

**SHRI JYOTIRMOY BOSU** (Diamond Harbour): Sir, I want to make a submission in regard to summoning of the Attorney General. This is a very very serious matter.

**MR. SPEAKER:** That would be taken up after the Calling Attention. The other day, I asked you whether you want me to take up the adjournment motion notice after the calling attention, you agreed to that.

**SHRI JYOTIRMOY BOSU:** Sir, this has been agitating our minds very much, that the Attorney General should be called here.

**MR. SPEAKER:** You see, the other day, when I asked you about taking it up after or before the calling attention, it was agreed that it would be taken up after the Calling Attention. But, if you want always that it should be taken up before the Calling Attention, to that also I agreed.

**SHRI INDRAJIT GUPTA** (Alipore): Time and again, I have said that we should have a meeting of the Rules Committee for going into this and deciding it once for all.

**MR. SPEAKER:** I fixed a meeting the other day. But, because of the debate on the agitation by doctors, it was agreed to postpone this.

**SHRI S. M. BANERJEE** (Kanpur): Sir, I have given notice of an adjournment motion regarding injustice done to Class III and Class IV employees.

**MR. SPEAKER:** That will be taken up after the Calling Attention Notice. Now, Shri Indrajit Gupta.

12.02 hrs.

### CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED FAILURE OF THE MINERALS AND METALS TRADING CORPORATION TO CONCLUDE CONTRACTS WITH USSR AND POLAND FOR EXPORT OF INDIAN MICA.

**SHRI INDRAJIT GUPTA:** (Alipore): Sir, I call the attention of the Minister of Commerce to the following matter of urgent public importance and request that he may make a statement thereon:

'The reported failure of the Minerals and Metals Trading Corporation to conclude contract with USSR and Poland for export of Indian mica.'

**THE MINISTER OF COMMERCE** (PROF. D. P. CHATTOPADHYAYA):  
**Mr. Speaker, Sir.**

Till recently, India had a virtual monopoly in mica trade. The exports are evenly divided between Rupee Payment countries and general currency area, the USSR being the single largest buyer.

While the production and processing of exportable quality of mica was being undertaken by a large number of small producers/processors, the exports were being monopolised by a few large exporters. Evidently, these exporters were thriving at the expense of the small producers who had no sales outlet, there hardly being any domestic demand. This section was vulnerable in two ways, firstly, in the matter of adequate and fair price for the goods supplied, and secondly, in delayed payments. Consequently, even production was coming down.

In these circumstances, Government decided to canalise export of processed mica through the Minerals and Metals Trading Corporation, with effect from the 24th January, 1972. Simultaneously, the question of assisting the development of mica mining industry was taken up and the constitution of a Mica Board is under consideration.

[Pro. D. P. Chattopadhyaya]

The objective of conaliation was to assist the small exporters and mine-owners in participating in the export trade which had hitherto been monopolised by a few big mine-owners and exporters. It was noted that over the last two decades established channels of export had come into existence. It was, therefore, considered prudent and necessary on the part of the MMTC to participate in the export operations in phases. In the initial stages of operation MMTC decided to make use of the existing channels, as far as possible, so as not to disrupt supplies to overseas customers. MMTC were also advised to develop the necessary expertise and the organisation to deal with the entire export with the main objective of giving a fair and equitable dispensation to the small producers. MMTC regulated their operations accordingly.

Simultaneously, MMTC initiated independent marketing and were able to secure, for the first time, a long-term contract in November, 1972, with GDR for supply of mica valued at Rs. 3 crores. They also started purchasing exportable grades of mica directly from the weaker sections of the trade and this formed a good base for servicing the contract with GDR as also other small contracts concluded with other buyers in Japan and Hong Kong.

Our approach to the problems has been practical. In essence, it aims at MMTC buying exportable grades of mica from the small mine-owners and processors in conformity with the objective of canalisation. MMTC, itself, has been, as a good trading house, very conscious of its responsibility for quality and prompt delivery and in pursuance of the social objectives of the Government has been assuring a fair and adequate price to the small producers.

It may be stated that the Government have introduced compulsory pre-shipment inspection in respect of

many items of export including mica. In order to provide satisfaction to its customers, the MMTC has set up its own rigorous inspection machinery. And it may be noted in this connection that this service of quality inspection was not being rendered by the erstwhile exporters.

The newspapers have highlighted only certain aspects of canalisation vis-avis MMTC's role and this gives me an opportunity to let this august House know that the negotiations in regard to sales to these countries are continuing and have not broken down. The newspaper reports have commented mainly upon certain commercial aspects of the MMTC negotiations. There are other aspects also to be borne in mind while this sort of negotiation is carried on and settlement arrived at. You will agree with me, Sir, that discussions of all these aspects of commercial transaction may not be conducive to a mutually satisfactory settlement.

