

Srikantiah), who is the neighbour of Mr. Subbiah and raised pro-Urs slogans again. They were given drinking water etc. in the house of the Municipal Administration Minister. At that time, the Minister for Municipal Administration was in his residence and he was a silent spectator and also entertained the processionists. Being a Minister and a responsible man in the Government, he did not come out nor instructed the police to stop the attack on the house of the Opposition leader. The police were silent spectators. After that, the mob had lunch at Jayamahall Palace Hotel and there again they shouted 'Shivanna Zindabad and Subbiah Murdabad'. Mr. Subbiah has made his personal explanation in the Legislative Council also. This is not the only incident. There are thousands of such cases happening all over the State. Opposition Party leaders and workers are being harassed under the guidance of present Ministers in Karnataka Government. Murders have also taken place. Police are not taking immediate action...

SHRI VASANT SATHU : He says that murders have taken place. (*Interruptions*)

MR. SPEAKER : I do not know what is all this. He said: "Murders have taken place. Police are not taking immediate action." Every day we are hearing all this. (*Interruptions*) Please go on (*Interruptions*)

SHRI S. NANJESHA GOWDA : So, Sir, there exists a condition of insecurity of life and property of political workers and leaders of opposition parties in Karnataka on account of threats and organised attacks on them by the goondas and failure of Government of Karnataka to stop it. A mini emergency exists in Karnataka. Karnataka people are not free under their rule, under their culture.

MR. SPEAKER : You please read it.

SHRI S. NAJESHA GOWDA : I appeal to the Home Minister, through you, Sir, to call for a report from the Governor of Karnataka; when such mischievous goonda elements are being encouraged to attack opposition party leaders and workers, how can we say there is free and fair democracy in the country. It is high time that such Ministers must be dismissed from the Government, and if the present Government cannot give sufficient protection to the life and property of all the political party leaders and their workers, I demand such a Government must be dismissed. I appeal once again that a report may be called for from the Governor and I urge the hon. Home Minister to make a statement.

SHRIMATI PARVATHI KRISHNAN (Coimbatore) : I want to make a submission.

MR. SPEAKER : Submission on this ?

SHRIMATI PARVATHI KRISHNAN : Yes.

MR. SPEAKER : No, please. In fact, I want you to come here now.

SHRIMATI PARVATHI KRISHNAN : A Member of Parliament cannot attack the conduct of a Minister of a State Government here. It is one thing to say that the State Government has failed. But you cannot attribute motives like this.

MR. SPEAKER : No motives.

SHRIMATI PARVATHI KRISHNAN : Tomorrow it can be said by a Member of Parliament about the conduct of a State Minister..... (*Interruptions*) Here it is said that murder is taking place with the connivance of the Minister..... (*Interruptions*)

MR. SPEAKER : He said that the Government have not taken any action. I have got the statement here. He says "The opposition party leaders and workers are being harassed under the guidance of present Ministers of Karnataka Government. Murders have also taken place. Police are not taking immediate action." I have read the whole thing and whatever is objectionable I have deleted.

SHRI VIJAYAKUMAR N. PATIL (Dhulia) : Sir, I rise on a point of order. Rule 377 says :

"A member who wishes to bring to the notice of the House any matter which is not a point of order shall give notice to the Secretary in writing, stating briefly the point which he wishes to raise in the House....."

I would like to know what is meant by "briefly" in this rule.

MR. SPEAKER : It is not a point of order. It is a waste of time. A statement of fact can be longer.

DEMANDS FOR GRANTS, 1979-80 MINISTRY OF INDUSTRY—contd.

MR. SPEAKER : We will not take up further discussion and voting on the Demands for Grants under the control of the Ministry of Industry.

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES) : Sir, I am very happy indeed that the debate

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on the Demands for Grants of the Industries Ministry has produced a kind of consensus in support of the industrial policy of the Government. When this policy was presented in December 1977, there was general acceptance of this policy, both by the House and by the country.

SHRI DINEN BHATTACHARYA (Serampore) : If implemented.

SHRI GEORGE FERNANDES : When a policy is presented, it is meant for implementation. I hope you have understood that. There was, of course, cynicism expressed in certain quarters, and there was also hostility by those who understood that this policy was going to hurt some of them. There has always been this feeling that industrial policy means policy for big industrialists, and the Minister of Industry means the Minister for industrialists. And these men, when they realise that there was an industrial policy by the new Government which was to bring about a radical change, they were concerned and their spokesmen were very articulate, very vocal in their opposition or in the expression of their cynicism. It is very interesting. Sir, to see some of the newspaper headlines of that time when the industrial policy was presented, and the comments of the spokesmen of big industry in this country. One of the newspapers said: "FICCI not happy with new Industrial Policy." FICCI is FICCI. FICCI was not happy with the new Industrial Policy. Another one said: "The Industrial Policy will not help to achieve the desired objectives nor even correct the imbalance of the past." The third one said: "Industrial Policy not conducive to growth." These were the headlines.

SHRIMATI PARVATHI KRISHNAN (Coimbatore) : You have forgotten the FICCI Chairman's comment.

SHRI GEORGE FERNANDES : And then, of course, there were the paid commentators of Big Business in this country. There was an archdeacon who was to say: "The Industrial Policy statement has completely evaded the general problem of industrial stagnation." Another paper was to editorially comment that this was a risky policy. A third one said: "Hotch-potch policy". A fourth one said "Damp Squib". And finally, a very large chain was to say: "This is old wine in old bottle." It is obviously some one who has been accustomed to a lot of wine. I do not know how exactly they would now want to react a little over a year after this policy has been in implementation.

Early last year, Sir, we started planning for industrial growth for the year and we fixed a target. We said, 7 to 8 per cent shall be the industrial growth for

the current year. Again, we ran into the same kind of cynicism—interesting comments in keeping with the earlier comments that had been expressed. Again, the archdeacon wrote: "Mr. Fernandes is whistling in the dark" the man who was supposed to show us the light. He thought that I was whistling in the dark. And after a while when things really proved that he was in the dark, he started going back on his earlier position and said: "Things seem to be looking up." But, for the last 4-5 months he has been very quiet and I think it is good for him to stay quiet for a while. Another journal was to say that there is actually a decline in industrial output in the year 1978. Month-wise statistics started coming out that we are increasing industrial output and that a rate of growth is being maintained. (Interruptions) Yes, it is very important, my dear friend, because ultimately public opinion does matter. The Government needs the support of the people. And if those who are controlling the media go on distorting the picture and creating phantoms where they do not exist, it creates problems, and it is necessary to deal with it—I am sure my hon. friend will understand that—because even when official figures started coming out every month, some people started quoting private figures. I do not know since when private figures are to be quoted for deciding the rate of industrial growth. When this attempt is made to run down the work of the Janata Government, to run down the efforts of those who were concerned with production—Government, of course, formulates the policy—but it is the workers, the managers, the people who work out there who implement it—when the establishment, which is controlled by big business, goes on to say that there is no increase, that things are going downwards, obviously, they are trying to run down those people who are really producing wealth in the factories and mines and elsewhere, and that is why it is important to put this on record.

My very old and hon. friend, Shri Venkataraman was very articulate in quoting figures and pooh-poohing the rate of growth that has been achieved. Of course, he was being very clever. He started comparing 1976-77 and 1977-78, while we are discussing 1978-79—always behind time ! He came out with some logic, very interesting logic indeed, and said :

"Now, the Industry Minister, in reply to this point said last year that the average growth over the last 30 years has been 4 per cent. I think, it is an illogical answer because, when certain assets are handed over to a new management and, if the same assets achieved a 10 per cent growth in the previous year and under

the new management, it achieved only 6 per cent growth, the relative efficiency of management is obvious."

In other words, we were very inefficient after his party handed over the assets to us in the last week of March, 1977. Mrs. Parvathi Krishnan, in keeping with her style, said we should not speak of 30 years, and she quoted, I think, John Morley that the proper memory for a politician is one that knows what to remember and what to forget. I will come to Mrs. Parvathi Krishnan later, but it is necessary for me to make this point, because if we inherited in 1976-77 a certain situation and we were trying to build on that an edifice, we were bound to run into certain problems. So, the growth rate in 1977-78 was only 3.9 per cent. And if Mr. Venkataraman thereby concludes that we are very inefficient in managing, I say firstly there was no inefficiency. We inherited a certain situation and were trying to set right all that was wrong. Secondly, applying his own logic, I would like to ask him: what was the efficiency with which your government managed the economy or the efficiency with which your government managed industry ?

