेंगी। अगर उनको आपको चेक करना है, तो आप अपनी पालिसीज में परिवर्तन लाइये और उन पर निश्चय ले कर उस पर कदम उठाइये।

दूसरा उदाहरण लोहे का है। 1,200 रुपये टन का स्टील का दाम है, लेकिन मार्केट में वह 3,400 रुपये टन है। 2,200 रुपये टन का बीच में गोल माल है। यह कौन कर रहा है, इसको मंत्री महोदय स्वयं पालम करें। मैं इस बारे में अधिक नहीं कह सकता। इसके लिए जिम्मेदार गवर्नमेंट सर्वेंट हैं। यह गलत है या व्यापारी हैं, इसको आप मालूम करिये, लेकिन उससे ही समस्या का हल होना वाला नहीं है। अगर आप इसको एक एन्ड पर बंद करेंगे, तो यह दूसरे एन्ड पर शुरू हो जायगा और दूसरे एन्ड पर बंद करेंगे, तो किसी तीसरे एन्ड पर यह शुरू हो जायगा। इस समस्या का केवल हल यही है कि हमारे पास प्रोडक्शन काफी हो। इसके अलावा स्टील स्कैप को आपने एक्सपोर्ट करना शुरू कर दिया है। यह अभी तीन महीने पहले बंद किया गया है। क्या हमारी लोकल फर्नेसेज बंद हो गयी हैं? क्या हम उस स्कैप को अपने यहां इस्तेमाल नहीं कर सकते? हम ऐसा कर के एक तरफ फारेन एक्सचेंज अर्न करने के लिए अपना स्टील स्कैप एक्सपोर्ट कर रहे हैं और दूसरी तरफ हाई रेट पर स्टील मंगवा रहे हैं। क्या यह मोनोपोलीज को समाप्त करने का तरीका है? नारों की बात और है और अपने देश का निर्माण करने की बात और। अभी गवर्नमेंट ने तीन महीने के लिए यह एक्सपोर्ट बंद किया है। तो मेरा विचार है कि अगर मास्तव में बिना जाने हुए अगर ऐसी गलती हो गयी है, तो उसको ठीक किया जा सकता है और गलती हर आदमी से हो सकती है और अगर ऐसा हो जाय तो

उसे ठीक करना चाहिए। लेकिन मैं उसके साथ यह भी मुझाव दूंगा कि जैसे बैरोमीटर होते हैं, थर्मामीटर होते हैं, उसी तरह के मीटर हमारे मिनिस्टर्स को अपने पास रखने चाहिए देश के मार्केट में ताकि उसको पता लग सके कि कब किस चीज का दाम बढ़ रहा है और कब किस चीज का दाम घट रहा है और उस कसौटी पर कस कर वे देखें कि उनकी पालिसीज ठीक चल रही है या नहीं। अगर बैरोमीटर बतलाये कि आपकी पालिसीज से चीजों के दाम बढ़ रहे हैं तो आपको अपनी पालिसीज के बारे में सोचना चाहिए, विचार करना चाहिए। आज देश में यह बैरोमीटर आप की जनता है, जो आपको बताती हैं कि चीजों के दाम बढ़ रहे हैं या घट रहे हैं। अभी बजट आया और उसके पाद ही चीजों के दाम 12, 13 परसेंट बढ़ गये। बड़े जोर का नारा लग रहा था कि समाजवादी बजट आ रहा है, बजट आ गया और आप देखें कि दो महीने के अंदर ही 11 परसेंट चीजों के दाम बढ़ गये। नारे कुछ और लगते रहे और ऐक्शन कुछ और हो रहा है। इसीलिए मैं कह रहा था कि आप इस प्रकार के बैरोमीटर की व्यवस्था करें कि जिस से उनको पता लग सके कि आप की पालिसीज का मार्केट पर क्या असर हो रहा है, व्यापारी वर्ग पर क्या असर हो रहा है और उनका देश पर क्या असर हो रहा है। मैं आपको निश्चित रूप से बताना चाहता हूँ कि अभी तक स्टील पर केवल 2,200 रुपये टन का ब्लैक है, लेकिन जब तक आप का नया प्रोडक्शन मार्केट में आयेगा उस समय तक यह ब्लैक और भी बढ़ जायगा। आपने तीन नये प्लान्ट खोलने की घोषणा की है। मैं इस बात में नहीं जाना चाहता कि तमिल नाडु में प्लान्ट क्यों सेंशन किया गया है, लेकिन मैं इतना ही कहूंगा कि अगले पांच साल में, जब तक कि आपका प्रोडक्शन मार्केट में आयेगा, यह ब्लैक बढ़ कर 3,000 रुपये टन और 4,000 रुपये टन तक हो जायगा और आपका यह मोनोपोलीज फार्म होती चली जायेगी।

[श्री प्रेम मनोहर]

अब स्माल स्केल इंडस्ट्रीज के बारे में मैं केवल एक बात रखूंगा। यहाँ पर इस तरह का नारा बहुत जोरों से लगाया जाता है कि हम उनको बढ़ायेगे, हम उनके द्वारा समाजवाद लायेगे, लेकिन इस संबंध में स्थिति क्या है इसके मैं दो, एक उदाहरण यहाँ रख रहा हूँ। क्या वास्तव में उसके लिए हम सोचते हैं? क्या हमने कोई प्रयत्न उसके लिए किया है? क्या हमने यह जानने की कोशिश की है कि उसकी क्या डिफिकल्टीज हैं? मेरे पास इंफार्मेशन है कि अभी एक उद्योगपति को कानपुर में ट्रैक्टर फैक्ट्री का लाइसेंस दिया गया है। (Interruption) ठीक है। दिया गया हो या न दिया गया हो, इससे मुझे मतलब नहीं, लेकिन मैं एक बात रखूंगा कि क्या हमने वह रेस्ट्रिक्शन लगाया है कि चूँकि ट्रैक्टर बनाने में 500 या 700 पाटर्स लगते हैं, तो इसलिए उनको 20 या 25 पाटर्स में डिवाइड किया जाय और उनको अलग-अलग स्थानों पर एक स्टैंडर्ड के हिसाब से बनवाया जाय, जैसा कि जपान में होता है। मेरा खयाल है कि जपान हमारे मंत्री जी और हमारे बहुत से मित्र गये होंगे। वहाँ की यह प्रथा है कि बड़ी इंडस्ट्री के साथ 50 या 60 या 100 इंडस्ट्रीज लगती हैं और छोटे पाटर्स उनको बनाने को दे दिये जाते हैं और उनको कापेल किया जाता है कि वे एक स्टैंडर्ड के हिसाब से उन पाटर्स को बनावे और बड़ी फैक्ट्री का काम होता है कि वह उनकी चेकिंग करके उनको असेम्बल करे। क्या इस तरह की व्यवस्था गवर्नमेंट ने की है? मैं समझता हूँ कि आज तक इस तरह की कोई व्यवस्था गवर्नमेंट ने नहीं की।

एक बात अंत में और कहूंगा। कंपनी अफेयर्स के बारे में कृष्णकान्त जी ने जो बधाई दी, उसके लिए कहा गया कि किसी भी राजनैतिक पार्टी को पैसा लेने का अधिकार नहीं है। लेकिन अभी बंबई में एक अधिवेशन हुआ और उसमें, मनार में एक पत्र निकाला गया और उन पत्र

में एक पेज के एडवर्टाइजमेंट का दाम 2500 रुपया था। जो कानून बनाने वाले हैं, वे एक रास्ता बन्द कर के दूसरा रास्ता खोल रहे हैं और कम से कम मेरी इतनी प्रार्थना अवश्य है कि जो कानून बनाने वाले हैं उनको स्वयं तो कानून नहीं तोड़ना चाहिए। एक ओर आपने कंपनियों से पैसा लेना बन्द कर दिया, लेकिन दूसरी ओर उनसे एडवर्टाइजमेंट के नाम पर पैसा लेना शुरू कर दिया, और उसमें एक, एक कंपनी के तीन, तीन और चार, चार एडवर्टाइजमेंट्स हैं और कई कंपनियों के तो नाम ही नहीं हैं केवल यही लिखा है—विद बैस्ट कम्प्लिमेंट्स फार। फैक्ट्स से आंख मत छिपाइये। अगर रुपये की जरूरत है तो साफ कहिये। अगर आप ऐसा करेंगे तो दूसरे दल भी ऐसा कर सकते हैं। तो यह कंपनी अफेयर्स की बात है।

इटरनल ट्रेड के बारे में एक बात कहना चाहता हूँ। सल्फर का इपोर्ट एस० टी० सी० के पास था अभी तक। इसको पहले श्री धर्म सिंह मोरारजी और पैरी ऐंड कंपनी इम्पोर्ट किया करते थे। गवर्नमेंट ने यह इन्स्ट्रक्शन-स दिये कि जितने भी कंज्यूमर्स हैं, चाहे वह छोटे हो या बड़े, उन सबको एक ही प्राइस पर सल्फर दी जायगी। तो धर्म सिंह मोरारजी और पैरी ऐंड कंपनी ने इस पर स्ट्रेस किया और आज स्थिति यह है कि एक हजार टन से ज्यादा भी जो लेता है, उसको एक ही शिप के आने पर 25, 30 लाख का मुनाफा हो जाता है और वह एक बार में ही मोनोपोलिस्ट हो जाते हैं और छोटे लोगों को भी वैसे ही यह मिलता है।

अंत में मेरी एक ही प्रार्थना है कि आप साथ-साथ इम्प्लीमेंटेशन की भी एक मिनिस्ट्री फार्म करिए। मैंने पहले भी कहा था कि आप चार साल काम करिये और जब ऐलेक्शन का मौका आये, तो उस साल बड़े-बड़े नारे लगाइये, बड़ी-बड़ी बातें करिये, लेकिन बाकि के चार सालों में उनको इम्प्लीमेंट करने की कोशिश करिये। आपने इतनी बड़ी-बड़ी योजनाएँ बनायी हैं, लेकिन उनमें कोई भी

आज तक इम्प्लीमेंट नहीं हुई है। इसलिए मेरी एक ही प्रार्थना है कि आप उत योजनाओं को इम्प्लीमेंट करिये, तभी इस देश में समाजवाद आयेगा और तभी आप इस देश में औद्योगिक विकास कर पायेंगे।

SHRI M. K. MOHTA (Rajasthan) : Mr. Deputy Chairman, Sir, the need for speedier industrialisation of the country is so evident that I do not have to say much about it. If not from any other angle, if we take only the angle of employment, the major problem of unemployment that faces us today, it would be quite evident to any thinking person that industrialisation is the need of the hour and it must be taken up on the most urgent and warlike footing. Today we have an army of as many as 13 to 15 lakhs unemployed, and even after the grandiose plans of the Government this is expected to increase to 25 to 27 millions at the end of the Fourth Plan. Now this is the situation that we are facing, and industrialisation is one step which can solve at least to some extent, perhaps to a major extent, this great problem that is facing us. Even then this Ministry, which can be said to be one of the most important Ministries of the Government, is taking no effective steps to further the industrialisation of the country. Industrial production has been stagnant for the last three years or so. We find that during 1966 there was no increase in industrial production. On the other hand, there was a decline of 0.6 per cent. In 1967, a similar story was repeated and there was a decline of another 0.7 per cent. After two years of complete stagnation, in 1968 there was a small increase of 6.4 per cent. This is nothing to be proud of; this is nothing to brag about. And in spite of this poor performance for the last three years we do not find any evidence of any change in the thinking of the Government, any change in the plans of the Government for speedier industrialisation of the country. In this connection, Sir, a very interesting and eye-opening study was undertaken some time back by the Economic Research Foundation of Delhi. They compared the industrial production of our country with the industrial production of some of the other countries of the world, notably UK, USA, Japan and West Germany, and they tried to project as to how

many years it will take for our country to reach those standards. And their findings are really eye-opening. I would like to place this before you and before the House through you. Take the important commodity of crude steel. At the rate of 6.7 per cent per year—I do not know whether even that will be reached at all or not but even at that rate of 6.7 per cent per year—it will take us 59 to 60 years to reach the 1967 level of countries like the USA, Japan and West Germany. And these are comparisons of 1967. Since then these countries have progressed and during the next sixty years they will be galloping while we will be walking; not even walking but perhaps walking in the reverse direction.

Take another important commodity like aluminium. At the rate of 6.5 per cent it will take us 54 years to reach the level of Japan and 73 years to reach the level of USA. Take again electrical energy. Even at the rate of 8.5 per cent per year it will take us 41 years to reach the level of Japan and 53 years to reach the level of USA. I am only quoting these figures as an illustration for the backwardness of the country and the need for speedier industrialisation.

We have another problem, the problem of foreign exchange. The foreign exchange shortage is there. This problem can also be solved by speedier industrialisation in two ways, by decreasing our imports and by increasing our exports. We are still importing such a lot of industrial products that we are frittering away our meagre resources in paying to the foreign countries for importing goods which can easily be produced here but which are not being produced because of the faulty policies of the Government. Sir, one of the reasons why industrialisation of the country has not proceeded to the required extent is that from the general public money has been gathered by the Government in the form of taxes, direct as well as indirect, and invested in the giant concerns in the public sector which do not give proper production, which do not have any efficiency and which result in a great loss to the exchequer from year to year.