I can, however, humbly claim that what MMTC is trying to do by gradually enlarging its positive role as a canalised exporter, is quite in consonance with the declared policy of the Government. I would also like to add here that MMTC has already opened three purchase centres, two in Bihar which are in operation for some time, and one recently in Andhra Pradesh. They propose to open one more centre in Rajasthan shortly.

The Government have also approved in principle the setting up of the Mica Trading Corporation as a subsidiary of the MMTC. This Corporation will, apart from enlarging the export of mica, give technical and financial assistance to small producers and increase the added value by upgrading the material. The Corporation will step into the rather neglected area of research and development as well.

**SHRI INDRAJIT GUPTA:** The Minister has made a very lengthy statement but, I am afraid, its length is not proportionate to its clarity. There are some points on which I would first of all like to have clarification. Is the scheme of canalisation, which has been undertaken from last year, restricted only to processed mica supplied by small mines and small processors? That is to say, have the large exporters been left out of this canalisation? If so, why have they not been brought into the scheme of canalisation? If they have been brought under canalisation, are we to take it that the entire export of mica has been canalised through the MMTC? This is not made clear here.

Secondly, how many of the small parties, small mine-owners and processors have been actually included in the scheme? How many mines are involved and how many workers are employed in those mines to which the Minister made a reference by saying that they want to save them from closing down because of a crisis arising from falling production and so on and how many such mines have been brought within the ambit of this canalisation scheme?

Of course, the newspaper reports which have been appearing did give the public an impression that the talks have broken down with certain countries, that USSR, Poland, Czechoslovakia and Hungary have decided not to buy. This has been repudiated in this statement, of course. The Minister says that the talks have not broken down and they are continuing. I would like to know from him his general assessment. Naturally, I am not asking for the details of the negotiations; he would not divulge them in any case. But is he optimistic that these negotiations will be concluded in the near future and that contracts will be effective? If that is so, as far as I can make out from his statement, the only possible, if I may call it so, hitch or reason for the delay in

concluding the contract seems to be this question of quality. Here in para 7 of his statement the Minister has said:

"Government have introduced compulsory pre-shipment inspection and have set up a rigorous inspection machinery."

I would like to know a little more about this, because canalisation was done only last year. My information is that all this talk about pre-shipment inspection, quality control and rigorous inspection machinery is just a little bit of an exaggeration. The MMTC, as far as my information goes, has no such apparatus. They may be thinking of setting it up but at the moment at least nothing of this type is functioning to anybody's satisfaction.

Here the Minister has said :

"It may be noted in this connection that this service of quality inspection was not being rendered by the erstwhile exporters."

The whole point is that in any commercial transaction the purchaser is not going to be satisfied with the quality certificate of the seller. He must satisfy himself that the goods he is buying are of the standard and quality which he requires. So, the question is not whether they have or have not got a pre-shipment inspection machinery but whether these foreign customers have been given any of these facilities through their own technical inspectors and experts, whatever they call them, who came with the delegation to go and actually inspect the samples at the site where the material is being offered to them to satisfy themselves that this is the quality they require.

I am sure you know mica is a very important raw material, because it goes into many defence items and all sorts of sophisticated equipments. Therefore, it is nothing surprising that

[Shri Indrajit Gupta]

these countries want to be fully satisfied, through their own inspectors and experts, about the quality of this material, because they enter into contracts which may be worth Rs. 8 crores or 9 crores or more. This is quite irrelevant here, if I may point out, that the service of quality inspection was not being rendered by the erstwhile exporters. Even if they had a service, nobody would have used it. It is the customer who wants to have his own inspection to satisfy himself on the basis of samples. I welcome canalisation. In fact, I want canalisation to cover all these people, both small and big people. I would like to know whether there is any difficulty being experienced by the prospective customers in getting all possible facilities to inspect the samples, not sitting in some room in Delhi, but going to the particular mines or the places where mica is being produced and processed and there, on the spot, seeing samples for themselves and satisfying themselves. Unless that is done, the people will be perhaps reluctant to conclude big contracts.

I would also like to know, in addition to this, whether it is a fact or not that the export prices of Indian mica were being raised, more or less, continuously over the last three or four years, whether it is a fact that there has been a 30-33 per cent rise in the export prices as a result of which there is a danger that the off-take by foreign buyers is likely to go down, and they may start looking for alternative sources. We have got a very big source of supply here. But I do not think it is really a monopoly. Mica is available in other countries. It is available in Brazil. I am told, it is there in the Soviet Union also. But it costs much more to exploit it there because it is much more underground and it has to be brought out from far below the surface. So, it is in our own interest. I should imagine, that we should see that the export prices are kept stable, as far as possible and are not allow-

ed to go on rising so that we can be assured of a certain quantum of export to these countries which would like to buy from us, because Indian mica is quite well-known and world-famous.