If one looks at the industrial growth of the country, it has varied from 2.2 to 9.5 per cent. I will not go into the growth figures for the last two or three decades, but let us take the position from 1970. In 1970-71, the industrial growth rate was 4 per cent; in 1971-72 it was 5.5. So, obviously there was a lot of efficiency. In 1972-73 it came down to 4 per cent and according to the logic of Mr. Venkataraman, they became very inefficient. In 1973-74 it dropped to 2.2. Obviously, there was nothing left in terms of efficiency. In 1974-75, it was 2.6% not much improvement. It is only in 1975-76 and 1976-77, with the Emergency—that Emergency which some of my hon. friends on the Opposition are now trying to decry, to which they were a party at one time—that you succeeded in maintaining an industrial growth rate of 6% in 1975-76 and 9.5% in 1977-78. There were no strikes, no workers' rights, no trade union rights, no demonstrations, no processions not even to the houses of the Leaders of the Opposition, nothing at all. Today everybody talks of the industrial unrest in the country, the kind of industrial climate that has been created. In fact, even my friend, Comrade Halder was to refer to the sudden deterioration in industrial relations. Of course, he was referring only to one plant, which has become a kind of whipping boy for everybody now. Nevertheless everybody speaks of industrial unrest and we do have industrial unrest

but with all that we have achieved a growth rate of 8% in industrial production. People want me to quote the figures of 1975-77 and believe that this was a great achievement and the 3.5% or almost 4% growth rate of 1977-78 was something that is to be decried. I am mentioning this because there is an effort made to suggest that there is no achievement...

PROF. P. G. MAVALANKAR (Gaudhinagar) : Have you verified whether the figures which were given during Emergency were all genuine figures ?

SHRI GEORGE FERNANDES : They were genuine figures because 1% growth came from alcohol, another per cent came from private cars and another one per cent of the growth came from tobacco. They were genuine figures. They were also genuine to the effect that a large number of inventories were built up—steel was produced but not sold, coal was mined but stayed at the pit heads, a large number of inventories were built up. With Emergency and all that it implied, the growth rate was 9.5%. As against that, let us have a look at the growth rate of last year.

After all that criticism again my friend Mr Venkataraman, with his very strange logic, goes on to a very strange arithmetic an arithmetic that is not understood by me in any case—because he says: "This Ministry has claimed a growth of 8% over the year—of course, grudgingly—but if you scrutinise the figure a little more closely, you will find that a greater part of 8% growth is attributable to 13% growth in power generation". I would like to be educated in Arithmetic. What is the greater part of 8% ? I presume 4.1% at least. Is that what is supposed to be conveyed ? Then, Mr. Venkataraman had not done his homework because in 1978-79, an 8% growth rate was achieved and power generation did go up by 13%. We are very happy that it went up by 13%, not only would we like to retain it, but we would like to improve upon it. It is necessary to improve it.

SHRI R. VENKATARAMAN (Madras South) : That was a sentence quoted from an Economic Survey presented by your Government.

SHRI GEORGE FERNANDES: What is the total contribution from power generation to the total increase of 8%—1.2. Otherwise the growth in industrial output, which really had a substantial growth in the last year, was for the first time in my view a very balanced growth—balanced in the sense that it encompassed all major sectors of our industry minus steel,

[Shri, George Fernandes]

where we had set-backs, coal where the increase was very marginal and cement, where also the increase was marginal. Otherwise, all the major sectors of industry showed a remarkable growth. Power generation went up by about 13%, phosphatic fertiliser went up by 24.8%, commercial vehicles went up by a record 38.1%, sugar—26.9%, aluminium—19.9%, tractors—again a record, 30.8%. As regards bicycles—someone referred to bicycles not being produced adequately saying that the Janata Government failed even to produce bicycles—it is 12.7 per cent; dry batteries—a record of 28.3 per cent; cotton cloth in the mill sector went up by 2.6 per cent and in the handloom and decentralised sector, it went up by an all-time record of 11.1 per cent; production of tyres went up by 12.9 per cent; vanaspathi by 18.7 per cent.

All the major sectors of the economy showed a tremendous growth rate all of which escaped the eye of Mr. Venkataraman. All that he could see was the growth in power generation, quoting a sentence from the Economic Review that a major part of 8 per cent, in other words 4 1/2 per cent at least, came from the power generation.

There is an attempt that has been made by interested people to run down the achievement in the industrial sector during the last year. Even in those sectors where for a variety of reasons there were difficulties—take, for example, cement, shortage of power, transportation bottlenecks, etc. created problems and where the growth rate was marginal, the availability went up by 19 per cent because we imported cement and we saw to it that cement was not available. Again, take for example steel. There was a slight decline in production for a variety of reasons but the availability of steel went up by 10 per cent because we imported steel and we saw to it that industry did not suffer.

I am indeed happy, therefore, that despite all that our critics, particularly the critics and the spokesmen of big business and their media trying to decry, trying to run down the achievements in the industrial sector, we have achieved a growth rate of about 8 per cent which I consider is something that the Government need be proud of, and for which I would certainly like to thank the workers and the managers in the factories and elsewhere for the contribution that they have made in spite of all the problems that they faced.

I had said last year, while submitting the Industrial Policy and, later, while

speaking during the Demands, that the new thrust of our Industrial Policy will take us from the urban to the rural, from the large to the small, from the capital-intensive to the labour-intensive, from the machine to the hand. We have discussed the District Industries Centres and almost every member referred to this programme during the debate. It is true that the statistics that have been given in the papers that have been circulated before the Budget do speak of 246 DICs having been set up. When I presented the Industrial Policy, the Industrial Policy said that the 400 districts in the country would be covered by DICs over a period of four years. In other words, an average of 100 DICs per year were contemplated. Earlier, while we were having a debate on it, it was suggested that we should take at least five years to have all the DICs set-up. I am indeed happy to say that against an average of 100 DICs that were contemplated, that were planned, in less than a year—because the DICs were sanctioned from the 1st of May—against a target of 100 being set up in the first year, we have set up not 246 but 346 DICs. There are hardly 50 or 60 districts that are to be covered and it will be a matter of months now before every district in the country will be covered by a DIC. Now, how does the performance of the DICs look? There may be a number of questions. Members were, a little concerned and very genuinely. Some gave their own experiences, and the instance of Kerala was particularly cited here. Some Members shared their experience in terms of the kind of contacts they have had with the DIC Managers. I am not saying that all is well. In fact, only two months ago I had to write to the Chief Ministers and the Industries Ministers and say that a little more effort needs to be put into the DIC operation, and I was to mention that the DICs are not meant as promotion pastures for officials or bureaucrats or technocrats who have been stagnating at a certain level in Government or in other Departments. The DICs have a major purpose. They are to be decentralised administrative units and, at the same time, they are to be units which are meant to promote industries in rural areas, utilising local raw materials, harnessing local talent, creating talent where it does not exist, and catering to the local market. They have a tremendous job to do.

We started with the DICs in May last year and it took us a little time—it took us four months—to identify the people. In the first lot we sanctioned about 100 DICs which meant 100 General Managers and 700 Functional Managers. It took us a little time to get the right type of people after interviews etc. Then, training was provided. We have 13 training

units in the country and in these 13 training units spread over as many States, specialised training was given to the General Managers and the Functional Managers. By the time these men became functional, going to the districts and taking charge of the DICs, it took about four months. So the action reports that we have in regard to the performance of the DICs is, say, from August last year and while I admit that there are problems, we are doing everything to set right whatever is identified to be wrong. One kind of problem is the Kerala problem, where employees of the Government went to the High Court and filed a writ saying that not 'they' but 'we' shall be appointed—that these posts shall be reserved for employees of a certain Department and there shall be no outside recruitment. We had these problems not only in Kerala but elsewhere also. We are dealing with these problems. Despite all these problems, out of the 346 DICs that have been set up 164 DICs have submitted their detailed reports and they have been preparing their plans of action. Fifty two thousand entrepreneurs have been identified by these reporting DICs, the 164 DICs that have reported have identified 52,000 entrepreneurs, they have prepared 13400 project profiles they have been instrumental in establishing 37660 units, they have created employment for 1,16,465 persons they have made Rs 472 crores of financial assistance available to the small entrepreneurs in the districts and the rural areas, they have provided Rs 146 crores seed money or margin money to 1686 units. This is the work they have already done in the brief period they have been in existence and for which they have been able to submit their reports. For 1979-80 their action plans—because they are at work—which only 164 DICs have submitted to us visualise the establishment of 90,814 units. I hope the Hon. Members will remember this and particularly I hope comrade Dmen Bhattacharya will remember it, so that he can put us to the test thereof one year from today. On the basis of the action plans the DICs have already prepared, there is an anticipated investment of Rs 181 crores planned by these 164 reporting DICs, and the estimate that they will be able to provide employment to almost four lakhs of people.

