

[श्री फूलचन्द वर्मा]

से मजदूरों की निरंतर मांग के बाद भी इंजीनियरिंग उद्योग में बेनन प्रायोग की सिफारिशों को लागू नहीं किया गया है। वहां पर मैनेजमेंट और इंटक की मिली भगत के कारण यह मांग अभी तक स्वीकार नहीं की गई और मुझे कल एक तार मिला है कि वहां पर जो हड़ताली मजदूरों के संयोजक में महेन्द्र सिंह और दूसरे उनके साथी पीरूलाल, उनको इंटक के गुन्डों ने छुरा मार कर घायल कर दिया और आज वह उज्जैन के अस्पताल के अन्दर भर्ती है जहां उनकी हालत बड़ी गम्भीर है। वहां पर आज इतना टेंशन व्याप्त हो गया है कि जनता और कारखाने के अन्दर ला एंड घाईर मॉन्टेन करना वहां की लोकल एडमिनिस्ट्रेशन के लिए एक सरदर बना हुआ है। मैं और भी कुछ निवेदन करना चाहता हूँ पिछले समय भारतीय मजदूर संघ के महामंत्री श्री सुरेश शर्मा ने इसी हड़ताल के बारे में मध्य प्रदेश विधान सभा के सामने अनिश्चित काल तक भूख हड़ताल की थी। उस समय मुख्य मंत्री श्री पी० सी० सेठी के आश्वासन पर कर्मचारियों ने हड़ताल समाप्त कर दी थी। हड़ताल की समाप्ति के बाद एंटक और पाइप फैक्ट्री के मैनेजमेंट की मिलीभगत के कारण चार मजदूरों को काम पर ने नि काल दिया गया। तब उन्होंने फिर हड़ताल की और हड़ताल करने पर एंटक के गुन्डों और मैनेजमेंट ने मिलकर उनके ऊपर इस प्रकार की कार्यवाही की है। इसी प्रकार से पिछले समय भी तीन बार इस विषय पर चर्चा हो चुकी है। सात मार्च को विधान सभा में एक ध्यानाकर्षण सूचना के ऊपर वहां के अम मंत्री ने कहा था कि त्रिपक्षीय वार्ता के अन्तर्गत इस बात को हल कर लिया जायगा लेकिन आज

स्थिति यह है कि वहां पर हड़ताली मजदूरों के संयोजक और उनके एक दूसरे साथी को छुरा मार कर घायल कर दिया गया है, उनकी हालत बहुत ही गम्भीर है और वह अस्पताल में पड़े हैं। ला एंड घाईर मॉन्टेन करना बहुत ही मुश्किल हो रहा है। इसलिए मंत्री महोदय इसमें तुरन्त हस्तक्षेप करके इस हड़ताल को जल्दी से जल्दी तुड़वाएं और इस सम्बन्ध में एक वक्तव्य दे ताकि राष्ट्रीय सम्पत्ति और उत्पादन की हानि जो हो रही है उसको रोका जा सके और मजदूरों की जो मांगें हैं कि तृतीय बेनन प्रायोग की सिफारिशें वहां लागू की जाएं, यह तत्काल लागू होनी चाहिए। इन शब्दों के साथ मैं मंत्री महोदय से निवेदन करूंगा कि वह इसके बारे में वक्तव्य दें।

13.55 hrs.

DEMANDS FOR GRANTS, 1973-74--  
contd.

MINISTRY OF INDUSTRIAL DEVELOPMENT AND DEPARTMENT OF SCIENCE AND TECHNOLOGY—contd.

MR. DEPUTY-SPEAKER: Now we shall take up further consideration on the Demands for Grants under the control of the Ministries of Industrial Development and Science and Technology.

Shri Jagannath Rao will continue his speech.

SHRI JAGANNATH RAO (Chhatrapur): Mr. Deputy-Speaker, Sir, I was speaking about the growth of monopoly. The M.R.T.P. Act seeks to curb the growth of the monopolistic power. This Act, as I said, is defective and it needs amendment. There is Section 27 in the Act which says that the Central Government can, if it is satisfied, call upon the large houses to shed their interest in certain companies under their control. There are three types of expansions, i.e., where an industry acquires interest in another industry which produces the same product, that is, cal-

led vertical expansion; there is another type of expansion which expands horizontally. This tries to acquire companies/firms which manufacture spares and services which are utilised by this company, the third type of expansion by the large houses is called 'conglomeration'. They acquire the industry which is not connected with the industry which they are running. These are the types of things. Each conglomerate could be diversified and diffused so that the large houses could be reduced in their size. The report does not give us an idea about the investment made by the large houses in the core and heavy sectors as a result of the licensing policy amendment made in February 1970. We want to know the investment made from February 1970 to February 1973 and also the investment made by the medium and small industries. That would give an idea of the investment climate in the country.

Large houses have been financing the medium houses hitherto because they were manufacturing the ancillaries used by them. Now that barricades have been thrown around large houses, they have stopped financing the medium industries and so the medium industries are in difficulties. Government should see that medium and small industries are helped to come up so that they would check the growth of large houses.

The small scale sector has done a good job. Its production has gone up and it is exporting also. Still it is facing some difficulties. We have no definite data about the number of small-scale units in the various regions of the country and also industrywise. If this data is available, it would be easy for the Development Commissioner to supply the essential raw materials to them. Now they are facing difficulties in this regard and this should be looked into. The latest technological developments also should be made available to the small-scale sector so that their products

could be improved in quality and they can have a good export market.

For starting industries in backward areas, some incentives have been given but no large or medium house, have so far set up any industry in those areas. So, it is the duty of the Government to set up at least one medium industry at a certain focal point in every backward district, so that small-scale units can come up to supply ancillaries and thus rural employment would be generated.

Research and development is an important item because the growth of an industry depends on the latest technological and scientific developments. NRDC was started in 1954. In these 20 years, its performance is not very commendable. The inventions and processes discovered by this institution have not been put to commercial use. Only 200 and odd have been put to commercial use and the value of production using these processes is only Rs. 43 crores. The foreign exchange conservation was only Rs. 33 crores. There should be proper coordination between NRDC, CSIR, regional laboratories, private industry, laboratories of universities, etc., so that there may be a coordinated approach to sort out problems facing the industries and any new process that is invented could be immediately put to commercial use. This would also obviate duplication. A private industry may be doing research in a particular field and some other organisation like NRDC or CSIR may also be doing research in the same field. This duplication will be avoided if there is coordination between these agencies.

14 hrs.

Then comes the question of productivity in industry. The National Productivity Council was started in 1958. I was a member of this Council for the period 1958—60. It has been sending officers from government and the private sector for training abroad in

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various technical fields. I do not know whether these officers after training are being utilized in the posts for which they are being trained.

Productivity is the ratio between input and output. The input being the same, if the output is larger, there is productivity. To attain productivity two things are essential, namely, modern equipment and educated workers. If these two things are there, they are bound to produce more goods for the same inputs and there will be productivity. Today, in this age of science and technology, unless we take advantage of the latest advances in these fields, it is not possible to compete in the international market. Now a separate department has been formed under the able guidance of the Minister, it is hoped that greater co-ordination will be achieved in this field and we will have the latest technological developments for our use.

I find from the Report that out of 511 applications received for foreign collaboration, 257 have been sanctioned and 36 of them are for foreign investments. I do not see any reason why foreign investments should be allowed even today. I am glad that in other cases they have been purchased on payment of royalty and then sold to local industries. When we are talking of self-reliance, a time may come soon when we will use only our own technology and our own raw materials. Until then self-reliance is a far off cry.

Therefore, the private sector should be called upon to invest a certain portion of its profits on research and development, if necessary even by law. It should be made obligatory. The private sector should not always think only of profit, it should realise its obligations to the society and view profit from that angle. Then only the private sector can justify its existence. Both the public and private sectors are two sides of the coin. The private sector cannot exist as it likes, it must

function within the framework of the Industrial Policy Resolution and the plans which are evolved from time to time by Parliament. This Ministry should be vigilant enough to see that the private sector fulfils its role. Then only there will be orderly development of industry.

The malady of the public sector today is that it has not expanded as much as it should have done. The Industrial Policy Resolution of 1956 gives a major role to the public sector in the field of industry. Government can enter not only the industries reserved in Schedule A but in Schedule B and also in other sectors. In 1966 the investment of the public sector was only 10 per cent in the corporate sector and now it is 51 per cent. Still, the desired results are not being achieved. So, the public sector should play a vital role, especially in the field of basic industries, so that it can reach the commanding heights and lead the economy and the country to prosperity.

