

**Mr. Speaker:** Even if I am legally permitted to do it, let me consider it. I do not know whether it is within my rights to expunge what was permitted by another presiding officer or to bring back to life what was expunged under the orders of the then presiding officer. Either way, I have to look into it. Let me examine it.

डा० राम मनोहर लोहिया : ठीक है,  
आप बोड़ा सा उम को सोच लीजिये।

**Mr. Speaker:** Oh, yes.

12.23 hrs.

#### PAPERS LAID ON THE TABLE

##### NOTIFICATION REGARDING MARKET LOANS FLOATED BY THE CENTRAL GOVERNMENT IN 1967-68

**The Minister of Finance (Shri Morarji Desai):** I beg to lay on the Table a copy of Ministry of Finance Notification No F.4(14)-W&M/67 published in Gazette of India, dated the 28th June, 1967, regarding Market Loans floated by the Central Government in 1967-68. [Placed in Library. See No. LT-813/67].

##### PUNJAB REORGANIZATION (APPORTIONMENT OF LOSSES OF RECONSTITUTED CORPORATIONS) RULES, ETC.

**The Minister of State in the Ministry of Finance (Shri K. C. Pant):** I beg to lay on the Table:—

(1) A copy of the Punjab Reorganization (Apportionment of Losses of Reconstituted Corporations) Rules, 1967, published in Notification No. S.O. 2068 in Gazette of India dated the 15th June, 1967, under sub-section (3) of section 97 of the Punjab Reorganization Act, 1966. [Placed in Library. See No. LT-814/67].

(2) A copy of Notification No. G.S.R. 987 published in

Gazette of India dated the 24th June, 1967, under section 159 of the Customs Act, 1962. [Placed in Library. See No. LT-815/67].

(3) A copy each of the following Notifications under section 38 of the Central Excises and Salt Act, 1944.—

(i) The Central Excise (Thirteenth Amendment) Rules, 1967, published in Notification No. G.S.R. 886 in Gazette of India dated the 10th June, 1967.

(ii) The Central Excise (Fifteenth Amendment) Rules, 1967, published in Notification No. G.S.R. 887 in Gazette of India dated the 10th June, 1967.

[Placed in Library. See No. LT-816/67].

(4) A copy of 'Errata' to the Economic Survey, 1966-67 laid on the Table on the 24th May, 1967. [Placed in Library. See No. LT-817/67].

##### AGREEMENT BETWEEN GOVERNMENT OF INDIA AND ONGC

**The Minister of State in the Ministry of Petroleum and Chemicals and of Planning and Social Welfare (Shri Raghunath Ramiah):** I beg to lay on the Table a copy of Agreement under section 42 of the Income-tax Act, 1961, between the Government of India and the Oil and Natural Gas Commission. [Placed in Library. See No. LT-818/67].

12.24 hrs.

##### DEMANDS FOR GRANTS, 1967-68 —contd.

##### MINISTRY OF COMMERCE—contd.

**Mr. Speaker:** Further discussion and voting on the Demands for Grants under the control of the Ministry of Commerce along with the cut motions moved.

[Mr. Speaker]

We have taken 1 hour and 20 minutes, leaving 5 hours and 40 minutes.

**Shri M. Sudarsanam** (Narasaraopet): Mr. Speaker, Sir, although more than a year has passed since the rupee was devalued, I do not think that the expectations in terms of increase in exports from it have been materialised. In fact, we are nowhere near the solution of the problem created by our balance of payments position. I am aware that several factors which are beyond human control such as drought conditions in many parts of our country have brought us into this position. . .

**Shri S. M. Banerjee** (Kanpur): On a point of order. Yesterday, when the hon. Member, Shri Dhillon, was in the Chair, Shri M. Amersey was making his maiden speech and while doing so he was consulting his copious notes frequently. Unfortunately, the Chair then interrupted him and made some remarks with the result that his speech was disrupted and delayed. I would like to know whether that ruling has now been changed so as to permit the hon. Member who is on his legs to read his speech

**Mr. Speaker:** There is no question of any ruling on this.

**Shri D. N. Tiwary** rose—

**Mr. Speaker:** There is no clarification necessary for this. I do not know what the ruling was. But when new Members consult their notes, we should be a little more considerate. No ruling here. Nobody can read his speech. That ruling is there, the rules are there, but you must be a little more sympathetic. I do not know what ruling was given yesterday by whom. The ruling is clear, that ruling cannot be changed, but what I say is we should be sympathetic.

**Shri Umamath** (Pudukkottai): If it is a maiden speech, the convention arrived at unanimously is that he must be allowed. And yesterday, against that convention, he was pre-

vented. Not only maiden speech, even other speeches, if he reads I have no objection at all.

**Mr. Speaker:** I do not know anything about it, who was prevented, by whom.

**Shri A. B. Vajpayee** (Balrampur): He was interrupted, but he was allowed to continue.

**Mr. Speaker:** As Mr. Maddi Sudarsanam is being interrupted, in a similar way, perhaps he was interrupted.

**Shri P. K. Deo** (Kalahandi): By the Chair.

**Shri D. N. Tiwary** (Gopalganj): He was allowed to read.

**Mr. Speaker:** He may go on.

**Shri M. Sudarsanam:** I am aware that certain factors which are beyond human control such as drought conditions in many parts of the country were responsible for our debacle in the export front.

**Shri Hem Barua** (Mangaldai): May I submit that even if it is a maiden speech, a member can consult his notes, but when a member goes on reading out just as a school boy reads out an essay in a school seminar. . . (Interruptions).

**Mr. Speaker:** It takes some time for him to consult it and read one sentence and look up. The hon. Member may also cut short and skip over. Because he is a new Member, we must help him. You do not know the rules perhaps. You are not allowed to read prepared speeches. You can consult notes. You consult your speech and try to do something which is more interesting than reading the whole speech.

**Shri M. Sudarsanam:** Nearly 80 per cent of our exports are agro-based. For instance, the export of jute manufactures, cotton textiles, spices and other commodities are all dependent upon adequate production and substantial export surpluses. In addition,

in the case of jute manufactures and tea the burden of export duties in our country is assisting other countries to increase their production and export. That is unfortunate, in the case of cotton textiles, it is one of inadequacy of production at home and suitable measures for assistance for promoting exports.

At present a new situation has emerged consequent on the West Asian crisis. In the short run, there is greater need to make Indian goods competitive, inasmuch as even the temporary closure of the Suez Canal and the existing various other factors will lead to a cost push in India. On the export front, costs have to be kept down in line with prices ruling in the world markets. Therefore, a fresh look at the burdens of export duties and of segregating all tax elements from exports is imperative. There is no escape from devising export assistance measures in a more simplified form than they exist at present.

I wonder whether it is not worthwhile devising a simple scheme of offering to the exporters a certain percentage of their export earnings, for use in the importation of any but banned items. Once this principle is accepted, it would generate a certain type of competition which would equalise the varying premia now obtaining on import replenishments that are given for some export products. Again, it is incumbent that direct tax incentives should be re-introduced.

12.33 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

In the long run, exports can go up only through sustained efforts in increasing the supply of goods, creation of proper export infra-structure, lowering of costs and streamlining of procedures for granting cash assistance and drawback facilities etc. Businessmen have also to be encouraged to explore foreign markets fully.

An important factor standing in the way of increasing exports is the high freight rates. Indian engineering goods are facing still competition in the European and American markets because of this burden of high freight. Then there are a number of other defects as for instance that there is no systematic study of consumer preferences. We are trying to bulldoze the consumer into buying goods which we are manufacturing here in India. There is also a lack of aggressive salesmanship because of inadequacy of foreign exchange even for business trips. The working of the Commercial Attaches is unbusiness-like and the imprint of traditional bureaucratic approach is still there. While the STC has not been able to project its image a road from the point of view of export promotion, it has proved to be a positive impediment in the way of successful operation of an individual exporter or private organisational export effort.

Shri P. K. Deo: The handbook is very clear, that no Member should approach the Chair. The instructions are very clear in the handbook.

Mr. Deputy-Speaker: I agree. I am persuading Members not to approach the Chair. When a senior Member like Shri Nath Pai approaches, then, it is not regarding the chance to speak but something else.

Shri P. K. Deo: The handbook is very clear on this matter. Nobody should approach the Chair.

Mr. Deputy-Speaker: I know. I am persuading them not to approach the Chair.

Shri M. Sudarsanam: Particularly, in the field of textile exports, the STC has been manoeuvring with the foreign importer to import his textile requirements directly from itself instead of negotiating with the private Indian exporter, and is offering a line of credit otherwise not available. Because of the competitive activities of the STC, the effort at maximisation

[Shri M. Sudarsanam]

of exports is being undermined. In fact unless there is rational co-ordination of activities between the STC and the private sector in export promotion, our export trade may come to a standstill.

While as a government department, it enjoys the patronage, the influence and the weight of authority of Government abroad to negotiate export deals, its performance is far below that of the private sector. On the contrary, because of red-tape, lack of imagination and salesmanship, tardy execution of orders, inability to cater to changing consumer preferences, and above all the snobbish attitude of the officialdom it has deprived not only itself but also the private exporter of the markets which were readily available to us. A typical instance is that of the market for 'Bleeding Madras' in America which was lost by the lapses of the STC, though in the beginning its progress was spectacular. The whole enthusiasm of the STC in airlifting 'Bleeding Madras' and glutting the American market in an unbusinesslike manner, produced only the revulsion of the American consumer. At this stage, it could have changed the design and texture of the fabric so as to suit the changing tastes. Here it failed miserably so much so that the Japanese competitor swept off the field.

Our trade relations with east European countries should be normalised. It has to be noted that in the past the growth of our trade with east European countries has been at the expense of our exports to free foreign exchange areas. Also, in certain cases, traditional items of our exports are re-exported by east European countries to west Europe at a discount. In our imports also, it is not unknown that at times goods have been imported into India from rupee payment countries because of the relatively easy availability of rupee resources causing difficulties to indigenous in-

dustry and also at the sacrifice of quality.

Due to the recent crisis in the Middle East and delay in shipments to UAR, the shippers of tobacco are placed in a very difficult position. Actually the tobacco was sold at meagre profits and on account of the delay in shipments, these shippers to UAR are facing severe financial strain and losses. Unless the Government comes to the rescue of these shippers by way of arranging immediate shipments or other facilities these shippers may not survive. I therefore, urge that:

- (a) the Government of India should communicate with the concerned Egyptian authorities and arrange, for early opening of Letters of Credit and for urgent shipment of these tobaccos.
- (b) in order to facilitate the export of tobacco to U.A.R., I understand that the Government of India has given a loan, free of interest to U.A.R. I request the Government to treat tobacco held by the shippers as covered under this loan and arrange pre-finances against these stocks through scheduled banks without interest, pending shipments and delay for whatsoever reason.

The United Nations Conference on Trade and Development which will be held in New Delhi in February-March 1968 will be an outstanding event. The Members of Parliament and the business community should be actively associated with the preparatory work of the Conference. Also there should be full consultation with developing countries in enrolling an appropriate strategy.

In this connection, special reference needs to be made for India becoming a member of some sub-regional economic groupings.

The results of the Kennedy Round of Tariff Negotiations have not yet been communicated to the trade in India. This should be done expeditiously.

The Ministry's report refers to the liberalised import policy for priority industries. The Commerce Ministry carries a heavy responsibility in regulating imports and thereby affecting the growth of indigenous industry in one way or the other. The contact with the business community should be more intimate through regular meetings and for this purpose some kind of a Standing Committee should be set up so that cases where import liberalisation has affected indigenous production can be brought to the notice of Government expeditiously and appropriate remedial measures taken.

I would like to make a specific reference to one of the recent happenings of importance concerning British entry into the European Economic Community. This decision has not come as a surprise to us as Britain has been exploring the possibility of joining the Community ever since the Rome Treaty was signed. If Britain's entry in the Common Market has to be meaningful from the point of view of broader development of world trade, the Common External Tariff of the EEC will have to be re-oriented in such a way that the tariffs for products originating in the developing countries should be as low as possible. Particularly from the Indian point of view, it is necessary for the U.K. to safeguard the interests of exports of semi-processed and processed goods which constitute a good share of our supplies to the U.K. market. It is our imperative responsibility to persuade the Wilson Government for ensuring her trade interests with the Commonwealth partners with which she has had substantial trade for the last several centuries.

Shri Dinkar Desai (Kanara): Sir, I am very sorry I cannot congratulate the Commerce Minister on this annual report which has been distributed to us. I have gone through this report very carefully and I find it is a very disappointing document. It is very clear from this report that our internal economy as well as trade and commerce are practically in a very declining state. In fact, it can be easily said that the whole economy today, instead of expanding, is dwindling. This is the result after we have had three Five Year Plans and three successive Congress Governments. Not only that. We started very well in the sense that we got large amounts from foreign countries as aid to us. But what is the position today? When we became free, we had a sterling balance amounting to Rs. 1500 crores. All of it has vanished.

Sir, last year the exports have declined by 6 per cent. Really speaking after having three Five Year Plans, after spending all our sterling balances and also spending all the money that we got as foreign aid, if this is the picture I can only say that today our whole economy is under paralysis. Who is responsible for this? It is the Congress Government, the way they used our money, not only the sterling balances but also the foreign aid we got. A lot of it went for administrative and unproductive schemes. The result is this. That is why today our foreign trade is in a very bad condition. Trade and commerce is the life-blood of a nation. This is what is happening here. That is why I say I am not in a position to congratulate this Government. This Government has ruined our country. When the economics of a country is ruined, the whole country is ruined.

Let us see the direction of our trade. If you see the figures you will find that our trade is not properly diversified, properly directed. 60 per cent of our trade is only with three countries practically. 20 per cent of our foreign trade is with United States

[Shri Dinkar Desai]

of America, about 20 per cent with the United Kingdom and about 30 per cent with the Russian bloc. It comes to nearly 60 per cent and the balance 40 per cent is with the rest of the whole world. This is politically dangerous. We should never depend on one or two countries for a major part of our foreign trade. Supposing there are certain political developments and they want to give us some trouble—let us hope they will not give us any trouble—what will be our position? Always it is the first principle of trade that we should direct our trade in such a way that we should have trade with as many countries as possible.

Why is this all happening today? It is because we are not in a position to export many commodities to other countries. That is because today the price structure in our country is very high that we are not in a position to export many commodities because our price is higher than that in the international market. If the prices are according to the international market we can find out new countries for export. There is a vast field in the African and Asian countries. Today the African countries are being developed industrially and we can supply them industrial machinery and things like that.

In this report it is said that with regard to engineering industry and chemical industry our exports have dwindled. Of course, with regard to traditional commodities, which is based on agriculture, they can say we have to blame God because we had no proper monsoon. But our Minister cannot say that with regard to engineering industry. But the position is like this. That is why I request that our trade must be diversified and we must see that we have trade in greater proportion with many more countries.

Why is all this happening? Why is it that our exports are dwindling. There is also another reason for that.

We have no integrated plan at all. Though we have had three Plans, we have a Planning Minister and we have a Planning Commission, there is no proper planning in this country. There is all confusion and chaos. I can give a number of instances, but due to shortage of time I will give only one or two instances. Take the question of ferro-manganese. We have got a few ferro-manganese factories in the country. But what is the position today? One ferro-manganese factory in Dandeli, North Kanara District, in Mysore State, is closed for the last three weeks. Ferro-manganese is an important export commodity. Big heaps are lying in that factory because they cannot export. Why is it that they cannot export? It is because the cost of production is very high. Why is the cost of production high? It is because there is no price control in the country. When the prices go up the cost of production goes up. Another reason why the Dandeli factory, which is in my constituency, has been closed is that the Mysore Government is charging very heavy electricity rates for that factory. Ferro-manganese factory requires electricity on a large scale. Whereas electricity is supplied by the Mysore Government to the Badravathi Iron Works at a particular rate, about five times that rate is charged for the ferro-manganese factory. As a result of this, this factory is closed for the last three weeks. When the cost of production of ferro-manganese goes up as a result of higher electricity rates, how is it possible for us to compete in the export market?