AN HON. MEMBER: How much is it now?

SHRI GEORGE FERNANDES: You were not here when I started speaking. We can have a private discussion and then I can explain to you.

So this, Sir, is the action plan of 164 of the 346 DICs that they have started reporting and their reports are coming in constantly and regularly. This is, I

believe, evidence of the fact that the DICs are fulfilling the role which we had assigned to them.

SHRI SOMNATH CHATTERJEE (Jadavpur): Can you give us a state-wise break up?

SHRI GEORGE FERNANDES: We will certainly submit state-wise figures because we are producing statistics every month and I will be most happy to give them to you.

SHRI SOMNATH CHATTERJEE: Only for very big districts, if there are more than one. If there is only one, it may not be possible.

SHRI GEORGE FERNANDES: Certainly. And I would like to assure Somnath Babu that among the better operated DICs are the units in West Bengal, and when the 24 Parganas DIC—which was the first to do so—produced its action plan, I was to hold it up as a model for other DICs to follow. Since, then, others have produced equally good, perhaps even better action plans. But the point is that the idea has been understood, the idea has been grasped and the idea is currently being implemented, in my view, to the satisfaction of those who are charged with the implementation of this idea.

Then, the other Sector is the decentralised sector. It is our belief that the creation of new jobs is not going to be through capital intensive large sized industries whether domestic or multi national, whether in the private sector or public sector. The immediate creation of jobs is going to be through the decentralised sector, and I am sure that everyone, irrespective of one's ideological predilections—if you want to put it that way—has accepted this proposition. There are, of course, people who are very scientifically minded who believe that this is certainly not the policy, who believe that this is very unscientific, but it works. Scientific or unscientific, it works, and in terms of creation of jobs, in terms of production, it has worked in each of the sectors.

14 hrs.

Let us take the Khadi and Village Industries Commission. I remember my days in the Opposition, and I remember them in the context of the Khadi & Village Industries Commission because in those days the Khadi and Village Industries Commission was a sinecure for retired politicians or for patronage. Now a days it is not. Today the Khadi and Village Industries Commission is one of the most important instruments for the furtherance or implementation of one industrial policy.

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Here are figures, here is evidence that when you give responsibility to the KVIC, when you tell them they have a job to do, that they are not sinecures, they can live up to your expectations. In the last two years we have had no discussion in this House on this. People made to raise questions on how monies are swallowed in the KVIC, how institutions are going bankrupt, how societies are being liquidated. We have not had these questions which we used to have because today the KVIC is doing a good job.

SHRIMATI V JEYALAKSHMI : (Sivakasi) : How many bogus units are functioning in the KVIC ?

SHRI GEORGE FERNANDES : The ones you had set up which we are now trying to liquidate.

In 1976-77 khadi production was Rs 56 crores. Twenty years after the KVIC came into existence, in 1976-77, khadi production was of the order of Rs 56 crores but in 1978-79, that is, in two years, it has gone up to Rs 76 crores, an increase of Rs 20 crores. Employment in the khadi and village industries sector was, in 1976-77, 20.25 lakhs and it has gone up to 26.64 lakhs, an increase of Rs 4.6 lakhs over a period of 24 months. The total output of khadi and village industries has gone up from Rs 227 crores in 1976-77 to Rs 289 crores in 1978-79. I believe that this is a very creditable performance by the decentralised sector. Earlier the institutions were not attuned for this kind of work. These are the statistics which the public Accounts Committee can verify.

SHRI DAJIBA DESAI (Kolhapur) Can you give the khadi production in metres ?

SHRI GEORGE FERNANDES : I can give the production in metres also to prove that it has gone up. Employment has gone up and when employment has gone up, invariably the output has also gone up. I am sure, my friend, Mr. Dajiba Desai is able to understand this. Six lakhs of people have got additional employment in the khadi and village industries sector. They have been producing, they have not been wasting their time.

Yesterday, and earlier, we have had discussions about matches. I think it was my friend, Mrs. Jeyalakshmi, who was particularly concerned about WIMCO and the Sivakasi match manufacturers who have been creating a lot of trouble.

SHRIMATI V JEYALAKSHMI : Not only Sivakasi but other areas also.

SHRI GEORGE FERNANDES : Sivakasi and the rest. Our effort has been, as

I have repeatedly said inside the House and outside also, to see that the match industry goes into the real, decentralised village industries sector. How have we performed in the last two years? I think, it was Mrs. Parvathi Krishnan who had this to say. 'The Minister speaks and speaks and speaks'. Of course, one has to speak. How else is one going to educate?

SHRI KRISHNA CHANDRA HALDER (Durgapur) : Please do not throw the WIMCO workers in the streets.

SHRI GEORGE FERNANDES : I will not. I am concerned about them. You know that.

It is necessary to speak. I am sure, Comrade Parvathi Krishnan will understand this. After all, she is also a trade unionist, as I have been, and I may say that if the total output of words is to be compared between two of us, if not for any other reason at least because she has been in this game for a longer time than I have hers should be a little more than mine. (Interruptions) If her only grouse is that I am a Minister and she is not, that I cannot help.

MR SPEAKER : We are not discussing that.

SHRI GEORGE FERNANDES : The point is about the total output of words. She mentioned 'that the Ministers keep on speaking'. The Minister has to speak. The point has to be driven home. I am fighting against vested interests in this country, we are fighting against very powerful vested interests. I am sure, Comrade Parvathi Krishnan, in spite of all her differences with me, would appreciate that the fight is against very powerful vested interests. When we talk about matches.

AN HON MEMBER : What about West Germans ?

SHRI GEORGE FERNANDES : I will come to the West Germans. I have got the West German figures also and I shall give them to you—West German, American, British and French—all over the world. Do not get obsessed by any country. (Interruptions).

In 1978-79, when this Government decided that matches were one of those areas which should, invariably, be in the cottage and decentralised sector, we made a budget provision of Rs 6.88 crores. We were able to produce matches worth about Rs 11.5 crores, and we were able to create employment for 27,000 people. Nothing much really. But in 1979-80, in the current year, the provision made is Rs 14.6 crores. Our production will double at Rs 21.64 crores and the employment will

double to 54,000 peoples, half a lakh. Our projections for the next three years, as we move the match industry from the organized, multinational sector to cottage industry, to the decentralised sector, is to have an investment of Rs. 14.45 crores in 1982-83. This will take us to a production cost of Rs. 76.9 crores and provide employment to almost two lakhs of people. I am concerned with the jobs of the 8,000 also. Comrade Halder, but while we are doing everything possible to see that those jobs are protected, we are also, by moving away from the organised sector, from the multinationals creating two lakhs of additional jobs.

SHRI SOMNATH GHATTERJEE : You can peg the production level of the mechanized sector..... (Interruptions).

SHRI GEORGE FERNANDES : That was pegged by the Congress Government. I do not want to merely peg it.

SHRI SOMNATH GHATTERJEE : Let it not be near Sivakasi... (Interruptions)

SHRI GEORGE FERNANDES : They want to keep the multinationals in the country. Sir, I seek your protection..

MR. SPEAKER : I do not think you need anybody's protection.

SHRI A.G. GEORGE (Mukandapuram) : The Minister is giving an erroneous impression to the House..... (Interruptions)

SHRI GEORGE FERNANDES : Wimco is very much a multi-national. If my friend has forgotten what Wimco is, I can only say that I am indeed sorry. Wimco has Swedish capital to the tune of 40 per cent and Wimco takes out of the country every year several hundred thousands of rupees.....

AN HON. MEMBER : 39 per cent.

SHRI GEORGE FERNANDES : All right 39 per cent. 39 per cent equity by a foreign company in India ceases to make it a multi-national ! I am glad we are getting a new definition of multi-national. (Interruptions)

MR. SPEAKER : Do not record. I am not allowing. Once in a way I can understand, but it cannot be a running commentary like this. Do not record. (Interruptions)**

SHRI GEORGE FERNANDES : You can see the kind of thrust that we have brought in the khadi and village industries. Against a total outlay of Rs. 83.98 crore for the entire last Five-year Plan. in the khadi sector, the Janata Government in the very first two years of its term, has already put in Rs. 102 crores.....

