

RAJYA SABHA

Tuesday, 4th September 1956

The House met at eleven of the clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

DELEGATION OF BUSINESSMEN TO EUROPE

*497. MOULANA M. FARUQI : Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether a delegation composed of businessmen has been sent to Europe by the Federation of Indian Chambers of Commerce and Industry in order to facilitate establishment of new industries and the expansion of the existing ones by private enterprise in the country;

(b) if so, to what extent assistance has been given by the Government of India to this delegation; and

(c) whether the delegation has since returned?

THE MINISTER FOR TRADE (SHRI D. P. KARMARKAR) : (a), (b) and (c). The Federation of Indian Chambers of Commerce and Industry had approached Government with a request for affording necessary facilities to a delegation which they proposed to send to Europe. The Federation has, however, recently informed Government that the departure of the delegation has been postponed for the time being.

MANUFACTURING UNITS TAKING PART IN THE DISTRIBUTING OPERATIONS

*498. DR. RADHA KUMUD MOOKERJI: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the manufacturing units in the country are allowed to take part in the distributing operations as well;

(b) if so, whether Government have assessed the economic consequences of that arrangement; and

(c) what steps Government propose to take in the matter of adjustment of interests between the manufactures, traders and consumers, which will decrease unemployment and save small business from extinction under competition with large producers?

THE MINISTER FOR HEAVY INDUSTRIES (SHRI M. M. SHAH): (a), (b) and (c). Government under-

stand that in the case of some big industrial units the manufacturing and distributing operations are in same hands. However, a large majority of the industrial units use the normal trade channel for purposes of distribution. There is at present no Government control over the kind of agencies through which an industry may distribute its products.

SHRI KISHEN CHAND: Is it a fact that in this textile industry, the small shop-keepers all over the country are feeling the strain of competition from the shops opened by the factories themselves?

SHRI M. M. SHAH: As a matter of fact, the least centralisation in distribution channels is in the textile industry and so, I would not agree with the hon. Member's observation that they are feeling the pinch.

SHRI KISHEN CHAND: Is the hon. Minister aware that this is leading to large-scale unemployment amongst the small shop-keepers and if so, what steps have been taken to safeguard against it?

SHRI M. M. SHAH: It is already covered under the original answer that no such thing has been brought to the notice of Government so far.

DR. RADHA KUMUD MOOKERJI:

I want a specific answer to this question. Will Government encourage retail traders and small shop-keepers to open up shops which will be more easily accessible to consumers and offer more advantages to consumers by keeping up an even supply and its planned distribution through all seasons and helping to break the monopoly of distribution by the producers, manufacturers and mills with all the evils that follow such a step and creating periodical scarcity?

MR. CHAIRMAN: It is a long question. By the time you come to the end of the question, the beginning is forgotten.

DR. RADHA KUMUD MOOKERJI I am prepared to break it up, Sir?

MR. CHAIRMAN: It is all right.

SHRI M. M. SHAH: Except in the case of a very few controlled commodities, the trade is entirely free and there are millions and millions of small distributors and, therefore, the apprehensions do not arise.

SHRI KISHEN CHAND: May I ask as to whether the hon. Minister knows that in the shoe industry, the opening of shops by the Bata Company has adversely affected many small retailers of shoe?

MR. CHAIRMAN: You ask, "Is it a fact?"

SHRI KISHEN CHAND: Yes, Sir, I want to know whether the Minister agrees with it.

SHRI M. M. SHAH: No, Sir. The observations are not quite correct and there has been no complaint from the shoe trade of the retail type to the effect that this is affecting their interests adversely the Bata Company shops are confined to only their products.

DR. RADHA KUMUD MOOKERJI: The dealers of paper in the City of Calcutta are faced with competition from the paper manufacturers with the result that the readers at large, the consumers are very badly hit by the scarcity of paper created due to artificial conditions.

SHRI M. M. SHAH: This question does not arise out of the question put on the Order Paper at all.

MR. CHAIRMAN: Then do not answer it.

SHRI S. MAHANTY: In reply to Mr. Kishen Chand, the hon. Minister stated that the Government have received no complaints from the retailers but did the Government invite complaints from the traders?

MR. CHAIRMAN: Do you mean to say that Government should invite complaints?

SHRI S. MAHANTY: No, Sir, but how then the Government can say that they have received no complaint?

MR. CHAIRMAN: If there is discontent, people are there like you who will bring it to the notice of Government.

TRANSFORMER FACTORY IN TRAVANCORE-COCHIN

•499. SHRI M. VALIULLA: Will the Minister for COMMERCE AND INDUSTRY be pleased to state:

(a) Whether a transformer factory has been started in Travancore-Cochin;

(b) if so, what is the production capacity of the factory; and

(c) how much is being produced now?

THE MINISTER FOR HEAVY INDUSTRIES (SHRI M. M. SHAH): (a), (b) and (c). A firm in Travancore-Cochin has been licensed under the Industries (Development and Regulation) Act, 1951 for the manufacture of transformers with a capacity of 10,000 KVA per annum. The firm is likely to go into production towards the end of this year.

SHRI M. VALIULLA: May I know whether the whole of the share capital has been subscribed?

SHRI M. M. SHAH: A large portion has been subscribed according to the information with Government.

SHRI M. VALIULLA: Are there any other factories which will be producing transformers along with this factory? Will the combined production be not enough for our purposes? Will we be self-sufficient?

SHRI M. M. SHAH: At present, there are sixteen factories and they have been licensed for the production of 1.31 million KVA. The anticipated demand during the Second Five Year Plan is 1.5 million KVA and, with the establishment of the Bhopal Electrical Equipment plant we hope to be more than self-sufficient in regard to most of the categories of transformers.

SHRI M. VALIULLA: May I know whether any Central assistance has been given to this factory?

SHRI M. M. SHAH: No, Sir.

SHRI B. P. BASAPPA SHETTY: May I know whether any transformers were imported from outside.

SHRI M. M. SHAH: Yes, Sir, transformers worth Rs. 1.75 crores per annum were imported last year.

SHRI H. C. DASAPPA: May I know when they will be able to reach the target that they have before them?

SHRI M. M. SHAH: I have already said, Sir, that we hope to be more than self-sufficient during the second Five Year Plan period in most of the categories.