Then I will give another instance. Take cashew kernels, which is a very important commodity from the point of view of exports. If remember right, last year we exported kernels to the extent of Rs. 37 crores. It was practically fourth in the list. What is the position today? We are exporting less and less. Not only that. If there is no integrated plan, we will have to face many difficulties. More than

half the cashew kernels we are importing from Africa. We import the raw seeds, process them in our factories and then export them. It is an excellent dollar-earner. But what is going to happen after a few years? In fact, the process has already started. In Africa they have started modern type of factories for processing cashew nuts. More such factories will be set up in Africa very soon. Then, we will not be in a position to get our raw material, the cashew nut. The only alternative is to increase our own internal production of cashew nut.

Is there any integrated plan for increasing our internal production of cashew nut? Let the Minister answer this question. In my view, there is no such plan at all. I come from an area which is geographically ideal for growing cashew nut, the coastal Mysore. I invite the Minister to come and see with me the coastline in Mysore where cashew can be grown. There are thousands and thousands of acres of sandy dunes where cashew can be grown. But instead of growing this, the Mysore Government is putting up casurina tree, which is useful only as fuel. Since 80 per cent of that district is forest area, we do not require any fuel. Yet, instead of growing cashew in thousands and thousands of acres and earning foreign exchange which we badly need, the Mysore Government is putting up casurina trees.

Cashew can be grown also in Kerala, South Kanara and Goa. If there is an integrated plan, within 5 to 10 years we can produce sufficient cashew nuts so that we need not depend on African countries. On the eastern coast also, in Orissa and Andhra Pradesh, we can grow this. I would like to know whether there is any integrated plan and whether this matter will be taken up by the Commerce Minister with the concerned State Governments. I know that an effort was made in this direction in the Second Plan, but that effort has

not succeeded because the Centre did not take it up seriously and did not give sufficient help to the State Government.

I have given two instances, of ferro-manganese and cashew, where there is no integrated plan, because of which the Central Government do one thing and the State Government do another thing. Also, most of the plans are only on paper. That is the reason why our foreign trade is in a pitiable position.

Lastly, I would like to touch one more point, and that is khadi. There is a chapter in the Report about Khadi and Village Industries, where it is said that Government wants to promote khadi in order to have swadeshi spirit in us. I could understand that we wanted khadi before we became free so that there could be some swadeshi spirit. Today, we are producing almost everything. We are even producing aeroplanes in Bangalore. So, why do you want khadi? I would not be against khadi, but I would like to ask the Minister whether it is an economic proposition today. Is khadi an economic proposition? He has not given the figures as to how much was spent on khadi by Government all these years or even during the last year and what was the return that Government got on khadi. There is nothing given about it. What is the return? Crores and crores of rupees are wasted in the name of khadi. Khadi means an economic fraud on the people because economically it has no sound basis at all. It is not for the spirit.

How is the Khadi Board managed today? The Mysore Khadi Board has not submitted its accounts for the last ten years. It is shameful. This matter was brought up in the Mysore Assembly and then the Chief Minister said that they would get somebody to write accounts for ten years. Some staff has been appointed to write accounts for ten years, which means to manufacture accounts. I would

[Shri Dinkar Desai]

like to know from the Commerce Minister whether he has taken up this question. I would request the Public Accounts Committee to go into the accounts of the Mysore Khadi Board.

More or less the same thing happened with regard to the Andhra Khadi Board. They do not submit accounts. Every year you give to the Khadi Board crores of rupees as loan which you never recover. Is this the way of carrying on an industry? Is this the way of infusing the swadeshi spirit?

Then, what is the reason why khadi is encouraged like this at the expense of the people? Khadi is meant in order to give livelihood to the political widows of the Congress Party. There are a number of political widows in the Congress Party. They have not been elected either to Parliament or to State Legislatures and they will have to provide for them somehow or other. You see the personnel of the Khadi Board as well as the whole staff of the khadi offices everywhere and you will find that they are the political widows of the Congress Party. This is how public money is wasted. I can give you any number of other instances, but unfortunately I have no time.

I would like to make one final appeal to the Government. Unless we spend more in the proper way on the production side, we will not be in a position to export more. In fact, it depends on the whole planning system. There is no proper integrated plan and unless there is a proper integrated plan we will not be in a position to improve our exports.

Now, what is the position of India in the whole world? Where are we? As I have said earlier, unless commerce and trade improves, no country will be anywhere. Now, what is the position with regard to the Fourth Five-Year Plan? One year is completely over; six months of the cur-

rent year are also over and there is no five-year plan.

An hon. Member: It is coming.

Shri Dinkar Desai: Now, we say, annual plan. What kind of an annual plan is it? Smaller countries have plans. We are a big country and even then we have no plan at all. That is why I request the Commerce Minister to integrate the idea of exporting various commodities with the production programme. Today there is no proper link between the production programme and the export programme. Unless we produce more we cannot export more; but we cannot produce more unless the cost of production is less and the cost of production cannot be less unless the whole price structure is brought down. It is the rise in prices, this inflation, that has ruined this country. That is why it is very necessary that we should have an integrated plan.

Lastly, about quality. We must export good quality things. Today what is happening is that there are a number of complaints from various countries that they cannot depend on the quality of Indian goods that are exported. This is a very important point. Ultimately, good quality alone will bring us success in trade and commerce. Of course, Government will blame our merchants and our exporters. I think, you have already got the machinery to check up whether our merchants and our exporters are sending proper quality type of goods or not. If our merchants and our exporters do not send proper quality goods, I say, you can nationalise the whole foreign trade. That is very necessary then. I do not say, you immediately nationalise the whole foreign trade because, if you nationalise the whole thing, you should have proper machinery to see that that is properly done. Otherwise, in the name of nationalisation, there may be chaos. That should not hap-



pen. Today what is happening is that nationalisation is discredited, socialism is discredited in the country, because the Congress type of socialism or nationalisation, the way in which they are carrying on socialism, has been a disgrace to the country.

**Mr. Deputy-Speaker:** Now the hon. Member's time is up; he should conclude now.

**Shri Dinkar Desai:** I would request the Commerce Minister to see that our quality goods are exported. If our merchants do not send proper quality goods, I would suggest our Government to nationalise the foreign trade.

**Shri Bedabrata Barua (Kaliabor):** Mr. Deputy-Speaker, Sir, in this debate, a number of organisations from State Trading Corporation to cottage industries have been criticised. It is important for us to realise, as was said by the hon. Member who spoke last, the very backward condition of our country and the stage of our industrial development. Cottage industries or small-scale industries do have a place in our economy, apart from khadi which was the national slogan and which was the centre of our national movement during the freedom struggle. It is necessary for us to put the records straight by emphasizing the role of cottage and small-scale industries in the matter of employment and on the necessity of not causing unemployment in the country. When we see that there is retrenchment, the Members on the opposite side criticise it.

Rationalisation is not a be-all and an end-all of our economic policies. We do have our objectives and these objectives are better employment and more employment on the application of less capital which we cannot afford. At present, we do not have that much capital which we would like to have for rationalisation in every field. So, cottage industries or small-scale industries have got a very honourable place in our economy and the Government

has done well to emphasize that aspect. The powerlooms and the handlooms—they are also small-scale industries—which depend upon the growth of cotton in our country have given employment to crores of people. This is an important point from the point of view of socialism, from the point of view of our existence, from the point of view of national survival or even from the point of view of the survival of free enterprise which many of us consider to be the central guide for our future economic development.

Yesterday, when the demands of the Ministry of Commerce were taken up, when the question of free enterprise was raised, I am very sorry to say that the country's most stupendous effort in the direction of improving our export and import trade and the functioning of the State Trading Corporation was seen with a jaundiced eye. The State Trading Corporation has entered into the line of business to check all the smuggling the misuse of foreign trade, either over-invoicing or under-invoicing, and the other types of mal-practices that are indulged in with all the failure in the country's ability to get sufficient quantum of export and import trade.

**Mr. Deputy-Speaker:** The hon. Member may continue his speech after lunch.

13 hrs.

*The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch at four minutes past Fourteen of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**Shri Bedabrata Barua:** Mr. Deputy-Speaker, Sir, the point that I was referring to before Lunch concerned the State Trading Corporation, an organisation, which started with a capital of only Rs. 9 crores a few years ago and which is now having

[Shri Bedabrata Barua]

a business amounting to Rs. 151 crores. This national organisation requires all our support and all our good wishes because it is through this organisation that we have been trying to remove the numerous malpractices and also the shortcomings and failings of our export-import trade. It is widely believed and it has also been felt very widely not only in this country but throughout the world that the hopes placed on private business in regard to the management and increase of our exports have not materialised. Therefore, an organisation like the STC has a useful role to play in the matter of exports.

Yesterday, one hon. Member referred to something hanky-panky about the STC's activities; he suspected that the STC had some connection with the rise in prices of some commodities which were purchased at a higher price and so on. But the advantages of bulk purchase that the STC has given this country and the figures that are there on paper would convince anybody that in principle, if a corporation purchases commodities in bulk in the foreign market, it would be free from several of the difficulties that an ordinary private trader would have to face in the international market.

Certainly, there may be some justification for the criticism that the STC is not able to effect the export of some commodities. It may be that they are non-priority commodities or it may be that those commodities or raw materials may not be available in time, or it may be due to the difficulties in regard to the loading capacity at the ports. So, a national organisation like the STC has to consider these factors and then distribute the imports and exports on that basis, and for this purpose it has to follow certain national priorities. So, it is mainly a question of fixing of priorities.

I would not rule out the point that has been raised that there may be

some corruption possibly in certain sectors, in the purchase of foreign second-hand cars or things like that, there may have been some slips here and there. It is not essential that we should always support the public enterprises in whatever they do, but it is also equally essential that when an effort has become national, we should give all encouragement to such a national organisation. Even in those countries where there are conservative organisations and parties, this is the position. For instance, the Conservative Party in England has not taken it into its head to run down those enterprises that had been nationalised and had become part of the British public life; they did not do it except in the case of steel, but in transport their efforts failed. But once we nationalise it, its profits come to the country and it becomes a national enterprise. It seeks to do away with certain of the malpractices that would otherwise be there and that would be bound to take the country to a precipice and would wipe out the very basis of faith and confidence that we have in our productive enterprises, whether public or private. So, from that point of view, it is essential that we do not run down the public enterprises. A little bit of parliamentary scrutiny is essential and possibly inevitable too. These public enterprises have to publish their costs, their wage structure, their accounts and various other matters and thus subject themselves to scrutiny. If only those people in the private enterprises who criticise these public enterprises publish their figures and their accounts etc. also simultaneously with the public enterprises and then criticise the activities then I could understand. If criticism of both could be done simultaneously then that would be a good thing. It is admitted on all hands that the defects are to be found in both the sectors. So far as the public enterprises are concerned, Parliament itself has appointed a committee to go into their working. A surprising discovery was made as

a result of such examination 'by the Committee on Public Undertakings that the inventories were on the high side due to certain defective methods and in some cases there was over-staffing and so on, which resulted in losses.

But in the context of industry as it is functioning today, it is quite clear that it does not matter whether an enterprise is public or private. In big concerns, people do not even know where the ownership lies. What is necessary to remember is that the private sector has a place in our public life and this Government, or for that matter any government in the foreseeable future, cannot think of taking over private enterprise in bulk. It is not possible to do it. At the same time, there has to be a certain understanding and co-operation as between the public and private sector. This is very essential. I hope that the State Trading Corporation has a place in our economic life where it can be of help to the private trade in numerous ways. There have been cases where private traders have not been in a position to tender properly in the international market. They have approached the STC and the STC has gone to their aid in putting the business through because the STC has got the know-how, it has got a large number of officers throughout the world and it is able to help the private enterprise to get things done in the proper way. This is on record.

So it is not correct to say that the STC has failed. In fact, it has increased its business. If there is any hanky-panky in the private trade, it will never come into the open; they can do anything under our system of liberties; they can over-quote or under-quote. But when something wrong happens in a public organisation, it is highlighted. I do say that those who do wrong must be given proper punishment. But it is not fair to run down a public organisation which is doing considerable business and earning profits for the public exchequer.

Apart from that, when you come to the question of industry by industry analysis, there are things to be considered. Take the question of the cotton textile industry which comes in the forefront in this connection. Here a certain amount of confusion occurs because the Government say that they want rationalisation of the cotton textile industry. Last year 36 new mills came into operation. It has enabled the construction of new mills; 25,000 spindles have been added. This naturally means that the process of rationalisation gets an impetus. The cost involved in this would be of a high order.

At the same time, Government would say that we cannot trot out the argument of competition when certain textile mills have gone out of business because there the social objective of not creating unemployment comes in. It is part of our policy to see that the workers do not suffer. So that bigger responsibility is also there and we cannot forget it.

Also, we must remember that the industry functions in a protected market. Indian big business has got a protected market in this sphere. It is in the interest of big business itself to see that the industry is rationalised. The industry has not got a crushing burden of taxation to bear. The price is theirs. Price control operates on only 50 per cent of the production. As regards the rest, they can charge any price they like. What happens is that the bigger and better mills thrive and make very good profit whereas the smaller units suffer.

Therefore, it is necessary to see that there is rationalisation and that all the mills function in such a way as contributes to the common good. There are some mills in the periphery. With some mills producing with the least efficiency, prices being dictated by the least efficient unit becomes an economic inevitability. So it is necessary that we take care of the least economic unit and improve it to come up to the standard of the rest. In this

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way, it is necessary to rationalise the structure.

The question of incentives has been brought forward. It has been agitated in the newspapers and other forums. I would submit it is not a question of lack of incentives.

Then there is the question of control of the price of cotton. There are three elements in the cotton business. The first is the manufacturer. I do not say there is always malpractice, but they do pay 15 per cent higher than the ceiling price. It is also a fact that the Government has not succeeded in enabling the mills to purchase at the ceiling price. Then there are the trader and the grower. And in a crisis, I think the cotton textile industry has come into a contradiction, and this contradiction cannot be resolved without eliminating one element in this production channel, namely the trader. The Government will have to come in, because the grower is always the loser. It is stated that the grower sells the cotton produced by him not at the highest price in the world, but possibly at the lowest. That always happens. The traders enter into specific delivery contract and all that, but the grower, particularly in a country like India, does sell his cotton at the lowest price. There is this fantastic spectacle that the cotton prices are high, then the manufacturing industry presses for a rise in the price of their manufactures, and because of that pressure Government has to increase the prices by 5 per cent or 7 per cent. In this way, this concession would create an inflationary situation, and the situation will get out of control. So, it is essential that the Government steps in. The industry says that the cotton is given to it at a very high price, they will show in their accounts they have not made any profits, but in view of all this, it is reasonable to assume that they do have a soft corner for the trade, and they want to see that they have a monopolistic position. The grower is not able to fix the price,

and the standards are not kept, sometimes different staples are mixed and all that. So, a whole organisation has to be built up where all the cotton is received and standardised and sold as in tea auction.

Some speakers got half an hour. I think I should get at least 15 minutes.

**Mr. Deputy-Speaker:** You have already taken 20 minutes. I will give you a few more minutes.

**Shri Bedabrata Barua:** I therefore suggest that in regard to cotton there should be no rise in prices. That is the national consensus, the national demand. I would not like the Government to yield to the price to raise prices. If necessary, this contradiction between the grower and the trader has to be resolved by taking over by the Government the distribution of cotton through some corporation.

The role of the Textile Commissioner has not been a very happy one. In Assamese we have got a proverb that when all the people say that the Mehdi, who is the religious head of the Chatras in the village, is a thief, he has to be a thief. That is the point. Everybody connected with the office of the Textile Commissioner is unhappy. If you go to the office, there is considerable delay. Naturally, the affairs of the Textile Commissioner's office have to be looked into. Either it should go, or it will have to be made more efficient.