SHRI SOMNATH GHATTERJEE : Where are they located?

SHRI GEORGE FERNANDES : All over the country.

So far as village industries are concerned, as against a total outlay of Rs. 34.28 crores during the five years which the predecessor Government provided, in the first two years of our term we have already put in Rs. 49.52 crores in the village industries sector. This, Sir, is proof that we are moving from the large to the small, from the machine to the hand and further.... (Interruptions)

MR. SPEAKER : This is an important debate. Don't interrupt him in the middle. If you are dissatisfied, you have other remedies.

// **SHRI GEORGE FERNANDES :** There were points made about the textile policy I will come to the basic textile policy. Now the thrust is from the urban to the rural and from the machine to the hand. One of the areas where we decided that firstly money should go, secondly, power, chasing power should be created and thirdly employment should be generated was the handloom sector. Here again I am indeed happy at the results that are available before us.... (Interruptions) Yes West Bengal is again doing very well. It is doing very well indeed. In every area you are doing very well including the multi-nationals.... (Interruptions)**

MR. SPEAKER : Don't record anything.

SHRI GEORGE FERNANDES : As against a Central Budget provision for handloom development of only Rs. 10 crores in 1976-77 in the very first year of our governments we doubled it to Rs. 20 crores. Last year it was Rs. 27.5 crores and this year we have estimated a grant of Rs. 28.3 crores.]

SHRI R. VENKATARAMAN : The Plan has been doubled, therefore, the amount will be doubled. But you must say what percentage of the total plan does it form. Then only it will be comparable.

SHRI GEORGE FERNANDES : I am sure the hon. Minister will understand that the Plan was doubled, and if the Plan was doubled and if in the very first year of our being in the government we increased the handloom allocation from Rs 10 crores to Rs 20 crores and in the second year we took it to Rs 27.50 crores this Sir, shows clearly that there has been a tremendous increase which I am sure my hon. friend with his penchant for arithmetic will be able to understand.

The NCDC loan assistance to the handloom sector against Rs 2.67 crores in June 1978 it has already gone upto Rs 6 crores in March, 1979. The co-operative coverage of looms has increased from 6.7 lakhs looms in 1976-77 to 14 lakhs in the course of last year—more than double. The credit sanctioned under the RBI scheme of finance for handlooms has gone up from Rs 20 crores in 1975-76 to Rs. 60 crores in 1978-79. Production of cotton fabrics and blended fabrics in the handloom sector has gone up from 2.46 million metres to 2.72 million metres within two years of 1976-78. The Janata cloth production in 1976 was negligible. There was hardly anything in 1977-78 we produced 82 million metres, and in 1979-80 we have targetted for 200 million metres against a performance of 125 million metres last year.

Employment in the handloom sector has also gone up. In 1976 the employment was 57 lakhs. In 1978 employment has increased to 67 lakhs—an increase of 10 lakhs in employment in two years time in the handloom sector. It is not merely employment. It is also wages. The wages of the handloom weavers have gone up because they have started moving into the area of blended fabrics in a very big way. The wages of handloom weavers.... I have made a selective study of five States — are in Karnataka against the 1976 level of Rs. 4 to 5 per day today it is Rs. 7 to 8 per day. In Orissa it has gone up from Rs 130 to Rs. 180 per month. Tamil Nadu—from Rs. 200 it has gone up to Rs 250. In Bihar from Rs. 4 it has gone up to Rs 7. In Gujarat from Rs. 4 to 6 it has gone upto Rs 8-12 a day. While we have been increasing production, in the field of marketing which has been the bane and which has been the main problem for the handloom sector it is in this area also where we have achieved significant results in the last two years. Here again, the States have been doing extra-ordinarily good work. For instance, take West Bengal, I am sure it will gladden Somnath Babu's heart to know that against a sales turnover of Rs. 196 lakhs in 1976-77 in the very first year, the sales turn-over went upto Rs. 439 lakhs and they have

targeted a sales turn-over of Rs 6 crores for the current year through their Apex Handloom Weaver's Cooperative Societies.

Similarly, take Maharashtra. As against a sales turnover of the State Handloom Development Corporation of Rs 28 lakhs in 1976-77, we went up to 2.50 crores in 1977-78. And, in the current year, it is Rs 2.15 crores. In U.P. as against a turnover of Rs 1 crore in 1976-77, the Handloom Development Corporation had a turnover of Rs 7.28 crores in the very first year of this Government. It was Rs 10 crores last year. We are marching forward very vigorously in the course of the current year.

Coming to Orissa, a very backward State otherwise. As against a turnover of Rs 1.50 crores in 1976-77, they have had sales of Rs 3.45 crores in 1978-79 and Rs 5 crores in the current year. This is an achievement.

I can give more figures but, this would not perhaps be necessary. The point is that handlooms is another one of the decentralised sectors where they have been doing extraordinarily well.

A more significant and even more dramatic aspect has been the development in the handicrafts sector. This has been one of the most neglected aspects of our economy. This is where both the State Governments and the Centre are interacting closely and so far they have been able to take some very significant strides forward. In 1976-77, the last year of the dynamic decade, the total plan investment in handicrafts was Rs 2.8 crores (*Interruptions*) during the Congress Ministry's time. From Rs. 2.8 crores in 1976-77 it went up to Rs. 12.4 crores last year. This is what we did—six times greater. I am sure Mr. Venkataraman will be able to understand the arithmetic of this (*Interruptions*) in one year this is the position. Whereas there was no training programme for craftsmen in the last year of the dynamic decade (*Interruptions*) if there was, then there were no people trained and, in which case, it was not implemented. (*Interruptions*).

In 1977-78 we trained 11,000 craftsmen, particularly, to produce carpets. We conducted a massive training programme. We set up 6090 and odd training centres and conducted a massive training programme in very many parts of the country in the Eastern Districts of U.P., in Jammu and Kashmir, in Madhya Pradesh, in Rajasthan, in Maharashtra and in Karnataka. We had carpet training centres set up and were able to train 11,000 people. In 1978-79, we trained 47,000 people to weave

carpets and in other key areas of handicrafts. In 1979-80 our target is to train 70,000 persons. We have created additional employment in 1978-79 in the handicrafts sector, additional employment for 3 lakhs of people. In the current year we are creating employment to 4.25 lakhs of people. Sir, the production of handicrafts has increased from Rs 500 crores in 1976-77 to Rs 800 crores in 1978-79. These are the achievements which have been possible because of the kind of training programme that we conducted and the service centres that we opened and the kind of integrated development that we had.

Similarly, with regard to coir with which Mr Ravi is particularly concerned. (Interruptions)

SHRI A C GEORGE: Sir, he has taken us for a ride. There are well organised programmes. You ask the Commerce Minister, Sir.

MR SPEAKER: I am not questioning anybody.

SHRI GEORGE FERNANDES: As far as coir is concerned, our effort is to see that the problems are resolved. Mr. Ravi particularly spoke about this yesterday and Mr Ravi is also aware of the fact that these are problems which have not been created by us from here but they are problems which had been created from outside. We are trying to resolve these problems. Despite the problems, I am sure it will gladden Mr Ravi to know that production has gone up from 1,55,000 tonnes in 1975-76 to 1,65,000 tonnes in 1977-78. Our exports have also gone up from 37,000 tonnes in 1974-76 to 42,000 tonnes in 1977-78. Indeed there are problems, and we are dealing with those problems.

For the coir industry, there was to be a meeting which was convened for the 12th. That had been postponed but we are meeting soon. We shall forward with a package which will take care of the coir industry, not only in Kerala but also other parts of the country.

Therefore, Sir, these are the decentralised areas where there is job generation, where we are providing the people with all kinds of assistance for marketing and for management and we are making funds available to them. We are reorienting the entire banking system in order to see that the money goes to the people who really need it. Sir, I believe, we have, during the last two years, succeeded in all these decentralised sectors through which we are going to create jobs which is the most important thing which the Ministry of Industry and Government have to do. I believe, we have done well.

