

**SHRI ARJUN ARORA :** Am I to understand the Minister to say that the people who prefer the complaint to the Government get no hearing and no consideration from the Government and the complaints made against allocation and distribution of cement are referred by the Government only to the Committee appointed by the industry? Has the Government abdicated its functions in respect of cement distribution altogether?

**SHRI D. SANJIVAYYA :** There is no question of the Government abdicating its functions. Whenever there is any defect brought to our notice, we will certainly ask those people who have taken on themselves the responsibility of distribution to see that those defects are rectified and if they do not do it, then the Government will step in.

**SHRI DEOKINANDAN NARAYAN :** It was stated by the Minister that 10 per cent. of cement is allotted to the small industries—rural industries—and the agriculturists. Is he not aware that there are lakhs and lakhs of wells in India, that horticulture is growing and the agriculturists' demand is also growing? Does he not think that out of that small 10 per cent. perhaps 2-3 per cent. might go to the agriculturists, which is nothing as compared to their requirements?

**SHRI D. SANJIVAYYA :** Probably the hon. Member did not listen to me carefully. When I answered a supplementary earlier, I said: 30 per cent to stockists and wagon-load consumers for meeting the requirements of the public for repairs, new constructions, and for agricultural purposes in mofussil areas. That is number one. Number two, 10 per cent. to quasi-Government organisations, small-scale industries, agriculture, etc., as suggested by the State Governments concerned.

**SHRIMATI LALITHA (RAJAGOPALAN) :** May I know, Sir, from the hon. Minister whether the Bharat Sevak Samaj is given the contract to supply cement to the builders?

**SHRI D. SANJIVAYYA :** I am not aware, Sir.

#### PUBLIC SECTOR FACTORY FOR MANUFACTURE OF BOOTS

\*584. **SHRI ARJUN ARORA :**†  
**SHRI M. AJMAL KHAN :**

Will the Minister of COMMERCE be pleased to state :

(a) whether there is any proposal under Government's consideration to set up a factory in the public sector to manufacture boots; and

(b) if so, where the factory is likely to be located?

**THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH) :** (a) The State Trading Corporation of India are considering to set up a mechanised leather shoe factory to cater to overseas markets.

(b) The question of location has been considered carefully and it is found that the State of U.P. offers overall advantages for the setting up of the first proposed factory. The Chief Minister of U.P. is very keen to select a suitable site. Decision regarding exact location will be taken after receipt of the report of a Technical Committee set up for the purpose.

Exports of shoes have risen to Rs. 3.5 crores in 1964-65 from less than Rs. 30 lakhs before five years. We propose to raise these exports to Rs. 10 crores per year in the next five years through cottage sector, small-scale sector and large-scale sector production of shoes and footwear.

**SHRI ARJUN ARORA :** While this reply is very heartening may I know what are the centres under consideration? Kanpur is the biggest producer of boots and shoes, and it can produce many more.

**SHRI C. D. PANDE :** Agra also.

\* The question was actually asked on the floor of the House by Shri Arjun Arora.

**SHRI MANUBHAI SHAH :** Let the hon. Member, instead of asking me, indicate the place where he wants this factory to be set up.

**SHRI C. D. PANDE :** Agra also.

**SHRI M. M. DHARIA :** While appreciating the anxiety of the hon. Minister to increase the production, may I know what protection is being rendered to those who are manufacturing shoes at the cottage level?

**SHRI MANUBHAI SHAH :** It is already there, Sir. We are already increasing the exports from the small-scale and cottage sectors. This was the preamble of my reply. Now in order to raise exports from Rs. 3.5 crores to Rs. 10 crores, or Rs. 20 crores per year, we must have cheap, mechanically produced shoes and footwear of modern design in abundance to meet world demand, and therefore we desire to have a few factories, and that is why we have to establish a large-scale factory.

**SHRI R. P. N. SINHA :** An eminent Urdu poet once said :

बूट डालन ने बनाया  
मैंने एक मज्जुं लिखा,  
हिन्दी में मज्जुं न फैला  
और जूता चल गया ।

I would like to know from the hon. Minister if that state of affairs still exists.

**CR. CHAIRMAN :** It is a literary thing.

(No reply)

**SHRI EBRAHIM SULAIMAN SAIT :** May I know from the hon. Minister whether the Government has already decided about the centres where the Government propose to set up such factories for raising shoe production?