In regard to tea, that is the trade in which my State has specialised for a long time, and has given the country a lot of foreign exchange. Though it is not equal to jute, it still is exported to the value of Rs. 115 crores. But what happens is this. We do not get the benefit of the tea industry. It has certain problems. Of course, the raw material and the manufactures from the raw material are located in the same place, and there is no question as far as that aspect is concerned.

But what happens in the tea industry is this:- There are smaller units and bigger units. The smaller units produce naturally with a lesser efficiency, because a factory would be having a capacity of, say, 10,000 maunds. Inevitably the crop is less. Once the crop is planted, from the sixth year onwards, it grows and begins to produce for 30 years. But owing to the lesser size of the smaller units, there is waste and that leads to losses. This is a matter of trade in the international market, and tea is a competing trade in the international market, along with Ceylon and Indonesia. Of course, 60 years ago, there was competition in the tea industry with China also. Now, after that, in the international market, we are now competing with Ceylon, and in 1965, we lost our position to Ceylon which is the greatest exporter in the tea industry.

So far as my State is concerned, we have a peculiar problem. There is a West Bengal entry tax. Since the tea enters West Bengal, on its way to be auctioned in London, it is charged in West Bengal by way of an entry tax. West Bengal charges it. So, the price rises and that leads to certain difficulties also in the international competition. Now, the State which produces the tea does not get a share of what West Bengal realises by way of the entry tax. The Government has to step in, because this is a very important factor, besides other matters.

**Shri D. N. Patodia (Jalore):** What about the excise duty on tea exports?

**Shri Bedabrata Barua:** The excise duty on tea exports depends on factors like foreign exchange and all that.

Now, I would very much like to refer to jute which is a very important crop. One point I would like to say in regard to jute, and that is, the prices are not stable as in the case of cotton. The result is that the pro-

ducers who produce a great quantity of jute when the prices are good, turn to the production of rice, saying, "Now the price of jute has come down, and we will produce rice now." In the same field they can produce jute and rice. Then, again, when the jute prices shoot up, they will say, "We are sorry we turned to rice; now, we will begin to produce jute." Thus, we are in a very difficult position.

Now, there is one important thing with which we in Assam are concerned. We had a co-operative jute mill there. I am referring to it because this is a very important matter, apart from many other matters, about which we do not get enough opportunities to speak in relation to Assam. Now, in my constituency in the Nowgong district, there was a proposal for a jute mill. In the beginning, the Jute Commissioner failed to give a licence, for two years. Then, after two years, when the licence was given, it took a few years to get a loan from the Finance Corporation. In the meantime, we have had to pay Rs. 11 crores extra on account of devaluation and so on. Our commitments increased. After so many years, in spite of all the difficulties, 2200 bigas of land were requisitioned and we have bought them. But the co-operative sector, which is a national sector, has not been given proper attention, and in spite of the cost being low, there has always been this objection raised by the Jute Commissioner, and because of the objection, the jute mill co-operative is not able to get foreign exchange, and the Indian Finance Corporation is not giving any loan, because the Jute Commissioner does not recommend it. What happens to a co-operative? It is our national policy that we should encourage the co-operatives. But here is a co-operative which had Rs. 10 lakhs contributed by the people as equity shares. They have made all the arrangements. But it has been held up for so many years.

In the end, I would only say that in trade and commerce we should re-

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member one thing. Our leftists, the Communists, might say that we should have trade with the socialist countries or only with the communist countries. I would say that we must plan and balance our trade relations in such a way that we are not pressurised by the western powers into a position from which we may find great difficulty in coming out, and we should not get into most unfavourable contracts.

श्री मधु लिमये (मुंबई) : अध्यक्ष महोदय, व्यापार मंत्रालय, मंत्रालय नहीं है यह एक विराट साम्राज्य हो गया है। उसको चलाने के लिए जैसे प्रकल की जरूरत है उसी तरह हिम्मत और ईमानदारी की जरूरत भी है। वर्तमान व्यापार मंत्री के पहने जो मंत्री साहब थे उन में प्रकल की कमी नहीं थी लेकिन दूसरे जो दो गुण हैं मुझे सन्देह है कि उनमें वह गुण थे या नहीं। नतीजा यह हुआ कि व्यापार मंत्रालय का काम इस तरह चला कि हमारा आयात निर्यात व्यापार बिलकुल चीपट हो गया। इनके साम्राज्य में बहुत सारी चीजें घाती हैं। सब के बारे में बोलना सम्भव नहीं है।

चाय के बारे में सबसे पहले, अध्यक्ष महोदय, मैं यह कहना चाहता हूँ—आपको याद होगा जब हमारा देश आजाद हुआ तो बहुत बड़ी रकम इंग्लैंड में हमारे देश की पड़ी हुई थी। हम लोगों ने उस वक्त कहा था कि अंग्रेजों के यहां पर जो कारखाने और बगीचे आदि हैं उनको आप से लीजिए स्टलिंग बीस के एक्ज में लेकिन उस वक्त यह नहीं हुआ और यह सारा पैसा मीकीनी की चीजें और अनाज आयात करने में खर्च हो गया। आज मैं मंत्री महोदय से कहना चाहता हूँ और चेतावनी देना चाहता हूँ कि अंग्रेज बाग बाने लोग अपना मुनाफा विदेशों में ले जा रहे हैं, अपनी पूंजी यहां के बगीचों में नहीं बना रहे हैं। पूर्वी अफ्रीका में वे नये नये चाय

के बगीचे बना रहे हैं। इस देश से मुनाफा कमा कर अंग्रेज लोग पूर्वी अफ्रीका में पैसा लगा रहे हैं। आप कानून बना कर, राष्ट्रीयकरण नहीं करना चाहते, तो छोड़ दीजिए, लेकिन कम से कम चाय बागान को अच्छा बनाने के लिए, नये पौधे लगाने के लिए, उसका विकास करने के लिए कोई कानूनी रोक जरूर लगाइये, जिससे यह मुनाफा बाहर नहीं जायगा बल्कि चाय उद्योग के विकास के लिए उनका इस्तेमाल यहां हो जायगा।

दूसरी बात मैं यह कहना चाहता हूँ कि कोई हम लोगों को प्रबन्ध करना चाहिए जिस से जो चाय के फुटकर बिक्री का दाम है विदेशों में और हमें जो थोक बिक्री का दाम मिलता है उसमें इतना तफर्का है कि एक माने में यह लूट हो रही है। तो भारत सरकार को या तो सरकारी स्तर पर या यहां के जो बगीचे वाले लोग हैं, व्यापारी लोग हैं उनकी मदद से कोई बढ़िया इन्तजाम करना चाहिए जिससे कि यह जो लूट चल रहा है वह लूट खत्म हो जाय।

उसी तरह पिछले साल से इस बात को भी मैं रख रहा हूँ कच्चे काजू के आयात के बारे में। लेकिन इटैलियन लोगों ने मशीन बनाई है। मशीन से कच्चा काजू साफ हो जायगा। पूर्वी अफ्रीका से दो, चार, पांच छः म.ल के बाद कच्चा काजू यहां नहीं आयेगा। वहां मशीन से साफ करेंगे और हमारा निर्यात गड़बड़ा जायेगा। इसलिए मंत्री महोदय चाय की तरह काजू के निये कोई एक ठोम और निश्चित योजना बनायें, जिससे कि दस पन्द्रह साल के अन्दर व्यापक पैमाने पर कच्चा काजू हिन्दुस्तान के अन्दर पैदा होने लगे और विदेशी माल पर हमें निर्भर न रहना पड़े।

जहां तक स्टेट ट्रेडिंग कॉर्पोरेशन का खवाल है अध्यक्ष महोदय, मुझे ऐसा लगता है कि यह एक बर्दाश है सरकारी लोग को और समाजवाद को बदनाम करने का क्योंकि स्टेट ट्रेडिंग

कारपोरेशन ने समाजवाद की जितनी बबनामी की है मेरा ख्याल है इस देश के पूंजीपति भी नहीं कर सकते थे । अब स्टेट ट्रेडिंग कारपोरेशन का सल्फर का मामला हम लोगों ने कुछ महीने पहले पिछली लोक सभा में उठाया था और मुझे खेद है कि उस वक्त मुझे यह भाषासन दिया गया था कि जांच की जायेगी और जिस कम्पनी से यह कन्ट्रैक्ट हुआ उसको भी दंडित किया जायेगा और जो अधिकारी दोषी है उन को भी किया जायेगा, लेकिन कुछ नहीं हुआ । अध्यक्ष महोदय, मेरे पाम स्याल सिंह का एक टेलेक्स भेजेज है उसको मैं प्रमाणित करने के लिए तैयार हूँ । [Placed in Library. See No. LT 881/67] उन्होंने उसमें ऐसी ऐसी बातें कही हैं कि न केवल इस कम्पनी की अमेरिका में कोई हैसियत नहीं थी, न्यूयार्क में दफ्तर तक नहीं था, टेलीफोन तक नहीं था और औरतो के जूते धुआँस करने का काम यह कम्पनी करती थी, औरतो के जूते का व्यापार करना मैं कोई बुरा व्यापार नहीं समझता, लेकिन सल्फर के बारे में इनको कोई अनुभव नहीं था । लेकिन ऐसी कम्पनी के साथ उन्होंने करार किया था कि जिस से सम्बन्धित कम्पनियों की खान में 1954-55 के बाद एक टन सल्फर भी पैदा नहीं हुआ था । तो इसलिए स्याल सिंह साहब को कहना पड़ा :

"I have, therefore, informed them that they have failed to perform under the conditions of our contract with them and that therefore there no further obligations on the part of the STC," etc.

लेकिन अध्यक्ष महोदय, इससे मामला खत्म नहीं होता है । मैंने मंत्री महोदय से बार बार पूछा है और आज फिर पूछता हूँ कि इस कम्पनी को धापने क्या दण्ड दिया और स्टेट ट्रेडिंग निगम के जिन अधिकारियों ने इस और-बिम्बेदारी तरीके से इस तरह का करीब-करीब सड़के तीन लाख टन का कन्ट्रैक्ट किया, जिस के कारण दुनिया के बाजार

में हिन्दुस्तान का मशीन उड़ाया जा रहा है, ऐसे जो अधिकारी हैं उनको कोई सख्त सजा मंत्री महोदय को देनी चाहिए ।

एस० टी० सी० का दूसरा मामला भी मैंने उनके सामने रखा था । पिछले सितम्बर में हगरी का एक प्रतिनिधिमंडल यहाँ आया था और सूत के बारे में बातचीत हुई थी । जो व्यापारी लोग हैं, उन्होंने हगरी के द्वारा जो दर या दाम प्रस्तुत किये गये थे, उस पर बेचने से इन्कार किया । लेकिन एस० टी० सी० के लोग ज्यादा अक्लमन्द हैं । एस० टी० सी० के चेयरमैन साहब जब हगरी जाना चाहते थे, तो बम्बई आये, वहाँ उनके जो रिजिनल डाइरेक्टर हैं, उनसे उन्होंने पूछा कि अगर व्यापारी लोग यह काम नहीं करना चाहते हैं, तो क्या एस० टी० सी० यह काम नहीं कर सकती । वह भी कम अक्लमन्द नहीं थे, उन्होंने चेयरमैन साहब को खुश करने के लिये फौरन कहा कि अगर हम कुछ इकानामी बचत क, तो इस दर पर माल भेज सकते हैं । फिर चेयरमैन साहब का स्वागत हगरी में हुआ होगा, पार्टियाँ दी गई होंगी, लेकिन क्या नतीजा निकला ? अब मंत्री महोदय मुझे खबर देते हैं—

मैंने पूछा था— "the profit or loss involved" मुझे जवाब मिला कि— "A loss of Rs. 6,83,000 is anticipated".

फिर मैंने स्वाल किया— "Whether any inquiry has been ordered into this transaction."

जवाब आया— "No. Sir." यह जवाब मिलता है ।

एस० टी० सी० के कई मामले हैं । लौंग आदि का मामला तो मनुभाई साहब के जमाने में उठाया था । मुझे उम्मीद थी कि नये मंत्री महोदय आये हैं तो इस मामले में नये सिरे से जांच करेंगे, और सारे कारकात्त उन को दिये, लेकिन हम को ऐसा लगता है कि वहाँ जो आचर्यक गुणों का अभाव मनुभाई

[श्री मधु लिमये]

साह में था, इन का तो मन ही उस काम में नहीं है। गुजराती में एक कहावत है —

जेणो काम तेणो थाय,  
बिजा करे सो गोता खाये ।

हमारे दिनेश सिंह साहब बड़े अच्छे मिलनसार आदमी हैं, बातचीत करने में अच्छे हैं, लेकिन यह जो ध्यापार मंत्रालय का साम्राज्य है इस को चलाने के लिये मेरा क्या है कि—यह मुझे माफ करेगे—यह योग्य दिखाई नहीं देते हैं। और वे अपनी बुद्धि से इस को नहीं चला सकते हैं तो जो सुझाव हम लोग देते हैं, उन पर वे धमल करे। यदि हिम्मत से, साहस से काम लेंगे तो सब से पहले इन को यह करना चाहिये कि टेक्सटाइल कमिश्नर, जूट कमिश्नर और कंट्रोलर आफ इम्पोर्ट्स एण्ड एक्सपोर्ट्स इन तीनों बड़े अधिकारियों को तुरन्त जेल में बन्द कर देना चाहिये, इन को मुघ्तिस कर के जेल में बन्द कर देना चाहिये। इन के पास पचासों कानून हैं, प्रिबेटिव डिटेन्शन एक्ट है, डी० आई० आर० भी इन्होंने अभी नहीं छोड़ा है, किसी न किसी कानून में मुघ्तिस कर के सब से पहले गिरफ्तार करना चाहिये। मैं आप को आश्वासन देता हूँ कि इनको सबूत इन के बारे में ऐसे मिलेंगे कि इनको जेल हो सकती है। जहाँ तक प्राइमा-फेसी सबूत का सवाल है, सबूत मैं आप को दे चुका हूँ।

कुछ बातें अभी मैं और कहना चाहता हूँ। नाइलोन-फ्लेमेंट का मामला है जो काफी घसें से चल रहा है। इस के बारे में दो अपराध किये गये—पहला अपराध यह हुआ कि टेक्सटाइल कमिश्नर की अनुमति से जो यूजर्स साइसेन्स दिये गये वे ट्रांफर किये गये हैं, उस की एक नक्शा मैं आपके सामने रखता हूँ, इस में लिखा हुआ था—

"The quantity of staple fibre imported against this allocation shall not be transferred or sold by you to any other person or persons

without written permission of the Textile Commissioner."

ये सभी बम्बई की मिलों के जो साइसेन्स है वह धनराज मिल को दिये गये, जिस का कि दिवाला निकलने वाला था। क्या टेक्सटाइल कमिश्नर को इनका पता नहीं था, टेक्सटाइल कमिश्नर ने जो अपराध किया है, उस को लेकर किसी छोटी मछली को न पकड़िये ये जो दोरायम्बामी साहब हैं। इसी बिना पर इनको मुघ्तिस कर के जेल में बन्द कर सकते हैं और तब सारी जानकारी सम्बन्धित लोग देने के लिये तैयार हो जायेंगे।

दूसरा अपराध—यह नाइलोन-फ्लेमेंट यार्न पर जो पाबन्दी थी उस के बारे में था—जिनको देख कर आप को ताज्जुब होगा कि यह धनराज मिल\* के नाम पर जो मधुसूदन गोरधन दास कम्पनी काम कर रही थी, यूनीवर्सल इम्पोर्ट-एक्सपोर्ट एजेंसी की मार्फत इनके लिये इम्पोर्ट-एक्सपोर्ट कंट्रोल के यहाँ ऐसे-ऐसे काम हुये हैं, गैर-कानूनी ढंग से साइसेन्स में परिवर्तन किया गया, जबकि इस पर पाबन्दी थी, नाइलोन-फ्लेमेंट यार्न मगवाने का उसमें परिवर्तन किया गया। साधारणतया यह पोस्ट से भेजा जाता है, लेकिन इस कम्पनी के लोगों को काउन्टर पर दिया गया कि चलो ले लो, मौज-मस्ती करो। अभी तक इसके बारे में कार्यवाही नहीं हुई, इस को क्या वजह है? अभी तक कंट्रोलर नामर वाला साहब को भस्पेन्ड नहीं किया गया।

इसी तरह जूट कंट्रोलर की बात है—इन के बारे में क्या क्या कहूँ। पाईलेंट मंटेस्टा मगवाने का मामला है। तीन बार सवाल दिये थे और जो विचित्र जवाब मुझे दिये गये हैं, उसके सम्बन्ध में एक तो मैं यह कहना चाहता हूँ कि इसके बारे में जो शिपिंग डायरेक्टर्स में जो वर्णन दिया गया है वह तो बिल्कुल जातीय वर्णन था, झूठा वर्णन था और उस के अनुषंगी को उस की गुणवत्ता दिखाई नहीं थी, उस से

\*Letter from the Bradbury Mills Ltd. to the Dhauraj Mills Co. Ltd. Bombay, was placed in Library. [See No. LT-881/67].