Sir, Mr Venkatarama and a few others said that because of the utterances of the Industry Minister and because of the confusing statements coming from various Ministers of the government, the investment climate has not been very good. Now, what is this investment climate? It is a kind of jargon developed over a period of time and it is either Mr Billa or some spokesman of Mr Lata who talk about it. Firstly I would like the hon ble Members to understand that the total investment in the economy which the large corporate private sector in the country is concerned with is only between 10 to 12 per cent. Yet they go on raising these danger signals. (Interruptions)

The first thing when one speaks about the investment climate is to remember that the large corporate private sector's total investment is 10 to 12 per cent in this country. The bulk of the investment, namely 50 per cent of the investment comes from the household or the non-corporate sector—individuals, small people, cottage units, moccas, cobblers etc. 50 per cent of the investment in this country is in this small scale sector. But their investment climate nobody discusses. They have got jobs through the KVIG or in the handloom sector, but nobody talks about it because those poor people do not control newspapers or the economic journals. It is the spokesmen of these financial papers which say that the investment climate is bleak or FICCI says that the investment climate is bleak. They must remember that they are concerned with only 10 per cent of the total investment. Forty per cent of the investment is in the public sector in this country. Let there be no fooling about with figures. I see no danger signals being raised—as Mr Venkatarama was trying to do it the day before yesterday that I am trying to create confusion. Have I? Has investment gone down during the last two years? Why don't you open the financial columns of any newspaper and look at the figures in respect of the Stock Exchange, the temple where big business worships morning, noon and night. The Stock Exchange which is the barometer of their success as well as their failure. The position of stock exchange was never good as it is today. This only means that the policies on Industry which my government is pursuing are the right policies and they are stimulating growth. But the Industry has a tendency to raise danger signals merely to ask for more concessions. I have yet to see an industrialist who says that we never had it so good or who even says that we are doing well, I have yet to see an industrialist who does not ask for more concessions in excise and taxes. As a trade unionist I have not seen him and as a Minister also I have not seen him.

[Shri George Fernandes]

Sir, here we have some spokesmen and the newspapers also sometimes talk about the investment climate getting bleaker and bleaker. What are the facts? The year before when I was appointed Minister of Industry the stock exchange zoomed down but a fortnight later it started picking up. The moment I cleared the Tata Thermal Power Station they thought that things are all right, but the moment I talk of a certain unit of Tatas to be taken over then I am a dishonourable man. Sir, last year I cleared Rs 200 crores worth of licences of the Birlas, then I am an honourable man but if I say that in Gwalior Rayons in Nagda, Birlas have a capacity of 38,000 tonnes which is unlicensed then I am a dishonourable man. If I say that a Birla factory exists in Kerala which is unauthorised and where governments has been treated with contempt over a period of twelve years and in which the government colluded from the then Prime Minister downwards, then, it is said, Mr Fernandes must be having motives. This is how things have been said. Let us not, therefore, fool ourselves.

Ultimately how does one assess the investment climate. It is from the moneys that are spent. In the very first year of my taking over cement consumption went up by 7 per cent. In the second year it went up by another 10 per cent. This has been a compound rate of growth of demand.

Sir, in the very first year of the Janata government taking over, steel consumption went up by 14 per cent and in the second year it went up by 10 per cent. This is again a compound rate of growth. If you want to see how the capital market has operated capital raised in the market in the financial year 1974-75 was Rs 61 crores, in 1975-76 it was Rs 93 crores, in 1976-77 it was Rs 82 crores and in 1977-78 it was an all time record of 135 crores of rupees. Who says that the investment climate is bad? In 1978-79—Asil to Deenab—private capital raised in the market is Rs 92 crores and when the statistics of the running three months come in it will be another record year.

Sir, the number of industrial licences applications that we received in 1976—the last year of the dynamic decade was 903 whereas in 1978-79 it is 1,992. The disbursements made by the financial institutions in 1976-77 were to the tune of Rs 590 crores whereas in 1977-78 the figure is Rs 694 crores. This is an increase of 16.2 per cent. The import licences given by CCIE for capital goods in 1976-77 were for Rs 510 crores, in 1977-78 it came to Rs 521 crores and upto February, 1979 the figure is Rs 495 crores. The capital good imports that were approved in 1976 were worth Rs 158 crores, in 1977 it was Rs. 473 crores and in 1978 it is Rs 195 crores.

Import of capital goods is an indication of the investment taking place as well as the health of the market. The actual imports of capital goods in 1974-75 was of the order of Rs 723 crores whereas in 1977-78 it increased to Rs 1,158 crores. And yet everybody speaks of sluggishness in the market. (Interruptions)

Sir, industry is making an effort to suggest that the policies that we are pursuing are not conducive to growth. The statistics and figures are all there, but again they twist them and say that production has actually not gone up even while it has gone up by about 8 per cent during the last year.

MR SPEAKER: How much more time will you take? The House is to take up the Demands for Grants of the Ministry of Commerce.

SHRI GEORGE FERNANDES: Sir, I will be concluding shortly. I will now deal with some of the more important points raised by the honourable members.

Now, Sir, Mr Venkataraman in the course of his speech referred to 'appropriate technology'. He made a number of points. I have already dealt with some of them but about appropriate technology. I was really hurt. I must express my tremendous disappointment at the way he dealt with the question of 'appropriate technology'. While dealing with this subject he was to say that 'appropriate technology' was a form of neo-imperialism. He said "In fact, it is neo-imperialism and on this they are spending a lot of money". He further went on to quote from an article in the 'Hindu' about something or the other. Then, he said "I know the gusto with which the new theory of 'appropriate technology' is being spread. In fact one of the things which they do is that they brainwash some of our civil servants, they brainwash our technologists and see to it that the developing countries are kept at a backward level". Sir, "appropriate technology" is not the invention of neo-imperialism. Mahatma Gandhi was called the running dog of imperialism. That is what I was reminded of when Mr Venkataraman made that point. I am not saying that this is what he was trying to convey. But I was reminded of that piece of Slander. That was the chord that was suddenly struck in me for the reason that the appropriate technology is what Gandhiji taught. The 'Charkha' is the most appropriate technology. The bullock cart is the most appropriate technology. There are as large number of bullock-carts than railway and roadways in the country. There is more power generated by the bullocks than by all your power stations in the country. Which is the appropriate technology?

And for Mr. Venkataraman to make a sweeping statement like this. I cannot understand. I can understand if he says that we should have discussion on appropriate technology. I am prepared to deal with this point, but Mr. Venkataraman made such a sweeping statement which was least expected of him. I want to mention this because I was terribly upset and I was terribly hurt when he made this statement.

Now, Sir, hon. members have raised a lot of points. I would like quickly to run through the various questions raised by them.

I have already dealt with the points made by Mr. Kulandaivelu.

Mrs. Parvathi Devi referred to Ladakh's development problems. I have already dealt with that yesterday during the course of Question Hour, and I would like to assure the hon. Member that when we take up in the course of this year, the industrial development of our more backward regions, Ladakh will certainly be on the agenda of the Ministry.

Mr. Kacharulal Hemraj Jain referred to Ferro Manganese plants and also talked of the kind of working conditions in which workers work there. My views on take over are very well-known. If it were a simple issue, it would indeed have been a different matter. But it is not that simple a matter to take over. I am sure the hon. Member will understand. What are the sectors? What are the key-sectors? What are the priorities? The questions need consideration before we think of nationalisation. I am sure the hon. Member will understand that what is now necessary to do is to see that the exploitation of labour by the owners of the ferro manganese plants is stopped. He also referred to a paper mill in Balaghat. We are presently discussing the paper industry, the kind of people for the industry that we should have in the next five years and I hope Balaghat is one of the projects which we shall deal with.

Mrs. Jayalakshmi referred to WIMCO. I have touched upon that point already. She wanted a categorical answer whether I have already ordered an investigation into the Sivakasi situation. As soon as I read the report in the 'Business Standards' a few days ago, and it also referred to the Industrial Development and Regulations Act, I did ask for an investigation into the whole structure of the Sivakasi industry. The moment I get any report on the Sivakasi situation, I shall certainly act on that.

Sir, she also referred to soft loans for handlooms. I have already explained the kind of thrust that we have given to handlooms and I would like to assure the hon. Member that money is not the constraint. We shall ensure that money is not the constraint where the decentralised sector is concerned, whether it is handlooms, handicrafts, or whether it is anything that is rural or cottage, money shall not be a consideration. All monies will be made available and all their problems will be resolved.