**SHRI MANUBHAI SHAH :** Tenders are not necessary.

**SHRI EBRAHIM SULAIMAN SAIT :** Centres.

**SHRI MANUBHAI SHAH :** Yes, presently we have selected Madras, Hyderabad, Ahmedabad, Calcutta, Howrah, and three or four other centres in India.

**SHRI GURUDEV GUPTA :** May I know, Sir, whether the Madhya Pradesh Government has approached the Centre for setting up the factory in Gwalior or anywhere else in Madhya Pradesh?

**SHRI MANUBHAI SHAH :** The main problem is the availability of raw hides and skins in plenty. As the hon. House is aware, the main centres of the hide industry are in Madras in the South, U.P., which is the biggest, then Maharashtra, which comes third, and then Bengal which has got many of the slaughter houses. So presently it is not a question of distributing everywhere. Of carrying coal to Newcastle on long distances.

**SHRI DEOKINANDAN NARAYAN :** May I know, Sir, whether it is not a fact that the Government has decided to set up through licensing six big factories in India and, if it is so, will it not be possible for the Government to have at least one or two factories in the co-operative sector where the shareholders are all workers, cobblers and shoe-makers?

**SHRI MANUBHAI SHAH :** Well, Sir, I appreciate the point. We are all for the co-operative sector and, therefore, the hon. Member's suggestion is quite welcome. But the point at issue is : Is an enterprise ready to produce goods for export? Our experience has been that even the existing enterprises are not export-oriented so far as the change in the design, change in the finish, and various other things are concerned. Therefore I would beg of the House to allow us to produce something for export purposes, so that at least we can meet this constant complaint against India that we are not producing goods to suit what others want but we want to dump, what goods we produce, on other countries.

So, if a co-operative is prepared to undertake the responsibility that they will produce for export, certainly we will consider.

**SHRI DEOKINANDAN NARAYAN :** Will you not encourage?

**SHRI MANUBHAI SHAH :** We will encourage.

**श्री विमलकुमार मन्नालालजी चौरडिया :**  
क्या श्रीमान यह बतलायेंगे कि जिस स्थान पर आप फैक्ट्री लगने वाले हैं उस स्थान पर जो छोटे-छोटे पैमाने पर बूट बनाने का काम करते हैं उनको ठीक दामों पर रा मेटिरियल मिलें—आपकी फैक्ट्री लगने से उनके लिए रा मेटिरियल महंगा न बन जाय—इसका सेफ-गार्ड क्या होगा ?

दूसरी बात यह है कि ग्वालीयर में मध्य प्रदेश सरकार की जो लेदर फैक्ट्री चलती है—और जो वर्षों तक घाटे में चलती रही, सम्भवतः अभी नामिनल मुनाफे पर चल रही हो—उसका पूरा उपयोग लेने की दृष्टि से सरकार क्या प्लान कर रही है ?

**श्री मनुभाई शाह :** पहले तो हम 35 करोड़ रुपए का चमड़ा एक्सपोर्ट करते हैं। मैं हाउस से यह निवेदन करना चाहता हूँ कि रा मेटिरियल की कोई शार्टेज शूज के लिए नहीं है। यही हो सकता है कि जो एक्सपोर्ट करते हैं वह थोड़ा कम हो जायगा और शूज बनाने के काम आ जायगा। एक रुपए के शू से एक्सपोर्ट से चार रुपए का फारेन एक्सचेंज मिलता है। दूसरे यह कैसे हो सकता है कि घाटे में पड़ी हुई पुरानी फैक्ट्रियों को मैं ले लूँ और उनसे एक्सपोर्ट के लिए प्रोडक्शन करूँ। आज वह चलती नहीं है, वही क्या उसका आबवियस काज नहीं है ?

Why it is not running now? It is for the very fact that it is old, anti-diluvian and completely mediaeval in its concept. We want some modern things which can compete with Italy, with

Japan, with Pakistan and others, so that people here should see what type of shoes can be produced at cheaper rates and in a variety of designs. And then, others seeing them may also copy the same.

**SHRI K. DAMODARAN :** What will be the capacity of this new factory proposed to built be in U.P. and how much investment Government propose to make, and the amount of foreign exchange the Government expect of that factory ?

