

question has arisen about certain safeguards which some powers say. The technical word used is safeguards. We have not found agreement with these views of some other countries. The matter is still under discussion.

Shri Hem Barua: May I know whether it is a fact that western countries are reluctant to help India in the matter of atomic energy because of India's reluctance to accept the right of inspection of the International Atomic Agency. If so, what are the reasons for India's reluctance in accepting the right of inspection?

Mr. Speaker: It consists of two questions.

Shri Jawaharlal Nehru: As I have said, it is a question of certain safeguards which they wish to lay down for any country which deals with them. There is no question of reluctance. We have had a good deal of help. We are having it. But, in this particular matter, there is difference of opinion which is being argued now. In the main, it means that that two, three, four powers, which are at present proceeding with the exploitation of atomic energy, want to lay down rules that others should not go ahead except on a line with them. Therefore, safeguards come in. We do not quite accept that argument. Of course, there is no doubt that we are sufficiently advanced in India, ultimately, to be able to do this ourselves. Only it will mean two or three extra years. We want to avoid that and probably we will come to agreement with some of these powers.

Mr. Speaker: Next question. **Shri Harish Chandra Mathur.**

Shri Harish Chandra Mathur: May I ask a question on this question?

Mr. Speaker: No, no. I have called his other question. I will allow him more opportunities there.

Public Sector Undertakings

*522. **Shri Harish Chandra Mathur:** Will the Minister of Commerce and Industry be pleased to state whether

Government have finalised their consideration regarding the running of Public Sector Undertakings particularly in respect of (i) form of organisation, (ii) pricing policy, and (iii) accountability to Parliament?

The Minister of Industry (Shri Manubhai Shah): The recommendations of Krishna Menon Committee on certain aspects of the Public Sector Undertakings are under active consideration.

Shri Harish Chandra Mathur: This House was informed more than four months ago that this entire question is now ripe for decision and is before the Cabinet. May I know what progress has been made during these four months since it has been before the Cabinet?

Shri Manubhai Shah: That is what I have said.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I must confess that it is, if I may say so, partly my fault—the delay. As a matter of fact, it has been considered by the Cabinet. Consideration has begun and it is going on. There is a big report on this subject and we wanted to consider this fairly carefully.

Shri Harish Chandra Mathur: As this question regarding Standing Committee further been discussed with the Chairman of the Rajya Sabha and the Speaker of the Lok Sabha?

Shri Manubhai Shah: First, the Cabinet has to take the decision and after that, all the necessary formalities will be gone into.

Shri Kasiwal: The hon. Minister said when he had occasion to preside over a talk which was given by Mr. Robson, a well known authority on public sector undertakings, while the question of accountability to Parliament was considered, he was of the view that before the reports are sent to Parliament, they should be examined by a panel of Chartered Accountants and a panel of Economists.

May I know whether the Ministry has given any thought to this matter?

Shri Manubhai Shah: We have given considerable thought to this matter. All our reports are examined, as the House knows, by Chartered Accountants. What I also mentioned in that speech was that efficiency audit for the performance of these projects should be undertaken. We are doing it.

Shri Ramanathan Chettiar: May I know whether the recommendations of the Estimates Committee in regard to this matter will also be considered in the Cabinet?

Shri Manubhai Shah: It is a co-ordinated and integrated approach to the problems of public undertakings. Not necessarily this particular committee's recommendation alone, but everything allied to this problem will be considered by the Cabinet.

श्री म० शा० द्विवेदी : मैं यह जानना चाहता हूँ कि पब्लिक सेक्टर की इंडस्ट्रीज़ में नौकरियों की भरती के लिये क्या कोई इस प्रकार के मुझाव विचाराधीन हैं कि यह भरतियाँ उसी प्रकार हों जिस प्रकार पब्लिक सर्विस कमिशन द्वारा सेंट्रल गवर्नमेंट में होती हैं ? यदि नहीं तो क्या इस विचार को कैबिनेट के सामने रक्खा जायेगा ?

श्री जनुभाई शाह : मैं ने इस बारे में यहाँ पर कई बफा जवाब दिया है और किस किस तरीके से प्रलग प्रलग किस्म की जो पोस्ट्स हैं वे भरी जाती हैं इस का भी प्रहवाल मैं ने हाउस के सामने रक्खा है ।

Shri Harish Chandra Mathur: May I know if very recently His Excellency the Deputy Prime Minister of the U.S.S.R. has made certain suggestions regarding the running of our public sector in respect of incentives and pay structure, and if so, may I know what is the reaction of the Government?