Finally, I would like to know whether the Minister has got any hunch as to who is inspiring this press campaign, somebody who is interested in this thing breaking down. I would like to know from him whether it may not be that these few big exporters to whom he refers in the statement, who prior, to canalisation had been making a lot of money, would not be interested in this new scheme breaking down so that they will continue to dominate the export market, and whether some officers of the M.M.T.C., particularly those who have been imported from the private sector, may also be interested in seeing that the scheme does not go through so that, while they are shedding crocodile tears in public for the smaller producers and processors, in actual fact, it may be a gang-up between certain high officials and directors of the M.M.T.C., with these former big export houses to see that this scheme falls through so that they can continue to get all the advantages out of it.

As far as these countries are concerned, I must point out that some of the big business papers have, of course, tried to be sarcastic in saying that these socialist countries where everything is under public sector do not want to deal with our public sector but only with the private sector. I would like the Minister to throw light on this. The question is, whether any foreign consumer, importer, has any possibility of right to refuse to purchase through a particular system which an exporting country has chosen to set up. Can they say, "No. You want to sell through the M.M.T.C. We will not buy through the M.M.T.C." Is it possible unless the canalisation is a farce? I want the canalisation to be total and complete. How is it possible for any

buyer to come and say, "No. We will not buy through a particular system which you have set up." I think, it is fantastic. It cannot happen. It is a figment of the imagination. If they do not want to buy at all, they need not buy. If they want to buy, they must buy through a particular system which the Government of the exporting country has decided upon.

I feel, that the only question that remains and which I would like him to clarify is the question of quality inspection, control, etc. It is not a question of our providing the machinery. In a matter like mica which is a strategic material, the consumer, the customer, must have full facilities to inspect the samples and so on by his own inspectors and technical experts and satisfy himself. Suppose he leaves the whole thing to the MMTC, signs the contract and goes away, then Rs. 10 crores worth of mica is shipped to the Soviet Union or some other country and later on it is found that 30 per cent is sub-standard stuff, why should he take that risk? They must satisfy themselves. I hope, on that account, there is not going to be any hitch. I hope the Minister will make it clear.

I would also like to know whether there is any proposal to take over the mines and run them through a corporation, so that the position in the smaller mines, many of which are facing closure, unemployment and so on, can be retrieved.

PROF. D. P. CHATTOPADHYA-  
YA: Let me take the last question first. It is not a fact that negotiations have broken down. As I have said in my original statement, the negotiations are going on. As it will be appreciated by this hon. House, there are different aspects and nuances of negotiations which cannot be concluded overnight. I can state categorically that no socialist country has said or stated explicitly or implicitly that they will refuse to buy through MMTC and as stipulated in the original arrangement, namely,

30 per cent of the purchase has to be made from the canalised channel, namely, the MMTC channel.

The second question was about quality inspection. The original contracts provide freedom for the buyers themselves to inspect the quality right at the sites themselves. Besides, the MMTC have their own teams of inspectors stationed at the mine sites. So, a double level of inspection is being provided for ensuring a fairly high standard of quality inspection and, therefore, control.

The hon. Member has also raised the question whether this ratio of 70 and 30, i.e., 70 per cent with erstwhile exporters through MMTC and 30 per cent directly with MMTC, restriction is applicable equally to all mine-owners and exporters, big and small. My answer to the question is 'yes'. Big mine-owners and exporters are not being given a differential treatment; or, there is no discriminatory treatment so far as the smaller ones are concerned. The question is a larger one. The trade was exclusively in the hands of big mine-owners and exporters and, as the figures very clearly indicate, the trade turnover was going down over the years for the benefit of you, Sir, and of the members of the House, in 1965-66 it was Rs. 19 crores; in 1966-67 it came down to Rs. 15.9 crores and it was Rs. 15.50 crores in 1968-69. Therefore, Government had to take a decision in such an area of strategic material. So, we had to bring the mica trade within the MMTC's ambit. Naturally it was not liked by some big exporters and mine-owners and they resisted it. The slanted news-reports are easily understandable and explainable in terms of their being unhappy with this restriction over the monopoly of commerce and trade. I am also happy to report to the House that, after canalisation started, no mine, not even a small one, has been closed down. That shows that the intervention of the MMTC in the trade has been beneficial to the trade

as a whole generally and to the small mine-owners and exporters in particular.