I do not have to quote too many figures because the figures are all well known to hon. Members of the House but I would just quote one or two instances of very glaring inefficiency in

[Shri M. K. Mohta]

the public sector. Take the instance of the IDPL, the drugs and pharmaceuticals concern of the Government, where Rs. 47 crores have been invested and what is their production? Their last year's sale was Rs. 1 crore on an investment of Rs. 47 crores and the loss incurred in the process is Rs. 9 crores on a sale of Rs. 1 crore. Another concern, the Hindustan Photo Films, has an invested capital of Rs. 45 crores and its production was Rs. 1½ crores, the ratio of capital to output being 10 to 1 and their loss was Rs. 2 crores.

SHRI A. G. KULKARNI: Mr. Mohta, can you tell me....

MR. DEPUTY CHAIRMAN: No interruptions please; he has very little time.

SHRI M. K. MOHTA: Another important instance is that of the Mining and Allied Machinery Corporation which has lost Rs. 20 crores which was its paid-up capital. This is the record of the public sector. And what has happened? What has happened is that the money that has gone from the hands of the public into the hands of the Government has been invested in concerns which do not yield any production and which do not yield any profit. When shortage of money in the market is caused in this way naturally there is stagnation in the private sector. When once money has been taken away from the public and through the Government when it is again tried to be given back in small dribbles through the financial institutions to the private sector for productive purposes the spokesmen of the Government say now that the private sector cannot function without the help of the Government. Whose money is it? It is the money of the public and when the members of the public themselves want a portion of their own money to be invested in productive enterprises this is what they are told. After all the ideology of the Government has been such that there is no money in the market today; there is no money with the small investor today; there is no money with the consumer and today this vicious circle goes on and industrial stagnation takes place.

Sir, a lot has been said by one or two previous speakers regarding the big business houses and the licences given

to them. What I would like to ask is why did not the Government heed the advice of an eminent person like Rajaji which has been advocated by the Swatantra Party for quite a long time now that this licensing system should be managed not by the Government but by a quasi-judicial body so that there may not be any instance of favouritism, of corruption, of this or of that. Now after fifteen to twenty years of bad working of this system, a commission is appointed to go into what has been done under the industrial licensing policy by the Government and to find out who has benefited from it, who has not benefited from it. Had this advice been heeded from the beginning no such charge could have been levelled today and there would have been a much better distribution of industrial licences. Unfortunately that was not what was done. Even now the Government and some Members of the House are so obsessed with their ideology that they have forgotten the real problem before the country, the real aim which we want to achieve, which is higher production. The consumer who goes without consumer goods, the worker who goes without employment, the common man who suffers due to the non-development of the country, does not bother who manufactures the goods. He is not bothered whether it is manufactured by the small sector or the big sector, whether it is manufactured by the big business or by the small entrepreneur, whether it is manufactured by A or B or C or D. What he is interested in is more production but that is what has not happened in our country. What has been happening is we have been so short of foodgrains that for a very long time we have been spending crores of rupees on the import of foodgrains but when the question of production of fertilisers came the Government said, I do not like the name of A. I do not like the face of B and so I would not give them licence for production of fertilisers. The same is the case with tractors and the two combined had the inevitable effect of stagnation in agriculture. It was only due to the good fortune of the monsoons that we have been able to achieve a somewhat better agricultural production today but it is not going to help us in the long run. After all we will need inputs for agriculture in a much bigger way from now on and unless we change our policies, unless we give up this policy of don't, don't and start on a policy of

do, do, I am afraid that either in the industrial sphere or in the agricultural sphere we are not going to make any progress. We have got factories which have invested large amounts of money in costly plant and machinery and they have got large spare capacity to manufacture things but they cannot do so because if they did so the Government would come down upon them like a ton of bricks for having increased their production because somehow or other the Government has got it into its mind that a certain level of production is the ceiling for these people and anybody who exceeds that ceiling must be penalised. That unfortunately is the position in our country today that instead of appreciating higher production we want to penalise those who want to increase production. If there is shortage of automobiles in the country, if there is shortage of scooters in the country, why should not these things be decontrolled? Why do you want to say that you will allow only A or B or C to produce these things? If three people want to produce, let all of them produce. After all, we want more production. When there are more producers there will be competition and when there is competition there will be higher quality and cheaper price and ultimately the consumer will be benefited, the economy will be benefited, everybody will be benefited. Therefore unless the Government changes its policy nothing unfortunately will be done.

There is also quite a lot of obsession with some hon. Members and with some Members of the Government regarding the so-called big business houses. Unfortunately business has been equated with badness; I do not understand with what process of logic it has come about. Today one of the hon. Members said that the assets of such and such a business house has increased from such and such a figure to such and such a figure. I am not interested in figures but what I am trying to say is this. Whose assets are they? They are the assets of the industrial concerns; they are not the assets of those families whose names are associated with those concerns. Those assets have been built up by the investment of thousands, I should say lakhs, of small investors who have entrusted their money to these big business houses because these business houses command the respect and confi-

dence of the investors not only in the country but also outside the country. Now by maligning these business houses you have brought about stagnation and the country is not going to benefit by this process of stagnation.

MR. DEPUTY CHAIRMAN : You will have to wind up now.

SHRI M. K. MOHTA : In two minutes I will finish.

Instead of wasting public money on these grandiose public sector projects if the Government had concentrated more on infrastructure production in the country would have gone up much faster. There is electric power shortage in so many parts of the country and industries which are already established and which have invested scarce foreign exchange resources on costly machinery cannot produce to their maximum extent because of this electric power shortage. If instead of investing more money on public sector projects more care is taken about building up such infrastructure there will be more production in the country and the economy will move much faster. Similarly, the obsession about higher payment of royalty, higher payment of engineering charges or whatever you call it to foreign investors has actually hit us to a great extent. I had the opportunity to go to West Germany only a few days back and I found they were clamouring for goods, goods which could be produced on a labour-intensive basis, because they are short of labour. A great automobile industry in West Germany wants many components. They say : Why does not India produce them and send them to us? We are prepared to purchase any amount of components that you are able to produce. But what happens? When a proposal comes, the Government of India say that they do not like a comma or a full-stop in the agreement or a little more that may be paid for purchasing the know-how. They conveniently forget that if we delay the completion and commission of a project which may produce goods worth Rs. 1 crore a year, because we do not want to pay another additional royalty of Rs. 1 lakh a year, in the very first year we will lose foreign exchange to the extent of Rs. 1 crore, whereas what we may save is a lakh of rupees. What process of arithmetic or what process of logic this is, I do not under-

[Shri M. K. Mohta]

stand. By paying another lakh of rupees we could have earned foreign exchange worth a crore of rupees, but unfortunately with the kind of thinking that goes on, with the kind of muddled thinking that goes on, they do not allow the industrialisation of the country and the Ministry has, I think, very rightly earned the name of the Ministry of Industrial non-development. What we have got today is not a mixed economy, but a mixed up economy. It is of a type that says that you must cut your nose to spite your face. This is the kind of economy, this is the kind of policy that we have got. Unfortunately I must say that the economy of the country will not be able to progress under this policy and the sooner we change it the better.

SHRI BALACHANDRA MENON (Kerala) : Sir, it was in 1956 that we had our Industrial Policy Resolution. It is high time that we thought seriously about it as to whether the time has come to change that. I am not against mixed economy, but we find that in the name of mixed economy we have been trying to help the private industrialists. The very public sector has been there only in the name up till now to help the private sector. It is time that we thought of a new policy resolution and what it should be. Should it be that we continue with the old idea of a mixed economy which we adopted in 1956? Have we not passed that phase? Have we not come to the stage where we should lay greater emphasis on the public sector? The public sector may not have delivered goods as we had expected. It is because of the bureaucratic way in which it is functioning, but even then a backward country like ours has no other go except to see that the public sector is enlarged and it takes the commanding height. There is no other way for us, however much the champions of the private sector may demand again and again that greater scope should be given to them. It will only mean this that we will not be able to improve our economy and take it to a higher level, if we do not enlarge the public sector much more than what we have been doing up till now.

[THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair]

Most of the profits are earned by consumer industries and you will not allow consumer industries in the public sector. And as long as you do not do it, we will not be in a position to have sufficient resources. So, the time has come when from heavy industries we should go even to consumer industries and the public sector should get expanded with consumer industries. Have we got the courage to do it? I do not know. Now, you may say that it is because we have not taken into account the importance of the time factor. Is it that? It is not that. It is because the strategy is not correct. It is because we are trying to get over the crisis by doing something which is outmoded. Up to a certain period it might have been all right, but we have come out of that period and yet we dare not go out of that old understanding. That is the main difficulty. The result is that now we have allowed even big monopolists to get into certain spheres where they were not there. For example, they are now allowed to come into fertilisers. They are allowed to come into so many other sectors, which were denied to them all these days. Is this the way how you improve? You are going back like the crab. You are crawling like the crab. You are crawling backward and not forward. That is the position now. I would, therefore, request you to rethink and have a clear understanding as to how the public sector should be improved. I do not hold any brief for the present functioning of the public sector. I know that it is highly bureaucratic. We will have to think of a new cadre of people who are dedicated to this work and certainly the licensing policy must be framed by people who know in what direction our country's economy should be taken. It is not by any sort of committee that we can do it. People who have absolutely no understanding, people who try to cut across the very policy cannot help you. A committee elected by all parties and all that will not work. Has the Government got a policy? Is the Government seriously interested in improving the economy and in bringing about industrialisation? That is the question. I do not believe that you are going to bring about socialism or anything, but at least you can have a good public sector. You can certainly have a sector which will bring in sufficient profits. The functioning of the private sector has been such that

it is clear that it will not be able to deliver the goods. We have seen it in the case of the textile industry. We know the havoc caused by the sugar industry. This is how the private sector is working. It is high time to enquire into the working of the private sector. It is time also to enquire into the working of the public sector. You have enquired into the public sector and you have found defects. What have you done regarding the private sector? They have also spoiled it to such an extent that they have not used it for improving this country during all these years. So, the time has come to tell them: Gentlemen, you have not delivered the goods. Now, we will try to curtail your rights. You had the Hazari Committee, the Monopoly Commission and the Dutt Committee. These three committees have enquired into it and their findings you have not implemented. The reports are there, but with that it is finished. That is the whole danger. Now, since 1965 we have seen that the monopolies are only increasing. We have seen that they have improved their position. This is what has happened. The previous Industrial Policy Resolution has only helped the monopolies. Only they have improved their position. For example, since 1964-65, the Birlas have increased their capital by Rs. 500 crores. There are only 75 important monopoly houses. This is what they have done. Most of them are in collaboration with foreign countries. It is time that we put an end to this collaboration. I am sure no foreign country is going to allow us to develop because those are countries which are afraid of a country which has got its own iron ore, which has got its own coal so near. They know fully well that we are going to be a very powerful competitor and they are not going to allow countries like India and China to develop. If it is with their help we are not going to develop. Where is the *swadeshi* spirit? Today what happens is that in the name of industrialisation you are trying to have as much collaboration with foreign capitalists as you want. More than 3000 foreign collaborations are there. The result is that so much of money is drained out of this country. It has been so. In the name of know-how, in the name of collaboration, more than Rs. 60 crores get out of this country. How much are we able to get in? About Rs. 25 crores. This was revealed last time, and any contract

with foreign monopolists results only in this sort of draining of this country's wealth. That is the neo-colonial economy. The same thing is happening. We have become a beautiful hunting ground for foreign capital. We are independent, we are happy. I am also quite happy like Shri Manubhai Shah that our country is today producing something. We were not producing even pins. Now heavy industries we are having. We are quite happy and it is a great thing, and we should be proud of our workers, of our technicians. Is that enough? The country demands something more than that. Most of us who are old are happy that the country is independent, but the boys who have come after 1947 are not going to be satisfied, and that is why you see the unrest among young men, the unrest among students, the unrest among those who come out of the colleges. They become a happy hunting ground for extreme politics because they are frustrated, and it is the failure of the elder leaders to understand what is happening now that is going to bring about such a big crisis in this country. The private capitalists have been encouraged. They have found that in the countryside rich peasant economy is coming. They have seen that the peasant is not in a position to have his own land. The scarce resources that can come out of the peasant holdings are spent by rich peasants and feudal landholders in luxury buildings and luxury spending and nothing else. How do we industrialise? We industrialise with the help of foreigners; we industrialise with the huge loans we are getting. Rs. 6000 crores of debts we are having. This is what you are doing. I would therefore say that the time has come when for a rapid industrialisation as far as possible we must try to depend on our own *swadeshi* know-how. It is high time we do it. I know, for example—last time also I explained that—in the case of scooter there is a small factory in Kerala which is producing it indigenously, absolutely no collaboration. Why don't you help it? We are in a position to have also power tillers without anybody's help. Why don't you help it? I asked the question last time. It is time that you help such people who are prepared to have no collaboration with anybody, who set up our own industries. Are we in a position to do it?