कम गुणवत्ता का खराब मेस्टा भेजा गया, परन्तु उस पर व्यापार मंत्रालय ने कोई कार्यवाही नहीं की। इतना ही नहीं, ये लोग कहते हैं कि जो 16 करोड़ रुपये का मेस्टा 1965-66 के साल में मंगाया गया, वह प्रोपन-अनरल लाइसेन्स के मातहत था। इसलिये वे कहते हैं कि जट कमिश्नर के पास उस के बारे में कोई तफसील नहीं है। मैं आप से कहना चाहता हूँ कि यह जो हिन्दुस्तान की कम्पनियाँ हैं, वही याइलैंड में जा कर यह सारा काम करती थी, एक्टिंग एज प्रिन्सिपल, जिन को ये लोग कहते हैं कि थार्ड कम्पनी है। यह थार्ड कम्पनियाँ नहीं हैं, थार्ड एक्नॉयंटमेंट हीं हैं, यह हिन्दुस्तानी कम्पनी ही है। ये लोग क्या करते हैं कि एक दफा वायदा हो गया कि फ्ला-फ्ला तारीख को मेस्टा भेजा जायेगा, बाद में बदल गये, कह दिया कि नहीं मिल रहा है, वह वायदा फरामोशी कर रहे हैं। फिर वही मेस्टा, जो पहले से खरीदा हुआ था। ज्यादा दाम में खरीदा हुआ दिखाया जाता था और बीच का तफरका विदेशी मुद्रा में बाहर चला जाता था। इसके बारे में इन्होंने अब तक कोई जांच नहीं की है। इसलिये मैं मंत्री महोदय से मांग करना चाहता हूँ कि यह जो जट कमिश्नर साहब हैं, उन को वे तत्काल मुभत्तिब करे और इस के बारे में कोई ठोस कार्यवाई करे।

अब मैं रूई के सवाल को लेना चाहता हूँ। रूई के बारे में मुझे खबर मिली है कि गुजरात के काश्तकारों ने, उन की सहयोगी सोसायटीज ने, टेक्सटाइल कमिश्नर को चिट्ठी लिखी कि आप हमारी रूई जम्त करने वाले हैं, लेकिन यह हमारी नहीं है, यह कुछ बड़े मिन धालो की है, इस के बारे में अभी तक जांच पूरी नहीं हुई है। दूसरी बात यह है कि बार्टर डील के मातहत जो रूई आयात की गई थी, गत साल उस के लिये अगस्त के अन्त तक की सीमा थी, लेकिन उसको सोड़ सारे लाइसेन्सेज को प्रिडेंटड हरके पुरानी तारीख लगा कर कुछ मिल मालिकों को दिया गया और उन्होंने ने आगे जा कर बिरफा आदि मिलों को यह माल बेचा है। इसके बारे में मेरी मांग है कि आप जांच करें

और गुजरात के किसानों द्वारा जो जानकारी मिली है, उस के आधार पर जिन बड़े मिल मालिकों ने रूई को जमाखोरी चालू की है, उसको खत्म करने के लिये उस रूई को जम्त कर लें और तमाम मिलों को बाट दें, जिस से कि रूई का संकट, यद्यपि वह पूर्णतया खत्म नहीं होगा, लेकिन कुछ हद तक वह जरूर खत्म हो जायगा।

एक नया मामला मैं आप के सामने और रखना चाहता हूँ। आप को ताज्जुब होगा कि यह जो इम्पोर्ट एन्टाइटलमेंट स्कीम है, निर्यात प्रोत्साहन योजना, इस ने हमारे देश को चौपट किया है। 200 बोगस फर्मों की लिस्ट में ने पिछले वर्ष सरकार के पास भेजी थी, जिन फर्मों को मनुभाई शाह ने खड़ा किया था, जिन का कोई निर्यात नहीं था, लेकिन उस योजना के मातहत निर्यात दिखा कर ओवर इन्वॉइसिंग करके, शायद समुद्र में भी डुबोया गया होगा, नही माथनों में निर्यात नहीं हुआ, उसमें एवज में उनको इम्पोर्ट लाइसेन्स मिले। क्या क्या मिले ? आप को ताज्जुब होगा कि चमड़ी आयात करने का लाइसेन्स भी दिया गया ?। हम बचपन से मूल्य में पढ़ते आ रहे हैं कि हिन्दुस्तान से जिन चीजों का निर्यात होता है उनमें चमड़ी एक है। तां फिर व्यापार मंत्रालय ने चमड़ी का आयात करने का लाइसेन्स कैसे दिया ? इसी तरह से किताबे आयात करने का लाइसेन्स उन्होंने दिया। मेरे पास सबूत है कि महज रूई को मंगवाया गया और कस्टम वालों ने नहीं रोका। रिजर्व बैंक ने कभी जांच नहीं की। उनके डाकुमेंट बराबर बैंक के जरिये आते रहे लेकिन कभी नहीं पूछा कि क्या सचमुच माल आया है। कोई माल नहीं आया। कोई किताबें नहीं आईं। किताबों की जगह रूई आईं।

इसके बाद क्या हुआ ? इम्पोर्ट एन्टाइटलमेंट के मातहत स्विटजरलैंड से चड़ियाँ और चड़ियों के पुर्जों लाये गये। जो अलग

[श्री मधु सिमये]

एक पये का या उनका दाम 2 घाना दिख-  
लाया गया और फर्जी इन्पोर्ट के कारण—  
बमडी और किराबों के—जो विदेशी मुद्रा  
जमा हुई थी बाहर, उससे घड़ियां खरीदी गयीं  
घड़ियां, पूर्जों आदि सब माल के यहां घाने  
के पश्चात् आप जानते हैं कि उनका क्या  
हुआ। आप देखिए कि घड़ियों के दाम  
क्या हैं, घड़ियों का पूर्जों के दाम क्या है।  
मेरा खयाल है कि जानने जाओ नही,  
कुछ करोड़ रुपये इन तरह से कमाये है।  
वित्त मंत्रालय का ध्यान इस और आकृष्ट  
किया गया, मजे पता नही कि इसके बारे में  
उन्होंने क्या क्या कार्रवाई की है।

कुछ दिन पहले खबर मिली थी कि  
मजदूर पुनिम एस्टीमिन्ट के द्वारा विडला  
गाहब की कुछ मिलों पर छुपा मांग गया  
था। क्या मंत्री महोदय उनकी अपील को  
देने में इतना सावधान भगवाने उन  
अर्थजनों के पश्चात् भी वह कहते हैं कि टेक्स्टाइल  
कमिशन के बारे में कोई प्रीमो-फेसो केन  
किर्वा ने बना कर नहीं दिया। शायद उन्हें  
पता है कि दत्तनाथ दानन के मोहलत का  
जरीदने वाले मिलें हैं उनके लिये पर्याप्त  
दिने जति है मुबबत परमिष। अगर आप  
टेक्स्टाइल कमिशन का सम्पर्क कर लें  
देखिये ना एव मिला जाये वह दत्तनाथों कि  
एक एक बेन के ऊपर उनका इतना टैक्स है।  
हाल लिये पार्लियामेंट की अनुमति संकलन की  
जम्मान नहीं है। यह टेक्स्टाइल कमिशन का  
टैक्स है। उनका सम्पर्क करके देखिये ना मारे  
मिल वाले जो कि आप से दब जाते हैं यह  
बतायेंगे।

मिल वाले तथा दुबरे जा भी लाग है,  
जिन का, आप के पास इनके अधिकार  
है कि आप दबा सकते हैं, वह मोचते  
हैं कि बोरी में आप को भी साझेदार  
बनायें। आप से लड़ने से यह ज्यादा अच्छा है।  
इसलिये आज साझेदारी हो गई। श्री मनुमार्ड  
अगरसे ने नीकरशाही और मंत्रीशाही की

बात की लेकिन त्रिकोण की एक लाइन को  
छांड दिया। वह है पूजीशाही। पूजीशाह,  
मंत्रीशाह और बड़ी नीकरशाही यह तीनों सब  
मिल जाते हैं तो यह भ्रष्टाचार का त्रिकोण  
नया हो जाता है। यह व्यापार मंत्रालय  
भ्रष्टाचार मंत्रालय है, और अगर यह  
व्यापार मंत्री बने रहना चाहते हैं तो उनको  
में यह हिदायत दगा कि वह जग हिममत और  
सहिम दिखवा कर काम करे ताकि इसके  
बारे में कोई ठाम काम हो सके।

दूसरी बहुत सी चीजें हैं। चाय के  
बारे में भी जा एक्स्पार्ट इयटी है जो एक्साइज  
इयटी है उसके बारे में उनकी कोई अपनी  
नीति नहीं है। उसे रोक रखा गया था कि  
डिवेन्गेशन के बाद निर्यात दवेगा। उनकी  
वान मरामत गलत दिखती है। लेकिन कोई  
ईमानदार मंत्री नहीं है जो इस मदत के  
साधने का कर यह कहने के लिये पैदा हो कि  
अमरीका की हिदायत पर या आदेश पर हम  
ने जा प्रवमन्थन किया और उसके लिये जा  
सफाई पेश कर रहे थे, वह गलत था, प्रवमन्थन  
में कोई लाभ नहीं हुआ। निर्यात घटा और  
दण की जा बेइज्जती हुई वह भ्रमण।

उन्होंने स्टेट ट्रेडिंग के बारे में कहा।  
मैं जानना चाहता हूँ कि उस में यह क्या  
मुद्दा ला रहे हैं। जब मैंने उनकी स्पष्ट  
पढ़ी ना मुझे ऐसा लगा कि वह एक मजाक  
कर रहे हैं। आप को ताज्जुब होगा अगर  
आप एम० टी० सी० के कार्य का देखें  
और उन्होंने जातारीफ की है उसका देखें।  
वह कहते हैं कि

"The STC has continued its  
pivotal role in the diversification  
of India's export trade by increas-  
ing exports to the existing mar-  
kets and exploiting new ones".

कैसे हमारी की मार्केट को एक्स्प्लायट किया है,  
वह मैंने बतलाया है। अगर टायरों के घायन  
के बारे में स्टेट ट्रेडिंग कार रेजल का जो रोल  
रहा है उसके बारे में भी बहुत से आश्वासन  
दिया है कि वह कोई विभागीय अधिकारियों

की कमेटी बना रहे हैं। आजकल एक तरीका बन रहा है कि अगर किसी चीज को टाउनना ही तो एक कमेटी बना दो या दूसरा तरीका यह है कि यह लोग जा कर सम्बन्धित व्यापारी और कर्कट में कहते हैं कि अगर उन्हें लिस्टिंग आर्डर ही गये ना हाइ कर्ट में जाओ। हाइ कर्ट में जाने में मामला सब बुझिके हा आयेगा और नव दहम नहीं हा पायेगा। अगर हम नया को ला कर बहुत बलायेगे ना और नहूँगे क कांवाट में काट दिया जायगा। हमें चाहिये कि हम कमेटीयों के गठन और हाई कर्ट में पिटिशन दायर कर स्ट आर्डर लाने के बारे में सम्भारना में मौके। भारत वेरल्ड के बारे में यहो हुआ कि जब हाई कर्ट में पिटिशन कर दा और स्ट आर्डर हा गया, प्रभावन्द परेवान के बारे में भा यहो हुआ कि बलकला हाइ कर्ट में पिटिशन हुआ और स्ट आर्डर हो गया। क्या मानना प्रमत्री महोदय इसके बारे में सम्भारता में मानें ?

एन० टी० मी० के द्वारा म यह क्या कह रहे है ?

"It has also played an important role in effecting imports of goods and raw materials vitally necessary for the economy of the country."

सत्कर से आवश्यक चीज और क्या हो सकती है ? उस में उन्होंने किनना महत्वपूर्ण रोल घटा किया है और सारे सदन को उस का पता चला है। इस लिये इस तरह की घात्म प्रशंसा करने वाली रपट देने के बजाय आइन्दा मंत्री महोदय जरा घात्म परीक्षा करना सीधे और एसी रिपोर्ट हमारे सामने पेश करे जिसमें यह बताया हो कि यह वह कामिया है और उन्हें दूर करने के लिये आपकी हमारी सहायता चाहिये; अगर इस तरह की रपट ले कर आयेगे तो मेरा खयाल है कि सदन का हर एक तबका उन को इस में सहायता और मदद करेगा। लेकिन यह तो घाय करना नहीं चाहते।

मैं आप से एक बात कहना चाहता हू व्यापार के बारे में हमारी यह परम्परा चली आ रही है कि हम अंग्रेजों के साथ जुड़े हुए हैं। फौज का मामला हो, व्यापार का मामला हो, पून्जी का मामला हो, अंग्रेजों ने तो हमारी बुद्धि के ऊपर भी प्रभाव डाल दिया है। क्या मंत्री महोदय इसके बारे में कोई कोशिश करेंगे जिस से हमारे व्यापार की जो दिशा है, हाइरेक्शन आफ ट्रेड, वह बदले स्वयम् उन्होंने कबूल किया है कि व्यापार की दिशा में कोई बुनियादी परिवर्तन नहीं हुआ। पूर्वी योरप के साथ यह लोग व्यापार करते हैं, लेकिन मुझे ऐसा लगता है—मैं पूर्वी देशों की कोई गिन्दा बगैरह नहीं करना चाहता लेकिन मुझे ऐसा लगता है—कि पूर्व जर्मनी, हंगरी आदि जो देश हैं वह हम सरकार की बंबकूपी को देखकर और जो हमारे अधिकारी हैं बहुत जल्दी अष्टाचारी बन जाते हैं, इस को देखकर हमारे साथ इस तरह के समझौते कर रहे हैं जिस से हमारा देश चौपट हो रहा है। मैं भी चाहता हू कि पूर्वी योरप के देशों के साथ व्यापार बढ़े, रूस के साथ व्यापार बढ़े, लेकिन इस का मतलब यह नहीं कि हम चापलूसी करे और घुटने टेकें और व्यापारिक सिद्धान्तों को नजर अन्दाज करे।

अन्त में मैं कहना चाहूंगा कि दुनिया में कई दूसरे ऐसे देश हैं, खासकर जो साम्राज्य बाजार के देश हैं, कामन मार्केट के देश हैं, जापान हैं जो हमारे साथ रिश्ता दृढ़ करना घाना चाहते हैं लेकिन यह सरकार जान बूझ कर उन लोगों के साथ रिश्ता बढ़ाने की कोशिश नहीं करती। अंग्रेज और अमेरिकी जापान को बुझान समझते हैं, इस लिये जापान के बारे में हम भी कुछ से ही पूर्वाग्रह से काम करते हैं। स्वतन्त्र भारत को चाहिये था कि जहां तक जर्मनी और जापान का संबंध है उसकी दृष्टि में उन में कोई फर्क न होता बिजबी और पराजित देशों में क्योंकि उस वकत हम मुस्लम देश थे और वह सड़ाई हमारी नहीं थी। लेकिन इस

[श्री मधु लिमरे]

ोंने जर्मनी और जापान के साथ रिस्ता सुधारने की कोई कोशिश नहीं की। मंत्री महोदय ने खुद कहा कि चाय का निर्यात बट रहा है। लेकिन कुछ ऐसे देश हैं योरो-पियन एकानामिक कम्युनिटी के जिन के साथ भाप का व्यापार बढ़ा है और भाप को दाम बगैरह भी अच्छे मिल रहे हैं इंग्लैंड अमरीका को तुलना में रिपोर्ट में एक वाक्य उन्होने दिया है :

"The European Economic Community is the only region to which exports rose after devaluation"

इस में हम को सबक सीखना है। व्यापार की दृष्टि से हम अंग्रेजों की जो बेसाखी ले कर चल रहे हैं, कूटनीति में हो, अर्थनीति में हो या व्यापार में हो, यह ठीक नहीं है। 21 साल हमारी आजादी को होने चाये। 21 साल में आदमी बालिग हो जाता है। हमारे मंत्री महोदय कब बालिग होंगे, यह मेरी समझ में नहीं आता है। वह हम को बतलायें कि इन बेसाखी को छोड़ कर दुनिया के तमाम देशों के साथ, चाहे वह कम्युनिस्ट देश हों, पूजावादी देश हों, माउथ अमरीकी देश हों, जापान हो या दूसरे देशों, व्यापारिक रिस्ते बढ़ाने के लिये वह क्या क्या कदम उठावेंगे। खास कर योरोपीय आस्था बाजार के साथ बातचीत करने के लिये वह जरा अच्छे आदमियों को भिजे जिन से हमारा फायदा हो सके।

उपाध्यक्ष महोदय : मैं अपनी बात को खत्म करने से पहले फिर मंत्री महोदय से यह प्रार्थना करूंगा कि जिन तीन बड़ी मछलियों का मैं ने उल्लेख किया है, वह उन के बारे में कुछ करें—सब की दुआ उन को मिलेगी।

Mr. Deputy-Speaker: If the hon. Member criticises within limits and legitimately, he gets a little more time.