**SHRI INDRAJIT GUPTA:** I asked a question whether there was any proposal to take over the mines or see that the smaller ones are not eased out of the business or closed down.

**PROF. D. P. CHATTOPADHYAYA:** As I had said, it is a very big task, it bristles with so many aspects. As I said it has to be done carefully and in a phased manner. Unless we have the expertise and other machinery necessary to ensure inspection, control and also organising the trade, we do not like to go into it suddenly and in a big way and in an unprepared way. But the suggestion of the hon. Member will be taken into account while these decisions are taken later on.

**SHRI K. BALADHANDAYUTHAM** (Coimbatore): Mica is a mineral which is almost entirely exported; only a small percentage is consumed internally. And in such a strategic production, the Minister admits that its production has fallen. He has also admitted that the export was slumping, and from 82 per cent in the sixties it has come down to 54 per cent. He also concedes that it has caused grave discomfort to a large number of workers employed who are getting low wages and that mines are even getting closed and production has gone down to 50 per cent. So, in such an important and strategic sector, here is a problem of negotiations for export.

I would like to know from the Minister about yet another problem in that field, the smuggling of mica and, according to press reports, smuggling goes upto Rs. 2.5 crores annually to countries like Britain and other countries.

Apart from this, I would like to know from the Minister as to why, as per the press report, the agreement, as reported, between GDR and the MMTC—it is reported in his statement also—for a value of Rs. 3 crores, has been

cancelled by the GDR because they were not satisfied with the quality. Is the report true? That is my question.

With regard to the difficulty in negotiations, I would like to repeat the question Comrade Indrajit Gupta put, whether it is because of the price which we have been raising year after year to such an extent as to make it uneconomic for them to import from here and give them no option except to mine their own mica in their own country. I would like to know—I do not want a discussion of this question—whether attention has been paid to that aspect of the question.

If, according to the Minister, quality control has been assured, then why is there this difficulty in negotiations?

Now, a news has been deliberately leaked in the press that there is some difficulty in the negotiations. When we are treating this matter so delicately, how has this news been leaked? According to the Minister, it must have been leaked by the exploiters, by the big business and the traditional exporters. I do not see how they gain by this. They do not seem to gain by such news. It looks as if the news could have been leaked out only by the MMTC. If the MMTC had anything to do with this leakage, I would like the Minister to make sure that there is no such thing because the Director concerned with mica seems to be away when negotiations are to go on. Even though there seems to be no breakdown in negotiations, still there appears to be some deliberate delay in these negotiations. If everything is all right in MMTC why should the General Secretary of the Mica Industries Association say that the Mining Corporation is favouring a few big export houses only? Even they seem to charge you with only favouring them. So, that is my point. I would like him to clarify the whole thing and tell us whether they are not playing politics in matters of trade. Also, Sir, there is a stage which we have

reached now when we cannot depend only on export. Does the Minister consider the question of some mica industries where you will have some finished products which can be exported? At present the export figure is Rs. 16 crores. You will be able to get Rs. 160 crores if you can send finished products and export them. Is there any such idea under consideration? You have been setting up committees after committees. There has also been a case of recommendation of the working group of the Foreign Trade Ministry. What are their recommendations? Are they implemented? At what stage are they just now? Finally, may I ask this question? Will the hon. Minister consider the question of nationalising the entire export trade?

PROF. D. P. CHATTOPADHYAYA: The hon. Member has asked about the production figure. As I said earlier, production was going down steadily for some years before MMTC entered into the field. After the MMTC's entry in the field, the figure is looking up. So, about decline, it cannot be said any more that decline is there. It has been neutralised and it is looking up.

The second question that he asked was about GDR. I would request my friend to have a look at my statement. I said:

"MMTC initiated independent marketing and were able to secure for the first time a long term contract in November 1972 with GDR for supply of mica valued at Rs. 3 crores."

So, there is no question of their declining to purchase; they have agreed to purchase. No country of the socialist group has said that they will not purchase through MMTC. On the other hand, I have been personally assured only this very morning by the Trade Representative of the Soviet Embassy that the negotiation has not broken

down and the team which came was a commercial one and they have not decided that they will not purchase. So, the question of Soviet Government's refusal to purchase will not arise at all. So, the question of rejection does not arise. Only the question of finalising arises. And, on this point, finalisation has not taken place and it will take some time. The representative of the Soviet Embassy has officially assured me that there is no question of the Soviet Government's refusal to purchase through MMTC.