[Shri Balachandra Menon]

Then again these foreign plantations are doing so much harm. Why not we nationalise them? Why not the Government accept it? It is high time we do it. Most of the foreign plantations have their agents in England. They sell the products at a lesser price with the result that we are cheated of our foreign exchange, we are cheated of our profits. They say that Indian tea will not be in a position to compete. Actually it is not so. The position is they are selling through their agents at a much higher price to other countries. So the time has come when we see that we take over industries like plantations which are in foreign hands. We can take over certain industries, the consumer industries, so that the State sector is in a position immediately to get profit, we encourage the co-operative sector, we do not allow foreign collaboration.

Lastly, I would also like to say that your attack on monopolists is not sufficiently serious. What happened? I will just point out that on the 26th April the central organ of the Communist Party of India, New Age, comes out and says: But their motto seems to be to destroy what they cannot remove; so bonfires are being made of whatever files remain in their Calcutta office. They have given the photostat. This is what is being done. When an enquiry is being ordered, all their files are being burnt. Here I can place it before you. This is sufficient evidence for you to immediately act and see that these things are not allowed. Why not nationalise some of these firms. Mr. Manubhai Shah has also said...

SHRI BHUPESH GUPTA : Have you got the photostat of files being burnt by the Birlas?

SHRI BALACHANDRA MENON : Yes. So, I would say that you nationalise some of these things. It is no more a question of controlling the monopolies. It is a question of taking over them, who have turned out to be anti-social, who will not allow even Courts to get at their files. I would say that the time has come for us to see that some of these monopolies are shown their right place, that we nationalise these industries. They are not going to allow the Courts of law to enquire into their misdeeds.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Mr. Triloki Singh.

SHRI BHUPESH GUPTA : Reference has been made to photostat copy which has been shown...

SHRI ARJUN ARORA (Uttar Pradesh) : You are the editor of the paper. Do not quote your own paper.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : It is not right that you should quote your paper. Please sit down.

SHRI BHUPESH GUPTA : Copy has been produced here. I am wanting to know whether the Government is aware of this thing, whether they have tried to get hold of this particular thing.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Please sit down.

SHRI BHUPESH GUPTA : Why should I sit down? I want to know, because it is a matter of considerable importance.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : I have heard that.

SHRI BHUPESH GUPTA : But let him say.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : I cannot compel him to say. He has noted it. Mr. Triloki Singh.

SHRI TRILOKI SINGH (Uttar Pradesh) : Mr. Vice-Chairman, at the moment we are discussing both the policy and the functioning of the Ministry of Industrial Development, Internal Trade and Company Affairs. My difficulty, Sir, is this. Although this Ministry has a very big name, industrial development in the Government of India is the concern of so many other Ministries. But with all that, through you, I would like to draw the attention of the hon. Minister to the industrial policy resolution adopted fourteen years back and the objectives set forth therein. I would be much obliged if the hon. Minister while replying to this debate gives out how much of that industrial policy resolution was implemented and the success achieved. One of the objectives was that Government would train up a cadre of managerial and technical personnel. I do

not know if any effective steps have been taken that way. I come from U.P. and what I find, Sir, is that whenever any authorised Controller is appointed in any textile mill or sugar mill or any other industry, invariably it is an IAS officer who has had nothing to do with industry, and instead of putting the things in order, our experience is that they bungle and damage the mills of which they have been put in charge more than what the original proprietors as the managing directors had been doing. The policy of the Government of India is—and it is a correct policy—that more and more industries should be brought into the public sector. But how can we do it, if we do not have the necessary managerial skill? Therefore my submission to the hon. Minister and the Government of India is that they should take immediate steps to set up institutions or whatever they may be, in consultation with experts in the managerial and technical lines, to provide the necessary cadre for running and managing effectively and efficiently the mills.

Now, Sir, one of the main objectives of the Industrial Policy Resolution is to remove disparities in industrial development between certain areas. I come from U.P. My misfortune is that the industrial development of U.P. has gone back within the last fifteen years since the adoption of the Industrial Policy Resolution. It was more industrialised before 1956 than it is today, and during these 15 years at least eleven textile mills have stopped functioning or are partially working. Only recently about two and a half years back, the New Victoria Mills of Kanpur which had an employment potential of more than six thousand persons came to grief. It took the Government of India two and a half years to appoint an Authorised Controller. And even with this appointment of an Authorised Controller, the mill has not started fully functioning as yet.

Sir, the Company Law, the Indian Companies Act, confers ample power upon the Government of India to intervene in the affairs of a public limited company in case things go wrong. May I know from the hon. Minister if he was not aware that the affairs of the New Victoria Mills of Kanpur were going the wrong way and, if so, why did he not take immediate action to see that the functioning of the mill was

continued and the management changed? But that was not done. And what is true of the New Victoria Mill is true of so many other mills, factories and sugar mills in U.P. About Kanpur, my hon. friend, Mr. Arjun Arora, who hails from that city, would be able to tell the number of factories that have closed down. Instead of increasing, the employment potential of the textile workers in Kanpur during the last fifteen years has come down. That is not the success of industrial policy. That, Sir, I would submit, is a failure and it is one factor which cannot be ignored. It is high time that the Government of India were alive to their responsibilities and kept a close watch over the functioning and working of these mills.

What is this Ministry for? What is industrial development? A few months back, I happened to go to Agra. Agra is famous for its cottage industry of shoes. A deputation of the shoemakers met me and said that one of the pins or nails or something like that which is an essential and necessary component in the manufacture of shoes in Agra, which is also earning foreign exchange for this country, is imported. And it is not imported ample or sufficient quantities. Is it not the policy of the Ministry to see that things that are not made in this country are made here? May I know from the Minister if he has got any list prepared of these items which are not made in India and which in the near future or in the distant future, in a phased programme, the Ministry proposes to take up and see that the country becomes self-sufficient in that respect? I do not know Sir, what is your experience or the experience of the hon. Minister. If one were to get himself X-rayed in a clinic or hospital, the doctor's reply is, "Oh! there is a shortage of X-ray films." What is this Ministry doing? What has it done to ensure the production of photographic films in this country, when it is a Ministry of Industrial Development? To a lay-man like myself who has had nothing to do with any industry in his life, it seems that if this Ministry is not concerned with these things, what is it concerned with? I would like to know from the hon. Minister.

One of the hon. Members from the other side rightly raised the question of unemployment. Industrial policy means providing more and more jobs

[Shri Triloki Singh]

to the people. The 1968 figures as entered in the employment registers go to show that there were three million unemployed people in 1968. Since then, their number must have gone up by at least 15 or 20 per cent. What is this Ministry going to do? There is the Ministry of Industrial Development; there is the Industrial Policy Resolution. But along with them, the number of unemployed is increasing by leaps and bounds. This morning we were talking about the Naxalities. In all humility, I would like to submit that all Naxalities are not a bad people, they are not a bad set of people, if I might say. Mahatma Gandhi had the credit of adding a word to the English dictionary, 'Himalayan'. The Naxalities have the credit of adding a word to the English dictionary, "Naxalite". What does it mean? "We are unemployed, we are educated, we are hardworking, we are well built-up. But we have nothing to do". They do not find justice. How long are we going to keep people satisfied on promises of long distant future, promises which are not likely to be fulfilled during their life-time? That is not possible. What has given birth to Naxalite movement? It is not confined only to one small village in North Bengal, Naxalbari. Everyday we read in the newspapers that the Naxalities are doing this, they are doing that. Why are they doing this and that? I wish the hon. Minister for Industrial Development and his Government looked into the deep causes of this malady, this increasing malady which is enveloping the country. If one burns the portrait of Mahatma Gandhi, if a set of young men raid a university building or a university library and burn down the works of Mahatma Gandhi, although I hang my head in shame, I am not surprised. If this country could produce a man who could shoot Mahatma Gandhi dead, this country could also very well produce men who would burn the portrait of Mahatma Gandhi. That is nothing in comparison to the bullet that killed the great Mahatma. But then that might have been an individual and isolated incident. But this is something widespread, this is something which is contagious, which is enveloping the whole country. It is not confined to any particular region or particular State or district. I wish the hon. Minister for Industrial Development

gave anxious thought to this problem and solved it. I think, Sir, that his Ministry alone can take effective steps to solve the problem of unemployment.

I would like to draw his attention to this. What is the Industrial Policy Resolution for? It is for the economic betterment of the country. How can any country and any people be economically well off if 70 per cent of the people of that country are dependent upon agriculture? And let me tell you, Sir, and through you the hon. Minister that there are more persons dependent upon agriculture today than they were 30 or 40 or 50 or 60 years back. That accounts for their economic backwardness. If one were to go through the Census figures of 1901, he would find that there were lesser number of people dependent upon agriculture than they were in 1961 or they would be in 1971. I would submit, Sir, that the position would be still worse in 1971. Therefore, my submission is this that howsoever limited his functions may be, taking an overall picture and keeping in view the objectives set forth not only in the Constitution of India but also in the Industrial Policy Resolution and also in the various declarations and resolutions adopted, not only by this House, but also by both the Houses of Parliament, the hon. Minister should reorient his policy in such a manner that a larger number of people get employment, that they are not fed on promises which are not likely to be fulfilled. Lectures, promises or resolutions are not going to satisfy anybody.

I would also, through you, like to draw the attention of the hon'ble Minister to the *per capita* income of this country. 1960-61 it was Rs. 306. In 1968 it was Rs. 319, only Rs. 12 and a few annas more than what it was eight years back. Therefore, Sir, the least said about it the better. (*Time bell rings*) Have I got two minutes more?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please continue.

SHRI TRILOKI SINGH: Something has been said about the working of the public sector undertakings. I had an occasion of going to Bhopal once. Just now I find that the Heavy Electricals of Bhopal is a concern of the hon'ble Minister. Some one told

me that the Heavy Electricals was not working to its full capacity. I would have been satisfied if it had been working even to half of its capacity. According to the figures given to me there 1½ years ago, it was so low; it was not even one fourth of its capacity. That was the condition of the Heavy Electricals in Bhopal.

We have been talking much about the electrification of tubewells. The work on electrification of tubewells in U.P. was held up because of want of electric Meter. It was held up not for one week or two weeks or two months but for almost about a year. What is this Ministry unless it knows the needs of the country, not only the needs, it should create the needs of the people and cater to them and see to it that there is no scarcity?

About the affairs of the Company Law, Sir, I was told by a friend—I have gone through the Companies Act—that the Indian Companies Act not only empowers the Central Government to take action in certain cases but casts a duty upon the Government to take action in certain contingencies. If the Government do not do it, they can be charged with dereliction of duty. I have got a case before me. It is not possible for me to give the full facts. The Indian Iron and Steel Co. of Bengal had entered into a deal with a trust known as Dariusie. Crores of rupees that way have been lost to the company. If the hon'ble Minister likes, I would like to pass on the entire facts to him. The thing has been hanging fire for more than 15 years. The two companies were amalgamated under an Act of Parliament. And what does one find there? Crores of rupees have been lost. The attention of the Ministry was drawn to it but nothing effective was done. If the Act lays down a duty upon the Government, then it is up to the Government to see to the thing once their attention is drawn to any lapses. They should take immediate attention. There should be no leniency, no delay in such matters. Therefore, Sir, through you I would once again tell the Minister that he should reorient his policy. He should take immediate steps to produce the requisite number of managerial and technical cadres. He should see that whenever any company goes wrong the hands of the Government immediately come down upon the

board of directors so that things are not allowed to continue. Thank you, Sir.

श्री बालकृष्ण गुप्त (बिहार) : उपसभाध्यक्ष महोदय, मैं तो मंत्री जी से यही कहूंगा कि उनका मंत्रालय औद्योगिक विकास का मंत्रालय नहीं है, वरन् औद्योगिक अवनति, औद्योगिक पतन और औद्योगिक स्कावटों का मंत्रालय है। और यह बिल्कुल सही बात है।

श्री जगदम्बी प्रसाद यादव : विकास शब्द को उसमें से हटा दिया जाय।

श्री बालकृष्ण गुप्त : इसलिए यह उचित होगा कि विकास शब्द उसमें से हटा दिया जाय। पिछले पांच सालों में हिन्दुस्तान में कोई विकास नहीं हुआ है। या तो इस मंत्रालय को ही हटा दिया जाय और उद्योग बंधे लोगों के लिए खुले छोड़ दिये जाय ताकि वे अपने उद्योगों को अपनी मर्जी से बना सकें या फिर किसी और तरह की व्यवस्था इसके लिए होनी चाहिए। मैं जब बच्चा था तब इकोनामिक्स पढ़ता था उस समय हिन्दुस्तान दुनिया में आठवें दर्जे का औद्योगिक देश था और इस समय उसका नम्बर 20 वां भी नहीं है, उससे भी नीचे चला गया है। पौने दो करोड़ की आबादी वाला छोटा सा देश ईस्ट जर्मनी हमसे औद्योगिक उत्पादन में आगे है और जापान तो आज 8 करोड़ टन लोहा बनाता है और शिपिंग में, दुनिया के 50 फीसदी जहाज बना रहा है। किस मुंह से ये हमारे सामने बैठे हैं। इनको तो शर्म आनी चाहिए। आज हिन्दुस्तान के 50 करोड़ लोगों में से अधिकांश बेकार घूम रहे हैं। मैं कलकत्ता शहर से आता हूँ। वहाँ बेकार ग्रेजुएट, बेकार इंजीनियर्स और बेकार चार्टर्ड एकाउन्टेंट्स आज नक्सलपंथियों का सहारा ले रहे हैं। अभी-अभी इस हाउस में नक्सलपंथियों की बड़ी चर्चा चली थी। इन नक्सलपंथियों को पैदा करने वाले ये कांग्रेसी कूड़े के ढेर पर बैठे हुए फाब्रिहीन अली अहमद