SHRI M. KALYANASUNDARAM (Tiruchirapalli): Mr. Deputy-Speaker, Sir, the House is very much concerned with the way in which the big industrial houses have sought to strengthen themselves during the year 1971-72. The latest policy announcement was made on the 2nd February, 1973. It was stated that they want to stand by the 1956 Resolution and it is intended to achieve growth with social justice. But what are the facts and figures? I reply only on the economic analysis made by the Economic Times. This is a journal belonging to one of the big industrial houses of our country. The assets of 201 companies increased from Rs. 4247.4 crores in 1970-71 to Rs. 4597.3 crores in 1971-72, i.e. a growth of 8.1 per cent over the year 1970-71. Similarly, sales turnover has gone from Rs. 3981.7 crores to Rs. 4443.2 crores—i.e. growth of 11 per cent. Gross profits and distributed profits have also registered a sharp increase. In 1970-71, the assets required were of Rs. 15 crores, to gain a place among the top 101. In 1971-72 it required 21 crores

to get a rank in the top 101 companies. I am only referring to the private sector. The analysis given in a paper like *The Economic Times* convincingly shows how the big monopoly houses have grown in the past two years, i.e. 1970-71 and 1971-72. Of these 101 companies, two big industrial houses viz., Tatas and Birlas as usual, have 10 top concerns. Tatas total assets during the last two years have grown to Rs. 850 crores. Similarly, Birlas concerns have grown to Rs. 800 crores in 1972. What do these figures show? Do these figures show that the Government have taken vigorous steps to curb the concentration of economic power in the hands of the monopoly houses or are the Government sliding back and making concession after concession to these houses? The latest industrial licencing policy is a surrender to the monopoly houses. The policy statement has listed about 19 classes of industries. The number seems to be small but the sub-division—all taken together—almost all the industries are thrown open to these big houses. In spite of the fact that the Government have given assurance that they will do everything to curb the monopolies, nothing has been done. On the contrary, the Government is retreating and surrendering themselves to the monopolies.

Similarly, in the case of collaboration with foreign monopolies also, there is a spurt during 1970-71 and 1971-72. Why these monopolies, both foreign and Indian, should combine together and try to exploit this country? Why should the Government go on giving concession after concession to them? They have enacted the Monopolies Restrictive Trade Practices Act. The Commission has also been appointed. We do not know what action has been taken. We do not know how this Act, the credit policy of public financial institutions, the industrial licencing policy, have operated, whether they have been operated to curb the monopolies or to help the monopolies. I am sorry to say that these have been operated in a way to

help the growth of monopoly houses at the cost of small-scale industries and cooperatives. Small-scale industries, cooperative sector, whether in private sector or in public sector, are suffering for want of raw materials and financial assistance. That is the position.

What is the Government going to do? Unless they take over the monopoly houses, the crisis that the country is faced with cannot be overcome. If we go on making appeasement to the monopolies, the crisis will become worse. Even day before yesterday, the Prime Minister's speech before the industrialists of the country was that the Government is bowing before them with an apology saying, the private sector will not be abolished, the private sector will be allowed to play its role, etc. What does it mean? Why should they be so apologetic to these people who have looted this country, have fleeced the workers, peasants and consumers during the last 25 years and have amassed such huge assets. Why should the Prime Minister and the Industries Minister become so apologetic to these people? It is an insult to the common man.

This requires very serious consideration on the part of the Government. I do not say that the public sector has been neglected. It is there. Thanks to the workers, not because of the officers. The workers' cooperation is not sought for; the workers are provoked. If you speak of less production in the public sector, don't blame the workers. The policy of the Government in running the public sector undertakings should be examined. Their attitude towards trade union workers is partisan and politically-motivated. The whole matter is now under discussion between the officers of the public sector undertakings and the trade union centres in the country. If anybody is interested to know the reason, let them go through the discussions and proceedings of the seminar. As a result of these seminars and discussions, let us hope that something will come out

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In order to ensure participation of the workers in the management of the public sector undertakings so that they can play their role effectively.

In spite of the industrial growth claimed by the Ministry in its Annual Report, some of the vital goods are in scarcity. Specially, consumer goods industries are not working to their capacity. Perhaps, the monopolists who are having their hold on these industries want to create artificial scarcity so that the prices can be shot up.

Take for instance, the cement industry. What is the price of cement? Agriculture, industry and all our projects are suffering. One bag of cement costs Rs. 30. that too in black-market. The cement which is allotted to the projects of the Government goes to the black-market. The construction projects, whether they are by the Central Government or by the State Governments, are running a great risk. The cement which is allotted for these projects is not being utilised and it is going to the black-market. The Minister should tell us as to whether the scarcity is artificial or real and what is happening in the cement industry. The cement industry has grown and its production has increased. But, why there is a black-market in the cement industry?

At this critical time, the workers in the cement industry are also discontented. Last year, in October, I think there was a general strike in the cement industry all over the country. The Minister of Industrial Development who met the representatives of the workers, promised that their demands will be discussed and settled through bipartite negotiations before the 31st December. Now, we are in April. You may say that the report of the Third Pay Commission was expected. The Third Pay Commission has nothing to do with these demands. These are not covered by the Third Pay Commission. There should not

have been so much delay. Nothing has been done by the Minister to implement the promise which he has made at the time of the general strike in the cement industry. I wish he should, at least now, before it is too late, take some prompt action to call the representatives of all the trade unions and settle the dispute through negotiations.

Some of the public sector undertakings have been transferred to the Ministry of Heavy Industry. One of the things which has come to my notice, is about the National Industrial Development Corporation. When it was started, it was meant to function as an industrial concern; that the Corporation itself would run more industries etc. But, now, I am told we know also from the reports of the Public Undertakings that it is reduced to a consultancy organisation. Why there should be such an organisation only for the purpose of doing consultancy work? What is the scope of that organisation? Again, I am told that against the Managing Director of NIDC, there was a charge made by the Public Undertakings Committee of this House and this matter was also referred to the Committee of Privileges. How is it that no action has been taken? He still continues to be the Managing Director of NIDC and is sent to more respectable assignments. Why should such a favouritism be shown to a person who was charged by the Public Undertakings Committee that he misled the Committee by giving wrong information? That amounted to contempt of the Committee itself. If this is the respect which the Ministry shows to the Public Undertakings Committee, then what useful purpose will be served by the Committees of this House?

14.20 hrs.

[SHRI K. N. TIWARY in the Chair]

Before I resume my seat, I want to make a suggestion that the Government should clarify about the proposal

for joint sector. The joint sector is operating in a dangerous way to bring some of these influential big monopoly houses and use Government funds, public funds, for their improvement. In Tamil Nadu, the Minister may be personally aware, the Southern Petro-Chemical industry is one such industry who are a private concern and who are made use of. If this is the purpose of the joint sector, then the joint sector will be used only by monopoly houses. After he took charge of this portfolio, there has been a serious apprehension in the minds of small industrialists and in the minds of trade union leaders and the political parties who are interested in curbing the growth of monopoly and preventing concentration of wealth in a few hands, that the Minister is having a soft corner for big business houses and the policies are changing only to serve that purpose. He is open to that charge now, and it is for him to discharge his obligations properly. I do not want that he should carry out the suggestions of the Communist Party of India; they have their own policies and programmes. But the ruling Party has its own programmes. Let him be faithful to the pronouncements made by the ruling Party. That is my humble suggestion as a good, personal friend.

There is another matter. In Tamil Nadu, the industrial development has come almost to a standstill. The Industries Minister of Tamil Nadu goes on charging the Central Government that the requests for licences were not disposed of quickly, and the Minister has not explained any of these charges to the public. I want to know how many applications for licences or letters of intent were made to the Union Government during the year 1971-72 and how many were disposed of, and if there has been any delay, what is the cause of delay.

**SHRI D. D. DESAI (Kaira):** While supporting the Demands for Grants in respect of the Ministry of Industrial

Development and the Department of Science and Technology, I congratulate the hon. Minister for enunciating the industrial policy on 2nd February, 1973. The policy provides for mixed economy and re-states the 1956 Resolution on industrial licensing.

