

Shri Jawaharlal Nehru: Yes, that was the position that the Government of India took up and the Pakistan Government did not accept it and said it was not so.

CLOTH ALLOTMENT

***104. Shri S. N. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether cloth requirements of different States have been received by Government;

(b) whether allotment of quotas has been made to them; and

(c) if so, to what extent requirements of various States have been met giving the figures of allotment in each case?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) and (b). Monthly cloth quotas for the States were fixed in December 1948 on the basis of their population. Actual allotments of cloth to the States in a particular month depended on the availability of cloth for controlled distribution in that month. No separate figures of requirements are received from the States.

(c) A Statement is laid on the Table of the House giving figures for January, February and March. [See Appendix I, annexure No. 29].

From April onwards controlled distribution has been relaxed owing to failure of State nominees to lift their quotas. All fine and superfine, and 80 per cent. of coarse and medium cloth can now be sold by mills to buyers of their own choice.

Shri S. N. Das: May I know whether in the monthly allotments made in 1952 specifications were made regarding coarse and medium cloth and releases were made accordingly?

Shri T. T. Krishnamachari: I am sorry I have not got the breakup of the figures.

Shri S. N. Das: May I know whether efforts have been made to ascertain the requirements of coarse and medium cloth?

Shri T. T. Krishnamachari: The position is that the percentages have changed from time to time in regard to the output of coarse and medium and fine and superfine cloth. The output of medium cloth is perhaps the highest and I believe that these changes have been effected from time

to time according to the demand from the various States. I am not in a position to say whether there has been any particular investigation and a variation of production because of that fact or a variation in the allotment, because of such a demand or as a result of such an investigation.

Shri S. N. Das: The Minister has said that no requirements had been received from the various States. If so, what is the basis on which these allotments are made?

Shri T. T. Krishnamachari: The answer to parts (a) and (b) of the question indicates the basis. Actually the basis is the population figures and for the purpose of calculating the population the figures are based on the 1941 Census. A revision would be made when the new census figures are available.

सेठ अचल सिंह : क्या माननीय मंत्री को मालूम है कि ज़्यादातर स्टेट नोमीनीज ने अपना कौटा उठाना बन्द कर दिया है ?

[Seth Achal Singh: Is the hon. Minister aware that most of the State nominees have stopped lifting their quotas?]

Shri T. T. Krishnamachari: If it is a question of the state nominees not lifting the quotas, that is a fact. By and large, with very few exceptions, the State nominees refused to lift their quotas. I believe I answered a question about it the other day.

Shri T. N. Singh: Is it a fact that the State nominees have been unable to lift their quotas because according to the quotas they should compulsorily take a quantity of fine and superfine cloth?

Shri T. T. Krishnamachari: At the moment it is not a fact because other arrangements have been made in respect of superfine and fine cloth, but it might have been in the past.

Shri M. A. Ayyangar: May I know what the effect of this relaxation is?

Shri T. T. Krishnamachari: Well, as I said before, we do not know anything about the general effect of the relaxations made on the 17th May but from various reports which we have received the goods are moving and very possibly—I am just hazarding a guess—we might tide over a possible crisis that was approaching, so far as the near future is concerned.

Shri Nambiar: May I know why Government are not encouraging the production of coarse and medium cloth for the use of the vast masses?

Shri T. T. Krishnamachari: I am unable to accept that proposition.

Shri M. A. Ayyangar: May I know, Sir, if the removal of control to the extent of 80 per cent. over coarse and medium cloth and permitting the mills themselves to sell cloth to their own nominees is a first step in the process of removing the control altogether?

Shri T. T. Krishnamachari: Well, Sir, if the hon. Member draws any conclusions which will have a lasting bearing on control policy I think he is mistaken. As I have said before, the present removal of certain type of controls is for a limited period and therefore is of a tentative character. If conditions continue as they did before the relaxation was made, well, perhaps the period might be extended. In any event Government have not decided on any policy of decontrol and I can say nothing more about it now.

INDIAN AND FOREIGN UNDERTAKINGS

***105. Shri S. N. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of the Government of India has been drawn to the resolution passed by the twelfth Annual Conference of the All-India Manufacturers' Organisation regarding modification of Government's policy of non-discrimination between foreign and Indian undertakings;

(b) if so, whether the question has been reviewed since then; and

(c) whether there has been any change in the policy since then?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes, Sir.

(b) and (c). No, Sir.

Shri S. N. Das: What are the important features of the policy of non-discrimination adopted by the Government that these All-India Manufacturers require modification of?

Shri T. T. Krishnamachari: The position is, the Government every day gets copies of resolutions passed by bodies of varying importance, and I think it is almost an impossible task if whenever a resolution is passed by any body and communicated to Government the Government sits down

to review its policy in relation to the contents of that resolution. I would therefore refer the hon. Member to the existing policy of the Government as indicated in the Government of India's Resolution on industrial policy dated 6th April, 1948 and amended or amplified by the statement made by the hon. Prime Minister on April 6th, 1949 in regard to foreign capital.

Shri S. N. Das: May I know to what extent the adoption of this policy of non-discrimination has been able to attract foreign capital in this country?

Shri T. T. Krishnamachari: I would require notice.

Shri T. S. A. Chettiar: May I know whether Government have a definite policy of encouraging Indian industries and what is their policy so far as foreign capital is concerned?

Shri T. T. Krishnamachari: In regard to the first part of the question the Government are always ready to do whatever is in their power to encourage Indian capital going into industries. As regards foreign capital the present policy is covered by those two documents, the Government of India's industrial policy statement and the Prime Minister's statement in regard to foreign capital.

Shri S. N. Das: May I know whether it is a fact that the adoption of this policy has made Indian capital shy and scarce?

Shri T. T. Krishnamachari: I am unable to accept that proposition.

Shri T. S. A. Chettiar: May I know whether Government have received any applications from South India for the starting of certain big industries in that area for which we understand Government have not given support?

Shri T. T. Krishnamachari: The particular question does not arise in regard to the one that is being answered, but if the hon. Member would point out any specific instance where the Government has not given due encouragement to entrepreneur from South India I am prepared to look into it.

Shri T. K. Chaudhuri: May I know if the documents referred to by the hon. Minister do not refer to the policy of the Government with regard to foreign companies incorporated in India, that is invitation to foreign companies which are operating in India?