[श्री बालकृष्ण गुप्त]

साहब हैं, जिन्होंने हिन्दुस्तान में औद्योगिक विकास को इस तरह अवरुद्ध कर दिया है, जिस तरह कि किसी वक्त श्री लियाक़त अली ज़ान ने एक फैसला ले कर किया था। आज हिन्दुस्तान का हर व्यापारी उनसे असंतुष्ट है। वही उनकी खुशामद करता है, जिसको कि लाइसेंस मिलता है। वही उनकी ताईद करता है। आप किसी को हिन्दुस्तान में कहीं भी भेज कर देखें, कलकत्ता में भेजें, बम्बई में भेजें, मद्रास में भेजें, बंगलौर में भेजें, कोई भी उनकी पालिसी से राजी नहीं है, कोई भी उनके मंत्रालय से सहमत नहीं मिलेगा। उन का यह मंत्रालय घूस का अड्डा बन गया और किसी को भी लाइसेंस बिना घूस दिये बिना इन्दिरा महारानी के यहां पूरी भेंट चढ़ाए नहीं मिलता है। अब तक जितनी बातें इस हाउस में हुई हैं, उनमें केवल ऊपर की लीपापोती ही हुई है, लेकिन असली अवस्था जो हिन्दुस्तान की है वह किसी ने वर्णन नहीं की। मुझे बड़ी शर्म आती है कि यहा पर बड़े-बड़े सोशलिस्ट आचार्य आकर बैठे हुए हैं। मोहन धारिया, चन्द्रशेखर और कृष्णकान्त ही समझते हैं कि हम तीन ही ईमानदार हैं और हम तीन ही सोशलिज्म के कार्लमार्क्स हैं और हम ही हिन्दुस्तान में एक नये किस्म का सोशलिज्म स्थापित करेंगे, लेकिन जब उद्योग ही नहीं रहेंगे, तब धंधे ही नहीं रहेंगे, जब कल कारखाने ही नहीं रहेंगे, तो उनकी दाढ़ियां वैसे ही जल जायेंगी, जो आज फड़फड़ाती हुई नजर आ रही हैं। मैं तो बहुत दुःखी हो गया हूं। मुझे यह देख कर तकलीफ होती है कि जापान हमरा कच्चा लोहा ले जा रहा है और उसका वह स्टील बना कर हमसे आधे दाम में बेचने को तैयार है। अभी थोड़ी देर पहले हमारे एक दोस्त ने कहा था कि 1,200 रुपये टन का स्टील आज हिन्दुस्तान में ब्लैक मार्केट में 3,500 रुपये टन पर बिक रहा है। यह कथा आज की नहीं है, यह पिछले 18 महीने से हो रहा है

और हिन्दुस्तान स्टील के सेल्स मैनेजर एक एक वैन के एलाटमेंट में 10, 20 हजार रुपया घूस ले रहे हैं और कहने को यह मंत्री महोदय बैठे हैं, अभी कहेंगे कि इसको पकड़ेंगे, उसको पकड़ेंगे, लेकिन आज तक पब्लिक सेक्टर का कोई भी बड़ा अधिकारी घूस लेते हुए नहीं पकड़ा गया। आल इंडिया की कैरोसिन आदि की एजेंसी जिनको दी जाती है, उनसे घूस ली जाती है और सरेशाम उनकी दरें बढ़ी हैं। उनके रेट हैं। उनके बारे में डिस्कशन होता है कि फलां जिले में एजेंसी का इतना पैसा लगेगा, इतने टन लोहा मिलेगा और उसके लिए इतना पैसा लगेगा। इतना रुपया एल० आई० सी० से कर्ज लोगे, तो इतना रुपया घूस का लगेगा। यह सब हम देखते हैं और उसके बाद ऐसी अनरियल बातें यहां करने से देश का औद्योगिक विकास होने वाला नहीं है, इससे कोई औद्योगिक उन्नति होने वाली नहीं है। हमारे सामने देखते-देखते जापान एक मिलियन टन से 85 मिलियन टन पर पहुंच गया और इनका पब्लिक सेक्टर जिसकी इतनी ङुगियां पीटी गयीं, बड़े-बड़े लड़के इधर उधर भेजे गये, मास्को भेजे गये प्रशिक्षण के लिए आप देखें कि उसको क्या हालत है। उसमें घाटा ही घाटा है। कमाडिग हाइट्स की बात होती है पब्लिक सेक्टर में, लेकिन देखिये कि वह किस गर्क में डूबा जा रहा है। आप पब्लिक से रुपया ले ले कर, एक्साइज टैक्स लगा लगा कर आप उस घाटे को पाट रहे हैं। नेशनेलाइज करने से क्या होता है। सूरज उग चुका, अंग्रेज रेलवे नेशनेलाइज कर गये, लेकिन आज तक उसका प्रबंध ठीक नहीं हुआ। 35 अरब रुपये की यह रेलव है और जो कोई यात्री उस पर चढ़ता है, जो कोई थर्ड क्लास में बैठता है या सेकेंड क्लास में बैठता है, वह रेलवे मंत्रालय को गाली देता है, लेकिन कुछ भी नहीं हुआ। रोजाना भाड़ा बढ़ता जाता है, फिर भी उस रेलव में भी घाटा है, जिसकी पूंजी अंग्रेजों के जमाने में संचित हुई थी, जिसमें 7 अरब अंग्रेज छोड़ गये थे और अब जो

35 या 34 अरब तक पहुंच गई है, लेकिन इन्होंने 20 साल के स्वरज्य काल में केवल दो हजार मील नई रेल बनई है। तो यह इन लोगों की उपलब्धि है और वे लोग यहां आ कर खड़े हो जाते हैं और छ ठप पीटने वाले ढप बजाते हैं। ढप बजाने से तो यह हिन्दुस्तान चलेगा नहीं। इनको तो इस्तीफा दे देना चाहिये और यहां से हट जाना चाहिये।

यहां डलहीजी प्रापर्टी की बात होती है, हमारे एक मित्र ने वहां से इस बात को उठाया। अमेरिका में कोई भी इंडस्ट्रियलिस्ट डलहीजी प्रापर्टी जैसी चीज करता तो उसका काम रूजवेल्ट के जमाने में ही चालू हो जाता। यह इंडियन आयन की ही कम्पनी है, इंडियन आयरन के कंट्रोलिंग शेयर होल्ड किये हुए हैं और इनका कम्पनी ला डिपार्टमेंट चुपचाप बैठा है, तमाशा देख रहा है; क्योंकि वह बिड़ला नहीं है, वह सा बीरेन मुखर्जी साहब है, इनके कृपा पात्र है उनके ऊपर वह कैसे हाथ उठायेगे, सब नक्सलपन्थी से ले कर के आर्गो-नाइजेशन कांग्रेस तक के सब बंगाली शायद इकट्ठे हो जायेंगे रेन मुखर्जी के पक्ष में, इसलिये इनको डर लगता कि बंगाल का यह कारखाना है वह कितना हं इस्लीमल करे, कितना ही गलत करे, उसके बारे में हाथ उठाने को नहीं है, हाथ तो टाट पर उठायेगे, बिड़ला पर उठायेगे, डालाभया जैन पर उठायेगे, इस पर उठायेगे, उस पर उठायेगे, इसको मारेंगे, उसको पीटेंगे; क्योंकि उनकी रक्षा करने वाला कोई नहीं है। लेकिन जिनके पीछे नक्सलपन्थी तक खड़े हैं, उनके बारे में क्या हालत है। यह मंत्रालय है। मह मंत्रालय नहीं है, यह दो कारालय है, यह घूसालय है और लोगों को ब्लैकमेल करने का एक बड़ा भारी डिपार्टमेंट है। तुम्हारा यह ला प्रेंस कैसिल कर देंगे, तुम्हारा यह कैपेसिटी छीन लेंगे। अभी कल एक लड़का मेरे पास आया था, वह 5,700 रुपये में एक स्कूटर खरीद कर लाया है। मैं पिछले साल इटली गया था, वहां 2,00 रुपये में वही स्कूटर बिकता है। तो यहां ऐसा ही प्राइवेट सेक्टर है

और ऐसा ही पब्लिक सेक्टर है, सब जगह लोगों की लूट मची हुई है। बम्बई अधिवेशन में दो करोड़ रुपया खर्च हुआ, कम्पनी डोनेशंस तो बन्द हो गये, किन्तु यह रुपया कहां से आया, किस आसमान से टपक पड़ा, कहां से किस गुप्त गुफा के जरिये चला आया, यह हिसाब देने को कोई तैयार नहीं है। जबर-दस्त झूठ का साम्राज्य स्थापित होता जा रहा है, सफेद झूठ, बिलकुल झूठ, एक दम झूठ रात दिन चल रहा है।

DR. K. MATHEW KURIAN (Kerala): Sir, I have a request to make to you in the beginning. I being a new Member I hope you will be a little benevolent to me in terms of the time-limit.

Sir, I would start by saying that the report on the Ministry of Industrial Development contains a lot of complacency about the actual facts of the Indian industrial structure. It gives an impression that we are on the road to rapid or sustained industrial advancement. On the contrary, the facts presented in the report itself very clearly indicate that the economy, particularly the industrial structure, is in the whirlwind of a deepening crisis and expanding problems. The report itself does not contain adequate information on the structure of the industrial society that we live in. On the contrary, the report has tried to conceal the fundamental facts of the Indian industrial structure by loading the report with a lot of irrelevant or relatively less relevant information.

I would start first with the problem which was raised by some honourable Members, the decline in the industrial rate of growth. Why has there been a decline in the industrial growth rate? I am not quoting all the facts and figures for the sake of brevity. But it is very clear from all the reports including those of the Planning Commission and the studies of the Ministry of Industrial Development that from 1964-65 onwards the rate of growth has declined. The rate of industrial output has come down. I think one must very clearly identify the reasons as to why there has been a decline in the industrial growth rate or why there has been a tendency to decline in business activity for some time past. I

[Dr. K. Mathew Kurian]

would like to advance four or five major reasons of fundamental policy implications which I hope the honourable Minister of Industrial Development will kindly note. Firstly, I would like to suggest that despite the Industrial Policy Resolutions of 1948 and 1956 which have stood as monuments of resolutions or statements which have been grossly violated. The Industrial Policy Resolutions today stand completely eroded by the continued *ad hocism* of the Government of India despite all the policy statements of the Government of India. Despite all the tall talk of the Government of India, the society that we have actually created is an outright capitalist society led by the big business. I think this point has been reiterated by Members of the ruling party and this has been borne out by a lot of studies published recently. I would like to advance the point that uneven development in the industrial structure, uneven development between classes and sections of the people on the one hand and between regions on the other, is a fundamentally inherent law of capitalist development. It has even been reiterated in the draft Fourth Five Year Plan, 1969-74, on page 14 where the Planning Commission refers to the dilemma in industrial development. To quote the Planning Commission—

"The largest corporate groups are the most advantageously placed to seek and obtain foreign collaboration and to expand or to initiate a number of large and new activities. Therefore, acting through them may appear the easiest and quickest way of industrial development. In the process there is inevitably an increase in concentration of economic power."

Now I would like to say that the industrial development policy of the Government of India has been largely guided by short-term. *ad hoc*, requirements, and this has completely eroded even the rudiments of long-term industrial strategy. I would like to put a straight question to the Minister of Industrial Development: What happened to the industrial strategy embodied in the Second Five Year Plan? It was a well-thought out strategy based on heavy industries supported by small-scale industries of household type and

small industries using modern implements, progressively. I think the whole concept of the heavy industrial strategy and modern industries in the small-scale sector have been eroded by the *ad hoc* decisions of the Government after the Second Five Year Plan. Therefore, I suggest that a serious look into what has happened, into the erosion of industrial policy after the Second Five Year Plan, is necessary.

I would also like to make a reference here to the uneven industrial development between regions and States in India. We have the brief but monumental, report of the Pande Committee on Identification of Backward Areas. Mr. Pande, the Secretary of the Planning Commission presided over this Committee and this Committee has brought out, in my opinion, one of the most monstrously unscientific reports. In this report they have selected certain criteria for identifying backward regions and those criteria are most unscientific and cannot be sustained on the basis of economic or statistical principles. For instance, just to bring to your notice one simple fact, they have taken about ten index numbers of uneven importance. They have grouped together per capita income, railway mileage per lac population and per square kilometre and so on and so forth and added them up as if they can be added up without assigning weightage. It is a rudimentary, elementary, principle of statistics that when index numbers of uneven importance are added up, weightage must be given. But we find in this report that the selection of criteria, and even the very process of aggregation of the index numbers are actually very unscientific. So I request the Minister of Industrial Development to scrap this report. The Government and the Planning Commission should withdraw this Pande Committee report which is monstrously unscientific.