SHRI JYOTIRMOY BOSU (Diamond Harbour): He asked whether they have any scheme to process mica and to export it as a finished product? We want to have a clarification on that. That is the real solution.

PROF. D. P. CHATTOPADHYAYA: I will tell you later on.

SHRI B. K. DASCHOWDHURY (Cooch-Bihar): The long statement of the hon. Minister with clarifications made thereafter has given us somewhat the picture as to what was going on and in the past in respect of the deals to be struck with Soviet Russia, Poland, Czechoslovakia and Hungary. But the main question remains as it was. In the press it has been reported that the negotiation has broken down, though, according to the hon. Minister, it has not. I quite agree with his reply. But, the question remains about the quality. The quality of processed mica that should be exported from our country to some of the socialist countries has been seriously questioned here. And some of the hon. speakers who spoke before me have emphasised that point. Is it a fact that the MMTC is simply taking or purchasing mica, processed mica, from the traditional producers and erstwhile traditional exporters and the quality is the same that was shown to the trade delegation? If that is so, how does the question of quality come in? That is not clear to me. It is also not clear what the officials of the

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MMTC are to be made responsible for, because the MMTC is purchasing processed mica from either small or big producers who are regarded as traditional producers. Assuming in some cases some of the MMTC officials might have certain bad intentions to scuttle down our good relations with socialist countries, is it also a fact that with these officials the trade delegation from socialist countries also lend them hands in scuttling down the policy of the Government? Of course it is not, as I suppose. The hon. Minister has assured and re-assured us that the officials of the Soviet delegation are very soon going to make contract and that to the satisfaction of the Government.

As the statement says, the process of the policy of canalisation has been taken to give relief to the small mine owners. Is it true that the small mine-owners had been neglected by the so-called traditional exporters or exploited in various other ways but the report says even the very small mica mine-owners are not getting the service from MMTC and the functioning of the MMTC has been seriously questioned here not only in the case of mica but also in the case of other exports like iron-ore etc. The export of the items which had been conducted and canalised by MMTC came down in the last few years. In the case of mica the hon. Minister has said that it is looking up. May I know from the hon. Minister in the year 1972 what was the system of exporting this mica from our country to foreign countries? Was it the same system which is being followed this year or was there something else? Assuming that in the last year by our process of work we had not lost, in the new policy are they gaining and what are they going to do with the trade? Because that is the serious problem before the whole nation. Thirdly, in view of this what are the special steps which the Ministry of Commerce is trying to take to expand the export trade of mica? Further, why this deadlock? How is

this impasse should be cleared up? There should be a categorical answer from the hon. Minister because on his assurances our mica trade export depends. I would also like to have a further clarification from the hon. Minister.

Is it a fact that so far as the MMTC is concerned, the process of canalisation is different with different countries of the world, that for the socialist countries there is one set of rules and policy adopted but the same are not being adopted for the western countries, Japan or Switzerland? If so, the question comes why the MMTC officials have taken this stand and this may give rise to the feeling that some of the officials are really in collusion with the traditional exporters who would like to scale down the process of canalisation of mica trade. I would be very glad to have a clarification from the hon. Minister.

Since the whole scheme is to support the poor mica producers, the small mica mine owners, I would like to know whether these producers are being given proper export prices of mica when MMTC purchases mica to service export contracts. I have a circular in my possession which shows that for one particular grade, Ruby clear & SS Mica block thickness 0.2 to 2.0 mm quality No. 2 the printed price is Rs. 476.44 per kg. I am told its export price is Rs. 529.37 per kg. There is a number of cases.

The MMTC trade notice dated 1st March 1973 clearly shows that MMTC is purchasing from the small mica-owners or even the bigger ones—I do not know—at rates nearly 10—20 per cent less than the market prices. If so, I would like to know how this kind of practice is going to help the mica owners or the weaker sections among them.

Finally, as Government are very much alive to the need for giving relief to the small mine owners and canalise the process of the entire

trade, will they be equally willing to give relief to the labourers working in the mica mines? As in the case of coal labour we have a Coal Wage Board, will Government be prepared to look into the case of the mica mine labour and through the Mica Board or Mica Trading Corporation constitute a Mica Mine Labourers' Wage Board so that these labourers and wage-earners may get a fair deal?

Otherwise, the present policy of helping the mica industry through canalisation will not benefit the mica mine labour.

**PROF. D. P. CHATTOPADHYAYA:** I am grateful to the hon. member for raising certain basic issues thus giving me an opportunity to clarify the position of the functioning of MMTC.

First, he asked whether MMTC officials were playing politics. I would like to say they are doing good economics, not politics.