श्री मधु लिमरे : वह तो मजाक में हूँ भाप बस को सीरियसली न लें।

Shri Himatsingka (Godda): The Ministry of Commerce is in charge of both internal and external trade and is also in charge of a number of other industries which are very important for the economy of the country.

The devaluation was expected to increase the exports and to help in various other matters so far as increasing exports was concerned, but unfortunately that has not happened. I feel that the main reason why exports have not increased is due to the short supply or short production of various commodities due to the last two droughts; otherwise, the devaluation would certainly have been helpful in increasing the exports because it would help in competing with the other countries. Our commodities are being priced out in various markets because the costs have increased and, therefore, steps have got to be taken to see that, with the same amount, in the same area of land, they produce more, so that the cost may go down, and this can be possible only if we provide the necessary inputs. Most of the important export items are based on agriculture and therefore, all possible steps should be taken to increase the agricultural production; timely supplies of fertilisers, more water, better seeds and so on, should be made. If that is done, the production per acre will go up and there is a great deal of room for this. If we take the figures of this country and compare them with those of various other countries, say, UAR or Germany or Japan, we will find that there is scope for increasing the production three or four times more; in some of the cases, the production in other countries is much more per acre than what we have in this country. If the inputs are supplied timely and in sufficient quantities, I feel that the production will increase and we will

be able to meet our home demands and will also have something for exports to various markets. The Government have to take into account the various factors which are standing in the way of enabling our commodities to compete with others. Such was the case of Pakistan but Pakistan has been able to increase their exports very much and there is no reason why India should not do so. In our country there are better investments, better industrialists but the policy that is being followed is not very helpful. In Pakistan, they have an advantage of having a better quality of jute and at a cheaper price also and over and above that, the Government gives them certain advantages, they have import entitlement i.e. if they export a certain quantity they get certain imports and even the licence can be sold at a profit. Therefore, they are able to sell at a cheaper price than India and gradually India is being pushed out of the foreign markets. Therefore the Government must take into consideration the various steps that are necessary to meet the competition with other countries. Another thing here is that we are imposing export duty on jute and jute goods. I feel that that needs consideration so that the prices may be competitive and our commodities can stand competition.

14.54. hrs.

[SHRI S. M. JOSHI in the Chair]

The same applies to low-priced tea. There is an excise duty that is imposed on tea, the whole of which is not being given up, and, therefore, our low-priced tea is also losing the market due to competition from Ceylon and other countries. That also needs immediate consideration and a certain amount of relief so that our tea may not be gradually pushed out.

Government must also make the export trade profitable. The prices that are obtainable in the home market are better than what you can expect in the foreign markets. There-

fore steps have got to be taken that if the cost of export-oriented articles be more than what can be available in the foreign markets, Government should step in there and meet a certain portion of the costs by way of subsidy or otherwise so that they can stand competition. Businessmen and industrialists also must take steps to improve the quality and other things like packaging. There should be good packaging, inferior quality goods must not go out and the quality must be checked and if some after-sale service is required, that also should be arranged, I feel that this is wanting in our country, that should be arranged and Government should take active steps to see that whatever is needed to increase our exports is given. Export trade is very important from the point of view of our country's economy. You cannot import things unless you can increase your exports. After all, imports can be paid for only by exports, because we have not gold or anything else with which we can pay, all our sterling balances which had accumulated during the war-years have all been exhausted and on the contrary our country is a much bigger debtor today than ever. Therefore, steps have got to be taken to increase production and Government must also help in the directions necessary to enable manufacturers to stand competition.

You will find that not only the commodities based on agro-industries but even engineering goods are losing ground in the international market. The sale or export of engineering goods and other non-traditional items also has fallen. Therefore, very special attention is required in that direction. Government must take active steps to energise and to improve the conditions required for improving the production.

As regards imports, a number of things are being imported which can be manufactured in this country. I have suggested before and I would repeat it again that things which can

[Shri Himatsingka]

be manufactured in this country should be allowed to be manufactured here. In certain cases, raw materials may have to be imported but import of raw materials will always be more advantageous than importing the finished goods produced from that raw material. Thereby, we would be saving a lot of foreign exchange equal to the difference between the price of the raw material and that of the finished goods. I can cite a number of examples. One is anthracite coal. There are several other items of that type where we ought to import the raw materials rather than the finished goods. Government are not giving attention to even very small matters. For instance the import of diamond-cutting machinery is not being allowed. The result is that Israel is pushing out our exports in diamond and emerald. I understand what 10 labourers would produce here in a day, in Israel one would do in one hour, because they have got the machinery for cutting of diamonds. After all these machinery will not cost much. These things ought to be taken into consideration and prompt action taken to remove the difficulties met with. Unfortunately, that is not being done.

15 hrs.

Yesterday, I happened to meet a Jeweller from Jaipur who said that a small machinery costing a few thousand rupees only is not being allowed to be imported with the result that they cannot manufacture goods cheaply, quickly and of high quality. If machinery is used the quality will be uniform throughout, whereas if a number of hands were to do the same thing, one cannot have the same size, the same polish and so on. These small matters need immediate attention. If these things are attended to, I think that the fall in the export will be arrested and we shall be able actually to increase our exports.

I hope the Minister will do the needful so that we may be able to stand and meet the competition we encounter.

Another matter concerns the tractor manufacturing industry. I understand that the country has sufficient production capacity for meeting its demands. Yet there is a proposal to import machinery for the manufacture of tractors. The existing capacity, is more than sufficient and I understand that the Chairman of the Sub-Committee on Tractor Panel, Automobile Development Council, has made a representation that they are in a position to meet all the needs of the country and there is, therefore, no need to import machinery spending foreign exchange to the extent of some crores of rupees. I understand that the temptation is that the STC will be asked to import the machinery and they will get some commission. But this will be a dangerous thing. If our country has sufficient production capacity and can meet our needs internally, this should not be permitted.

**Shri Manoharan (Madras North)**  
Mr. Chairman, I am glad to have this opportunity to participate in the discussion of the Demands of the Ministry of Commerce. I would like to make a few observations regarding certain important problems which are engaging the attention of the country.

The Commerce Ministry has its own wide field to cover and hence it assumes more importance today in the context of trade, export, import and like matters. I am very happy that the Ministry is headed by my good friend Shri Dinesh Singh, and assisted by my young and energetic friend Shri Quereshi.

**Shri Sozhiyan (Kumba Konam)**  
The Minister is also young and energetic.

**Shri Manoharan:** In considering certain matters connected with the Ministry of Commerce, if the Minister

fails to devote enough attention, I am afraid he will find himself in the midst of man-eaters. The attention of the House has already been drawn to a deal which shocks the conscience of the country and shakes the confidence of the nation, the notorious sulphur deal. Much has been said not only by the opposition members, but by the Congress members also.

Before entering into that, I would draw the attention of the Commerce Minister to the fact that whatever might be his claim about devaluation regarding boosting of exports, statistics show that exports have fallen down completely. The commodity-wise analysis will prove how after devaluation our exports have suffered, how between June-December 1965 and June-December 1966 our exports have considerably dwindled and belied the hopes entertained by the Minister who came forward with the policy of devaluation. The following are the comparative figures:

	June-Dec. 1965	June-Dec. 1966
	(Million U.S. dollars)	(Million U.S. Dollars)
Jute manufactures . . . . .	238.6	194.0
Tea . . . . .	179.1	141.0
Cotton fabrics . . . . .	58.3	38.7
Tobacco . . . . .	24.3	12.6
Raw cotton . . . . .	11.7	7.1
Handlooms . . . . .	10.0	5.0
Coffee . . . . .	16.2	11.9

Therefore, the twin objects of devaluation, namely to boost exports and discourage imports, have actually betrayed the country and caused a lot of damage to the economy of this nation. I think this serious situation has to be taken into consideration by the Commerce Minister, since he has to shoulder the responsibility, though it is not through any fault of his own.

Secondly, regarding the sulphur deal I have told you that the Commerce Ministry is wide and it has under its wings six corporations. One is, everybody knows, the State Trading Corporation. The others are: The Minerals and Metals Corporation of India Limited, the Export Credit and Guarantee Corporation, the Handicrafts and Handlooms Export Corporation of India Limited, the Indian Motion Pictures Export Corporation of India Limited, and the Metal Scrap Trading Corporation of India Limited. All these six corporations are under the Commerce Ministry, under the administrative control of the Commerce Ministry. Now I want to say something about the sulphur deal that has been entered into by the STC.

Before me there is a note prepared by our Commerce Minister's predecessor, Mr Manubhai Shah. He tried to justify the contract signed by the STC, but unfortunately, in the last analysis his statement betrayed him. The contract was signed on 7th September, 1965. Before going into the details of the deal, I want to tell you that about merchant, a leather merchant, in a street of New York was in a position to fool not only the STC and through that that boot merchant was able to fool the Commerce Ministry and ultimately he has fooled the entire nation. What is the name of the firm? Messrs. Oral Industries, New York. A quantity of 33,60,000 tons of sulphur was assured to be supplied by this bogus firm. This firm has never undertaken what you call the sulphur trade. But unfortunately, through the STC, certain people have been sent to New York, and another man, one Varadarajan, was asked to study the credit worthiness of the firm and this firm's association with other firms and whether this firm would be in a position to, or be competent enough, to supply the necessary sulphur required. According to the note, a telex message had been sent to the STC, stating this firm has its own credit-worthiness competent enough to

[Shri Manoharan]

supply sulphur. While the discussion was on, two representatives from this so-called bogus firm came to India; they had a discussion with the Chairman of the STC, Mr. Patel, and some other people, and ultimately, an agreement was signed. But, in the meanwhile, the STC received a cable from Shri Varadarajan stating that Dun and Brad Street were not able to ascertain the nature and extent of the operation of this firm, their principles or financial status.

On the 15th September, 1966, the STC was informed by the Indian agents of Oval Industries that it was impossible for the Oval Industries to furnish the performance bond without a confirmed letter of credit being opened by the STC. It was also indicated—I am quoting from the report—that in case the letter of credit was not opened, the deal might be called off. The STC decided to open the letter of credit; however, as a further safeguard, a clause was incorporated in the letter of credit that "it would become operative only after the beneficiaries or their nominees have furnished a performance bond for 9,90,000 US dollars from a bank or an insurance company acceptable in writing to Mr. Varadarajan, General Manager, HHEC, New York."

Subsequently, what happened? The STC had to pay a bank charge amounting to Rs 9.39 lakhs initially for opening the letter of credit. The STC has claimed a refund of the charges, as the credit was not confirmed by the Chase M. Bank and not communicated to the beneficiaries. According to the note, the matter is now under consideration by the State Bank of India. This note was prepared in 1966. I am speaking about it in 1967. I want to know where this examination stands, and what happens to the amount of Rs. 9.39 lakhs already remitted. What is their finding, I do not know.

There is another thing. There were two clauses in the contract with this

bogus firm. One is that if the seller fails to fulfil any of the terms of the contract, provided such failure is not due to *force majeure*, as detailed in clause 16 hereunder, the seller shall be liable for all damages up to five per cent of the value of this contract." The note says that the STC is taking all possible legal action under the contract against the Oval Industries for their failure in performing their contractual obligation. This was in 1966. I would like to know from the Commerce Minister, what action has been taken against this bogus firm, whether any action has been taken at all, and if not, have they got any mind of taking action, because, our public money has been involved in that. Not only that. This scandal has been spreading like a wind conflagration in this country. Ultimately, the blame will fall on the slender shoulders of Mr. Dinesh Singh, the Commerce Minister; whether he likes it or not he has to shoulder that responsibility. These two matters must receive consideration of this hon. House.

One is, what happened to the examination conducted by the State Bank of India regarding that amount. The second is, what legal action is being taken, according to him and according to the report, Mr. Madhu Limaye was asking, who are the culprits, and who are the real officers who should be punished. So far as I am concerned, after having read the note prepared by the Commerce Ministry, by his predecessor, Shri Manubhai Shah, I am convinced that three people are responsible for this. One is the Chairman of the STC Mr. Patel; the second is the Director of the STC, Mr. Sial; and the third is Mr. Varadarajan who is in New York. If these three people are found to be guilty, what action Government is going to take against them, it is left to them. What I want to stress is this shabby deal has been done by these Three Musketeers, who are ruling and controlling STC. I am convinced hereafter the name of STC should be changed. Up till now it is called State Trading



Corporation. It should be changed as State Trading Corporation.

Sir, much has been done to tarnish the image of our country. Though I am essentially for public undertakings like the STC, unlike Prof. Ranga, still a systematic attempt is being made to discredit public undertakings by these discredited, unscrupulous, untrustworthy officials.

There is another instance, which is equally shocking, which should receive the consideration of our Minister. Probably he may not know all these shabby deals but these are things he ought to understand, because there is no escape from that. Is it a fact that agencies for television were given to the relatives of the officers of STC? I can give you the names. Agencies for television were given to the relative of an officer, who is a Director of STC. His name is Mr. Sayal and the name of the company is DISCO. Not only that I am told this Sayal is an expert in human hair export and by utilising his office, he has created conditions whereby his relatives can be benefited. I ask the Minister to probe into this matter, because one after the other scandals are coming up, which are definitely destroying the image of this country.

There is another thing which is still more excruciating and painful. I do not know how far it is true, but I am told that Mr. Sayal is being tipped for the Chairmanship of the STC. Corrupt officials should not be shielded by the Government. So far the Government did it; I have no objection to that because the Government could not but do it. But hereafter a man like Mr. Dinesh Singh, noted for his integrity, should not spare even a minute in condemning all the officials who are found guilty.