I would also like to make a constructive suggestion that the Government may appoint a National Commission on Regional Imbalances which may include on it representatives of all the State Governments, representatives of the Central Government, experts of the Planning Commission and outside experts in economics and in statistical theory. I think without such a Commission, consisting of experts, it is likely that decision on industrial alloca-

tions will be taken in the name of reducing regional imbalances which in fact aggravate regional imbalances for the sake of political priorities. I would now come to the question of distortion in the industrial structure caused directly by foreign aid and collaboration that we have been receiving. Mr. Manubhai Shah reiterated his opposition to the act of devolution in 1966 but we must remember that it was precisely the policy which Mr. Shah, as Minister, had pursued which led to the whole crisis in our foreign trade, which led to the whole erosion of the cost efficiency in the export sector. We have been giving cash subsidies and export incentives across the table and propping up inefficient industrial units who cannot really compete in the international market. I think our dependence on foreign aid and collaboration has taken the country almost to the verge of not only poverty of ideas but has cut at the roots of the cherished principles and policies which this Nation has accepted. I suggest therefore that we have a serious second look into our entire policy of foreign aid and collaboration. When I refer to foreign aid, I would also like to refer to one of the completely neglected areas of our foreign aid, namely, India's foreign aid and collaboration to other countries. We are supposed to have a policy of constraint and restraint with reference to foreign aid we receive but with regard to the aid and foreign investment which are going out from India, we seem to be completely complacent. As a matter of fact, in the name of promoting joint ventures abroad, ostensibly for promoting our exports, the policy which Mr. Shah had introduced has been in fact helping big business. The Birlas are going to the African and Asian countries, and dabbling in internal politics and propping up oligarchies in the African countries. It is a dangerous trend which he must understand. Export of capital through big business is leading to erosion of our foreign policy. I think a serious second look in terms of our industrial policy of joint ventures abroad is necessary.

A lot has been said about the role of the public sector. What has been missed in the whole discussion is that the public sector can, in certain conditions, work in the interest of the private sector itself.

SHRI G. A. APPAN (Tamil Nadu): On a point of order.

8—23 R. S./70

DR. K. MATHEW KURIAN: I am not yielding.

SHRI G. A. APPAN: He is speaking for the first time, it is a maiden speech. He should be given more time. He is making very valid points.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Are you prepared to give your time to him?

SHRI G. A. APPAN: No.

DR. K. MATHEW KURIAN: I think Mr. Appan will give me two minutes from his time. Thank you.

About the role of the public sector, the point which has been missed in the whole discussion is that the public sector is in fact helping the private sector. The expansion of the public sector even to so-called commanding heights is of no use unless the public sector and the people who sit on the pinnacle of power in fact utilise the public sector in the interest of socialism and socialist advance. As a matter of fact public sector has not been working as a model employer in many respects. I here refer to the P. & T. Department. Even though the Government of India has withdrawn the disciplinary cases against the P. & T. workers, in Kerala, 13 workers are still kept out. Disciplinary action has not been withdrawn. On the contrary the PMG is continuing his disciplinary action against the postal workers. The Government of India has not acted as a model employer in many respects. Therefore what is important is not whether the public sector in theory expands its total investments or total output. What is really crucial is what is the character of State power or the character of the Government of India which controls the public sector. Unless the Government of India is wedded to the working class interests and is prepared to implement seriously the policies which will help the people generally, particularly the vast majority of the working classes in this country, they cannot talk about socialism. The public sector will remain only a myth which cannot be practised.

On the industrial licensing policy, Shri Krishan Kant pleaded for reorientation of the industrial policy in the light of the Industrial Licensing Committee report, while Mr. Shah asserted

[Dr. K. Mathew Kurian]

that the industrial licensing policy cannot solve the problem of monopoly. I would like to make this fundamental point that we have been trying to operate on marginal peripheral matters without linking them with more important aspects of policy. For instance reduction in regional industrial imbalance cannot be successful unless we operate across the line, for instance on plan allocation by the Planning Commission to the State Plans, or the Central sector allocations and the Centre-State devolution of funds by the Finance Commission. Shri Mahavir Tyagi headed the Fifth Finance Commission and I had an opportunity to appear before that Commission. I would like to say, with due respect to Mr. Tyagi as a friend, that the Fifth Finance Commission's report and the allocations have in fact aggravated the problem of regional imbalances. More money has been allocated to States which are industrially advanced rather than to industrially backward States. I think the whole pattern of allocation of Central funds through the Planning Commission, through Central sector allocations and by the Finance Commission's devolutionary procedure has to be re-oriented.

At the end I would make two points. Under the National Textile Corporation Act about 3 or 4 textile mills are supposed to have been taken over in Tamil Nadu but we find that extremely onerous conditions have been imposed on the working class. For example, under the agreement, when sick mills are taken over the working classes must abrogate most of the rights which they have received through years of struggle. It is suggested that they must make a cut in the DA out of the DA of Rs. 140, a cut is made of Rs. 40 or Rs. 50. The working class is being denied even the privileges which are now available in the private sector. In pursuance of the decision by the Government to reduce DA when the textile mills are taken over under the Act, private industrialists are trying to continue this procedure and impose cuts in DA in the existing mills.

Similarly, despite all the attempts of the Kerala Government for revitalising the Coir industry and the Cashew industry, we find still callous negligence on the part of the Central Government. The State Government had put up schemes for revitalising the coir indus-

try costing only Rs. 15 crores, but the Centre has no money to give assistance to the coir industry for revitalisation, an industry which is export-oriented. But the same Government has enough money to increase the allocation for family planning from Rs. 96 crores in the earlier Fourth Plan draft to Rs. 300 crores in the revised Plan. When re-allocations are made across the line for family planning and other items of expenditure, industries which are necessary for sustaining the economy of the backward areas are completely neglected. Similarly, for the cashew industry we had asked for the taking over of cashew imports through the STC, it is still hanging fire. I would request the Minister to make a clear statement on this. Lastly I reiterate the importance of the proposal I made that the Pande Committee report on identification of backward areas should be withdrawn and scrapped and a National Commission on Regional Imbalances be appointed.

SHRI BANKA BEHARY DAS : Mr. Vice-Chairman, I am one with those who have accused this Ministry that it has failed to further the industrial growth in this country and has failed to regulate the industrial policy or the licensing policy of this country. I was very much astonished when Mr. Shah decried the Dutt Committee and branded its report as a drain inspector's one. I may remind him—he is not there—as to what is this PUC or PAC meant for. It may give some suggestion for modification in the structure of this industry but after all it went into the whole question of how public undertakings work. It also goes through the very question of how finances of this country are managed and that is why the PAC has been established. While Parliamentary Committee like the PUC, the PAC and the Estimates Committee go into the question of failure of the Government and the public sector undertakings of this country, it would be wrong to say that there should be no committee to go into the affairs of the licensing policy of this country or the private sector of this country. So I think he has done great injustice in saying it and trying to justify what is happening in our private sector in this country. It is proper for us that after so many years of functioning and managing the industrial policy of this country, we should evaluate how far we have succeeded in this. I am not going to say

anything about the Dutt Committee report with which I am not in agreement on major things. But I want to say that even 'The Economic Times' last year went into the very question of the corporate giants of this country, and you will be astonished to know that the Economic Times, which is not wedded to the policy of the drain inspector, who functions to protect the private sector of this country, gave some illustrations, and their research report said that according to the 1967-68 accounting year we had 101 corporate giants in the private sector out of which Tatas controlled 9 corporate giants with 17.5 per cent of the assets, and Birlas 11 giants with 12.1 per cent. of the assets of those 101 corporate giants. Foreign-controlled companies had 30 corporate giants out of those 101 corporate giants and they controlled 27.8 per cent. of the assets of those 101 corporate giants of this country. It means that only two corporate giants, Tatas and Birlas, and another 30 corporate giant out of those 101 corporate giants, they control 57.4 per cent, or more of the assets of those 101 corporate giants. I think the Economic Times went into this question. They did not function as the drain inspectors of this country. So I think Mr. Manubhai Shah, when he decried the Dutt Committee Report, he did not do justice to it. At the same time, it is proper for all of us parliamentarians and the citizens of this country to know how the industrial policy and the licensing policy of this country have been so regulated that they have given berths to the monopolists in this country instead of fulfilling all those objectives of the Industrial Policy and they have backed the monopolists, whether they are foreign concerns or they are indigenous concerns. Mr. Vice-Chairman, in this connection I am not one with Mr. Manubhai Shah when he said that in the earlier days the applications were for so many licences and so many licences were also given and perhaps within these four or five years there is a decline in the applications and also in the licences. Now I may remind him that though the Dutt Committee has not gone into those aspects, if he scans the reports of the Government of India on the working of this Ministry, he will find that though so many licences were given, most of those licences were not utilised or those licences were taken only to pre-empt the capacities in this country so that the

small entrepreneurs or new entrepreneurs cannot come to the market. I think Mr. Manubhai Shah gave a distorted picture when he only went into the question of the applications, and the licences given, and did not go into the very important aspect of how many licences. . .

SHRI MANUBHAI SHAH : I have given the production figures and shown how from 9 per cent it has come down to minus 0.6 per cent.

SHRI BANKA BEHARY DAS : Yes, yes, I agree there. I will reply to that point also. But I want to emphasise that, when we compare these statistics, also we must go to the very basis, because apart from the Dutt Committee, we in this House have always condemned the big business that they have taken so many licences but have not utilised those licences up till now. I rather accuse this Ministry because, up till now, they have no machinery, to see how many licences, that were taken within the last ten or fifteen years, have not been properly executed up till now though they continue to have these licences. These questions have been asked in this House and the Ministry has always failed to give any answer. They have always taken the plea that statistics are not available. Therefore I want this question to be answered. So much praise has been made of this Dutt Committee report, with which I am not in agreement at all. Mr. Vice-Chairman, Sir, though the Dutt Committee went into the question of how Government's licensing policy has favoured the big business in this country, the solution that they have given is only going to help those very monopolists in this country. I won't go into this question because in this Bulletin of Small Industries the new Industrial Licensing Policy has been adumbrated and it has been clearly mentioned thus. "According to the Government decision, undertakings belonging to the Larger Industrial Houses, as defined in the report of the Industrial Licensing Policy Inquiry Committee", that is, the Dutt Committee, "together with foreign concerns and subsidiaries or branches of foreign companies, would be expected, along with other applicants, to participate in and contribute to the establishment of industries in the core and heavy investment sectors." What will be the re-

[Shri Banka Behary Das.]

sult if this industrial licensing policy, which has been accepted by the Government of India only a few months back, is followed? The net result will be that all those big houses, which have been branded as monopolies, will be given all fillip. If this industrial licensing policy is not changed, the result will be that all those monopolies and the large business houses will go to the core sector and their capital and their assets will grow to the detriment of the economy of this country. So I think the hon. Minister, when he replies to this point, will say that they will revise the policy so that the large business houses do not get all the advantages.

Mr. Vice-Chairman, Sir, in this connection I want to say something about foreign collaboration. There is no time; so I won't go into the details of it. But the worst contribution of this Government is in the matter of this foreign collaboration. If you see the history of Japan, you will find that in Japan they always purchase a large number of technical know-how and other things, and also enter into foreign collaboration sometimes. But there will be no single instance in Japan's history where they have accepted repetitive know-how. But in this country we have accepted always and have gone in for technical know-how so many times though we have all those things in our country. And you will be astonished to know that here I have this report that recently HMT went into foreign collaboration with some Czechoslovak firm in regard to the manufacture of tractors and it is pending the approval of the Government of India. And that has been the reply given to me on the 27th of April. You will be astonished to hear that in our country we are wanting foreign collaboration as far as the tractor industry is concerned, and have gone in for a large number of collaborations for 8 to 10 hp, 28 hp, 35 hp, 45 hp, 50 hp, and 65 hp, and we are going in for collaboration for 20 hp tractors again. I will again remind the Minister that the Central Mechanical Engineering Research Institute, in 1968, have stated that they have developed the design and the technical know-how and that a tractor of 20 hp can be manufactured in India without any assistance from foreign concerns, and yet in this collaboration

they are going in for, they will invest about Rs. 15 crores as far as I remember, and more than half of it will be in foreign exchange. So I would plead here again that, instead of revising the policy as far as foreign collaboration is concerned, the Government of India is still adopting the same old policy and they are going in for indiscriminate foreign collaboration, as a result of which, for every horse-power tractor, we have to have fresh collaboration and arrangement with foreign countries.