Socialism and totalitarianism cannot go together. Some of our friends have been talking, in the name of socialism matters which are detrimental to the interests of the country. It is this sort of talk that has created certain confusion, uncertainties and certain psychological barriers have been created in increasing production in the country—either by setting up of new industries or operating the existing industries. We have seen that where such talks have been most, for example in certain eastern parts of India, production, employment, wealth generation, social life and practically everything has suffered and less of confidence has resulted in even non-establishment of new industries and shifting of established industries. I would ask these people who indulge in these talks—to go through the Directive Principles of the Constitution. The greatest harm, if any breach of directive principles which they do not even talk is creating is the non-implementation of prohibition. Giving up of the prohibition and certain other things which are attached to our Constitution's Directive Principles is harming far more. In the Directive Principles of the Constitution, nowhere anything is stated to subvert the industrial resolution of 1956 or any methods which would result in dropping of production and generation of savings. The generated savings form the capital and the capital is nothing else but money or savings retained by the generator of wealth after paying the taxes.

Therefore, I once again request the Government to be very firm and clear in its policy and I thank the Minister for having taken boldness in his hands and enunciated the policy. But I would request him not to allow this

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policy to be subverted by any pressure that is being built up from outside the party or from within the Party.

Now, as far as industrial production is concerned, some of our friends have said that industrial production is not coming up. The demand is rising, the prices are rising and the shortages are there and inflation is already very much felt. Now, here, the key role is one of capital rather the savings and credit. On both these accounts we find that there is a definite squeeze. The capital which is generated or the savings which are generated are getting less with the result that the wealth produced is less and therefore, the growth is reduced in the private sector. We must not forget that over 90 per cent of the production and the GNP to-day is in the private sector. The Government is a debtor, the institutions, whether they be banks or insurance companies or public sector industries, are debtors and the money that is with them comes from the private savings and the Government is a trustee of these private savings which should be employed in a manner by which the savings generate the maximum benefits for the people of India and I consider that the most productive use should be in a plan or in an area where concrete developmental activities and outputs are involved.

We have talked about the growth. This year, taking November figures into account, we have about 7.2 per cent growth and this is a good growth compared to the previous two years. I think the actions initiated by the present Minister and the previous one have resulted in this growth. But, at the same time, we should not forget that the wholesale price index has gone up by 8.8 per cent. How much the growth can be attributed to the price increase is not clear from the figures because the figures of production sometimes appear in units like tonnes and sometimes they appear in rupees. Now, the rupee is losing its value and sometimes the figures in rupees are loaded

by several other factors. Therefore, we should have a uniform system in units of quantities for evaluation of our own performance I would request the Hon. Minister to kindly consider a few suggestions that I have made in a very friendly way and with a view to be rather constructive than to be critical about it.

We have heard in the case of growth a few impediments. I have mentioned about the savings. In the case of the companies the saving the company makes is the money left with the company after the taxes are paid; plus certain depreciation allowance. Now the depreciation allowance is not adequate to cover the cost of replacement. We can easily see it. The development rebate is 15 per cent for some industries and 25 per cent for some others and this is replaced by the initial depreciation which is 20 per cent. We have seen during the last 10 years that the capital assets raw materials' cost alone has gone up to 180 per cent and the labour cost has gone to over 200 per cent. In other words, the replacement cost of fixed assets have doubled. Therefore, the Hon. Minister should be ready to take over several sick industries because after the machinery gets worn out, there is no adequate money left by him with the industries to replace such machinery. I would suggest strongly that the depreciation allowance might be on the pattern of what the British Government is providing during the first year with the result that the units could immediately make contracts for replacement of machinery. Sometimes we are talking about sick mills and industries but we do not go behind the reasons and one of the important reasons is withdrawal of the cash in the form of taxation and the money availability with industry for replacement is not adequate to compensate for the wear and tear and modernization.

In respect of licensing with faster disposals there have been good efforts

made towards speedier development and encouragement of new industries. We have the assurance of the Minister that the present performance is being improved upon. That shows that the Minister is very keen to see that new capacities are established, employments are created more goods are made available, pressures on prices are reduced, scarcities and hardships are removed. Well, that is all for the good.

We have, Sir, the question of the development of backward areas. What are backward areas? After all they are not another pieces of land from other planets. The only difficulties are there are no communications, no roads, no rails, no power, no training facilities and such are the things which make the area backward.

Now, what is needed is that we should try to improve the infra-structure. Government should see that the pace of this development is increased. Government has already identified the causes of backwardness. We should provide facilities like rural electrification, communication system, proper roads and proper transport system and all this will go a long way in substantially removing the backwardness of these areas.

I was recently in Ireland. They provide 35 to 40 per cent of fixed assets as outright grant for development of industries even when the industry is about 20 miles away from Dub. in, what they call is a backward area. They give this 35 to 40 per cent outright grant. In Shenan, Cork and most of Ireland for every employee or person that is employed new or any employment created, per person 4000 ponds are given as outright grant. That is, either they give per employee 4,000 ponds or 35 to 40 per cent of the fixed assets as outright grant for the starting of the plant itself. Something of that kind can be done here also, because after all, these countries do not believe in throwing away cash for nothing. In our country unfortunately we do

not know whether we want to be fish or fowl. After all, this is a question of proper investigation, evaluation and implementation. Therefore, we should not have difficulty in assessing what exactly we should do about it.

We have now before us the prospects for 1973. I have also gone through the Approach to the Fifth Plan. We need not plan according to a particular system; we should be open to every system. We should view this from an absolutely impartial and objective point of view. When we talk about profitability, we should remember that this is dependent upon not only purchase and sales efficiency or plant efficiency or technological efficiency but it is account of every aspect of the operational techniques, that goes into industrial operation. For faster and efficient growth and development's in today's world we need not suffer by experiments. Several very successful systems in different countries are open for our study. In this respect I would strongly suggest the hon. Minister to take into account the best system by which we can have maximum tempo.

Coming to prospect from 1973 onward the biggest strumbling block would be power. In this respect I would suggest that the present suggestion for importing diesel generating sets is unsuitable because it provides for a unit of energy at about a rupee. This is a high cost. Therefore, we should, go in for imports of large units not less than 200 to 300 MW. When the world has moved to over a million KW unit ratings for single shaft turbo sets and 750 KV in transmission we should not operate with toys. We should not operate with ratings and voltage the cost of which today is high. So, when we go in for power programme we should keep an open mind. I would personally request that ample power should be provided at the earliest date because the Indian people want jobs and goods. They cannot wait for long. People are really itching for doing work.



[Shri D. D. Desai]

The industry and people want to discharge their obligation to the country. Therefore, any difficulty that is there could paralyse the activity and economy.

We have been blaming the weather and so forth. There are a few countries in the world like USSR, China and India which keep on blaming the weather. We should recognise that there is weather in U.S.A. Canada and West European countries. Nothing like happens there. We must recognise that two to three States in India every year do suffer from floods, drought and so forth and provision for these is made within our planning itself and, therefore, to blame after centuries of experience of weather would not be proper.

There has been a certain difficulty regarding mass consumption of articles and inflation. In this respect if you go to identify which particular item have resulted in shortages—whether food or consumable items—we can identify them as fertiliser, insecticides and power. If we take these things into account probably most of the items which have created present hardship and present unrest in the country could have been avoided and we can still avoid by planning in a substantial manner.

Regarding public sector companies, some of my Communist friends have been talking about scaling downwards the capacities of the steel plants. When we started the steel plants, we were told that the plants are new and people are being trained. Now we are saying that the steel plants require maintenance; they have become old; the capacities should be scaled downwards. What has happened to the Tata Steel and some other plants which are older than the public sector plants? This sort of talk is not helpful. Everybody knows that the steel production is hardly 6.2 million tonnes this year against the 1968 production of 6.5 million tonnes and that too also with increase capa-

city. Therefore, my Communist friends who have often been talking about the country being let down by private sector are well advised to see that their Unions which operate in some of these steel plants and public sector are properly controlled and the country's valuable assets which are handled by labour are made to deliver the goods to full capacity.

We must also recognise that even this 6.2 million tonnes do not represent production of all items. We have discontinued or reduced production of some sections and some categories of steel including steel for electrode making. In other words, fewer and heavier sections are made which really represent intermediate products. Therefore, to that extent the steel plant production of present day is a manipulated production. We should not miss the point. Further the furnaces which we are loading heavily would, as soon as the year closes, may be shut down for lining for a couple of months or so. The furnaces may not be operating for this period. That being so, we cannot talk in a tall manner when this is going to affect next year's production also. Capacity utilization and profitability in public sector is a must for the country.