I am very sorry about the Handicrafts and Handloom Export Corporation. I must say something about it. I am sorry to bring in certain personalities involved in the scandal. Our foreign exchange is being wasted terribly and miserably. One particular

lady. Who is the Executive Director of that corporation is responsible for it. Articles after articles have appeared in the weekly Current where everything has been exposed completely. I do not know whether the attention of the Government has been drawn to this scandal. This HHEC is exporting not only commodities to world capitals, but also individuals. Very recently I was told that an officer whose name is Mr. D. N. Saraf, who is the General Manager of this Corporation—whether he was sent or he has gone is a different matter—went to Montreal to study something or to take stock of the situation, I do not know. One senior official was enough for the job. But the moment he returns back, this lady could not restrain herself. Therefore, Mrs. Jayakar also went via Paris, London, New York, Montreal. Think of the amount of foreign exchange involved. Whenever people go to the Government and say that they want to import something, the stock reply of the Government is that there is foreign exchange shortage. But see how much foreign exchange is being wasted by individuals connected with the highest corporations of the country like the Handicrafts, Handloom Export Corporation. This has appeared in the papers and that is why I thought it my duty to draw the attention of the the Commerce Minister and request him to pay immediate attention to it.

I have listed six corporations. I am talking about all the corporations. Not even a single corporation is free from corruption. Yesterday, my hon. friend of the Swatantra Party talked much about the Metals and Mineral Trading Corporation and pointed out how the scandal is brewing there. Regarding this Indian Motion Pictures Export Corporation also my attention has been drawn towards some scandal which if properly checked, can be cured, otherwise the situation will become very serious.

I want to say something about export promotion. The report which is

[Shri Manoharan]

Incomplete and incorrect has claimed something, but actually I could not find whether the report justifies what it claims. Regarding our engineering goods the prospects are very bleak. As against a total export of goods worth Rs. 24.5 crores in 1965-66 the exports of engineering industrial goods fell to Rs. 20 crores in 1966-67. I have already told commodity-wise how our exports have fallen. In engineering goods also this is a heavy loss that we will have to suffer and incur. But the most disquieting fact is that the performance of this particular industry is this even when it was given to the tune of Rs. 280 crores worth of import licences during 1966-67. Therefore, that aspect must draw the attention of the hon. Minister of Commerce.

Now I come to the khadi business. I do not criticise anybody who wears khadi though the people of this country suspect the *bona fides* of khadi users. Economically speaking, it is an economic waste. I can say it is an economic impossibility though it is a political courtesy. Regarding khadi I have got the necessary facts with me. To the tune of Rs. 13 crores worth of sub-standard goods are being accumulated in so many godowns of the country. The working group set up by the Government in August 1963, to study the khadi and village industries drew attention to the fact that the amount of stock on 31st March 1964 was of the order of Rs. 13 crores including Rs. 7 to 8 crores worth of cotton khadi and Rs. 3 to 4 crores worth of woollen khadi. At the end of March, 1966 it was estimated that khadi of all varieties worth Rs. 22.53 crores was estimated to be in stock. This represented an excess of Rs. 4.51 crores over eight months production. According to reports received up to 5-6-1967, the stock of khadi cloth, and yarn (cotton, woollen and silk) as on 31-3-1967 was: cotton Rs. 1603.63 lakhs, woollen Rs. 325.99 lakhs, silk Rs. 255.96 lakhs, ready-made Rs. 90.33 lakhs; total Rs. 22.77 crores. After that, another

report came that stocks to the tune of Rs. 28.46 crores are available either in the godowns or in the show-case. This is sheer economic waste. We are criminally assaulting the people of this country who, unfortunately, reposed faith in the competence of the Government. So far as khadi is concerned, it is not only a drain on the economy of this country, it has already become a matter of ridicule in this country. That also, I think, must receive the attention of the Commerce Minister.

Then I want to say something about bleeding Madras. In the past Madras State was in a position to earn some money by exporting bleeding Madras. Our export earnings in the past used to be to the tune of Rs. 6 crores. Now it has fallen to some lakhs. The most disturbing factor is this. The export of bleeding Madras has dwindled not because of any fault on our part. We are being told that it is a competitive market and in the face of competition from Japan and Hongkong our commodity cannot be in a position to stand that competition. But, so far as our knowledge goes, it is because of the incompetence and callousness on the part of the Handlooms and Handicrafts Export Corporation that we are now suffering. I would request the hon. Minister to consider this. Our State is suffering from want of finance. When we come to the Central Government, the reply is "no finance" You are not only helping us or supporting us but through your callousness you are destroying the possibility of our export trade of bleeding Madras, because of which we are losing much revenue. I hope the Commerce Minister will consider this aspect also.

Yet another fact that I want to bring to the notice of the Commerce Minister is this. Each and every institution is being shifted to Delhi. This has been the fashion of the day now. We have got only one central institution in Madras, namely, the Foo

Corporation. Recently, the Government of India have decided to shift it to Delhi. Therefore, in order to compensate that, let me ask the Government, the Commerce Minister in particular, that the All India Handloom Board should be shifted from Delhi to Madras. Madras has got a number of loom and Madras leads in the production of handloom cloth. Therefore, it is not fair and proper for the Central Government to agree to the shifting of the All India Handloom Board to Madras.

Divinification of trade is a must in the fast changing world. So, effective steps and remedial measures should be taken by the Government of India and thereby the bleeding Madras, whose export has already dwindled to the point of total extinction should be rehabilitated once again.

One more point and I am done. I may sum up what I have said. All the corporations like STC, HHEC and MMTC should be probed into. It should be an independent non-official committee, or a parliamentary committee, to study the pros and cons and see who are really guilty. Those who are found guilty must be punished. Therefore, my request to the Commerce Minister is this: 'try to have a parliamentary committee and assign it some task of probing into the working as well as the misdeeds of the corporations, and finally try to see that these corporations are cleansed and the unnecessary and undesirable officials are simply wiped off. This organisation as well as these corporations are doing meritorious service to the expectations of the people of this country. I hope, the hon. Minister of Commerce will pay heed to the suggestions made by me and see that something is done in this regard. In case he fails to do this—this is not a warning which I am giving but a friendly advice—and pay his proper attention to these defects pointed out, ultimately what will happen, despite his sincerity, honesty and impeccable integrity, is

that he will find himself to be in the midst of maneaters.

Shri R. Barua (Jorhat): Mr. Chairman, Sir, while rising to support the Demands of the Commerce Ministry, I congratulate the Minister for his meaningful efforts to get through a difficult situation in which we are today. But, at the same time, I should caution him that there is much more difficulty in the way of export-import trade of this country.

This leads me to the question of India's present economy. Every day we are increasing our import bill and there is a feeling that unless we raise the tempo of our exports, it will not be possible for us to maintain the credit that India so long had. There is a growing feeling both inside the country and outside that we have reached the limit of our borrowing capacity. The decline in exports has added to this disquieting phenomenon.

I would now like to indicate certain trends that have been shown in our export trade. When devaluation came on 6th June, 1966, I was one of those who thought that it would give a good boost to our export market. Unfortunately, it did not so happen. During the seven months after devaluation our exports declined by 15 per cent as compared with the same period in 1965. Why did it so happen? It required a lot of time for the administration to take the follow-up measures; the result was that in the rupee-exchange countries Government took a lot of time to adjust our previous commitments and consequently we lost very much in rupee-payment countries.

Towards the later part of 1966, luckily enough, the gap was made up to some extent. But perceptible improvements are to be found not in the traditional items but in cases of non-traditional items, like steel, footwear, raw skin, iron ore and industrial goods. In fact, at the time of devaluation it was thought that our

[Shri R. Barua]

traditional market of exports was rather reaching a saturation point and therefore we should exploit our non-traditional markets. By devaluation it was expected that the idle industrial capacity and the industrial potential would be exploited to the full. But, as I have already indicated, because of not taking proper measures it could not be so done. All the same, the improvement that was seen in these items could not be maintained because of the large decline in the traditional market, like tea, jute and cotton textiles.

For instance, in the case of jute, export of jute manufactures totalled 7.5 lakh tonnes as compared to 9.3 lakh tonnes in the previous year. After devaluation the export of jute goods perceptibly declined. Except in the case of carpet backing cloth, in other items we suffered a decline. The basis of this malady is normally sought to be attributed to the short-fall of jute supply. But, I am afraid, it is not enough to rest content upon this that supply was not there.

Besides this, it must be taken note of that in the matter of jute bags, the off-take by UK and USA, USSR, U A R and Argentina is on the decline particularly after devaluation. Is it because of non-supply of materials or something else? To my mind, there has been a substitute production of these packing materials in the form of polythene bags, paper bags and things of that sort. Therefore, the Ministry should investigate whether it is merely a case of non supply of sufficient material or a case of new competition coming up in the form of substitute materials. I am sorry to say that in the entire Report, nothing is indicated as to why this fall is there except, of course, these figures. The thinking of the Government is not indicated in the Report.

Over and above this, the administrative machinery is so slow in giving proper timely refunds that the indus-

try also suffers from getting timely material and replenishing their finance. Recently, the Chairman of the Jute Manufacturers Association said that under various heads, the industry is to get Rs. 120 million from the Government. If such a big amount is not refunded in time because of the administrative slackness, you can visualise how the industry can get through its difficult position.

Coming to tea, this is an important traditional item and all the traditional items play a very important role in foreign trade. The value of tea exported from India has declined from Rs. 132 crores in 1963 to Rs. 125 crores in 1964 and to Rs. 115 crores in 1965. In quantity also, the figures show a gradual decline. The figures are as follows:

(in thousand Kgs.)

1964	210523
1965	199365
1966	190900

So, there is a decline in the quantum also. It is to be seen whether it is really due to devaluation or due to something else. My submission is that the Government's policy in treating this industry is such that tea industry is left with no incentive except the margin of profit that they get. It is strange that U.K and USA have started consuming less and less of Indian tea. In USA, India's loss came to be Ceylon's gain; in Britain, benefit went to African producers. This decline started well before devaluation. My diagnosis of the disease is that it is attributable to four causes, namely, (1) unwise tax burden, (2) lack of attention to reduce cost of production, (3) failure of the industry to plough back a substantial portion of its profit for modernisation of the machinery and scientific research and (4) failure to maintain traditional market and to exploit new potential.

This industry is passing through a difficult financial position. The high power Committee has suggested that some sort of a finance corporation should be established so that the industry can be helped in a big way. But uptill now nothing has been done.

Then, about the tax credit system that was introduced for the purpose of exports, it did not work well. It is because the refund which was expected to come back to exporters, did not come for months and months. In many cases the exporters had to forgo the refund. Over and above that, the Government has recently raised the cess from 4 paise to 8 paise per kg. This is intended to help the Tea Board for promotional purposes. But I fail to understand, while the industry is passing through difficult times, why the Government cannot divert a certain portion of excise duty to the Tea Board if they really want to help it. The Tea Board is financed from different heads. Therefore, this increase of cess has put a further burden on the industry and I doubt how far in this competitive world the tea industry can be expected to export more tea and to earn more foreign exchange. The tax that was imposed on tea recently in the budget was sought to be justified on the ground that it would minimise to some extent the internal consumption and would help to push up exports. I have gone more into this matter and I find that it is not going to achieve the desired results. On the contrary, it will deprive the industry of the financial cushion that it was expected to get from internal sales. The external sales are declining not because of not having sufficient quantities, but because of higher costs and the other competitive factors coming to the field. Therefore, this is another thing which had led to the decline in exports.

Then again the Government is oblivious to the potentiality of export markets, say, for instance, Australia

and New Zealand. I have found that the per capita consumption of tea in Australia and New Zealand is as high as seven pounds per annum and Ceylon's share in this market is 60 per cent of the total export. What have we done there? Both in Argentina and in New Zealand, we have lost the market to Ceylon, Formosa and Indonesia.

Last of all, I would like to draw the attention of the hon. Minister to the uneconomic holdings of tea gardens in the country. The National Council of Applied Economic Research suggested that there should be a survey here to find out the causes of uneconomic tea gardens, but no survey has yet been undertaken. Since technical and other factors vary from unit to unit, it would be impossible to redeem the tea gardens by applying a blanket remedy. That is why, the National Council of Applied Economic Research suggested a survey, but the Government uptill now has not undertaken the survey. The time is not very far away when these uneconomic units will be completely wiped out of the tea map of India.

Coming to the STC, I find that some of the hon. Members on the Opposition had nothing but invectives to throw at it. It seems that my hon. friends are obsessed with some sort of a free enterprise disease. Without being, or without trying to be, a doctrinaire, I should submit that this phenomenon of State trading is not only found in socialist countries, but even countries which do not swear by socialism have adopted the State trading business and it has come to be an accepted phenomenon of the modern trading world. For instance, in Australia, Canada and Argentina, the trade in wheat is handled by Boards set up by the Government. About 11 per cent of the total imports into Western Europe, from USA and Canada are subject to State trading there. Trade in tobacco in Japan is

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a State monopoly. In U.K., centralised buying, selling, and distribution of cotton is given to the Raw Cotton Commission. Therefore, it would be really uncharitable to advance arguments and call STC a disease in our state of affairs. The STC has done good work in enlarging the scope of Indian exports and in arranging for essential imports on an economic basis. Its activities in exploring new markets and diversifying export potentialities, supplementing private trade in spheres when it is needed, should be commented upon. During the last few years, STC has increased its trade from Rs. 9 crores to Rs. 152 crores, apart from Rs. 95 crores worth of minerals separately handled recently by the MMTC. Therefore, this is really a big achievement. Over and above this, by handling export trade in a big way, we have been able to plug the loopholes and the misuse of foreign exchange. In many cases, the price given by the STC is really helpful both for the trade and for the cultivator.

In the matter of jute, you know that the jute association tried to help in maintaining a certain bottom price for jute but it failed. Then the STC had to come in and make bulk purchase, and the result was that we were able to maintain a certain bottom price for jute and thereby enable the cultivators to get a remunerative price. In the matter of cotton and tobacco also, the performance of the STC in coming to the aid of the producers has been no less important.

It is admitted on all fronts that by coming into this field of bulk purchase the STC has helped the producers and saved them from exploitation by some interested people, which might have ultimately damaged our trade and prosperity. Simply because in some cases there might have been some misdoings or some errors of judgment on the part of the STC, we should not think of completely wiping out the STC from our thinking; it

would be a disastrous day for us if we think on those lines. The STC has come to stay and it should be our honest effort to see how best, through the STC we can develop our export trade.

So far as the functioning of the STC as it is today is concerned, we find that the STC is not expropriating everything to itself. On the other hand, it is rendering necessary help to the private sector also where such help is needed. I should submit that there should be greater coordination between the STC and the private export-houses. I think that they have yet to go a long way to play their proper role; but till that time comes, some help is necessary. Or, alternatively in the interests of the country, it may be necessary that the STC must take full charge of certain items for export and import.

With these words, I support the Demands of the Commerce Ministry.

Shri Vasudevan Nair (Peermade):  
The report of the Ministry of Commerce deals with the activities of this Ministry during the year of devaluation. All these years, in fact, for a decade and more, this Ministry was presided over by Shri Manubhai Shah; he was almost the overlord of this Ministry. So, it is interesting to have a look back at the performance of this Ministry over the last decade. I shall come to that presently, but before that, I should like to read out a passage from this report regarding the effects of devaluation. The passage reads thus:

"The beneficiary impact of devaluation on exports might have been pronounced during the year but for severe drought conditions in many parts of this country."

I should like to say that this is an exercise in hypocrisy. For, in this country, even a child now knows that

devaluation was a himalayan blunder. Even Shri Dinesh Singh knows that in his heart, but Government would not admit that mistake. They will go on advancing arguments, fallacious arguments at that, to justify that himalayan blunder, namely devaluation. Even for a Congress Government, I suggest that self-criticism is good sometimes. It would have been good for the Government and for the country if they would have openly admitted the blunder. The Finance Minister who has taken over has done a bit of heart-searching; he has admitted a bit, but I am rather surprised to see that the Commerce Ministry which had some doubts about it before devaluation is now trying to justify it. In order to justify that, they try to say that as far as certain commodities are concerned, during the end of 1966 there was a little boost in export. I have no time to go into the details of those commodities, but in all honesty Government should also admit that they are the commodities that would have got a boost in export in spite of devaluation. The commodities are such. But the total result of devaluation was that there was no boost in export as a whole, but there was a drop in exports.