Secondly, he asked whether they were following double standards or two sets of criteria in their commercial deals, one with the socialist countries and the other with the non-socialist countries. I have already answered the question in the negative, and I repeat—No, Sir, one identical set of criteria of eligibility is being followed in all cases without distinction.

As for the particular example of price he referred to, if he would kindly pass that information to me, I will get it examined and let him know the result. Without looking into the details of the particular example he mentioned, you will appreciate right on the floor of the House it is not possible for me to give my opinion this way or that.

As for promotion measures, I have already said that the very fact that canalisation has been decided upon is itself a right step forward to help the small mine-owners and exporters and,

therefore, to the weaker section of the trade. Besides revision in export duties and floor prices, several other measures have also been taken by this Ministry to revive the interest of the consumers in the use of mica as an insulating material. The anomalies in the price control regulation and application of export duty which were affecting exports, have been removed. Quality control as I have already said has been resorted to and procedures have been on the one hand, made liberal and, on the other hand, made simplified.

As regards fabricated mica, I would like to say that under the canalisation only processed mica comes in. As regards fabricated mica, facilities have been provided to the fabrication industry in the matter of import of tools and other equipment. It is hoped that there will be an increase of at least Rs. 2 crores to Rs. 3 crores in foreign exchange earnings at the end of the year 1973-74 as compared to the foreign exchange earnings from the export of mica and mica products in 1972-73.

These are some of the concrete steps taken by the Ministry for the promotion of mica export.

**SHRI P. K. DEO (Kalahandi):** Sir, I thank you for having admitted this motion, because it has completely exposed the inconsistency in precept and practice behind the Iron curtain. Even though we have been told day-in and day-out that all these dealings would be made through the public sector, is it not a fact that the Soviet team and the Polish team have gone back without signing the contract because they insisted that processed mica exports should be made through some companies of their choice, some monopoly houses, whose profits would naturally go to the Communist party of India in this country? (*Interruptions*) I draw these conclusions from the inforence that the monopoly export of tobacco is done through Nav Bharat Enterprise to the Soviet Union

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whose profit, or most of the profit, goes to the coffers of a party which the entire country knows.

Taking into consideration all these factors, and the fact that the production of mica has gone down from 27,000 tonnes to 13,000 tonnes and it has completely exposed the incapacity of the MMTC in supplying the goods of the requisite standard for export, which has led to this controversy, I would like to know categorically whether, in spite of the assurance of the Minister, this has failed, and if it is a fact that the negotiating teams from the USSR and Poland have gone back on this particular ground, namely, the companies of their choice have not been permitted to export to those countries, and because of their resentment, only 30 per cent of the export is being channelised through the MMTC. When the STC and the MMTC were created, it was clearly understood in this House that all commercial transactions on the State to State basis would be carried on through these Corporations, but there has been a departure in this particular case. I would like to know the reasons why there has been a departure in this particular case, and only 30 per cent canalisation of export is being resented to even by the countries which are by profession socialist in their nature.

My second question is how the Government is going to safeguard the interests of 200 and odd small mica mine owners whose plight has been very ably narrated by the previous speaker, Mr. Daschowdhury. They should be paid and treated on a par with the big monopoly houses who are being patronised by the Soviet Union in this country.

My third question is about the composition of the Mica Board, and improving the condition of labour. It is learnt that such a board is being formed and I want to know whether it would be controlled by the Ministry of Commerce or by the Ministry of Steel and Mines.

PROF. D. P. CHATTOPADHYAYA:

The hon. Member asked a categorical question whether the USSR and Poland went back, after failing to persuade the Government to succumb to their pressure to allow them to purchase mica from whomsoever they choose in violation of 70:30 ratio. To this categorical question, I return a categorical answer: no. They have not gone back and saying this sort of things is not correct. On the contrary it has been said by them, officially, that the negotiations had not broken down. The exploratory talks, commercial talks that took place is also not unsatisfactory; it is hoped that a mutually satisfactory settlement would be arrived at in future. Secondly, he said that the MMTC's performance was not satisfactory. I have already given the figures of both production and exports and they are in fact more satisfactory than before the entry of MMTC into the mica trade. I can assure the hon. Member that small mine-owners and exporters will get every possible benefit from the Government and the MMTC and it is only to break the stranglehold of the big houses that we have entered the field. Otherwise there is no point in coming to the field.

The last question was about the role of the Mica Board. I have already said that it will be a subsidiary of MMTC and naturally it will be under the overall administrative control of the Commerce Ministry.