Regarding the small scale sector, the Ministry has done its utmost in terms of credit, infra-structure, individual loans to technocrats and also identification of areas for doing work. The Ministry must be congratulated on the excellent work that it has done in the small scale sector. We should see that this particular sector is further strengthened so that the technology that is developing in the small scale sector will spread in wider areas.

One of our bright spots is that this sector people can and would migrate; this is easier. Local people could go more easily to backward areas and to that extent, we have certain advantages.

One word regarding the science and technology. We should scrutinise the number of patents and the registra-

tions made within the country in respect of science and technology. If we evaluate the patents etc., we can easily see that out of the patents registered in this country over 90 per cent are from the western countries and less than 10 per cent are from the totalitarian countries. As to the designs, none of the designs that are registered in this country comes from the totalitarian countries. 100 per cent are from the western countries. Even those countries which call themselves socialist and depending heavily on the western countries and our trying to obtain second-hand information or second-hand technology is not advisable. After all, propaganda is one thing; practical business is another. What we should do is to translate into effective production of goods envisaged in the technology developed.

I have gone through the Report submitted by the Ministry on science and technology. I could say that a lot of it has been that of armchair theoreticians. We should not be deluded by this sort of thing. We should go forward with purposeful aims and objectives which would result in the advantage of import substitution and self reliance and exports. After all, in the modern world, export demands are for the sophisticated good. 'Labour-intensive' goods are there, but they have limitations. Therefore, the products of high technology should be increased.

Lastly, regarding speculation; there have been talks about it. Every time a drastic measure is suggested, it is said to stop or prevent speculation. We have the Forward Markets Commission. What is it doing? We have the Company Law Board. What is it doing? We have been talking about fraudulent deals by Companies, about speculation, about concentration of economic power and so on. We have already the means to prevent all these things. We have the necessary sticks with us. Why are they not operated? To this extent, the Ministry may be requested to take advantage of the means that Parliament has given it

through the laws and the legal processes which can straighten out these things.

SHRI K. S. CHAVDA (Patna): Mr. Chairman, Sir, the Ministry of Industrial Development formulates the general industrial policy and is responsible mainly for the promotion of industrialisation of the country. It is also administering the Industries (Development and Regulation) Act of 1951 under which licences are granted.

The Estimates Committee, in the 27th report, have commented adversely on the delay in issuing industrial licences and have made suggestions for streamlining the procedures so as to eliminate delays. Therefore, the Minister should see that the applications for licences are considered by the Licensing Committee expeditiously and minutes thereof are issued within ten days in case the MRTP clearance is not necessary.

Certain guidelines have been issued for dilution of foreign equity. These are general guidelines but there are industries which deserve special attention. For example, in the drug, coca cola and cigarette industry foreign firms have made astronomical profits and assets. In today's Hindustan Times, it is reported that "75 foreign companies including branches of foreign banks remitted during 1971-72 Rs. 3.54 crores as profits to their base offices abroad." In the case of coca cola, the paper says that "the Coca Cola Corporation had remitted to the USA Rs. 60.57 lakhs as trading profits." In the drug industry, to name a few firms, such as Abbott Laboratories, Glaxo Laboratories and Pfizer, Ltd., with insignificant initial investment from abroad, they have made fabulous profits which have been repatriated to their own countries or utilised to build up huge assets in this country. Abbotts, with their initial capital investment of Rs. 1 lakh, have repatriated Rs. 22.65 lakhs in 1970, and again Rs. 22.65 lakhs in 1971 as dividend, and have asset worth Rs. 5 crores. In the same way Glaxo with an investment of Rs.

[Shri K. S. Chawda]

1.5 lakhs have assets worth Rs. 68 crores in the country. In the same way, Pfizer, Ltd., with an investment of Rs. 5 lakhs, have assets worth Rs. 52 crores in the country. Thus, by allowing American firms to make fabulous profits, the Government has indirectly supported the Viet Nam war to that extent. Secondly, our country has lost valuable foreign exchange. Thirdly, our consumers have got drugs at high prices. The Pfizers have with impunity indulged in unauthorised production to the detriment of our national interests. The total loss incurred by IDPL, a public sector undertakings, upto 31st March 1972 was Rs. 34.58 crores, which is more than the initial paid-up capital of Rs. 27.50 crores as on that day. Therefore, the Minister should bear in mind that the foreign firms are the root cause of the present plight of IDPL and they should see that the activities of the foreign firms are properly checked and controlled and positive measures are adopted to enable the Indian firms both public and private to come up. It is surprising that the DGTD have indirectly encouraged the unauthorised production of these firms by allowing imports of raw materials and intermediates based on their unauthorised production and not on the licensed capacity. Another disquieting feature is that some of the senior officers of the Ministry of Industrial Development after retirement have joined foreign firms. With their contact and influence, they manage to secure for the foreign firms what they require?

Foreign collaboration is still being allowed in certain industries where indigenous technical knowhow is available. The canonical knowhow purchased by us is not fully utilised and further developed and improved and perfected in this country. For example, in Japan, they have improved on the technical knowhow they purchased about making watches and their watches are now better than Swiss watches. But we have not developed like that. Therefore, Government

should keep a check and in no circumstances allow the extension of the period of foreign collaboration. Also, there should not be repetitive purchase of foreign collaboration. If one party has secured it, the other party should not be allowed to purchase the same from some other source.

There are complaints in some quarters that the summaries prepared by the licensing committee do not explain the cases fully and properly and sometimes material facts are suppressed by the concerned ministries for reasons best known to them. The Chairman of the licensing committee should in important cases call for relevant files and satisfy himself that the cases have been fully and properly prepared. In the case of crucial sectors like drugs, if applications come from foreign firms, publicity should be given to that before granting industrial licences so that the general public will have an opportunity either to make suggestions or to lodge complaints. This will ensure that foreign firms with influence and resources do not secure any undue favour. In particular, in drug and cigarette industry, firms with more than 28 per cent foreign equity should not be allowed any further formulation of manufacturing capacity in the Fifth Plan; it should be reserved exclusively for Indian participation.

Here I would like to make one suggestion. A Committee of Members of Parliament should be appointed to go into delays in licensing and in issuing letters of intent. It should also go into the complaint that a raw deal is being given to new entrepreneurs in the small and medium scale sector.

Finally, in order to ensure that the growth of Indian industry is in the right direction and of a right type, government should not issue any further COB expansion and task force licences without advertising just like capital goods application and withdraw immediately all the blanket permits issued for manufacturing the drugs.

**श्री राम सिंह भाई बर्मा (इंदौर) :** सभा-पति महोदय, उद्योग विकास मंत्रालय के ऊपर बोलते हुए मैं सबसे पहले मंत्री महोदय को मुबारकवाद देना चाहता हूँ क्योंकि यह एक बड़ा भारी महत्वपूर्ण विभाग है और इसके लिए योग्य मंत्री की आवश्यकता है। मैंने देखा है और दूसरी लोक सभा में भी मैंने निवेदन किया था कि इंडस्ट्री हमारे खजाने की चाबी है और यह ऐसे व्यक्ति के हाथ में होना चाहिए जिस के हाथ में यह खजाना मेफ रहे। हमारे देश की इकोनोमी और राष्ट्रीय प्राय में इंडस्ट्री का बड़ा भारी महत्व है। एंग्रीकलचर के बाद इंडस्ट्री ही है। मैं मानता हूँ कि 20 से 25 प्रतिशत तक नेशनल इनकम में इंडस्ट्री हिस्सा है। हमने गरीबी और बेकारी हटाने का नारा दिया है। इस नारे को सफल बनाने के लिए हमारे पास इनके सिवा और जरिया क्या है? हम उद्योग को बढ़ाएँ और जो उद्योग चल रहे हैं उनको मजबूत बनाएँ। यह जो विभाग है मैं समझता हूँ कि इस पर अध्ययन की बहुत जरूरत है। आज हमारे उद्योग किम हालत में मे गुजर रहे हैं इस पर भी विचार करने की जरूरत है, प्रोडक्शन की दृष्टि से हम देखें तो पता चलेगा कि हमें वह प्रोडक्शन नहीं मिल रहा है जो मिलना चाहिए। एम्प्लायमेंट की दृष्टि से देखें तो पता चलेगा कि हमें वह एम्प्लाय-मेंट नहीं मिल रहा है, जो मिलना चाहिए। बिजली संकट, पानी का न बरसना, जिस का नतीजा यह हुआ है कि बहुत सी इंडस्ट्रीज बिजलीके बिना नहीं चल पा रही हैं, ऐसी उनकी बातें हैं। इस लिए यह वर्ष हमारे लिए संकट-पूर्ण तो है ही, लेकिन वैसे भी उद्योग के प्रति हमारा जो रोल है ठीक नहीं है . . . .