And what were the disastrous consequences? Our foreign debts went up from Rs. 2,900 crores to nearly Rs. 4,300 crores by just a stroke of the pen and imports became dearer and costlier; also devaluation has substantially pushed up the price level. These were essentially the disastrous consequences.

Some of our so-called well-wishers and friends wanted devaluation. That is also an open story. Government used to say it is persuasion, it is advice, it is suggestion, but we used to say it is pressure, it was almost an order and they succumbed to it. They do not stop at that. Of course, Government have accepted the idea of liberalisation of imports for which the World Bank and the aid-givers are pressurising this Government for so many years. Still they go on pres-

surising this Government; they will go on pressurising this Government. Even in today's *Times of India* there is evidence of it. The report of the Agency for International Development is published and in that it is said:

"During most of India's critical development history, heavy industry has been emphasised at the expense of agriculture. The restrictions on imports and on private enterprise militating against free markets have inhibited growth. While there has been a liberalisation, strong prejudice against the reforms remains."

So they want to remove that prejudice and they assure us one thing.

"The AID in seeking to speed up the momentum of development efforts will push for greater food production, slower population growth, further reduction of administrative controls..."—

The Swatantra Party should be nappy—

Shri N. K. Somani (Nagaur): Yes, we are.

Shri Vasudev Nair: "...and greater reliance on a free market". So this pressure is going to work up. Already they have succumbed to a great extent. So we should like to warn Government that they should put a stop to this kind of surrender. Devaluation should at least at this stage be admitted as a blunder.

Shri Banga (Srikakulam): It has ruined the country.

An hon. Member: Devalued India.

Shri Vasudev Nair: As I said in the beginning, I should like to look at their achievements. What has the Ministry achieved? The adverse balance of position remains. Right from 1950-51, it remains and the situation, has, if at all, worsened, not improved. So the Ministry has

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nothing to boast about. In 1950-51, our exports were worth Rs. 601 crores and in 1965-66—I do not take the 1966-67 figures; they may say it was a bad year after devaluation; so I take 1965-66—they were of the order of Rs. 810 crores. Here again there is a statistical magic. If that also is taken into account, improvement in the position is even less because after the liberation of Goa, we had some exports from Goa; those figures are also added to the 1965-66 figure. The landborne trade to Nepal was not accounted before, now that also is accounted for. So, essentially the Ministry cannot claim that because of their various schemes of incentives for exports, including the import entitlement racket, they have achieved anything. The average premium on an import entitlement was 150 per cent, in certain cases it went up to 500 per cent. It was the biggest scandal and racket in this country and so many people have become millionaires in a day. In spite of all that, they could not achieve any substantial results.

As far as diversification of exports is concerned, what is the position? I have got the figures with me from 1950-51 to 1965-66. As far as Western Europe is concerned, in 1950-51 it was Rs. 216 crores, and in 1965-66 it is only Rs. 220 crores—an advance of Rs. 4 crores in a period of something like 15 years. In U.K. in 1950-51 it was Rs. 140 crores, and in 1965-66 it is Rs. 146 crores. Other West European countries, from Rs. 21 crores to Rs. 18 crores, the advance in the other way round. America—from Rs. 129 to Rs. 168 crores, there is an improvement. In Asia you will be surprised to see that there is a stalemate—Rs. 188 crores in 1950-51 and Rs. 188 crores in 1965-66. That is the condition of Asian countries as far as our exports are concerned.

Coming to Africa, it was Rs. 38 crores in 1950-51, and now it is Rs. 62 crores, there is an improvement, but

that is confined only to two countries Egypt and Sudan, for all other countries it is a minus achievement. For Latin America it is pitiable; from Rs. 26 crores it has gone down to Rs. 10 crores in 15 years.

This Ministry was doing something very wonderful to boost our exports. The only region—some people will say I am quoting this because I am happy over it, of course I am happy—was the socialist countries where there was a dramatic, substantial improvement. In 1950-51 it was only Rs. 3 crores, and in 1965-66 it was Rs. 157 crores.

So, the total picture is this, that as far as vast areas of Asia, Africa and Latin America are concerned, they could not do practically anything. Why did it happen? Let them really make a study of the situation. One of the main causes for this pitiable situation, according to me, is this. Government is not prepared to offer equal advantages to those countries. When you want to export, you should be prepared to import also. That attitude is not there, that principle is not accepted by us. Secondly, this question of export and import can be basically solved only if the grip on import-export trade of the private sector is taken away. That is the basic, fundamental question.

Why should I say like this? Is it only because of ideological affinity for nationalisation of the export-import trade? No. From the practical aspect, if you want to do away with undercutting of prices which was going on, which is going on, if you want to do away with the vicious practice of under-invoicing and over-invoicing, and if you want to stop the supply of sub-standard and adulterated articles to foreign markets, the only basic remedy is the nationalisation of the export-import trade. I have no time; otherwise I would have established how, if we had taken this bold measure, and if we had not



faltered, as this Congress Government has faltered in this case, India's balance of payment position would have been favourable to our country within this period, and we would have established strong links of co-operation and trade with our brothers in Africa, in Asia and in Latin America and we would not have remained in this pitiable and tragic position of raw material appendage of these metropolitan countries. After 20 years of freedom, the Minister should be ashamed to see that this country remains as a raw material appendage of the metropolitan countries as we were for 150 years.

16 hrs.

If this trade is to be nationalised, I am not at all prepared to cite the STC as an ideal. I should not be misunderstood in that way. Of course, in principle we accept that, but the way the business had been carried on all these years leaves much to be desired. There should be a lot of improvement and overhaul. If the principle is accepted, let us discuss the details as to how that should be implemented. But there should not be any delay in accepting that principle and in going ahead with it.

I have a number of smaller points which I will go through within a few minutes, because I have to devote some time to another vital matter: the question of freight rates. Even now, we are heavily dependent because the shipping lines are the monopoly of the western countries. From 1st July, you are going to have another freight increase of 10 per cent. During 1960 to 1965, the freight increase was of the order of 30 per cent. There was already an increase of 30 per cent in various stages. After that, they had the benefit of devaluation, and again they are increasing it by 10 per cent. Our Government is helpless. They will not develop our national shipping industry; they go on depending on these western shipping lines, and they dictate their terms and the

Government is helpless. How have we landed ourselves in this position, and what is the way out from this position?

There is another question: what about the production of raw materials for some of the items which are major items of export? Textiles was one of the items which was taken up by many hon. friends. I do not want to devote more time on that. Why not we make an effort to attain self-sufficiency in the production of cotton? Is it an impossibility? What about cashew? We in Kerala are directly interested in that, because there are entire areas in my State where the people live on cashew, and there are tens of thousands of workers whose fate and future are tied up with this industry. We are living in a very difficult period, because we depend upon the raw material from Africa. 75 per cent of our raw material is imported from Africa, and we now hear that they have started processing in Africa. All these 20 years this Government has done practically nothing to attain self-sufficiency in the production of raw nuts in India. I have the figures with me, but I have no time to dwell further on it. What about jute? You are importing jute from Thailand. I am told that there is blackmarketing going on, in this imported jute in this country. I would like to know from the Minister whether there is any truth in that report.

There is another point, and that is about the Textile Corporation. We are glad that the Government has adopted a policy decision that a Textile Corporation will be set up to take over the sick mills. I would like, however, to warn the Government: there are pressures being worked up in this country to give up that proposition. We from this side would like the Government to stick to their proposal and implement it and see that the proposal is implemented, and see that the workers who are thrown out of the mills are taken care of

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properly. In answer to a question which was a straight question put to the Minister some days back, he was trying to wriggle out of it or not to give a straight reply. As far as the workers' conditions are concerned, we want to have a straight reply about their conditions. We demand that they should be taken over.

Then there is the question of tea and coffee. Personally also, some of us are convinced that the difficulty in the export of tea and coffee does not arise, because our people drink coffee and tea, and our people should have their cup of coffee and tea. We should produce enough and export enough; that should be our policy. This anti-people policy of all kinds of taxes on the poor man's cut of tea and coffee, we are going to oppose. This is not a correct policy. We have a big market for hides and skins and leather goods. But we are worried so much about anti-cow slaughter? How can both these things go together?

There is another vital matter which concerns my State more than any other. The Minister knows it is rubber. I have to place a chargesheet against his Ministry. He may not be personally involved; I am prepared to say that much, because he took over this Ministry only a few months back. But his Ministry is in the dock.

There is an impression amongst many that rubber producers mean big planters. The history of rubber production began with big planters, but during the last 10 years, people having 50 cents, 1 acre or 2 acres have gone into rubber production on a large scale. There are various reasons for it into which I do not go for lack of time. But it is a fact that today 80 per cent of the land under rubber production is owned by these small growers. The Rubber Board's definition of a small grower is a person who cultivates below 50 acres. 40 per cent of the production is from that land. He got a little good price in

1965 and beginning of 1966. Then what happened? Four or five big monopoly companies, tyre manufacturers, both foreign and Indian, but mostly foreign, raised a hue and cry. Something happened behind the scene. In this Government, more things happen behind the scene than before it. This Ministry behind the back of the poor cultivators entered into a deal with Dunlop and others, to supply Indian rubber cultivated by the toiling millions of this country at a fixed price of Rs. 410 per quintal. How did they arrive at his price? The Minister announced in the Rajya Sabha at the end of the last session that it is a reasonable price. But the representatives of cultivators were never consulted. The Kerala State, which has a stake in this, was not consulted. Some officials behind the back of the cultivators entered into this agreement with the Dunlop agents. There is another thing. They have allowed an increase in the price of tyres to the extent of 7½ per cent. What is the component of rubber in a tyre? I was ignorant of it and I enquired. It is only 18 per cent. But on the plea that the rubber prices have gone up, they extracted a price increase of 7½ per cent from the Ministry and also an assurance that rubber cultivated by the Indian cultivator will be given to them at a fixed price of Rs. 410 per quintal.

A Tariff Commission was appointed. Who wanted it? Not the cultivators, but the Dunlop tyre manufacturers. Government appointed a Tariff Commission. They have produced a report, which is supposed to be secret till now. Government are going to take a decision over it. So, this is a very crucial time and that is why I want to do some blunt talking. There is no use having a round-about talk. We are convinced that unless we have a frank talk and place all our cards on the table and argue our case, the Ministry is not going to give a fair deal to the cultivator. We are convinced about that, because we

know some inside stories also about what is happening and what is going to happen. This Tariff Commission which is supposed to be a quasi-judicial body, which is supposed to have gone into the cost of production, which is supposed to have taken all points of view into consideration and which is supposed to have given a judicial verdict, I am ashamed to say, has given almost the same figure as the Ministry and Dunlops entered into. How does it happen? After going into all the paraphernalia of an enquiry the Tariff Commission gives a recommendation almost the same as the one agreed upon behind the back of the cultivator by the Ministry and the Dunlops. Rs. 410 was the price announced by the Minister in Rajya Sabha. I am told the Tariff Commission has recommended Rs. 414—almost the same. I have no time otherwise I would have gone into the details. I do not know how they can give a verdict like that. They did not at all take into consideration the land value. They think that the rubber cultivators do not have any value for their land and therefore no land value need be taken into consideration. Sir, there is a statutory body like the Rubber Board. They have facts and figures. They say that the average production per acre in India is 400 pounds while I am told the Tariff Commission from their costing have come to the conclusion that the production of rubber in Indian estates on an average is 800 pounds per acre. The Rubber Board, which is an authoritative body, which is a statutory body, which deals with the entire problem of rubber, has said that 400 pounds per acre is the Indian production. But the Tariff Commission one fine morning comes to the conclusion that it is 800 pounds. Sir, in Malaysia it is only 800 pounds average production per acre. Poor India has not developed at all. We should develop to that level, I agree. We will develop and we assure the hon. Minister that we will make the country self-sufficient in rubber. But, do not stab us from the back. Do not stab the cultivators from the back. Give a

fair deal to them. I am worried about it and that is why I am speaking like this. Let him not get angry over this. (Interruption). It is a very vital problem. He should know that in the Kerala State legislature the Minister concerned has moved an official resolution last week and they have unanimously adopted that resolution criticising the Central Government's and Tariff Commission's position. Everybody, including the Congress Members, with one voice came out against the Tariff Commission's report and against the attitude of the Central Government. He should understand the feelings of our people because large areas are going to be ruined, large number of families will be ruined. To safeguard the interest of Dunlops, should we be ruined? If they are going to adopt this position, it is in the long run against our national interest because rubber production will go down.

If they adopt this position, rubber cultivation will not improve. By 1971-72 we are in need of 1,85,000 tons of natural rubber and our production will be 75,000 tons. Synthetic rubber, reclaimed rubber etc., put together our gap will be only 15,000 tons in 1971-72 provided our cultivators produce 75,000 tons of natural rubber. Now it is 54,000 tons. By 1971-72 they are prepared to produce even more than 75,000 tons provided the Government again consider the question and takes a just decision. I understand the difficulties of Shri Dinesh Singh. A person from Kalakankar cannot understand the difficulties of rubber cultivation. More especially, a raja from Kalakankar can never understand the problems of the rubber cultivator.

Mr. Deputy-Speaker: The hon. Member must understand my difficulty also. You are making a good case but you have already exceeded your time.

**Shri Vasudevan Nair:** Sir, I am thankful to you for being lenient to me. You have understood the seriousness of the case. Sir, it is a very serious matter. I should like the Minister to go by the figures of the Rubber Board. He himself cannot throw the Rubber Board over board because the Rubber Board is responsible to this Government. It is a statutory body. The figures given by it are there. If he goes by those figures he will have to give a better price than this Rs. 414 recommended by the Tariff Commission.

Now I am concluding by saying one or two things. I understand that the wig manufacturers of Bengal, some 2,000 families, were recently put to a lot of difficulties because the SFC has entered the field. I should like to know what the position is, how he can help them out of their difficulty. Then, is it true that a public tea warehouse in Calcutta is going to be entrusted to a private firm, Messrs. Balmer Laurie and Company, going against the recommendations of the Plantation Enquiry Commission, which have been previously accepted by the Government of India?

Finally, if the Ministry is really to do credit to its job, it has basically to depart from the policies which have been pursued till now. Unless that is done, they will remain in the muddle that they were all these years and the balance-of-payments position will remain adverse to us and our foreign-exchange crisis will never be solved.

**The Deputy Minister in the Ministry of Commerce (Shri Shaif Qureshi):** Sir, I would like to deal briefly with some of the matters raised by hon. Members during this discussion. One criticism was levelled against the Khadi and Village Industries Commission. Only two things have come to our notice, and that too from the speeches of the hon. Members namely, (1) that we have much accumulated stocks of khadi and, secondly that the personnel of the Khadi Board is not

acceptable to some of the hon. Members. The personnel of the Khadi Board has been described by one hon. Member as "manned by widows of Congressmen". Let me, in the first instance, make it very clear that the Khadi and Village Industries Commission..

**Shri Dinkar Desai:** Sir, on a point of order.

**Mr. Deputy-Speaker:** I know what you said; you said "widowed Congressmen".

**Shri Dinkar Desai:** I said political widows of the Congress Party.

**Shri Shaif Qureshi:** If the hon. Member goes through the list of Members of the Khadi and Village Industries Commission he will find that there are only five gentlemen in this Commission, there is no lady in this Commission; there may be a few ladies in the Khadi and Village Industries Board; but that is entirely different.

**Shri Dinkar Desai:** Sir, on a point of order. I have not referred to the Commission. I have referred to the khadi agency, all staff; not board or commission. He has misunderstood me.