**SHRI MANUBHAI SHAH :** Rs. 87 lakhs is the capital to be invested in it. It will be one of the most automatic modern factories producing modern designs of shoes. The working capital will be Rs. 42 lakhs, and we expect Rs. two crores per year as foreign exchange earnings.

**प्रो० सत्यव्रत सिद्धान्तलालः** यह जो इंडस्ट्री आप बढ़ा रहे हैं उसमें बहुत सा चमड़ा काम आएगा, और मरे हुए जानवरों का चमड़ा काम नहीं आएगा। मैं यह जानना चाहता हूँ कि जिन्दा जानवरों को मारने की आप क्या योजना बना रहे हैं ?

**श्री मनुभाई शाह :** जिन्दा को आप मारने ही नहीं देते हैं, सारी मुसीबत तो यही है।

**SHRI G. MURAHARI :** Sir, I would like to know from the Minister whether it is not a fact that there were complaints from the Soviet Union and some other countries some time back regarding certain goods exported from India? When they were given certain samples, they were shown very good quality and, finally, when the export was made, the shoes were found to contain card-boards and things like that. Therefore, if it is a fact, I would like to know from the Government what steps they would take to prevent such occurrences in future.

**SHRI MANUBHAI SHAH :** That complaint was received in 1956-57, way back, before eight years, I had referred to it and mentioned about the steps contemplated against recurrence of such a complaint, and my former colleagues in

this Ministry also had said about it. It was said in both the Houses. Now the point is that since then we have exported twenty times more, and not a single complaint has come on any pair of shoes—I can assure the House—either from Russia or from other West European countries, and we have now a quality control and pre-shipment inspection. We are now standardising our brands and qualities, and a brand of shoes called “Jana Sevak” has attained popularity throughout the world. It commands a good market, and we want to introduce a few more brands on Indian model. Lest we should lose their goodwill on the score of bad quality, we will not permit any sub-standard goods to go at all.

**SHRIMATI DEVAKI GOPIDAS :** May I know, Sir, whether the Government will consider giving an orientation training course to the cobblers who are already engaged in this work to make them experts in the line and then to employ them in the factories that are going to be set up?

**SHRI MANUBHAI SHAH :** As far as the training is concerned, it is already there, and we have a population of more than five to six million cobblers. I have seen it somewhere that at one point it was 9.5 millions. Now they are well trained and their production is between 150 and 185 million pairs of shoes. In these new factories and shoes to be made will be entirely different, non-traditional, and according to designs wanted in foreign countries and we will have to specially train the staff to handle the machines.

**DR. SHRIMATI PHULRENU GUHA :** May I know when these factories will go into production and when can we expect this foreign exchange of Rs. 2 crores to be earned by India? By which year will it be earned?

**SHRI MANUBHAI SHAH :** As far as this particular factory is concerned, we hope to start production in two years' time. We have also licensed a factory in Bengal of a modern type entirely for export purposes and we expect that factory to go into production within a year.

\*585. [*The questioner (Shri Ram Gopal Gupta) was absent. For answer, vide col. 3464 infra.*]

\*586. [*The questioner (Shri U. S. Dugal) was absent. For answer, vide col. 3464 infra.*]

\*587. [*The questioner (Shri D. Then-gari) was absent. For answer, vide cols. 3464-65 infra.*]

#### TRADE AGREEMENTS

\*588. **SHRI M. C. SHAH :** Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries with which trade agreements have been entered into by Government, by the end of December, 1965; and

(b) the annual import and export trade with these countries during the years 1963, 1964 and 1965?

**THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH) :** (a) and (b) A statement is laid on the Table of the House. [See Appendix LV, Annexure No. 45.]

**SHRI M. C. SHAH :** From the Statement, Sir, it appears that with the four countries, i.e. Indonesia, Tunisia, Poland and Yugoslavia our balance of trade which was favourable in 1963 has become unfavourable in 1964. May I know the reasons for this?

**SHRI MANUBHAI SHAH :** In the case of Indonesia the causes are well known to the House, because there has been so much political unrest there during the last few years that we found it even difficult to receive money from them. Although they wanted some five or ten year loans which perhaps would never come back, we did not encourage that aspect. And which other country did the hon. Member mention?

**SHRI M. C. SHAH :** Poland and Yugoslavia.