Mr. Vice-Chairman, Sir, as far as the public sector industries are concerned, I am afraid I have not much time to say what I want, but I am very sorry to say that, in spite of the fact that the Committee on Public Undertakings have reported about the poor working of the public sector undertakings and those weakness have been taken advantage of by the industrialists this country—persons like Mr. Manubhai Shah too spoke so much in praise of the private sector and decried the public sector in this country—nothing has been done to remove them. But I will plead here that in the Industrial Affairs Ministry, or some other Ministry, they should try to develop a cell so that they can function as a striking force to see where the inefficiency of the public sector is and how far it can be remedied by taking follow-up actions. My friend, Mr. Krishan Kant, gave some statistics how the officers who are in the different Ministries are functioning as Directors and how they cannot spare any time to function efficiently either as Chairman or as Directors of the public sector undertakings in this country. So I would rather say here that the Industrial Affairs Ministry or some other Ministry, should develop a cell so that they can well look after all the public sector industries and try to coordinate their activities, because all the Departments in this country are virtually employers with regard to one public sector industry or another public sector industry and yet there is absolutely no coordination between them. They should see that a better type of personnel management is developed in this country so that the public sector undertakings could function efficiently. So I would plead here that it is high time, because of the inefficiency in management, because of the inefficiency in management to secure raw materials

from other countries, because of the inefficiency as regards the pricing policy and because of the inefficiency as regards distribution also, they should develop a cell so that they can have a coordinated approach to the public sector industries in this country and thereby all the pitfalls that are there, can be removed. Here also I want to say that their licensing policy should be completely revised. Though the licensing policy is not the entire thing to regulate the industrial growth of the country to the extent the Minister thinks it will in a regulatory economy an industrial licensing policy has a vital role to play. And unless this industrial licensing policy is completely changed the net result in the coming years will be instead of curbing monopolistic tendencies we will be having more monopolies because core sectors are virtually reserved for the private sector or the larger business houses. And the small entrepreneurs will not be able to prosper but persons like Tatas and Birlas, these big business houses which are already under the clouds of suspicion will take all the advantages of the new industrial policy of this country.

Thank you

SHRI MAHAH VIR TYAGI: Sir, I want to make some confessions which may not be very complimentary to me but in this House I have taken an oath of truthfulness and loyalty to the country. (*Interruptions*) I believe in just listening to friends quietly and not in obstructing them. I never obstructed you and so I would request my friend to listen to whatever I say even if it is unpalatable.

As regard these ideologies of socialism, communism, capitalism and so on, somehow or other personally I am of the view that these are all mere ideologies and I do not have any religious faith in them. I do not treat them as dogmas. I want to go by results, what the objective is and what we have achieved. I agree with the view that our objective should be to ameliorate and improve the conditions of the lower classes. The have-nots must be looked after more and more, with that I agree, but to go on abusing one section or the other and decrying it is a thing I personally do not believe in. And I must confess I am an orthodox conservative in that sense. I would like my friends who

have been travelling about to just compare as to what is the condition of the lower classes in Russia, in Czechoslovakia, in Japan, in America and in other countries and then come to some conclusion. Is it a fact that only communist countries have improved or have others also improved or is their condition also bad? For instance, a sweeper who sweeps the dusty surface in America—in papers I have read—earns a pay of more than Rs. 1500 per month. Eighty per cent of the people there own cars. It means their standards are very high, may be even then they are not happy but that is a different matter but if the standards of the lower people is higher there I would not condemn America. I would naturally congratulate them. The same is the case here. I do not believe in abusing Tata or Birla or others whatever they are. I respect them, I love them because I know there was a time when even a needle was not being manufactured in India. After all they started companies and other things, may be their method is wrong but we have passed this company law for the purpose of seeing that these Tatas, Birlas and others are not allowed to exploit the shareholders whose money they are playing with. Are we not controlling them? So according to Gandhian way I must say that it is not their money, it is the money of the shareholders and the company law was enacted with a view basically to safeguard the interests of the shareholders. As far as the hon. Minister is concerned, I must confess that it pains me because they are like my kith and kin. I have been in their Government for years and although we have parted company now there is no antagonism or anything like that.

SHRI BHUPESH GUPTA: The Company Law Board in that respect did not help you very much perhaps.

SHRI MAHAH VIR TYAGI: After all, even with their own policies and principles they are still much nearer to me than my neighbour here because I am still nearer to their policies than those of my friend. Their policies and our policies are akin to one another practically and therefore I have no differences with them, although I am sitting on the opposite benches. If they are honoured I feel happy. If they are doing better service to the nation and if they are successful I must con-

[Shri Mahavir Tyagi.]

gratulate them. That is my attitude towards them but at the same time I must give my reactions to the hon. Minister. Roundabout the corridors of your Ministry there is a lot of talk of corruption. I do not know whether you are aware of it or not. People are all talking of these unpleasant things and he hangs his head in shame after seeing the atmosphere roundabout there. That is what is happening whether it is licensing or any other thing. Therefore please be careful to see to it that that atmosphere is awarded off. As regards their working, I must stay that there is so much delay in the Ministry. It is a regular complaint that the files are delayed, and that is a thing you have got to look into. I have no motives to attribute to you. I must confess in my own time when I was Minister of Revenue and expenditure Pandit Jawaharlal Nehru was being persuaded by the Congress President to enact a law for the companies to contribute to political parties but I opposed it to the last and when they agreed to do that I told them frankly that I was not going to accept that. I said I will fight my elections with my own money. Mr. Deshmukh also agreed with me. Somehow. . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): You were promised 3½ minutes, you have taken 6½ minutes.

SHRI BHUPESH GUPTA: Those were days according to you of look-facers and touch-feeters.

SHRI MAHVIR TYAGI: I must confess if that thing were not agreed to corruption would not have gone on on this basis. Now funds are collected for the party everywhere, here, in the States, because people have to fight elections and the shareholder's money is given by the proprietors of these companies for this purpose. This sort of corruption has to be stopped. I would suggest to the hon. Minister to enact a law that no contribution will come from the companies. After all, whose money is it? Suppose I am a shareholder in the Tatas.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): We have already done it.

SHRI BHUPESH GUPTA: No; we have not done it fully.

SHRI MAHAVIR TYAGI: I my friend here gets a contribution of Rs. 20,000 from the Tatas, since I am a shareholder, he is getting my money and he fights against me because I am opposed to him. How can I contribute to his party when I am opposed to him but yet that is what is done indirectly by the Directors. The shareholders are not a party to this. This sort of thing must be stopped.

Now there was one thing pointed out by Mr. Triloki Singh. About a year ago a representation was made to the hon. Minister about that company having kept 8,80,000 shares in a trust of its own. This was an illegal and criminal action and the Minister promised to take action but no action has been taken so far. I hope you will please take necessary action in that matter.

My only submission is that we must manage it in such a way that the man in the street, that the small town people who are unemployed might get employment. I agree with the sentiments expressed by many of the Members of the Opposition and also from that side. Practically the whole House is one on this. But of course I differ in one thing. There is this talk of public sector and private sector. I do not want to make any distinction between them. Do whatever you like but the private sector must be controlled by the company law in such a way that they may not go on exploiting the shareholders and their workers. I do not wish to say anything more.

6 P.M.

SHRI BHUPESH GUPTA: In the olden days he used to tell us that there were some people in the Congress Party who went and touched the feet of Shri Govind Ballabh Pant. They were touch-feeters. Some Congressmen used to decide by looking at the face of Nehru. They were look-facers. His English I am talking about. Those were the good days.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): These were his old jokes.

SHRI SANDA NARAYANAPPA (Andhra Pradesh): Mr. Vice-Chairman, Sir, considering the present circumstances in the country the industrial

policy should be changed in such a radical and arid manner that we can solve the unemployment problem and we can improve our industrial development and production. In 1943 the industrial policy had been changed. It has been changed also in 1956 and 1965. With all these changes in the policy, we could not achieve the expected results. Production has not come up to expectations in the public undertakings. So many industries have been started in the public sector and crores of rupees have been invested. Most of the public undertakings are now loosing and they are not able to make profit. In all these public undertakings mostly foreign personnel are appointed to the neglect of the indigenous technical know-how. There are 60,000 engineers unemployed in the country as per the statistics given by the Government. How are we to create employment for all these engineers? We have invested a sum of Rs. 3500 crores in all these public undertakings. Excepting a few all the others are running on a loss and we are unable to meet the requirements of the consumers in the country. Regarding foreign collaboration we are much more dependent on technical know-how and also foreign financial collaboration. This must be reduced to the minimum. Unless we develop and encourage our indigenous technical people and encourage the use of indigenous resources and raw materials, we cannot create more employment and we cannot encourage technical know-how in the country. In respect of the small-scale industries sector, the Government of India have now liberalised their policy. Up to Rs. 1 crore any man can start an industry in the country without grant of any licence. That is the liberality which the Government has shown to the public, so that more industries may come up in the small-scale sector. I do not know whether the Ministry before announcing this policy, consulted their small-scale industries department and found out whether it is possible to attract a number of people to start small-scale industries in the country or are there any difficulties. They have not thought of making any consultation like that, but the policy has been announced. Is it beneficial to the small-scale industry? Up to Rs. 1 crore means big people who have got money, enter the field and start small-scale industries. The people who have already started small-scale industries are finding it very

difficult to get raw materials and to sell their finished products. They are finding it very difficult and they are not being given adequate finances. In all these matters if the present policy of the Government is going to continue, I think it will be more detrimental to the small-scale industries sector. In this connection, I request that the banking department must also liberalise its policy and give adequate finance to start big and small industries in the backward areas. Further, I wish to say that there is shortage of fertiliser, shortage of scooters, shortage of cars and shortage of other consumer goods in the country. The people are facing difficulties in the country. In order to meet the demands of the public, I think the Government must start more industries in the public sector and to solve the growing unemployment problem too. Then only it will be possible to meet the requirements of the general public and the talk of socialism will become a reality. Food, clothing and consumer articles should be supplied at reasonable rates to have a decent living for the ordinary man, instead of going on changing the industrial policy to suit some big business Houses. It is no use simply shouting slogans of socialism or announcing statements. The Government should come forward with real steps to solve the present crisis in the country and create more employment to the educated unemployed. The Government should produce more consumer articles to make the country self-sufficient in all respects and discourage dependence on foreign collaboration and technical know-how. With these few words, I will close my speech. I thank you.

SHRI G. A. APPAN : Mr. Vice-Chairman, many of my hon. friends have said that the industrial policy should be changed. No doubt I agree with them. We should achieve more economy and efficiency in our public undertakings, about which a lot has been said by others and I entirely agree with them. No industrial undertaking under the Government can be a viable proposition. Unless an institution can support itself and make profit, it is better that we do not have such an institution for the prestige of solving the unemployment problem. I have a number of points to make, but for want of time and since the Minister wants to reply, whatever I want to say I may be able to tell him personally. Things should be done in the interests of the nation, rather than

[Shri G. A. APPAN.]

score an advantage in publicity or utter something on the floor of the House for the sake of publicity. I only want to draw your attention to this. There are 241 Government undertakings, both of the Centre and the States, with a paid-up capital of Rs. 1,559.30 crores. Many of them are making losses. According to the Reserve Bank of India's latest report, the profitability ratios of the giants are deplorable. In 1967-68 the ratio of gross profits to sales moved down from 1.3 per cent to a mere 0.4 per cent. The ratio of non-giants also declined from 9.2 per cent to 6.4 per cent. Gross profits as a percentage of total capital employed receded in the case of the giants from 0.4 per cent to 0.1 per cent and in the other case from 5.9 per cent to 4.4 per cent. My only request to the hon. Minister is that any company or industrial undertaking cannot go on making loss perpetually. He should constitute committees to go into them, not after two years, but every month, and see that production and efficiency improve in the larger interests of the country. With these words I would like to conclude. I would be able to present my views to the Minister personally.

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): Mr. Vice-Chairman, I have listened with great attention to the observations made by the hon. Members while discussing the policy and the working of my Ministry. I am indeed grateful to them for the many useful suggestions and observations they have made in the course of this discussion.

SHRI BHUPESH GUPTA: What will be the fate of them?

SHRI A. G. KULKARNI: You just wait.

SHRI FAKHRUDDIN ALI AHMED: In a debate of this nature which has covered a wide and extensive ground it is difficult to touch upon each and every point which has been made out in the course of the discussion, but I shall try to deal with some of the important matters which have been dealt with by some of the hon. Members.

First of all I would like to take up the question of the decrease in the expansion or growth of industry in our

country. One of the hon. Members went to the extent of saying that while there has been an increase in industrial production up to the year 1964, there has been no increase since 1966. May I submit that while it is true that the rate of growth in the early 1960's up to 1965 was in the vicinity of 8 to 9 or even 10 per cent. . .

SHRI BHUPESH GUPTA: Never it was.

SHRI FAKHRUDDIN ALI AHMED: In some of the years. . .

SHRI BHUPESH GUPTA: The rate of growth in the industrial sector was fixed under the Third Plan at 11 per cent. As against that the rate of growth has never been more than 8 per cent. In fact it is less. Today it is 6.5 per cent, and in the preceding year there was no rate of growth, there was really a decline. If you look at it in the background of the Plan, you will find that the rate of industrial growth is far below the target of the Third Plan. This has to be accounted for by the Minister.