Mr. Bega Ram Chauhan spoke about the 'kapas' prices. I would like to inform him and other hon. Members who raised the cotton price question that, for the first time, this year we have targeted to procure 15 lakh bales of cotton. For the first time this year, the Cotton Corporation of India is building a buffer stock of cotton. We have also allowed the export of some cotton. With all the measures we have taken I am happy to say that the prices of cotton have stabilised. There is a discussion currently going on, in the context of the Maharashtra monopoly cotton procurement scheme, as to what kind of future procurement policy we should adopt. I would like to assure the House that my Ministry, which is concerned with the cotton grower more than it is concerned with the mill-owner, because the cotton growers are larger in number and are the weaker ones and they need protection, will on the basis of the experience that we have gained during the course of this current year see that the problems of the cotton growers are tackled. We are on this job.

Shri Sunna Sahib was to raise the question of backwardness and a number of other hon. Members from other States also suggested that their districts must be declared as backward. Hon. Members from Karnataka, Kerala, Madhya Pradesh, Rajasthan, etc. were all clamouring for various districts to be declared backward. The hon. Member from Karnataka referred to the Karnataka Government having sent certain proposals to me to declare forty-one areas as backward. This matter also came up in the meeting of the Members of Parliament from Karnataka that I had where the Industry Minister of Karnataka was also present. I pointed out that firstly, I had no authority to declare those areas as backward which they wanted me to declare. Secondly, how did the whole concept of backwardness come about? The Planning Commission made a proposal to the Central Government. Then, the Central Government asked the States to tell them which were the districts to be declared as backward. Consequently, 6 districts in

[Shri George Fernandes]

each State were declared backward on the recommendations of the State Governments. This was done five or six years ago. Today, if it is necessary to change it, it will have to be discussed with the State Chief Ministers. I had a discussion about this with the Planning Commission recently and the next meeting of the National Development Council, I hope, it will be possible to put this item on the agenda so that we decide once and for all as to what are the parameters within which we decide who is backward and who is not backward. What are the subsidies that should be given for the backward districts? What happens to those districts which have so far got the subsidies as backward districts? Why not go into those districts which have not been declared so far?

So far as Karnataka is concerned, I would like to tell the hon. Members, and I made this point when I met the Members of Parliament from Karnataka also, that they have indicated forty-one areas. Each area revolves round a big city like Mangalore, Udupi, Mysore, Devangere, Hubli, Dharwar and they demanded that taluks surrounding these towns must be declared backward. This is a proposition which is not conducive to the development of backward regions. However, as I said, we shall have this matter examined in consultation with the Planning Commission and later on in consultation with the Chief Minister and then see if we need to take a new decision on this. My own view is that a new decision needs to be taken.

The hon. Member also mentioned about the commissioning of the newsprint unit in Kerala. We are hoping to commission that unit by the end of this year. There are problems and these problems are primarily between the workers and workers. Every worker or every party wants to set up a cooperative society of its own to take the labour contract. This is a very unfortunate situation. The State Government has given us tremendous cooperation in this and I hope that by the end of this year, we shall be able to commission that unit. He also made a point that there is no public sector unit at all in Kerala.

SHRI VAYALAR RAVI : Who said that?

SHRI GEORGE FERNANDES : Shri Sunna Sahib.

SHRI VAYALAR RAVI : In his own constituency, there are two or three.

SHRI GEORGE FERNANDES : Yes. Apart from the cement unit that is coming up, there is the instrumentation unit, ITI, there is the HMT unit at Kalamassery, an HMT Watch unit is coming up in

Cannanore, a new Ship Building Yard is coming up, the HPC mammoth newsprint plant is going to be there. The hon. Member will understand that we are doing all that we need to.

Shri Manohar Lal talked of TAFCO, Jaipur Udyog and Kailash Mills. TAFCO is a beautiful unit, but it is in a very bad state. We need the cooperation of everybody, particularly of the trade unions there. We are doing all that is necessary to see that it is set right. About the take-over of Jaipur Udyog and Kailash Mills, the matter is currently under consideration of the Government and I hope, it will be possible to take a positive decision in this regard.

Shri Rachaiah referred to the import of watches. We need to import watches, because there is smuggling of watches. And we import watches only to prevent the smuggling in watches. I am sure, he will understand this.

SHRI VAYALAR RAVI : Your HMT is producing watches.

SHRI GEORGE FERNANDES : It is they who are importing and marketing the watches.

Then, there are two or three more points which have been raised particularly by Com. Halder.

Mr. Halder's point was that we are going in for multi-nationals, particularly, West German multi-nationals. He cited certain statistics of how, last year, out of 273 collaborations, only 70 were for industrial machinery, and the rest, of course by implication, were for the non-essentials. Every year, in this country, on an average about 250 to 300 foreign collaboration have been entered into—not by Mr. Fernandes. The total foreign collaborations before Mr. Fernandes entered the Ministry of Industry was 5440 including Siemens. And to day, as before, we get about 300 foreign collaboration applications that are cleared annually. Last year, we cleared, 307; the year before, we cleared 267; and in the last year of their Government, they cleared 277; and in the penultimate year of their Government they cleared 359.

There is a constant point being made about West Germany. I do not know what is wrong with West Germany or with West German technology. I would like to know what it is, to am

there is a constant refrain about West German technology. We are building a bridge over the Hooghly. (Interruptions). The consultancy to build this bridge over the Hooghly was given to a British firm. Last year, the Chief Minister of West Bengal came and met me, and said: 'We want a West German firm'. He had negotiated with the West German firm; and today, the West German firm has been hired, by the West Bengal Government to supervise not only the work of the British consultants, but also to supervise the work of every Indian supplier of material and men to build the bridge over the Hooghly. Am I to presume that Mr. Jyoti Basu is a West German agent? Am I to presume that because there is a limit to everything I would like to know.

SHRI DINEN BHATTACHARYA : We have no complaint about the technical aspect. About technology, we have no complaint.

SHRI GEORGE FERNANDES : If the Marxist Government goes for West German technology, that is in the national interest, but if the Janata Government wants West German technology, it is not in the national interest? What is this logic?

SHRI VAYALAR RAVI : They give more money to Socialist International.

SHRI GEORGE FERNANDES : I do not know what the hon. Member is trying to imply. The hon. Member has a tremendous capacity to be highly irresponsible. I am proud of the Socialist International. The Socialist International fought for the restoration of freedom in my country. I am proud of my life long association with the Socialist International. And I would like him to know that when his leader was the Prime Minister she tried her best to become a part of the Socialist International. It was another matter that the Socialist International discarded her.

I will give another illustration, about this whole sniping that goes on. Once and for all one must know who is who, and who is where. The West Bengal Government today has ordered gas turbines from English Electric.

SRI B. SHANKARANAND (Chik-ko-di) : Why should he bring in that here?

MR. SPEAKER : You have criticized him.

SHRI GEORGE FERNANDES : You have made an attack. I need to reply. (Interruptions).....

SHRI VAYALAR RAVI : (Chiriyimkil) : On a point of order, Sir.

MR. SPEAKER : Whenever, you want to speak, you say on a point of order.

SHRI VAYALAR RAVI : He is presenting and defending his Demand. He has to speak with reference to Indian conditions.

MR. SPEAKER : It is a not point of order Mr Ravi. You know that it is not a point of order.

(Interruptions).

SHRI GEORGE FERNANDES : The West Bengal Government had placed an order to the tune of Rs. 19 crores on an English firm and the contract includes British engineers coming not only for erecting the plant but also for maintaining it.

(Interruptions)

SHRI SOMENATH CHATTERJEE : He is making a charge against my Government.

MR. SPEAKER : No charge he had made. Now I am on my legs. He did not make any charge.

(Interruptions)

MR. SPEAKER : He was merely citing an example.

(Interruptions)

SHRI GEORGE FERNANDES : I am making no allegation.

MR. SPEAKER : No. allegation has been made.

(Interruptions)

SHRI DINEN BHATTACHARYA : BHEL supplied turbines for which we are suffering.

(Interruptions)

SHRI GEORGE FERNANDES : I am prepared to debate BHEL separately with the hon. Member. Firstly, it is not BHEL which supplied all the turbines; and secondly, if the hon. Member's point always has been that BHEL is indeed super, that it is capable of putting up everything, that it does not need any foreign collaboration, why is he now complaining about BHEL? They complain, each one of them complains, that it is inefficient, ineffective and that it is not able to do the job; and yet all of them fell me that there should be no collaboration. You are contradicting your self moment to moment. There is a limit to this contradiction.