15 hrs.

**श्री लाल जी भाई (उदयपुर) :** सभापति महोदय सदन में गण प्रति नहीं है।

**सभापति महोदय :** घंटी बज रही है . . . .  
अब कोरम होगया है, आप अपना भाषण जारी रखें।

**श्री राम सिंह भाई बर्मा :** सभापति महोदय, मैं निवेदन कर रहा था कि इण्ड्रीज में गो-स्लो चल रहा है। मैं स्वयं उद्योगपति नहीं हूँ 16 वर्ष की उम्र से ही ट्रेड यूनियन्ज में काम कर रहा हूँ—गांधी जी के साथ से लेकर नन्दाजी के साथ तक, और आज भी वही काम कर रहा हूँ। मेरा जो अनुभव है, उसके आधार पर यह कह सकता हूँ कि हमारे ट्रेड यूनियनों का रोल इंडस्ट्री के प्रति अच्छा नहीं है। हमारा यह धर्म होता चाहिए जो हिन्दू धर्म में गाय के प्रति होता है हमें दूध लेना है, उस पर हमला नहीं करना है जिस से बदला लेना हो, वह लीजिए, लेकिन इण्ड्री से हम बदला नहीं ले सकते, उसे नुकसान नहीं पहुंचा सकते। जब यह भावना हमारे अंदर होती है, तो मैं मानता हूँ कि इस सदन में जो हम सफलता की बात कर रहे हैं वह सफलता हम अवश्य प्राप्त कर सकते हैं। लेकिन आज उस भावना की हममें कमी है।

हम प्राइवेट सेक्टर से पब्लिक सेक्टर की तरफ जा रहे हैं और हमें जाना भी चाहिए। एक दिन ऐसा आना चाहिए कि सारे राष्ट्र के उत्पादन की के साधन जनता के हाथ में हों, किसी व्यक्ति के हाथ में नहीं, और हम उस तरफ जाएँ, इसमें कोई शक नहीं है। मैं तो ऐसा मानता हूँ कि अगर एक किसान का दूसरे किसान से झगड़ा है जिस से झगड़ा है, उस का खेत हरा-भरा है, और वह बदला लेने की भावना रखता है तो अगर मेरे दुश्मन के खेत में फसल को गाय चर रही होगी तो मैं नहीं बोदूंगा, लेकिन पाड़ा चर रहा होगा तो मैं अवश्य भगा दूंगा। अगर यह सब काम जनता के हाथ में आता है और उससे नुकसान भी होता है तो वह नुकसान कहाँ जाने वाला है . . . .

**श्री क० एस० छाबड़ा :** पाड़े को क्यों भगायेंगे।

**श्री राम सिंह भाई बर्मा :** पाड़े के ही समान यह प्राइवेट सेक्टर है। इनका काम अनाप-शनाप मनाफा कर के

[राम सिंह भाई वर्मा]

गरीब को गरीब और मालदार को मालदार बनाना है। हम ऐसा नहीं चाहते, हम तो समाजवाद चाहते हैं, सरकार के हाथ में उद्योग अपने ही चाहिए। उत्पादन के सारे साधन राष्ट्र के हाथ में होने ही चाहिए ताकि एक व्यक्ति के हाथ में धन इकट्ठा न हो कर जनता में उमका वटवारा हो।

श्रीमन्. जो उद्योग आप ने अपने हाथ में लिये हैं, मैंने पिछले दो-तीन दिनों में आप के जिनके कारपोरेशन्स हैं, प्रण्डरटेकिंग हैं उन की वॉलन्स शीट्स को, जो संसद् सदस्यों को मिली हैं, देखा है। उन सब का अध्ययन करने के बाद मैं इस नतीजे पर पहुँचा हूँ कि इन की हालत अच्छी नहीं है। लगभग एक दर्जन कारपोरेशन्स की वॉलन्स शीट्स का शुरू से लेकर वारीकी में अध्ययन किया और अध्ययन करने के बाद मैंने पाया कि एक-दो के अलावा बाकी सब की हालत नाजक है। जब प्राइवेट सैक्टर को प्राफिट होता है तो पब्लिक सैक्टर को क्यों नहीं हो सकता? हो सकता है, लेकिन इस में कुछ खामियां हैं।

श्रीमन्, प्राइवेट सैक्टर को चलाने वाले जो उद्योगपति हैं, उन को उद्योग चलाने की तालीम गर्भ में ही मिलनी है, जब वह थोड़ा बड़ा हो जाता है तो वे भी यही सोचते हैं कि किम तरह में एक के दो और दो के चार, चार के सोलह, सोलह के चौमठ किये जायें, लेकिन हमारे पब्लिक सैक्टर के उद्योग का संचालन कौन कर रहा है, कल कौन करने वाला है यह भी निश्चित नहीं है। किसी भी उद्योग को चलाने में सब से पहली सावधानी यह बरतनी चाहिए कि उस पर पंजी का भार नहीं होना चाहिए, ओवर-कैपिटलाइज्ड नहीं होना चाहिए, क्योंकि यदि उस पर पंजी का भार अधिक हो

जाता है तो हम व्याज से दब जाते हैं, और बकिंग-कैपिटल के अभाव में वह उठ नहीं सकता। इस लिए इस में बड़ी सावधानी बरतने की जरूरत होती है। किन्तु आज पब्लिक सैक्टर में पंजी भार इतना ज्यादा है कि कास्ट प्राफ़ प्रोडक्शन में बहुत ज्यादा आता है।

श्री कै० एस० छाबड़ा : 220  
करोड़ रुपये के लोन का इन्विटी कैपिटल बना दिया, इसलिए कि व्याज न देना पड़े।

श्री राम सिंह भाई वर्मा : अब जहाँ तक मैनेजमेन्ट का सवाल है जैसा मैंने पहले कहा कि प्राइवेट सैक्टर में मैनेजमेन्ट के लिए गर्भ में ही तालीम मिलनी है किन्तु पब्लिक सैक्टर में यह एक समस्या है। किसी भी उद्योग को चलाने के लिए उम विषय के टेक्नीकल एक्सपर्ट की जरूरत होती है, जो उम उद्योग को सफलतापूर्वक चला सके। दूसरा-खरीद और बेचान का ज्ञान होना चाहिए, जो मार्केट ट्रेण्ड चल रही है, उम को समझने का ज्ञान होना चाहिए। उद्योग चलाने का काम कोई मामूली बात नहीं है। तीसरे—वह व्यवहार-कुशल होना चाहिए, अर्थात् उम में थोड़ी बनियागिरी हो। लेकिन आज हमारे पब्लिक सैक्टर में इन चीजों की कमी है और इतनी ज्यादा कमी है कि आज उद्योगों के संचालक मैंने देखे हैं, वे ज्यादातर एडमिनिस्ट्रेटर हैं, जिन को टेक्नीकल और व्यापार का कोई अनुभव व दृष्टिकोण नहीं है। उद्योगों को चलाने के लिए हमें एडमिनिस्ट्रेटर्स की जरूरत नहीं है, टेक्नीकल, इकानामिस्ट और ऐसे लोगों की जरूरत है जो उस काम के माहिर हों—आज हमारे उद्योगों में ऐसे आदमी नहीं हैं। यही कारण है कि पब्लिक सैक्टर में सफलता नहीं मिल पा रही है।

मन्त्रपति महोदय, मेरे यहां एक इण्डस्ट्री है—इस का ज़िम्मे मैंने उस समय भी किया था, जब हमारे स्वर्गीय प्रधान मंत्री जी यहां विद्यमान थे, उन्होंने बड़े ध्यान में मेरी बात को सुना था और तत्काल ग्रमलिया रूप दिया था। अब माननीय उद्योग मंत्री जी ने निवेदन कर रहा हूँ—हमारे यहां एक कैमिकल इण्डस्ट्री है, उस के मैनेजिंग डायरेक्टर पहले रेलवे के एक रिटायर्ड इंजीनियर थे। वे क्या उसे बनाएंगे। आज जो उसके मैनेजिंग डायरेक्टर हैं वह आई० जी० फोरेस्ट हैं। कैमिकल में कैमिकल का विशेषज्ञ होना चाहिये, टेक्मटाइल में टेक्मटाइल का होना चाहिये, उन विषय का ही विशेषज्ञ होना चाहिये। इसी एक कारण से पब्लिक और प्राइवेट सैक्टर में बहुत अन्तर आ जाता है।