SHRI HARI KISHORE SINGH (Pupri): The Minister has repeatedly referred to the talks to have not failed. I should like to know how far the talks have progressed and why they have been delayed. Failure or delay in the conclusion of the contract casts reflection not only on the working of a public sector undertaking—MMTC—in our country but also on our very good friends and trading partners who come to our help in the hour of need, the Soviet Union and the socialist block of countries. This also raises many fundamental ques-

tions. Does he consider the mica industry to be a sick industry or not? Because the figures of production and export clearly indicate that this is a sick industry? From a total production of 31,942 tonnes in 1958, it has gone down to 18265 tonnes in 1968 and 14468 tonnes in 1971; Similarly, the export of sheet mica was 10948 tonnes in 1965 and it went down to 7,817 tonnes in 1971. The export of scrap mica declined from 25,838 tonnes in 1965 to 13,965 tonnes in 1971. Only in connection with mica powder, there has been a good rise from 1,291 tons in 1966 to 3,457 tons in 1971.

With regard to working of mines, it has gone down to 504 from 665 in 1966. Therefore, I would like to know from the Minister whether, in view of these figures, he considers the mica industry to be a sick industry or not. If it is not a sick industry, is he prepared to take the steps, which the Government has taken in regard to sick textile industries and other sick industries, in this case also?

With regard to M.M.T.C. I have no detailed understanding about its working and functioning. But, from whatever little I could understand regarding the working of the mica industry I would say that it has shown a dismal performance. In reply to Unstarred Question No. 4455 by Shri Shankar Dayal Singh on 23rd March, 1973, it was stated by Shri A. C. George that the export of mica had gone up to Rs. 18 crores by the M.M.T.C. But, on the question of profit and loss, it was stated that the M.M.T.C. would break even so far as its profits and losses are concerned. On a turnover of Rs. 18 crores, even to a child, this figure is staggering. The concern, which exports to the tune of Rs. 18 crores is not making a substantial profit.

Now, the Government, in its eagerness to promote export of mica has given a substantial concession to the mica industry. The reduction on export duty effective from 1st January,

1973 to the mica industry is as follows:—

On higher grades of mica	From 40 per cent to 30 per cent <i>ad valorem</i> .
Medium grade	From 20 per cent to 15 per cent <i>ad valorem</i> .
Lower grade of loose mica.	From 20 per cent to 15 <i>ad valorem</i> .

In spite of that the big sharks of the mica industry are not satisfied with the concessions given by the Government and are trying to sabotage the whole mica industry and in that process, they are bringing bad name not only to MMTC but also to our friendly importing countries.

In regard to canalisation of Mica export trade the Minister has made a very big claim. But the way in which the MMTC canalises the mica trade is a big hoax. I have with me a copy of the memorandum submitted to the Prime Minister on 5th July, 1971 by the Bharat Abrakh Udyog Sangh as reported in the *Indian Nation*, Patna in which it has been stated that before the advent of the Mica Control Order and fixation of floor prices of mica by the Government of India, the number of mica exporters was large and the dealers could at that time dispose of their products with ease and earn their livelihood. But now the entire export business having practically gone into the hands of a few big mica exporters, the small dealers have no choice of their own. It is alleged that the floor price of mica was fixed on the advice of the Mica Export Promotion Council which is practically dominated by the big exporters and they managed to remain, by permutation and combination in framing export-policy matters. I want to know how far this canalisation has benefited the small traders and helped them in making a livelihood, in view of this memorandum. It is a fact, as alleged, that MMTC supplied inferior mica as higher grade mica to the importers.

[Shri Hari Kishore Singh]

which has been made an issue by the importing countries. Is it true it is a serious matter? I have come to know that a number of big mica dealers manufacturers are staying in posh hotels in Delhi like the Ashoka Hotel and lobbying and pressuring the Government to change its policy. Is this a fact.

13 hrs.

I would further like to know whether mica producers from Bihar have sent a memorandum to Government urging virtual scrapping of the canalisation scheme. Further in view of the news appearing in the *Times of India* on 31st March, 1973 may I know whether there is any linkage between the reported breakdown of the negotiations between the MMTC and the delegates from USSR, Poland, Czechoslovakia and Hungary? May I know whether against one Mr. Jain in charge of MMTC operation at Girdih serious charges of corruption have been made and also against the working of his office and if so what steps Government propose to take? Finally, may I know whether it is a fact that there is a difference of 1 to 10 between the price of raw mica and the finished products of mica and whether Government proposes to export finished products of mica to the different countries? Lastly, for clearing the whole confusion, is Government considering to take over the entire mica industry or not?