SHRI FAKHRUDDIN ALI AHMED: I hope the hon. Member would give me time to deal with the subject in a manner in which I would like. I was dealing with this question that while in one particular year the increase had been 10 to 11 per cent, generally in the early 1960's the growth was an average of about 8 per cent. Since 1966, actually for the years 1966 and 1967, there was no increase in production at all. But the production has again picked up since 1968. In 1968 it was about 6.2 per cent. In 1969 it is 7.4 per cent and if we exclude the cotton textile industry, I make bold to say that the growth during the last year has been as much as 10 per cent. So, it is not correct to say that during the last two or three years there has been no increase in industrial production. I have occasion to quote figures in Lok Sabha the other day, and I would not like to repeat and take the time of the House by quoting all those long figures, but I think the hon. Members may have had occasion or the opportunity of looking at those figures which I cited there which will convince them that in many of the sectors, particularly in the engineering sector, there has been a considerable increase in production. Therefore, I submit that while I agree that there is a good deal of change in the industrial situation and in the industrial policy when my hon.

friend was the Minister and at the present time, at the same time I must say, I do not wish to put any blame on anyone but it may be due to optimistic reasons or due to reasons which at that time were considered more weighty, the investment in some sectors was so heavy that actually that was one of the causes of recession in the year 1966 and 1967, and that brought about imbalance in our industrial production. Together with that the fall in agricultural production of about 20 to 25 per cent and two successive droughts and no investment in the public sector by Government in various activities, these actually were the reasons for recession in 1966 and 1967, from which we have recovered in the year 1968 and 1969. I personally feel that there is nothing for us to be frightened that this increase in production will not be maintained. In fact I am optimistic that the new policies which we have adopted will help a large number of entrepreneurs to come on in the field and help us in increasing production. But if we have to maintain the speed in the industrial production in our country, we must depend on the public sector, and unless and until there is growth and expansion of the public sector, unless and until the public sector goes in various other directions, direction of even consumer goods...

SHRI BHUPESH GUPTA : How many officers have you got in your Ministry who do not believe in public sector at all? This is very important. I know there are officers in your Ministry who are interested in sabotaging the public sector. Who does not know that your so-called Adviser, Mr. Ghosh is opposed to the policy of public sector, is against all progressive policies? These are to be stated because these are homilies and we do not want homilies. We had been seeing that this Ministry is filled with officers— I am not saying that every officer is bad—some of whom are dead opposed to public sector and progress-oriented policies. I gave the example of the so-called Adviser, Mr. Ghosh. There are others. Shall I name them?

SHRI FAKHRUDDIN ALI AHMED : I would again request the hon. Member not to intervene and interfere with what I have to say because in a few minutes I have to go and I would seek your indulgence to let me say what I have to say during the few minutes I have at my disposal. What

I was saying is this that one of the essential ingredients for increasing production in our country is that we must have faith in the public sector. We must allow the public sector to go in various other directions, in the direction both of consumer goods and intermediate goods, and also in directions where there is gap in production. Today the difficulty is that if we allow the public sector to come in in certain fields—take, for instance, the paper industry where the industry was delicensed, where the industry was free to make an investment and increase the production of paper, where the paper was also decontrolled, in spite of all these facilities there has been no increase so far as investment in paper industry is concerned with the result that I am frightened that in two or three years' time there may be a shortage of paper and we may be faced with great difficulty on account of that shortage. Therefore, where such gaps are visible, which are likely to happen in industries which are in the hands of the private sector, the public must come in to fill up those gaps in production; then only there can be an increased tempo so far as production is concerned.

SHRI BHUPESH GUPTA : We agree with you in what you say.

SHRI FAKHRUDDIN ALI AHMED : I would like to point out that I would not say that everything is in order so far as the functioning of the public sector is concerned. There are many defects which have to be overcome; there are many difficulties which have to be overcome.

SHRI BHUPESH GUPTA : But you should not defend a man like the Director of Telephones here, in a public sector undertaking, against whom lots of charges of corruption have been there.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Mr. Gupta, you should not get up every minute.

SHRI BHUPESH GUPTA : The hon. Minister should give the number and names of those people, and we would like to know what action they have taken against them. Otherwise, it would defeat the purpose of the debate.

SHRI FAKHRUDDIN ALI AHMED : I have to go...

SHRI BHUPESH GUPTA : I have also to go. Do not say what you said ten years ago. Say how you have organised your Ministry with people with a sense of respect for or faith in the public sector. My fear is this that you have around you all types of people, saboteurs of the public sector.

SHRI FAKHRUDDIN ALI AHMED : My short reply is that the officers are to carry out the policy enunciated by the Government, and I have no reason to believe that any officer will have the courage to disobey the policy laid down by the Government, whether it is a socialistic policy or not.

SHRI BHUPESH GUPTA : They make the notings for you—you are a busy politician—and they mislead you and then you formulate the policy conditioned by their prejudice and biased notings. Therefore, it is no use saying that. Everybody knows that theoretically the officers are to obey you. But the trouble is that some of the Ministers are too much preoccupied with various things and some of them eat out of the hand of the same officials who know how to sit on files, tamper even official reports and so on. Therefore, I say, Sir, these are to be explained. I say Mr. Fakhruddin Ali Ahmed, I am here only for that. The blessed ICS and the big IAS people, where do they come from?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : You have said enough.

SHRI JOACHIM ALVA (Nominated) : We want to know whether the Government gave permission to Mr. Bhide to join the Voltas.

SHRI BHUPESH GUPTA : Against how many people action has been taken. I know about some of the departments—from the way in which they are running, it is a waste of money; they do not bring out anything, I say. Mr. Fakhruddin Ali Ahmed may be a good man.

SHRI CHANDRA SHEKHAR : I am sorry to say that these aging Members are quite slow to understand that corruption is no disqualification in this Government. Why should they bother?

SHRI BHUPESH GUPTA : I apologise. I forgot that corruption is no disqualification. Mr. Chandra Shekhar,

corruption is not only no disqualification, it is a high qualification.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : I request Members not to interrupt the Minister; let him finish his speech.

SHRI FAKHRUDDIN ALI AHMED : I think the hon. Member has said his say. We are actually not discussing any officer and I again repeat that it is very unfair to make reference or to mention the names of officers who cannot defend themselves.

SHRI BHUPESH GUPTA : On a point of order. My point of order is this. When I am giving names and mentioning officers, it is most unfortunate and it is highly improper for the hon. Minister to issue a sermon that I cannot name the officers? Why am I here? If you protect them, if you shield them, it is my public duty here to disclose the names in the interest of the nation and for their examination through the forum of Parliament. Who feeds the Birlas? And what do the Reports say, the Dutta Committee's Report, Dr. Hazari's Report? Who fed the Birlas? Who issued licences and indulged in corruption? I hope the Minister will never utter such things. It is not for the Minister to tell me as to what I should utter here or not. We are not here for the pleasure of our Ministers, we are here to stand for what we consider to be in the public interest. And one thing is there. The wretched bureaucracy is a cesspool of corruption, is a cesspool of bribery, is a cesspool of everything that is indecent—it is tide up intimately with big money. And unless there is disengagement between big money and your high officials, nothing you can do. I hope, let us have the privilege of taking the names at least.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Mr. Gupta, you forget that just as you feel it your duty to mention something, he feels it his duty to defend, if he thinks that something is right.

SHRI BHUPESH GUPTA : I agree. But he should not say that it is unfair on my part to do so. I have been an experienced Parliamentarian here. It is not only fair on my part—he should welcome it—and it is my duty. Mr. Fakhruddin Ali Ahmed, I leave you at present. I have got another engagement, I have to go. Somebody is waiting for me.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Mr. Minister, I think you should not force him to remain. Let him go.

SHRI FAKHRUDDIN ALI AHMED: I am glad that my friend is willing to go.

SHRI BHUPESH GUPTA: On a point of order. Can he say that he is glad that a Member is willing to go? Would I be right if I say that I am glad that Mr. Fakhruddin Ali Ahmed is willing to leave the Cabinet? I will not say.

The only thing is this. You better answer this point. Mr. Chandra Shekhar is sitting with a truck-load of files about your corruption, not about you personally, but about your Ministry's corruption and scound.

SHRI CHANDRA SHEKHAR: I shall request Mr. Bhupesh Gupta not to mention Chandra Shekhar. I am quite disillusioned with this Ministry, I am quite disillusioned with this Government also. I am keeping scrupulously quiet on every issue. I do not want to waste my breath on these matters because during the last three years, I have come to realise that corruption is no disqualification in this Government. And the more we plead against corruption and other maladies, the more the persons are benefited. So we keep quiet. At least we will be serving the country by our silence. And my experience about this Industrial Development Ministry is so shocking, damaging—and—what to say—agonising that I prefer to keep silent rather than express my opinion about it.

SHRI BHUPESH GUPTA: I am prepared to agree with him except that I do not wish to keep quiet.

SHRI FAKHRUDDIN ALI AHMED: I hope that after all these observations, the hon. Members will allow me to make a few observations before I conclude.

I was just pointing out that it is true that there has been a change both in the industrial situation as well as in policy since the time my hon. friend was Minister in charge of this Department. And if there was slackening of growth in industry, it was not due to any lack of effort on the part of those who were in charge of the Ministry—whether now or in the past—but due to reasons over

which they had no control. I know that my friend might have undertaken something, taken some action—being very optimistic that that was likely to yield fruit in the future. But that optimism was not realised and it created an idle capacity in a large number of areas and also it created an imbalance of investment, with the result that there was some impact so far as the recession was concerned.

Then also there were two bad years of drought when the agricultural production went down by about 20 to 25 per cent. The investment in Governmental activities had to be slowed down. Take, for example, the machine tools. They were yielding profit and were showing increased production from year to year. But in the year 1966-67 the increased production of machines were not sold by them when they had a big stock with the result that production had to be slowed down. But in 1968-69 the production has gone up because there is a demand for machine tools, and they have also gone in for diversification. The Watch Factory also is showing an increased production so far as watches are concerned. Similar is the case with other public sector undertakings also. I would not like to go into the details of all of them. They have shown considerable improvement during the last one or two years. In fact, some of these public sector undertakings, according to the project reports themselves, were not supposed to yield profits or returns till 1970-71. According to the project report, the Heavy Electricals, Bhopal, was not expected to go into full production and yield profit till 1972-73. These are facts which have to be taken into consideration. Then we have to consider the utility of these public sector undertakings, not only from the point of view whether they are yielding profit or not but also whether they have brought about import substitution in our country. And I maintain that on account of these public sector undertakings, a good deal of things, a good deal of material capital equipment which we were importing and we would have imported, today is being manufactured in our country. That does not mean that we should be complacent about these matters. There is scope for a good deal of improvement in all the public undertakings, and we shall do our best to see how that improvement can be made so that the public sector undertakings may serve the purpose for which they have been set up in our country.

[Shri Fakhruddin Ali Ahmed]

The other point which has been raised here is about the licensing policy which has been recently enunciated by the Government. I would like to submit that this licensing policy has been announced after taking into consideration the recommendation made by the Dutt Committee. After taking into consideration all these various reports and recommendations, the Government have announced the licensing policy, and I submit that in announcing this licensing policy, to a great extent we have accepted the recommendations made by the Dutt Committee.

Now, some of the hon'ble Members feel that the exemption of licensing up to Rs. One crore will bring about existence of further monopolies in our country. On the one hand we want freedom for the purpose of establishing industries in our country at least so far as the small and the medium sector enterprises are concerned so that they may not have to bother with the question of filling an application to the Government and losing time about which Mr. Manubhai Shah mentioned a good deal. Now they can straightway establish an industry provided the investment is of Rs. One crore, provided they do not require 10 per cent. or more than Rs. 10 lakhs for foreign exchange for capital equipment. These are the conditions under which they can establish an industry where the investment or the expansion is up to Rs. One crore.

SHRI PREM MANOHAR: Will it not retard the small-scale industry?

SHRI FAKHRUDDIN ALI AHMED: It will not retard the small-scale industry but it will help it. Here this exemption does not apply to larger houses, as has been defined by the Dutt Committee. Those people will have to apply to the Government for licences if they want to establish industries in any particular area.

We also have a policy of removing regional imbalances. If in a particular area we do not find any entrepreneur of medium size who is prepared to establish an industry in a particular State which is backward from the point of view of industrial production, and if a big house comes and says that they are prepared to go to that particular area and establish an industry, there is no reason why they should not be allowed to do so.

SHRI KRISHAN KANT: Why does the Government itself not go to the States?

SHRI FAKHRUDDIN ALI AHMED: There is no reason why he should not be allowed to do so if we have in view the question of removing regional imbalances in our country.

My friend raised the question why should the Government, should not go? The Government would certainly like to go in those areas, but where they are restricted on account of resources limitations or other limitations, on account of financial limitation, then generally it is much better that some one who is prepared to do it should be allowed instead of not doing anything in that particular region at all.

My friend has raised the question that by giving this exemption for investment up to Rs. One crore, the small-scale sector will be affected. My submission is that the small-scale sector will not be affected for his reason. Even when the exemption limit was Rs. 25 lakhs, those who were exempted from licensing could go into the small sector at that time. But under the new policy, the industries have been reserved under statute for the small-scale sector.

SHRI A. G. KULKARNI: At that time there was a banned list.

SHRI FAKHRUDDIN ALI AHMED: At that time even, those people who were exempted from licence up to Rs. 25 lakhs could go in for the small-scale industries. But now those people who have been exempted from taking licence of up to Rs. One crore, will not be allowed to go in for industries which are reserved for the small-scale sector because they have been reserved under the statute. Not only that, there is the question of banned list. It was prepared for two considerations, one, that certain items which were reserved for the small-scale sector were banned so that there may not be over-production in the country. For that purpose they were banned. But now we are giving statutory protection so far as the small-scale industry is concerned. Therefore, there is no question of banning those items.

On the one hand, we say that people up to Rs. One crore will be exempted from taking a licence, on the other, they were maintaining a banned list for items other than those which have been re-

served for the small-scale industries. That will be very inconsistent with the policy of welcoming new medium entrepreneurs to come forward and take up production.