क्वालिटि कंट्रोल भी हमारे लिए एक मुख्य चीज है। उसके साथ साथ कास्ट कंट्रोल भी मुख्य है। क्या हमारे पब्लिक सैक्टर के उद्योगों में यह व्यवस्था है और उसके अनुसार काम होती है? क्वालिटि कंट्रोल और कास्ट कंट्रोल के बिना हम आगे बढ़ नहीं सकते हैं। प्राइवेट सैक्टर में यह सब हिमाब होता है और देखा जाता है कि किस मद में कितनी कास्ट आई और किस में कितनी। पब्लिक सैक्टर में इसके ऊपर कोई ध्यान नहीं दिया जाता है। मैंने इस सम्बन्ध में बहुत से आंकड़े निकाल कर रखे हैं। उदाहरण के तौर पर एक पब्लिक सैक्टर कारखाने में रा मैटिरियल का जो कंजम्पशन है वह जो टोटल कास्ट का 15 या 16 परसेंट आता रहा है वह 29 परसेंट आया। अब यह देखा जाना चाहिये कि पंद्रह परसेंट की जगह 29 परसेंट कैसे आया। इसी प्रकार जनरल एक्मपेंस जो 2-3 परसेंट आता रहा है बरसों से आता रहा वह एकदम 2-3 से दस परसेंट आया वह क्यों आया। मैं समझता हूँ कि हमारे पब्लिक सैक्टर में

इन बातों का पूरा ध्यान रखना चाहिये, क्वालिटि कंट्रोल और कास्ट कंट्रोल पर ध्यान रखना और क्विक एक्शन लेना चाहिये। अगर हमने ऐसा किया तो मैं मानता हूँ कि हमारा पब्लिक सैक्टर बहुत ज्यादा प्रगति कर सकेगा।

यह मेरी प्रस्तावना भी पूरी नहीं हुई और मुझे भाषण समाप्त करना पड़ रहा है।

SHRI S. R. DAMANI (Sholapur):  
Mr. Chairman, Sir, I rise to support the demands of the Ministry of Industrial Development and Science and Technology. Every year, we get an opportunity to draw the attention of the hon. Minister to the slow growth rate of industrial production. We also draw the attention of the Minister to the neglect of the backward areas, as far as setting up of new industries is concerned. We also request the Government to cut down the delay in the granting of licences and we also urge them that more employment opportunities should be created by setting up new industries. The hon. Minister takes note of all our points and assures us that every effort will be made to achieve these things. But, at the end of the year, we do not find much improvement. This has become a little annoying. More efforts should be made to chieve these things.

Firstly, I would like to say two things. I am happy that this year, industrial production has gone up by 7 per cent. But, if we see minutely, we find that only in the textile industry, and in certain other industries, production has gone up by 9.6 per cent. As against this, there is a big drop of 35 per cent in the miscellaneous industries sector. This has eaten away all the increase in production in the textile and other industries, and has left us with 7 per cent increase. If you take the average of 4 years of the Fourth Five Year Plan, it is 3.4 per cent as against our plan target of

[Sari S. R. Damani]

10 per cent, which is one-third of the target fixed by the Planning Commission. I would also like to say that whatever increase has taken place, as is reflected this year, is not due to the setting up of new industries; but, it is due to the better utilisation of idle capacity, especially in the textile coming up. This is also a matter which requires careful attention and industry. But new industries are not examination.

At the same time I would like to say that the Ministry have taken many actions to achieve the target of increasing production, of developing backward areas, of cutting down the delay in granting licences, but if we examine those actions taken, it looks as though no proper and positive actions are being taken. All the plans are full of ifs and buts. That means, the same thing continues, the same delay continues; there is no improvement.

I would like to draw attention to two or three instances and would like the Minister to mention, while replying, what are the effects of notifications, clarifications and simplifications that the Ministry provided.

In July, 1970, there was the facility offered to diversify industrial production upto 25 per cent of the licensed capacity without seeking further licences. May I know from the hon. Minister how many companies took advantage of this facility and how production has increased on account of that?

Then, they had also said that expansion proposals upto Rs. 1 crore would not require any permission. I would like to know whether this exemption benefited production and if so, to what extent and in particular in which industry. I would like the hon. Minister to clarify this in his reply.

Then, the Ministry took one very bold decision that upto Rs. 1 crore,

setting up of any industry anywhere would not require any licence. There was also the concession that upto 10 per cent of the investment, they would be allowed to import plant and machinery. Two years have passed. I would like to know from the hon. Minister how many new industries have been set up by small entrepreneurs, how many new entrepreneurs have taken advantage of this facility. (Interruptions) Officers are just taking the powers, but they are not really helping small entrepreneurs.

Then, Sir, in order to encourage higher industrial production in important industries, Government decided in January, 1972 to accord approval for additional manufacturing capacity upto 100 per cent of existing capacity, without the formality of an industrial licence, provided such proposal does not involve import of capital goods. The number of industries covered by this was 54, and later on 11 more were added to the list. I would like to know how many applications the Task Force have processed and how many companies have gone into expansion and the reason for the shortfall. I want to know the report of the Task Force in this connection. These are vital things which, I think, the hon. Minister, while replying, will explain.

Unfortunately, this year the country is facing a severe power famine throughout the country. The power cut varies from 15 to 75 per cent and the reason given is the failure of the monsoon. I can understand that as the monsoon has failed, the hydro-electric power generation will be affected. But what about the thermal power stations? On making industries, it has come to my notice that in many cases we are not getting the right type of coal for the thermal plants. Some say that we are not getting coal supplies properly and, therefore, we are running 50 per cent of the capacity. Some say that our maintenance is very poor and that the Government has not released funds to replace the

old parts and, therefore, our equipment is not being utilised to its full capacity.

This power cut is going to affect our industrial production in the current year to a greater extent. This lower production is very harmful. Employment opportunities cannot be increased, production cannot be increased and that adds to be cost because if production is less, naturally the cost goes up. These are the things which are going to affect our economy to a great extent. I am an optimist, I am not a pessimist and I think the hon. Minister will look into these things.

After all, once an entrepreneur is fortunate enough to get the licence after crossing numerous hurdles and abnormal delays, then his application goes to the financial institutions like IDB, IFC or some others and they take from six months to one year to scrutinise his proposal very minutely. That means a further delay. In this way, it takes a minimum of three years to get a licence and to start production and by that time, the prices of some of the plant and machinery which are going to be imported will increase and the old quotations become outdated and the party again has to go back to the Government with amendments and other things. In this way, the vicious circle goes on and that is causing delay and that is the reason our industrial production is not picking up and new industries are not coming up. Unless drastic action is taken it is difficult to solve the problem.

At present we are short of steel, we are short of fertilisers, we are short of cement and many other items. We have to import steel, we have to import fertilisers and we have to import many other things which costs us Rs. 500 crores. While on this subject, recently a British Trade Delegation visited India and they met us and they met our Minister and they met our entre-

preneurs and after our discussions, what they say—I will quote what they say—they were led by Mr. Noel J. Burne:

“Why go to India for collaboration or joint ventures in the industrial field when there are easier places elsewhere in the world.”

Because the impression was that India is a difficult place to do business and with its whole set of regulations and rule which are so complex.

Secondly, what he says is:

“While he could fully appreciate the reasons behind the controls and restrictions. I am alarmed at the delays and difficulties entailed in their implementation. Unless something is done immediately to cut the delays and simplify the procedures, India is going to strangle herself. I am quite serious.”

This is what he said. These are the views of one who is an expert. These are not views which can be brushed aside in a light-hearted manner. They are willing to help us. But on account of procedural delay all these things take place and they find that it is difficult for us to meet their requirements. The hon. Minister is a dynamic person and I request him to see that these procedural delays are brought down. He should see that licences are granted as fast as possible. Unless we take all these steps it will not be possible for industrial production to improve substantially.

There is a backlog from the Fourth Five Year Plan. Instead of 10 per cent increase which we thought, the actual increase is only 3 per cent. In the fifth five-year plan there will definitely be a target of 10 per cent; we have to achieve that and also the backlog. So from now onwards effective action and drastic action should be taken up so that we can fulfill these targets.