Shri Jawaharlal Nehru: Yes, Sir. This matter has been discussed by the

Planning Commission with him at some length and he has made very valuable suggestions, among them being, much greater authority being transferred to the undertakings. That is, the Government interfering as little as possible with their work, and among them being—this is with reference to the previous question asked by the hon. Member—in regard to appointments, etc., for them to be given a good deal of freedom, not to go through the tortuous processes of the Public Service Commission. You cannot carry on a public undertaking with effectiveness under the old administrative routines of the Government.

Mr. Speaker: Next question.

Shri Harish Chandra Mathur: I think the Prime Minister is mixing up some suggestions made by American authorities and others made by the Deputy Prime Minister of U.S.S.R. I asked particularly about certain incentives for production and about pay structure.

Shri Manubhai Shah: Mr. Kosygin gave us ideas of incentives. I had an occasion to refer to it in the House more than once in the last one year. We have two Soviet experts already with us now who have examined three to four public sector undertakings. More are being examined by them at our request for evolving a scheme of payment by results.

Dr. M. S. Aney: May I put one question to the Prime Minister? Will the Prime Minister explain what he meant by when he said that the selection by the Public Service Commission was tortuous?

Shri Jawaharlal Nehru: Yes, Sir. Administrative work requires a particular approach which is efficiently given by the Public Service Commission. But, industrial undertakings are supposed to require a different kind of approach in regard to appointments etc. For instance, merit will count much more than seniority of service. If a person is good, he may be given a high post straightaway

which cannot normally be done in the administrative service.

Shri Harish Chandra Mathur: Apart from any suggestion by foreigners, this very suggestion has been voiced on the floor of the House by many Members. There is nothing new about this by the foreigners.

Shri Manubhai Shah: It is true the House has shown great anxiety that more and more autonomy should be conferred on the working of public undertakings.

Import of Cotton from U.S.A.

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- *524. { **Shrimati Ila Palchoudhuri:**
Shri Morarka:
Shri Nathwani:
Shri T. B. Vittal Rao:
Shri Osman Ali Khan:
Dr. Vijaya Ananda:
Shri Ram Krishan Gupta:
Shri Aurobindo Ghosa:
Shri P. C. Borooah:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that negotiations have recently been held between the Governments of India and U.S.A. for the supply of about another three lakh bales of cotton to India; and

(b) if so, the progress made in connection therewith?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) A Purchase Authorisation for the quantity is expected to be issued by the Government of U.S.A. shortly.

Shrimati Ila Palchoudhuri: I understand that the State Department of the U.S.A. has asked for certain information from the Government of India as regards the amount that is expected to be absorbed. Has that information been supplied to them?

Shri Manubhai Shah: Yes.

Shri Morarka: What will be the approximate price of the cotton imported when it arrives in India?

Shri Manubhai Shah: That is difficult to say, because the prices vary according to the international prices as well as the prices of this commodity in the US market, and according to the different staple lengths that we import.

Shri Morarka: Is it a fact that every importer will have to pay a premium of Rs. 120 to Rs. 160 per bale of 400 lbs., to the State Trading Corporation; if so, what service would the State Trading Corporation render in this connection to deserve such a huge premium?

Shri Manubhai Shah: This is not quite a fact. As the hon. Member is fully aware, and the House knows, this premium is really tied up to the export of cotton cloth. That is, all those who buy this foreign cotton have to assist in one way or the other through a tied-up scheme of export promotion by paying a certain premium. This has been going on in the country for the last three years.

Shri Morarka: Yesterday a notification has been issued by the Ministry of Commerce and Industry which has appeared in today's *Times of India* which says that before a licence is given, the applicant will have to attach a receipt to show that he has already paid Rs. 120 to Rs. 160 per candy to the State Trading Corporation that only thereafter the licence would be granted. This amount which is being paid to the State Trading Corporation is more than 10 per cent of the cost of the cotton. My question is what service the State Trading Corporation renders to merit this huge commission on this cotton.

Shri Manubhai Shah: I have already clarified that this premium is to be passed on, as the hon. Member is fully aware, and I hope things will not be made more complicated. This is an integral part of the export promotion scheme. The total availability of foreign cotton is tied up to the total export of cloth out of India, as our cloth has to compete in the international market. I have tried to ex-