PROF. D. P. CHATTOPADHYAYA: The hon. member has raised a lot of questions and you will remember, Sir, that most of these questions have already been covered by me. He has asked how far the talks has progressed. I have already said that it is progressing and given time and goodwill, which is already there, it will be concluded in the near future. I would humbly submit that if we run down the performance of public sector undertakings like the MMTC and their officials, their morale suffers a setback. I do not like to defend all

their deeds, if there are misdeeds, but unless there are specific charges against some officers, perhaps it will not be very helpful to criticise them without sufficient data or evidence.

I am not aware of the presence of some big mica mine-owners living in Ashoka Hotels, much less of their pressure on the Ministry.

MR. SPEAKER: Before I take up any other item, I thought I should give preference to the Speaker himself, Shri Varma, Shri Mishra, Shri Bhattacharyya, Shri Era Sezhiyan, Shri Patel and Shri Basu took exception to the remarks which I made on Friday at the time of the walk-out. After the walk-out I said how is it that walkouts have taken place on the eve of week-and holidays. As some friends have said that these remarks were aspersive, if they take them in that light, I do not stand on the question of prestige. I withdraw them. If you think I am at fault, I have nothing to say. It is part of my temperament. Sometimes I talk to restore myself after tension, because that is the only thing that comes to my help in this tension. Because, you keep me under tension and on my nerves most of the time. I wish that at one time or the other you also come here and experience it.

Shri Sezhiyan has raised one point. Last Friday after the walk-out, Shri R. S. Pandey said that it was pre-planned. I have seen the proceedings. Somehow, Shri Pandey's remarks are not there while my remarks have come. When Shri Pandey said that it was pre-planned I said that such things always happen after due consideration. I know that has happened after consultation. I think it is your right to have consultations. But, if you think it was aspersive, it was far away from my intentions. I have got very good relations, good friendship, good affection for all of you, but ...

SHRI ATAL BIHARI VAJPAYEE (Gwalior): There should be no "but".

MR. SPEAKER: ... sometimes we differ inside the House on questions of procedure or facts. But that does not detract or take away from our mutual and social relations. I do not think it should have been taken like that. But I think it is my fault that sometimes I try to restore myself after all this tension by a bit of wit and humour. If I am denied that, I think I will be losing many years of my life, which I do not think you would like.

SHRI SHYAMNANDAN MISHRA (Begusarai): Sir, in your greatness, would you consider another aspect of the same matter? On two pages, consecutively, 14 times "Mr. Speaker" occurs without any person coming in between. Only to introduce some rationality into this, would you not kindly consider that those also should be removed? Otherwise, it appears as if there is a soliloquy all the time.

MR. SPEAKER: When ten Members are standing up, it is impossible for the reporter to take down all of them. I allowed one Member the other day to speak and he was saying something. But he could not be heard even by me because other Members were speaking simultaneously. So, I would request you all that whatever be the difference of opinion, if only one or two Members stand up, I will be able to hear them one by one. But if all of you stand and speak, nothing is heard.

When the Speaker Stands, you should have the courtesy to sit down sometimes, if not always.

SHRI SHYAMNANDAN MISHRA: When you stand up, I always sit down.

MR. SPEAKER: Kindly give this advice to Shri Jyotirmoy Bosu also.

13.10 hrs.

#### MOTION FOR ADJOURNMENT

#### REPORTED STATEMENT OF ATTORNEY-GENERAL BEFORE SUPREME COURT ABOUT AMENDING MAINTENANCE OF INTERNAL SECURITY ACT

MR. SPEAKER: Now, about the Attorney-General's statement, I have received notice of a Privilege Motion from Shri Dinen Bhattacharyya, Shri Shyamnandan Mishra, Shri Kalyanasundaram, Shri Jyotirmoy Bosu and Shri Era Sezhiyan. Then, there is notice of an adjournment Motion from Shri Jyotirmoy Bosu and Shri Era Sezhiyan. There are notices under Rule 377 from Shri Indrajit Gupta, Shri Kalyanasundaram, Prof. Madhu Dandavate and Shri Bhogendra Jha.

After all these notices, there is another category. There are Call Attention Notices on the same subject from eleven Members. Should I mention all the names?

I have not been able to make up my mind as to under what motion I should apply my mind. Let me know what I should take up.

SHRI JYOTIRMOY BOSU (Diamond Harbour): Let the Adjournment Motion be first taken up.

SHRI DINEN BHATTACHARYYA (Serampore): It is a question of privilege. The Attorney-General should come here and make a statement.

SHRI ATAL BIHARI VAJPAYEE (Gwalior): You may call one Member after another.

MR. SPEAKER: There are about 20 Members. It is impossible. I just wanted to know what type of motion I should take up out of these motions.

SHRI JYOTIRMOY BOSU: First you deal with Adjournment Motion.