(Interruptions)

MR SPEAKER · He is not making a charge at all

(Interruptions)

SHRI SOMNATH GHATILJEF
The hon. Minister is aware as to how the West Bengal and the entire north east region has suffered due to improper planning and mismanagement of the power project during the dynamic decade. We had faced such a situation and we had to increase production

MR SPEAKER He does not complain. He is merely saying this thing

SHRI SOMNATH CHATTERJEE
Therefore, we had to go and purchase the generator

SHRI GEORGE FERNANDES I am justifying it

MR SPEAKER He is justifying what you are doing

SHRI SOMNATH CHATTERJEE
We have already made our position very clear

(Interruptions)

SHRI GEORGE FERNANDES
I am justifying it. I am not calling Comrade Jyoti Basu a West German agent. I am not calling him a British agent. I believe that he is a nationalist who is doing a good job for West Bengal and for the country.

(Interruptions)

MR SPEAKER Order order no

SHRI GEORGE FERNANDES
He is doing a good job. I believe that comrade Jyotirmov Basu is doing a magnificent job that he needs to import these turbines that he needs to import these from Britain that he needs to have West German collaboration to supervise the Hooghly bridge. I believe that comrade Jyoti Basu is acting in the best interest of the northeast region and of West Bengal. I am only saying that just like comrade Jyoti Basu is acting in the national interest, I am also acting in the best interest of the country. Do not have a double standard. (Interruptions) Now I have to deal with comrade Halder's other point. He said that out of 273 only 73 were for industrial machinery. May I point out to Comrade Halder may I request comrade Halder to study the list of the industry wise break-up of foreign collaborations where he will find that every collaboration that has been granted—I have statistics of 1969 when I was in Parliament of 1971 onwards, when I was in the opposition, of 1975-76 when I was in prison and for

the last two years when I have been in this Government—the collaborators we have cleared have been in the area of meteorological industry, boiler, cement plants, electric equipment, transportation, industrial machines, machine tools, chemicals and fertiliser. These are the areas where collaboration has been secured and not in consumer industry nor to produce icecream, nor to produce brassiere.

AN HON MEMBER What about hotel industry?

SHRI GEORGE FERNANDES
I am sure, the hon. Member is aware of the fact that there have been collaborations in the field of hotel for the last 15 years or 20 years. All that I have done is that to pursue a certain policy in which I do not discriminate. I do not have a discriminatory mind. If there are already collaborations and if later feel the need for a collaboration, if Oberoi feel the need for a collaboration, and then if there is a new chain that is coming up and if it feels the need for a collaboration, then I shall not say Tatas will have it, Oberois will have it and someone will not have it. I shall not discriminate in this way.

There is one point which has been thrown at me repeatedly in this House and outside and that relates to BHEL's former chairman Mr. Raghavan. I am supposed to have removed Mr. Raghavan for various reasons and a lot of people have been talking about this. I shall deal with it at the appropriate time but because comrade Halder touched this other point once for all I should like to clarify it. Everyone knows that I never gave a good cut to Mr. Raghavan and I did not also throw him out after fifteen days. (Interruptions) Please bear with me, this capacity is immense, the capacity of people to distort and to use a certain statement in this way.

(Interruptions)

During the debate on the demand for grants of my Ministry last year around this time when there was a lot of hue and cry in the country that the salaries of top managers in the private sector should not be reduced because that was the only incentive available to them, I made this point during the course of my reply to the debate last year and I said

The only point is what are the incentives? Without incentives, it seems that they are unable to do anything. We have been discussing whether there should be some kind of ceiling on the salaries of directors and top executives of the companies, etc. This has been discussed. Government is formulating some policy on this. It will take some

time. It is about the wages incomes and price policy. But there is consideration all around the corporate circles in this country. Incentives are not given to the public sector. We have certain ceilings on salaries—Rs. 3,500. I always raise this question with the people in the private sector. BHEL's production this year is 550 crores and the profit is about Rs. 75 crores. That is BHEL's performance, no matter what complaints people have. You have BHEL's Chief Executive being paid Rs. 3,500 or 4,000 a month and he does a good job and here I am told that the private sector companies which are taking every kind of incentive, export incentives, import incentives and what not, which are living on incentives will tell us that its managing director, its chairman, cannot function, cannot work his best unless he is given Rs. 15,000 or Rs. 20,000. This whole system is not acceptable to me."

SHRI VAYALAR RAVI : If you want that I have got the speech with me.

SHRI GOERGE FERNANDES : You produce the chit. I have been quoted in season and out of season that I gave Mr. Raghavan a good chit and threw him out. Produce that good chit.

I have one last point which I have to deal with (Interruptions)

MR. SPEAKER : I am not allowing anybody; this is not the way.

He has already taken one and half hours.

SHRI GEORGE FERNANDES : Two points were made by Mrs. Parvathi Krishnan and Shri Bedabrata Barua; I do not find Mr. Barua here. Mrs. Parvathi Krishnan talked about John Morley; she is from Cambridge and she quoted John Morley: 'the proper memory for a politician is the one that knows what to remember and what to forget.' This is an advice which Mrs. Parvathi Krishnan should not give to me; it should be followed by her. You need to remember certain things; you need to forget your support to the dictator; you need to forget the statement by my friend, very dear friend Comrade S. A. Dange: 'Emergency is more important; bonus is not.' It is politicians who make these statements—they need to remember certain things and they need to forget certain things. I have no reason to forget anything. I have stood for certain values and a certain economic, political and social philosophy and I continue to believe in it and I shall continue to believe in it. I may have problems in

the party, in the government, in the country, but I assure the hon. member that I shall not forget what I have learnt over the years of how best to serve the interests of the people of my country. She also referred to many other things—about energy, how in West Bengal while things were really going from bad to worse, the Minister of Industry was not concerned—how in Tamilnadu the Minister of Industry was not concerned. A little while ago there was a question which my friend Shri Nanjetha Gowda raised about something that had happened in Karnataka. Earlier in the morning there was a discussion here on a Calling Attention about Jammu and Kashmir and one had to see the way members raised their voices and the way they said: 'you have no business to interfere.'

15 hrs.

There are State Electricity Boards. I can give them support. Every kind of support that the State Governments have asked me for I have provided them. The kind of interaction my Ministry is having in the case of West Bengal, I had talked not once, but half a dozen times to the Chief Minister and the Finance Minister and others concerned here. I sent the best available men from BHEL. I sent the Secretary, Heavy Industry. He went and met the Chief Minister and we have been able to provide every kind of assistance that they sought for.

Comrade Halder said that the jute strike took place and I did not intervene. Comrade Jyoti Bosa told me that if he needed my help, he would ask for it. I offered not once, but three times—orally, in person and in writing, and yet if it is held against me... (Interruptions)

Comrade you were not here when Comrade Halder made speech yesterday. He had criticised me yesterday on that.

(Interruptions)

Then you must correct your Member, you must educate your Member.

(Interruptions)

My friend Shri Bedabrata Barua had, of course, very interesting points to make. He spoke about every Ministry excepting the Ministry of Industry. He made a point that we are importing foodgrains, that we are importing salt, that we are importing cement that we are importing everything. I would like the hon. member to know that we are not importing salt. We are looking for export markets for salt. We have had an excellent production of salt. We are

[Shri George Fernandes]

finding export markets for this. We are exporting, not importing foodgrains. We are buying oil from the Soviet Union and selling them rice. For the first time there has been an enquiry from Europe for wheat and we are considering whether we should sell wheat. We are selling food in the market today and not buying food.

Shri Barua is always confused, always wrong in his information, always just not there. Even now he is not there.

He spoke about Phillips producing 300% above the capacity. Yes, when you were in Government, this is what happened. Shall I tell you what I have done—apart from asking Phillips for a show cause, H.M.T. has entered into a collaboration with Tungsram of Hungary. Very soon HMT Tungsram will be the India's largest manufacturer of bulbs. We shall eliminate step by step the foreign monopolies that have been operating in the country. When you were in Government, you allowed them to grow.

There has been a lot of uninformed criticism. There has been a lot of political criticism, particularly from my friend comrade Halder. I do not know..

SHRI SOMNATH CHATTERJEE:
What about my constructive point ?

SHRI GEORGE FERNANDES:
All your constructive points I have accepted, and even of comrade Halder's.