[Shri S. R. Damani]

In the report of the Ministry for 1971-72 it is stated that 219 backward districts have been selected and concessions and incentives are granted to entrepreneurs who are willing to set up industries in such areas. But unless we have the proper infra-structure, what is the use of all these things? If there is no communication, if there is no proper transport etc. how can industry be set up there? See what happens in Bhopal, the capital of Madhya Pradesh. If somebody wants to make a trunk call, there is no hope for an ordinary call to materialise; urgent call has per cent. chance and one can talk only by booking a lightning call. Otherwise he is not able to get the trunk call to Bhopal. In the absence of these normal facilities how can industries come up? And how can backward areas develop? So, these are all matters which the hon. Minister must look into. He should see that concentration of industries does not take place around big cities only. There should be dispersal of industries and there should be faster rate of industrial growth. He should cut down all delays which hamper development, all delays in respect of grant of licences, so that we may be able to achieve our desired targets. With these words I support the Budget.

**SHRI INDER J. MALHOTRA** (Jammu): I rise to support the Demands for Grants of the Ministry of Industrial Development. I would also like to associate myself with my colleague Shri Desai and others, who have very rightly congratulated the hon. Minister especially for development of small-scale industries. Sir, we are in the midst of a revolutionary campaign to develop our country economically. We have also given a pledge to the people of this country to regenerate the rural economy and provide employment opportunities in the rural areas. Very rightly, the Ministry has been laying emphasis for the development of small-scale industries especially in the rural areas.

Sir, from the Report I find that about 33,000 industrial units were provided with financial and other assistance during the year under report. I only wish to make this point and draw the attention of the hon. Minister to this aspect that if required, more such units should be set up in the rural areas and more financial and technical know-how facilities should be made available to those people who would like to set up small-scale industries for self-employment purposes.

Now, Sir, while I am talking about the small-scale industries I would also like to make a particular reference to one agro-based industry known as sericulture or, we may call it the silk industry. Recently the subject has come under the kind care of the hon. Minister and I am very glad that the Central Government has rightly given this subject the importance that it deserves during the last few years. It is true that our country is lucky to have all the four kinds of silk being produced in this country, namely, Mulberry, Tussre, Eri and Muga. We are also fortunate in a way that in different parts of the country climate and other conditions are favourable for the production of all these kinds of silk. While we have developed Mulberry silk to a large extent in Mysore we are also lucky to develop the same in the State of J. & K. This is such an industry that in the rural areas with a minimum amount of investment we can create employment for millions of people. I would like to compare it—that if we like to invest Rs. 10 crore and set up a textile mill in any rural part of this country we may not be able to generate employment for more than one thousand to two thousand people. If we invest Rs. 5 crore in this industry we will be able to generate employment for lakhs of people in the rural areas. That is why I would like to lay a great stress for the development of sericulture and silk industry in this country.

I would also like to mention another point. From 1958 our exports of silk

were only worth about Rs. 40 lakhs whereas during this period we have stabilised our exports at Rs. 8 crores. But there is a great potential to increase export not only of silk fabrics but also of the raw silk yarn which is being produced in this country. Taking into consideration the international market conditions at present, the prices of silk have gone very high and the country like Japan has developed this silk industry in a country like South Korea and Japan is importing raw silk from South Korea. This is a golden opportunity for us to introduce our raw silk in the international market. Recently there has been a favourable demand. Why I am trying to make these points is because this industry is employment-oriented and with the least amount of investment we can provide employment to lakhs and lakhs of people.

Now, a word about tussre silk. I would like to sound a word of caution since you come from the traditional tussre silk producing area that if the people of traditionally tussre producing States are not concerned about the development of their own tussre, a new type of tussre silk will take over these areas and the silk will be developed on oak trees which lie in abundance in the Himalayan region.

I am glad that this development has taken place in our country still at present we are in no way equal to China. China has captured 90 per cent of the tussre market in the international market. If we are able to invest a few crores of rupees for development of this new type of tussre silk in our country we should be in a position to favourably compete with China in the international market both from quantity, quality and price points of view.

Therefore, I would request the hon. Minister to pay his personal attention for the development of this industry so that lakhs and lakhs of people of this country can be benefited.

I would like to say a few words about the development of backward areas of our country. It is true that certain districts in certain States have been categorised as industrially backward areas. I would plead with the Minister that my State of Jammu and Kashmir compared to many other States is still industrially very backward. Here again I would like to lay more emphasis on the development of small scale industries in the rural areas rather than giving us one big mill which will not be of much benefit to us.

Apart from this, in my State, handicrafts production is an important industry. These are export-oriented items earning valuable foreign exchange. At the same time, the State Government is not in a position to give in a big way financial help to these handicraft producers, weavers and others. Therefore, I would plead with Government that special attention should be given and additional funds allotted to the State for the development of the handicrafts industry.

SHRI MANORANJAN HAZRA (Arambagh): While discussing the demands of the Ministry in respect of science and technology, I should say that we have an important and eternal resource in the shape of land. So far as my knowledge goes, science and technology has not been applied to this eternal resource. Lands are still in the hands of zamindars and the kulak class. Everyday we hear about ceilings on the radio and read about them in banner headlines in newspapers. But I do not find in this report any technological assurance in respect of river control. There is no bold programme in respect of power and irrigation, fertiliser and insecticides. Everywhere there is lack of production by the non-application of science and technology.

[Shri Manoranjan Hazra]

In the industrial sphere, we see that Government do not want the co-operation of our scientists and engineers. On the contrary, they depend upon foreign technologists and scientists. I fail to understand while thousands of our scientists and engineers are unemployed—at such a time, what is the justification for Government to import them from abroad?

Day before yesterday, the Minister said in Calcutta that we could not develop agriculture with modern science and technology without increasing our targets in the field of industry. May I ask him why he is not giving consideration to this? It is said in the report that they will give assistance to research institutions by way of financial grants. I welcome it but at the same time, I warn the Government that in this way the big houses will take advantage of it.

I do not want to go into details because I have no time. I have composed a poem about this and I will read it in this House.

"We see the jobless scientist's face  
Think of our engineer's case:  
Having no means of livelihood  
They sell their blood only for food.

We do not depend upon our men  
Simply we respect foreigners' brain.

Only to know the real know-how  
From the exchequer give milch-cow.

Think about our oceanography  
Or to learn to read photography

Our Minister depends upon France  
and Dutch

Because he likes to go in their  
clutch.

And hence you eat, drink and be  
merry

With the delicious champagne and  
sherry.

When the man is going to the  
Moon

They are signing the Indira  
dhoon.

It's a tragedy—and it's a comedy  
But where lies the remedy?.

Sir, I beg apology

This is our science and this is  
technology.

**SHRI CHINTAMANI PANIGRAHI** (Bhubaneswar): Sir, I wish to support the demands of the Ministry of Industrial Development and Science and Technology. The growth rate of 7.3 per cent during the last nine months is not a mean achievement. Maybe in whatever fields, if there is increased production, it is welcome when a shortage is prevailing in the entire economic life of the country.

I wish to refer to what Mr. Pai, the Minister of Heavy Industry, has himself said perhaps two days ago. He said that despite the recent measures taken by the Government to allow capacity utilisation in industries, a very large number of industrialists were not particularly interested in removing the present situation. By the "present situation" he means the situation of shortage. He has further said that the shortage in the economy as of today was the biggest social evil and we will never be able to successfully implement our anti-monopolist and pro-people policies unless the shortage situation ends and the shortage psychosis disappears. I think this is the biggest challenge which the Ministry of Industrial Development has accepted and we will have to find ways and means to solve it.

Here, I would just like to bring to the notice of the hon. Minister who wants to devote his whole attention to the development of industries in this country and, so far as the shortage is concerned, to remove the shortage and deficiencies in the different sectors of

industrial production. I would just like to put this point before the hon. Minister.

Take the case of the various sectors of production in industrial field. There is the public sector where we have invested nearly Rs. 4,000 crores, and the private sector where we have invested nearly Rs. 2,500 crores or Rs. 2,500 crores. The question is, we are thinking of having a third sector which is called the joint sector. But I would like to humbly submit to the hon. Minister one thing. I hope there can be only two sectors of the economy; that is the public and the private sectors. If you want to call the other sector as the joint sector, call the entire private sector a joint sector.