Not only this we have also the idea of joint sector. We have also the idea of a core sector of heavy investment. Another idea is wherever it is possible for the Government, particularly in industries which are strategic industries which are vital industries, which are of vital interest to the country, they will go in for public undertakings, but where it is not possible for us to provide funds or to find funds for taking up those activities under public undertakings, what is the harm in allowing the big industrial houses to go in for the development provided they are also controlled by the other provisions under the Monopolies Act? Today they are not allowed to do anything which will result in monopolies. They will have freedom subject to the restrictions which will be placed on them by the Monopolies and Restrictive Trade Practices Act which we have already passed. Therefore, all these things have to be taken in by itself but together with other policies, with other enactments, which the Government have placed before this House, and for which the approval of the House has been taken and which will be followed so that while the growth on the one hand is maintained, the imbalance is not created, the monopolies are not allowed to be created in the country. That will be the policy of the Government, and on the basis of that policy, which we wish to pursue, we will go in for increased industrial production in our country.

SHRI A. G. KULKARNI: What about raw material?

SHRI MAHAVIR TYAGI: What about protecting the shareholders of the Indian Iron who have been deprived of 8,80,000 shares in the Indian Iron by the Directors? You had promised a year ago to look into it and take suitable steps. Nothing has been done. Under what influence you have not done it?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Please note down your points.

SHRI FAKHRUDDIN ALI AHMED: I know what the hon'ble Mr. Tyagi is referring to. He is referring to the Dalhousie Trust of the Indian Iron shares. We know about that.

SHRI MAHAVIR TYAGI: Shri Ajit Prasad Jain and Shri T. N. Singh wrote a letter to you and you replied to it eight months ago. Nothing has been done.

SHRI FAKHRUDDIN ALI AHMED: Now this matter will take a long time and I would not like to take the time of the House . . .

SHRI A. G. KULKARNI: Please say something on the raw materials and the statutory protection for small-scale sector.

SHRI FAKHRUDDIN ALI AHMED: So far as raw material is concerned, I am just trying to find out the material here . . .

SHRI A. G. KULKARNI: Do not go to other rubbish.

SHRI FAKHRUDDIN ALI AHMED: No, this is not rubbish. So far as raw material is concerned, the main difficulty in granting raw material licences to the small-scale sector is the lack of information on the production and import requirements of small units. A sub-committee has now been appointed consisting of representatives of the Development Commissioner, Small-Scale Industries and the State Directors of Industries to make an industry-wise study of the requirements so that the problem can be solved. Meanwhile, the following improvements have been brought about: The maximum entitlement of all the new units has been increased from Rs. 50,000 to Rs. 75,000, an increase of 50 per cent. Old units can take advantage of the revised units wherever applicable. Additional steel imports have been authorised up to Rs. 10 crores for the use of small industries. The STC has been authorised to import Rs. 2½ crore worth chemical items which are in short supply to meet the requirements of small-scale units over and above their normal import requirements . . .

SHRI A. G. KULKARNI: Sir, on a point of order. I know the Minister is in a great hurry to go. My point of order is that I do not want all these figures because I know all these things myself. I always study these things. My difficulty is different. My submission to the House is that the gross contribution by the corporate sector ran to Rs. 1300 crores while ours is about Rs. 1100 crores. We are giving a great many employment opportunities in the small-scale sector. (Interruptions)

[Shri A. G. Kulkarni]

The policy matter that I want the Minister to state is that everybody in this country, whether a small entrepreneur or a big entrepreneur, will be treated according to his capacity. Sir, if you go to a villager in a remote corner and ask him to give you some statistics about his food requirements, how can that poor fellow tell you anything? (*Interruptions*) I want recognition to the small-scale sector. It must get its due share in the country.

SHRI FAKHRUDDIN ALI AHMED: It has to be recognised and I agree with the honourable Member that so far as the small-scale sector is concerned, it suffers from two difficulties: one is the credit facilities and the other is the shortage of raw materials. So far as credit facilities are concerned, we have gone a great way in helping the small-scale sector to overcome this difficulty on account of credit in which it has been failing for a long time...

SHRI PREM MANOHAR: It is on paper.

SHRI FAKHRUDDIN ALI AHMED: It is not on paper. The honourable Member should realise that. So far as the question of unemployment is concerned, we are aware that there is considerable unemployment among the educated people, particularly among engineers and diploma-holders, and the Government has adopted a policy that wherever an engineer wants to purchase a machine on hire-purchase system, he will not have to deposit any amount or give any security, and he can get a machine up to the value of Rs. 2 lakhs for the purpose of starting an industry. Similarly other facilities have also been provided for the purpose of making arrangements for his working capital from the...

SHRI PREM MANOHAR: Please ensure that no sureties will be required.

SHRI FAKHRUDDIN ALI AHMED: The machine itself will be the security.

SHRI PREM MANOHAR: But surety is not security. Every man in-

sists on bringing two sureties of an equivalent amount; it may be Rs. 10,000, it may be Rs. 2 lakhs. Please clarify this point.

SHRI FAKHRUDDIN ALI AHMED: It may be possible that they require you to give 20 per cent deposit. But to the extent...

SHRI PREM MANOHAR: They want sureties. Why do you avoid that question. They want sureties of an equivalent amount.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He is saying that the security that was wanted is not required. Surety is required. There is a difference.

SHRI FAKHRUDDIN ALI AHMED: Now, so far as the question of the raw material is concerned, apart from what I have stated, I am also thinking whether it is possible for the Government to have a bank where we can import and obtain all the raw material required for the purpose of small-scale industries and then distribute it through the State Directorates to all the small-scale industrial units. But my submission is that today the difficulty is we have not got the actual figures of production of the small-scale industries and that is where the difficulty arises. We are also taking steps to see that figures are collected on the production of every small-scale industry so that it may be possible for us to make an assessment of its requirements, both of imported raw material and of the raw material which is available within the country. And I can say this much that today 35 per cent of the production of the Indian industry is from the small-scale sector. And if that production has been possible, I do not know wherefrom they got the raw material and other material in order to bring about...

SHRI PREM MANOHAR: From the big industry and in the blackmarket.

SHRI A. G. KULKARNI: We are purchasing it in the blackmarket, from the big industrialists. That is how we are getting it.

SHRI FAKHRUDDIN ALI AHMED: If there is any loophole, that loophole has to be plugged.

SHRI M. M. DHARIA : If the honourable Minister is in a hurry, I may appeal to the House that we should hear his reply tomorrow. There are some basic points so far as this Ministry is concerned. I was recently invited by the power-loom weavers of Surat. There are about 40,000 power-looms in Surat. I heard their story. There are only 12 manufacturers in this country for nylon yarn. And if this Government cannot take that much nylon yarn and it fails in distributing it to the power-loom weavers, what must be the fate of others? I think there is something basically wrong. I can appreciate the difficulty of the honourable Minister. And if he is in a hurry, certainly we can meet tomorrow. We should get detailed replies from him. There are some very important points which cannot be hushed up. Some basic points have been mentioned by honourable Members and we would like to have replies in detail. Therefore, if the honourable Minister is in a hurry, let us try to sit tomorrow, but let us not hush up the matter. There are so many queries.

SHRI A. G. KULKARNI : I support Mr. Dharia. The point is under Section 18(g) the Government has got all rights to control the production of indigenous raw materials. As Mr. Dharia has rightly stated, it is the duty of the Ministry of Industrial Development to do all these things. I wanted to know what the Minister was doing about it.

SHRI M. M. DHARIA : Let us sit tomorrow. We must get all the details. I also want to put some questions which the honourable Minister will have to reply. If he is in a hurry now, we must get an opportunity tomorrow.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : There was a debate and Members who wanted to speak have spoken, and now the Minister is answering the debate. If any clarifications are there ..

SHRI M. M. DHARIA : It was stated by the honourable Minister that 35 per cent of the production has come from the small-scale units, and the Minister also said that he was lacking in information as to from where these small-scale units had secured the raw material. I may tell him that most of these small-scale units are purchasing

the raw material—the nylon yarn or some other artificial yarn—in the blackmarket, from big dealers and they are having all possible protection from the Government officers. And now the honourable Minister is not having that much information and if he wants that way to persuade this House, he will not be able to succeed. So let us sit tomorrow and let us get all the information.

SHRI PREM MANOHAR : Tomorrow the Minister must give replies to all the basic points. Then only this debate will be purposeful; otherwise, it will be fruitless.

SHRI FAKHRUDDIN ALI AHMED : There is no question of it. Whatever information I have at my disposal, I will certainly place it before the House. Honourable Members were very impatient. I was just posing a question: While the small-scale units complained of shortage of raw materials, there was 35 per cent of production from the small-scale sector. When they were complaining of shortage of raw materials, how is it that they could give so much production unless there was some loophole? If there is any loophole, it has to be plugged. In fact, I was going to say that I had a talk with some of these small-scale units and they told me that they were able to get the raw material in the blackmarket. But when I asked them to give me the names from whom they purchased the raw material so that I may take action, they were not prepared to give me those names.

SHRI PREM MANOHAR : This is your job to find out. You should find out those names yourself.

SHRI FAKHRUDDIN ALI AHMED : If there is blackmarketing and if someone knows of blackmarketing and he is not prepared to give the name of the person who is doing it, it is very difficult.

SHRI M. M. DHARIA : Again so many points of dispute are being missed by the Minister. If the Minister is prepared to give a guarantee to the small-scale manufacturers that they will get the quota, I shall produce the list within eight days. Let the Minister give a guarantee.

SHRI FAKHRUDDIN ALI AHMED : I give a guarantee.

SHRI M. M. DHARIA : I shall see that it is produced.

SHRI FAKHRUDDIN ALI AHMED : I accept this challenge. If the names are given to me and they are found to be correct...

SHRI M. M. DHARIA : No. They are the manufacturers and they are the users. When they are producing something, they are the producers. You must give a guarantee that they will get their quota; otherwise, this sort of guarantee will not help. I do not want this condition.

SHRI FAKHRUDDIN ALI AHMED : It will be our effort to say that whatever is required by the small scale industry is provided to them as early as possible but what I say is this.

SHRI A. G. KULKARNI : I am raising a basic issue. If the Minister assures me that commensurate with the production in the small sector, he is going to allocate indigenous production of raw material as the imported material and using Sec. 18(b) to control the big business in the country like nylon manufacturers, I agree. Let him agree on the principle and we are prepared to agree.

SHRI FAKHRUDDIN ALI AHMED : I would again repeat that on the one hand there is difficulty that we do not know the actual figures of production and we are taking steps to see that the actual figures of production...

SHRI A. G. KULKARNI : Where from you got the figure of 35%?

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Mr. Kulkarni, sit down. You have said what you wanted to say. You hear. If you are not satisfied, you can put further questions for clarification or some other thing according to the rules.

SHRI FAKHRUDDIN ALI AHMED : So far as yarn for the industry is concerned, I am sorry that I am not dealing with that production. That is dealt with by the Foreign Trade Ministry.

SHRI M. M. DHARIA : It is a small industry.

SHRI FAKHRUDDIN ALI AHMED : It is not a small industry and

it does not come under small-scale industry. It comes under the Foreign Trade. A complaint was made that foreign exchange allocation for the small scale sector is inadequate. That is a complaint which I have from the small-scale sector itself and we shall see to what extent we can improve the supply of foreign exchange, allocation so far as the small-scale industries are concerned.

Some complaint was made that there is delay so far as licensing is concerned and that files are being delayed. I can assure the Member that no file is being held up. It may be that sometimes in the case of some licence, there has been some delay but for that the Committee itself is not responsible because I have looked into the figures myself and found that where all the information is made available to the Committee, generally the licence is disposed of within 3 months but where the policy has not been decided or where information by the application has not been given then there is some delay. Sometimes though an application for licence is filed, they are written that they should supply all the other information but they take a long time in replying to the Government's letter and sometimes that is the cause for delay and for that the Licensing Committee is not responsible. During the last two months they have speeded up the disposal of the licences. Mr. Shah raised the question that because of the decrease in the number of licences, there is less industrial production. May I point out that upto 1964 there were no exemptions? Exemption up to Rs. 20 lakhs was introduced since 1964. Then a large number of industries were delicensed. For that reason the number of licences required is now much less and now, when we have adopted a new policy, that is, no licence will be required up to one crore, the number of licences are bound to go down and that itself will not be an indication that there has been fall in industrial production. These are the few important points which I thought required replying and I hope the Members will be satisfied with what I have said.

SHRI KRISHAN KANT : I put two questions. First I asked why no notification about the Monopolies Commission is issued. When is it likely to be issued? Secondly Mr. Sarkar has resigned from the CSIR Committee

and others. Is he continuing with the Birla Enquiry Commission and when is it starting to function?

SHRI FAJHRUDDIN ALI AHMED: So far as the notification is concerned, as the Member is aware, under the Act some rules have to be framed and they are being framed. We have consulted the people concerned and I hope by next month we shall be able to announce the Commission. So far as the resignation of Mr. Sarkar is concerned I heard that he had sent

a letter to the Prime Minister and the Prime Minister has sent him a reply. That is the only thing I know.

THE VICE-CHAIRMAN (SHRI AK-BAR ALI KHAN): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at fifty-nine minutes past six of the clock till eleven of the clock on Thursday, the 30th April, 1970.