Outside, this House, all the problems that he has and all the problems where he needs any assistance from me, there has been no problem to solve. But I do not know what happened with comrade Halder yesterday. He went at a tangent. He even said that I have written on some Balmer Lawrie's file that the workers shall not be paid and that the officers had complained about it and the Unions have made public statements. I have nothing to do with Balmer Lawrie. Balmer Lawrie is under the administrative control of the Minister for Petroleum and Chemicals and not under the control of Minister of Industry. Somehow, yesterday, he was obsessed with me and he attacked me—left, right and centre without any concern for the fact.

Sir, I think I have dealt with all the points.

I shall make one final observation and I then conclude. I believe that the Industry Ministry has done magnificent job during this last year. I am very proud of the men in the Ministry in

the various public sector undertakings and in the field. I am also proud of the workers and indeed of the entire industrial world which made it possible to produce and to attain a growth rate of 8%. Our effort in the current year, through the various mechanisms that we have set up and through the new mechanisms that we shall now set up is to monitor industrial growth, to do away with all the bottlenecks and to see that industrial production in the current year is not only maintained at last year's level but is even improved upon. In this task, I seek the support of the House and of all those who are concerned with the growth of industry in this country. Thank you, Sir, and I hope all the hon. members who have submitted their cut motions will withdraw them and support the Demands of my Ministry.

SOME HON. MEMBERS rose—

MR. SPEAKER : Already we have taken nearly two hours. I am sorry; I cannot allow any questions. Before I put the cut motions....(Interruptions). We have taken nearly 1 hour and 45 minutes. There is an important Ministry—Ministry of Commerce, Civil Supplies and Cooperation—whose Demands are coming up for discussion. (Interruptions).

SHRIMATI PARVATHI KRISHNAN : He has not answered the points I raised.

MR. SPEAKER : He cannot answer every point. I am sorry. (Interruptions) All right. I will give one minute to each.

SHRI R. VENKATARAMAN : In respect of appropriate technology, the Minister quoted only part of my speech and created a wrong impression. The full text is this :

“Therefore, we must be very chary about it and in the choice of technology, we should be our own masters and we should be able to decide what is right for us and we should not be led by these people.”

This is what I said.

SHRI GEORGE FERNANDES:
Read what you have said on page 25579-
(Interruptions).

SHRI R. VENKATARAMAN:
Read the entire speech.

MR. SPEAKER : I cannot allow the reading of the entire speech.

SHRI R. VENKATARAMAN:
Having said that western countries are trying to propagate a philosophy which will injure our interests, therefore, I said we must be our masters. That is exactly what I said.

SHRI A. C. GEORGE : He made a categorical statement that there was no training programme at all. The Minister of Commerce is very much present here. All India Handicrafts Board is under the purview of his Ministry. There is in existence for the past 16 years 23 training centres and 11 su-centres for training handicrafts men. Will the Minister stand by his statement or correct it ?

SHRI GEORGE FERNANDES :
Wherever it is necessary for me to stand corrected, I shall stand corrected.

SHRIMATI PARAVATHI KRISHNAN : The Minister claimed that he was replying to me. I only told him to desist from sub-thumping, of which, of course, he has made sufficient exhibition today. But the point is while he had been tub-thumping about small-scale industries, he has chosen not to reply to the issues I raised. Of course, he made enough of an exhibition of himself and proved that I was right, the shoe pinched so he went on. But what about small-scale industries ? What about the protections that are necessary for it ? What about the raw materials ? What about marketing facilities ? What about the various financial stringencies that are there ? He read out a wealth of figures with all the eclat, but I raised the point that there are no figures about small-scale industries. Where are the production figures ? Therefore, I would request him not to go in for sub-thumping screaming and yelling, but to give us the figures that we asked for.

SHRIMATI V. JEYALAKSHMI:
I had raised three points. Would the Minister come forward to fix the production limit of the match factory in the 'B' sector ? Would he come forward to recommend to the Railway Ministry to upgrade wagon allotment from 'E' to 'C' ?

MR. SPEAKER : That is not his duty.

SHRIMATI V. JEYALAKSHMI:
It is under his Ministry.

SHRI GEORGE FERNANDES[†]
The hon. Members are right that they have raised a number of questions. I have not been able to deal with all of them because of the constraint of time.

So far as the supply of raw materials to the small scale sector is concerned, we have taken certain positive steps. I have got the figures here and I can prove from the figures how in the last two years, the availability of steel to the small scale sector has gone up by 200 per cent. We have done it and wherever there are problems, we are dealing with them. About fixing of certain ceilings on the production of matches in the organised sector, wagon availability and any other problem that crops up in the decentralised sector, all these are being dealt with by us and we shall continue to deal with them properly.

If I could not cover any of the points of the hon. Members, I shall send them written replies.

MR. SPEAKER : Before I put the cut motions to vote I would like to know if any hon. Member wants to withdraw his cut motions. I will call Members one by one. Now, I put cut motions numbers 4 to 10, 46 to 48, 64 to 67, 69 to 73 and 80 to 83 of Mr. Dhirendranath Basu to vote.

Cut Motions Nos. 4 to 10, 46 to 48, 64 to 67 69 to 73 and 80 to 83 were put and negatived.

MR. SPEAKER : Mr. Rajagopal Naidu, are you withdrawing your cut motions ?

SHRI P. RAJAGOPAL NAIDU:
Except cut motion number 56, others I am withdrawing.

I seek leave of the House to withdraw Cut Motions Numbers 49 to 55, 57 to 59, 74 to 78 and 85 ?

Cut Motions Nos. 49 to 55, 57 to 59, 74 to 78 and 85 were by leave, withdrawn.

MR. SPEAKER : Now I put Cut Motion No. 56 of Mr. P. Rajagopal Naidu to vote.

Cut Motion No. 56 was put and negatived.

MR. SPEAKER : Now, I put Cut Motions Nos. 60 to 62, 86, 92 and 93 of Mr. Robin Sen to vote.

Cut Motions Nos. 60 to 62, 86, 92 and 93 were put and negatived.

MR. SPEAKER : Now, I put Cut Motions Nos. 87 to 91 of Mr. Bhagat Ram to vote.

Cut Motions Nos 87 to 91 were put and negatived

MR SPEAKER Now, I put Cut Motions Nos. 169, 179, 183 and 184 of Mr A K Saha to vote

Cut Motions Nos 169, 179, 183 and 184 were put and negatived

MR SPEAKER Now, I put Cut Motions Nos 170 to 178, 180 to 182, 185 to 188 to vote

Cut Motions Nos 170 to 178, 180 to 182, 185 to 188 were put and negatived

MR SPEAKER Now, I put Cut Motions Nos 189 to 217 of Mr P K Koliyan to vote

Cut Motions Nos 189 to 217 were put and negatived

MR SPEAKER The question is .

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in the course of payment during the year ending the 31st day of March, 1980, in respect of the heads of demands entered in the second column thereof against Demand Nos 58 to 61 relating to the Ministry of Industry"

The motion was adopted

Demands for Grants 1979-80 in respect of the Ministry of Industry voted by Lok Sabha

| No of Demand | Name of Demand | Amount of Demand for Grant on account voted by the House on 16-3-1979 | | Amount of Demand for Grant voted by the House | |
|-----------------------------|------------------------------------|---|--------------|---|---------------|
| | | Revenue Rs | Capital Rs | Revenue Rs | Capital Rs |
| 1 | 2 | 3 | 4 | | |
| MINISTRY OF INDUSTRY | | | | | |
| 58 | Ministry of Industry | 68,17,000 | | 3,40,87,000 | |
| 59 | Industries | 3,54,33,000 | 42,42,80,000 | 17,71,67,000 | 212,14,00,000 |
| 60 | Village and Small Industries | 15,06,18,000 | 17,38,99,000 | 75,30,91,000 | 16,04,95,000 |
| 61 | Textiles, Handloom and Handicrafts | 20,93,02,000 | 9,31,57,000 | 104,65,12,000 | 46,57,83,000 |

15.17 hrs.

DEMANDS* FOR GRANTS, 1979-80
—Contd

MINISTRY OF COMMERCE, CIVIL SUPPLIES
AND CO-OPERATION

MR SPEAKER The House will now take up discussion and voting on the Demands for Grants under the control of

the Ministry of Commerce, Civil Supplies and Co-operation for which 6 hours have been allotted

Hon Members, whose cut motions to the Demands for Grants have been circulated may if they desire to move their cut motions send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move

*Moved with the recommendation of the President