15.44 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

It is because, if you analyse the capital structure of the thousands of private companies in this country, you will find one thing. You will find that almost to the extent of 75 per cent today, its capital structure is composed of assistance from either the Government or the public sector lending institutions. Therefore, what I would submit to the hon. Minister is this. Instead of thinking of a kind of new joint sector, why not, again as Mr. Pai has pointed out, think of all the major projects where they are financed either directly by the Government or through the financing institutions which are under public control as joint sector? It was not, therefore, understood what innovativeness had in fact survived in the concept of the joint sector. I think he has voiced the feelings of many hon. members in this House and of the people outside. Instead of again trying to frame rules and regulations and norms and guidelines etc. for the joint sector and putting the public sector finances under the control of the private sector, should we not think of only having a public sector controlling the commanding heights and turn the private sector

into public sector by having 75 per cent of their finances from either the Government or from the public sector? I think that would be a more rational way of doing it. To my mind it appears that in this idea of new joint sector, public sector investment is going to play the second fiddle. When we have a credit control of Rs. 10,000 crores, should we not give a direction to the economic growth of this country?

You find from the Ministry's annual report that the production has gone up by 7.3 per cent, but in what industries? It has gone up in textiles and polyester fibres. When Gandhiji wanted all the people to wear khadi, I think he was the biggest socialist because he wanted that item of mass consumption in the country to be produced in a manner which would help millions of people to earn their livelihood. I hope the Industrial Development Ministry, with its dynamic approach and such multifarious programmes, will try to see that the economic growth will be in the desired direction. By all means let the production of polyester, lipsticks etc. go up, but our present need is to increase our production in heavy industries, capital goods industries, food, raw materials for importing which we are spending Rs. 1700 crores etc. So, we have to devise a kind of rationale so far as economic growth is concerned. I am sure the Minister is seized of this matter, because he has expressed himself in seminars, meetings and in this House also so far as this aspect is concerned.

Today I wish to confine myself to the foreign private sector in this country. One is amazed at the degree of control that the foreign capital has in various important industries in this country even after 25 years of freedom. The extent of foreign control is 97 per cent in petroleum, 93 per cent in rubber factories, 90 per cent in match industry, 89 per cent in jute, 86 per cent in tea etc. I have left out hundreds of those industries where the control is between 35 to 60 per cent.

[Shri Chintamani Panigrahi]

I have taken only those industries where it is the highest. In 1968-69, the foreign private companies had a profit of Rs. 13 crores and a dividend of Rs. 25.5 crores. It has been calculated that in a year their profit and dividend have gone up to Rs. 135 crores. It has been said on the floor of the House—if I am wrong, the Minister may correct me—that the foreign private companies are repatriating about Rs. 300 crores annually by way of dividend, profits, royalties and know-how. One of our declared national objectives is to achieve self-reliance in as short a time as possible. In our battle for self-reliance, this drain of Rs. 300 crores annually is not quite fitting and it should be thoroughly looked into.

I was looking into the number of foreign private companies. The number was 541 in 1971-72. In addition there are Indian subsidiaries of foreign companies, in which majority share capital is held by a foreign body corporate. There were 218 such subsidiaries as on 31st March, 1971. The number of companies with 100 per cent foreign capital participation is 92. Those with less than 100 per cent foreign capital participation is 126, making a total of 218. They are Indian subsidiaries of foreign monopoly private capital with the largest amount of holding. To mention only a few, Pfizer Ltd., Assam Match Co. Ltd., Atlas Capco Ltd., Anglo French Drug Co., Ciba of India Ltd., Fabre-Leuba & Co., All India Tobacco Ltd., Aluminium Hindustan Ltd., Glaxo, Colgate, Shalimar Paints, Indian Tyre & Rubber and so on. The amount of foreign private monopoly capital in Indian subsidiaries is so great.

So far as manufacture of cosmetics is concerned, you will be surprised to know there are ten foreign companies, namely, Colgate, Palmolive, Ciba of India, Hindustan Lever, Colman, Bechham and so on. I do not know whether cosmetics are so urgently needed in this country at this

time that we should have ten foreign companies manufacturing them.

The value of the total assets of foreign companies during the year 1970-71 was Rs. 1,468.6 crores and the highest net return is of Union Carbide of 22 per cent, closely followed by Colgate. But in their own home land of USA or UK they get only a return of 7 to 9 per cent. The companies have admitted that India is one of those countries where they get the highest return on their capital investment.

Some of my hon. friends have said that Government have restricted licensing. I do not agree with them. What I find is that Government have liberalised licensing. Even those industrial houses which clandestinely increased their capacity and which were not granted by the Government have been regularised last year. Therefore one cannot charge the hon. Minister that he has not helped the private sector industries to increase production. But while trying to achieve increased production, we have to see that foreign private monopoly capital is not allowed to have its links with Indian monopoly capital. I think the time has come when we have to see that the tie up between foreign and Indian private monopoly capital should not be allowed. I was happy the other day, to hear the hon. Minister saying in this House that measures are being adopted by the Government to regulate control and to restrict remittances by foreign private monopoly capital. We want to be enlightened by the hon. Minister as to what steps are being taken to regulate remittances by foreign monopoly capital, because that is the biggest outflow of capital from this country.

The hon. Minister has stated that guidelines are being given for diversion of foreign equity in foreign private monopoly industries in this country. I would like to know to what extent we have proceeded in this direction. Then, what has happened to the Licensing Enquiry Committee,

which was appointed two or years ago to look into licences issued to monopoly houses. How many industrial houses have they covered? We were told that they have gone into 3,000 files. Has the scope of the enquiry been enlarged? We would also like to know what action they have taken in this direction.

With these words, I support the Demands for Grants of this Ministry.

**श्री राम नारायण शर्मा (धनबाद) :**

उपाध्यक्ष महोदय, मैं इंडस्ट्रियल डेवेलपमेंट मिनिस्ट्री की मांगों का समर्थन करने हुए सरकार के मामले कुछ सुझाव रखना चाहता हूँ ।

जहाँ तक प्रोडक्टिविटी कौमिल का सम्बन्ध है, मुझे जानकारी है कि जब हमारी सरकार का सम्बन्ध यूगोस्लाविया की सरकार से हुआ और यहाँ के लोगों ने यूगोस्लाविया में जा कर देखा कि वर्कर्स किस तरह से उद्योग को चलाते हैं, तो हमारे यहाँ प्रोडक्टिविटी कौमिल का गठन किया गया । इस सम्बन्ध में एक उद्देश्य यह भी रखा गया था कि इससे जो अधिक उत्पादन होगा, उस में मजदूरों का भी हिस्सा होगा । इस के अतिरिक्त यह भी निश्चित किया गया कि मजदूर उद्योग की व्यवस्था में भी साझेदार होंगे—वर्कर्स पार्टिसिपेशन इन मैनेजमेंट की बात को भी स्वीकार किया गया ।

ये दोनों बातें हमारे देश में 1957-58 में स्वीकार की गईं, लेकिन आज तक उन को व्यावहारिक रूप नहीं दिया जा सका । अगर किसी रूप में वर्कर्स पार्टिसिपेशन इन मैनेजमेंट की व्यवस्था की गई, तो वह यह

थी कि बोर्ड आफ डायरेक्टर्स के दस पंद्रह सदस्यों में से एक डायरेक्टर वर्कर्स का भी नामीनेट कर दिया गया, जो या तो साइलेंट स्पेक्टेटर होता था और अगर वह बहुत बोलक भी हुआ, तो दस, बारह, चौदह सदस्यों के मुकाबले में उस की बात की कोई मुनवाई नहीं होती थी । अभी तक इस स्थिति में परिवर्तन नहीं हुआ है । आज भी बहुत से औद्योगिक संस्थान हैं, जिन में वर्कर्स पार्टिसिपेशन की बात ध्युरी मात्र रह गई है और उस पर अमल नहीं किया जाता है ।

आज तो वह समय आ गया है कि जहाँ से हम ने वर्कर्स पार्टिसिपेशन का आइडिया लिया, वहीं से हम वर्कर्स मैनेजमेंट का आइडिया ले कर उद्योग के संचालन और व्यवस्था को वर्कर्स के हाथों में दें । मर ख्याल में ऐसा करने से उद्योगों की व्यवस्था ज्यादा अच्छी होगी ।

MR. DEPUTY-SPEAKER: You can continue later.

16 hrs.

MOTION FOR ADJOURNMENT—  
contd.

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

MR. DEPUTY-SPEAKER: Before I call upon Shri Jyotirmoy Bosu to initiate discussion on the adjournment motion, I would like to make one or two observations. Under the extra-ordinary circumstances of the case and in the form in which the adjournment motion has been admitted, I do not know how reference to the Supreme Court can be avoided. Nevertheless, I would like to draw