**Shri Shaif Qureshi:** The point is this. The problem of khadi has to be looked at from the point of view of the employment of millions of people in villages. The main task before the Khadi and Village Industries Commission is to elucidate the sufferings of millions of our people who are living in villages. We know that the labour in rural areas, who are mostly engaged in agriculture, are doing only part-time work. In order to provide work to them for the entire period of the year and not allow them to starve and let them earn the Khadi and Village Industries Commission has been formed.... (Interruptions). You may disagree with me but you should

have the patience to listen to me. So, it was with this idea that this Board was formed. Hon. Members would have an idea of its functions, if I give the figures. The number of persons who have been given employment in the Khadi and Village Industries Commission on khadi side is more than 20 lakhs.

**An hon. Member:** How many are Congressmen?

**Shri Shafi Qureshi:** They are all Indians.

**Shri Pileo Mody (Godhra):** Congressmen also?

**Shri Shafi Qureshi:** They are Indians and they are labourers. On the village industries side there are more than 25 lakhs people employed. So, hon. Members can very well imagine the magnitude of its work. Then, this Commission is not a profit earning organisation. It is working on a "no-profit no-loss" basis. It is not like any other industry where we can have a balance-sheet and we can know the profits and thus assess the increase it has made in its activities. The real fact is that the Khadi and Village Industries Commission is for the benefit of the common man in the villages to provide him work throughout the year and it is not working on the basis of profit.

Then, secondly, about the difference between the stocks of khadi and the stocks held by the mill sector and the powerloom sector, the stock which a mill has means the stock within the mill premises; it does not include stock which has been sold to retailers and whole-salers or stock lying with its depots outside the mill precincts whereas the khadi stock includes the stock with the Khadi Board, the different bhandars and the co-operative societies. That is why a bigger picture emerges and possibly certain hon. Members feel that there are huge stocks of khadi lying with the Khadi and Village Industries Commission. The fact is that some khadi has accumulated.....

**Shri Ranga:** Too much.

**Shri Shafi Qureshi:** .....but not to this extent—not to the tune of Rs. 38 crores or Rs. 28 crores.

**An hon. Member:** The study group accepted it.

**Shri Shafi Qureshi:** I shall give the figures but first of all let me give the background

Shri Manoharan said that the Khadi Board has accumulated huge stocks. He meant even that stock which is lying in our bhandars, associations, co-operatives and the Khadi and Village Industries Commission. It is not that stock; it is the stock which is in the market and this should not be confused with the stock which is possibly given by any industry—the mill industry or the powerloom industry. The real position is that we have an accumulated stock of sub-standard khadi or yarn which possibly comes to the tune of Rs. 4 crores to Rs. 5 crores. With a big venture like the Khadi and Village Industries Commission, there is every possibility that some substandard khadi or yarn will be produced.

**Shri Ranga:** That is being dumped on us, poor consumers.

**Shri Shafi Qureshi:** No, Sir. Whatever fabric we are producing is A class fabric and whatever sub-standard fabric is there is an indication by itself that we are not trying to give to the common man sub-standard khadi or yarn; otherwise, this sub-standard khadi or yarn would not have accumulated. This by itself is evidence and a testimony to the fact that we want to give standard quality khadi cloth to the people. Whatever sub-standard yarn or khadi is produced that will remain with the Khadi Commission.

**Shri Manoharan:** Can you produce standard khadi? The Committee itself has suggested that it is very difficult to improve the quality.

**Mr. Deputy-Speaker:** Though most of the front-benchers have given up their old politics, they have not given up khadi. Acharya Ranga is there.

**Shri Shafi Qureshi:** So far as the sub-standard khadi or yarn is concerned, we are not sitting idle; we are thinking of mixing this yarn with millmade yarn. I think, the time has come when we have to do a little bit of rethinking and that khadi will have to co-exist with other types of cloth.

**Shri Manoharan:** That means, khadi will have to be adulterated.

**Shri Shafi Qureshi:** No adulteration; it will have to co-exist a little bit with other yarn or cloth so that sub-standard khadi or yarn, whatever we have got, will be disposed of.

**Shri Ranga:** Sir, Shri Morarji Desai is there on that side. He is now the Deputy Prime Minister. He is as much a devotee of khadi as myself. Has the Government decided upon this policy of mixing some mill yarn with khadi yarn in order to make the sub-standard khadi a little more durable than what it is? What is it that his colleague is saying? It is most extra-ordinary. They want to do some kind of rethinking which would adulterate khadi.

**Shri Shafi Qureshi:** There is no rethinking; khadi will remain khadi as it is today; but we are rethinking as to how to dispose of the sub-standard khadi which is not really khadi. Sub-standard khadi is not to be sent to the market. As I have already stated and I may again stress the point that the Khadi and Village Industries Commission has not at all permitted and will never permit that sub-standard khadi should come to the market to besmear the face of khadi. Khadi will always remain as strong, vigorous and pure as Shri Ranga is wearing at this time.

16.34 hrs.

(MR. SPEAKER in the Chair)

Some little stock which has accumulated, beyond that of sub-standard khadi, is because of the fact that the prices of khadi are a little bit higher as compared to powerloom or millmade cloth. Naturally, there is a tendency in the public now to go in for millmade or powerloom made cloth. That has given a little bit of accumulation of khadi stock.

**Shri Talsidas Jadhav (Baramati):** What is the meaning of 'substandard khadi'?

**Shri Shafi Qureshi:** The very word 'sub-standard' is an indication of what it means. The sub-standard means low standard, that is, which nobody will purchase and which we will not sell.

**Shri Manoharan:** Why was it manufactured then?

**Shri Shafi Qureshi:** The hon. Member should know there is a very high-power committee appointed under the able chairmanship of Shri Asoka Mehta which is looking into the whole question of khadi.

**Shri Pilloo Mody:** He makes such provocative statements that we have to interrupt him.

**Shri Shafi Qureshi:** Not provocative. I know he does not like khadi. Actually, he gives me inspiration to produce khadi of much longer width.

The high-power committee will go into various aspects of khadi and will also try to diversify khadi, see how best khadi can be produced in the country and also to see that the production is limited to the level of sales. That is one of the most essential things. If we do not want to accumulate stock, we have to see that production is limited to the level of sales.

The other thing which this committee will go into is whether we can try to increase local consumption of khadi by about 80 per cent. That will depend upon the cooperation of different States and the State Khadi Boards because it is with mutual consent and understanding that development of khadi in the States can be taken in hand and the consumption of khadi can also be increased.

The other steps which are being taken are to introduce quality control and economy in the management expenditure of khadi and introduction of improved *charkhas* and the lifting of 25 per cent of the cloth by the States. All these measures are there to see that whatever stocks have accumulated and whatever further production we are having in khadi is absorbed within the country.

The second thing which was raised by the hon. Members here pertains to Madras Bleeding

**Shri Dinkar Desai:** What about the accounts of the Mysore Khadi Board? They have not submitted accounts for the last ten years.

**Shri Shafi Qureshi:** I submit that the accounts of Khadi Boards are being scrutinised by the auditors every year. I think there is no Khadi Board which has not submitted accounts for the last ten years and have not been scrutinised by the auditors. If the hon. Member can give me a specific instance where the accounts have not been submitted for the last ten years, the Government would really be prepared to look into it and this high-power committee will not hesitate to go into this.

**Shri Manoharan:** May I know whether the attention of the Government has been drawn to the fact that funds allotted to the Khadi Boards are being diverted to some other purposes?

**Shri Shafi Qureshi:** Certainly, all these matters are before the Government and the committee. We have

nothing to conceal. It is not only the question of diversion of funds and the accounts of the State Boards but there are many other things also, the non-submission of utilisation certificates, the large amounts of unspent balances with the State Board, the overdue payment of loans and all that. All these things are under the active consideration of the Government and the Ministry is really taking very great interest in seeing that this malaise which has crept into the organisation is remedied.

The other question that was referred to by my hon. friend, Shri Manoharan, is about Bleeding Madras. This peculiar type of fabric has got a chequered history. It has had its bad days, then it had revived and it has again gone into bad days. It was in 1959 that the Americans started developing a fancy for this particular cloth. The hon. Members should know that Bleeding Madras does not have fast colours. It changes colour with every wash. (Interruptions)

**An hon. Member:** Like Americans?

**Shri Shafi Qureshi:** There was a craze in the United States for this particular variety of fabric for some time because some people used to wear it during the rainy season, the colour would drip on their legs and arms and they would love it. The question is this. If we think that the Americans are not going to change because we are producing a particular type of cloth, we are mistaken. Foreign trade means competition, foreign trade means good quality, foreign trade means competitiveness in price. What happened in 1959? Our exports of this particular variety of cloth went upto Rs. 1,69,00,000. Then there was a recession because fashions change every day.

**Shri Puro Mody:** Because Government took over and not because fashions change.

**Shri Shafi Qureshi:** No, Sir. American fashions change very often. In 1960, the export of this particular variety came down to Rs 47 lakhs

**Shri Pilloo Mody:** Japan is still manufacturing it!

**Shri Shafi Qureshi:** Then HHEC entered the market. It was due to the efforts of HHEC that we were able to recapture the lost market. I must give the credit to HHEC for having done a great job. Really, from about 47 lakhs they picked up the exports to the tune of 6,13,00,000 in 1966. This is a commendable job which they have done.

We must also know that immediately the American market was stocked with Bleeding Madras, the other countries also—they are not sleeping—look to India and to the Indian products. In this international trade, we have to compete. Japan was there as a big competitor and Hong Kong was also a big competitor. Americans themselves started producing imitation cloth.

**Shri Manoharan:** To compete in the international market, what steps has he taken?

**Shri Shafi Qureshi:** What actually happened in 1966-67 was this. Exports of this Madras fabric fell considerably. Immediately, a high power delegation was sent under the chairmanship of Shri Venkataraman, the then Industries Minister of Madras State. They went into the whole episode of Bleeding Madras and they found that there were certain reasons responsible for the decline in the export of Bleeding Madras. One of the reasons they said, was over-stocking. The moment our exporters find a market, they immediately start rushing the things, plane loads of Bleeding Madras were sent to the United States and there was an over-stock. Naturally when there is an over-stock in a foreign market, the quality has also deteriorated, and there are imitations from

other countries and a severe competition, so far as prices were concerned, from Japan and Hong Kong there was set-back. This Committee made certain recommendations. One of the recommendations was that the existing designs have run the gamut of fashion for men's and boys' wear, a breakthrough may be made in the field of girls' and women's fashion by engaging a designer. Previously Bleeding Madras was used by men. In order to diversify it so that women may take a liking to this particular cloth, we have arranged for a designer who will naturally design a new fabric which will suit the taste of ladies.

**Shri Pilloo Mody:** What steps will the Minister take after he has saturated that market also?

**Shri Shafi Qureshi:** We can shift to the other markets also. America is not the only market. This infection of fashion is spreading fast. If today America is crazy after Bleeding Madras, tomorrow West Asia can become crazy.

The second recommendation was that the Indian Parliament may pass a Resolution declaring Bleeding Madras to be an authentic handloom product made in India and in India alone. This has been done. That was passed in Parliament in order to give a patent right to this particular fabric. It is like giving a good name or goodwill. Of course I do not want my hon. friends to draw any sort of conclusions from my comparing it with Scotch Whisky. Whisky is always Scotch, everybody knows it. We wanted to give a good name, Bleeding Madras. For this an Act was passed in Parliament. We have done that.

The third recommendation is that a clipping service may be engaged for collecting advertisements which may constitute an infringement of the trade mark registered in U.S.A. This has been done.



Then another recommendation was that the existing quality control measures may be continued. This is also being done.

So, we have taken various measures to see that we are again rehabilitated in our export market. It is not only the USA that we have got to look to, but we have also to diversify our trade in order to see that our products sell. The only two things which are required are quality and the competitiveness of our commodities. We must also see that it is not only in one market where get bogged down; so, we are now moving on and trying to popularise these things in other European countries, East European countries, West Asian countries, and in fact, within our own country also, because Bleeding Madras is not being used in our own country. So, I can assure my hon. friend that the HHEC is doing a great job. In France, Italy and other places also, this fabric is becoming very prominent and it has therefore, a great future. I am sure that with the cooperation of the State Governments who have shown considerable interest in the development of handlooms, we shall be able to make a big break-through and regain the lost market for Bleeding Madras.

The other important points raised will be replied to by the hon. Minister. But I thought that certain problems which I was dealing with would be raised by hon. Members from Kerala, but it seems that they are interested only in rubber. There are other important items like coir, coffee and cardamom and they should have shown some interest on those items also. If they take up these matters and discuss them.....

**Shri Vasudevan Nair:** In spite of that, he may enlighten us with something.

**Shri Shafi Qureshi:** Certainly, I shall.

So far as rubber is concerned, I have already replied to the hon. Member's point during the course of the

half-an-hour discussion. But the hon. Minister will take up this matter and deal with it later on. But I want to say something which may be of interest to hon. Members, and that is about the coir and cardamom industries.

So far as cardamom is concerned, we are producing about 2300 tonnes a year. We hope to increase it further. The prices which we are getting are internationally very good. I hope that with the development of cardamom production in the Kerala State, cardamom has got a great future and a great market in the world. That was one point which I wanted to refer to.

The other point was about what Shri Manoharan had said...

**Shri E. K. Nayanar (Palghat):** What about the coir industry?

**Shri Vasudevan Nair:** Coir industry has been a sick child for many years.

**Shri Shafi Qureshi:** I shall give him the figures in regard to the coir industry also

I had come prepared with full details about the Kerala handloom industry, but the hon. Members from Kerala have raised only one point about the rubber industry. They have gotten the other important points, for instance, the handloom industry in which thousands of people are engaged.

**Shri Pileo Mody:** Like a student, the hon. Deputy Minister has obviously come pre-prepared and now he finds that the questions are different, and, therefore, he does not have the answers.

**Shri Shafi Qureshi:** I have got the interests of Kerala at my heart.

**Shri Vasudevan Nair:** About coir industry will he enlighten us on one thing? In the report, at one place, it

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has been stated that after devaluation, the coir exports are going up and they are turning the corner. But in another passage elsewhere in the report, it has been stated that last year, after devaluation, the quantum of export and the value of export have gone down as compared with the figures during the previous year. How do these two contradictory things stand together? How could they be reconciled?

**Shri Kanwar Lal Gupta** (Delhi Sadar): Let him go on dealing with Kerala if he wants.

**Shri Shafi Qureshi**: If my hon. friend wants to be enlightened on the coir industry, I can give him the figures and point out what Government are doing for the development of the coir industry in that particular State. The entire concentration of this industry is in Kerala and this industry is about a hundred years old in that State. It absorbs about five to six lakhs of people in it. Government are, naturally concerned about the development of the coir industry. I can assure the hon. Member that the Commerce Ministry is very much concerned about this industry and they are looking to it and they are seeing to it that this industry is developed.

**Shri Pileo Mody**. Let him talk about Kashmir handicrafts instead.

**Shri Shafi Qureshi**: Certainly, I shall. I hope he likes Kashmir apples also.

Shri Manoharan had raised a point about coffee and said that coffee production and coffee exports had dwindled. I must inform the House that this year we are having a bumper crop in coffee, namely about 76,000 tonnes, and this could compare very well with the production in 1961-62 which was about 46,000 tonnes. So, actually, coffee production has doubled. But along with the doubling of coffee production, the internal con-

sumption of coffee is also going up. Whatever little coffee is left, we are exporting. For that, we have got the international coffee agreement, we are also members of that association. We have to give some coffee to the pool for quota countries and some coffee would be left to be given to non-quota countries.

So the fact is that the production of coffee has gone up from 1961 from 46,000 tonnes to 76,000 tonnes in 1966-67. Our target by the end of 1970 is 85,000 tonnes.

**Shri Manoharan**: I was not talking about production, but about export.

**Shri Shafi Qureshi**: The whole panacea for the ills attending our export trade lies in more production. 60 to 70 per cent of our exports are based on agriculture: jute, textiles, coffee, cashew, tea oilcakes all produced off the land.

**Shri E. K. Nayanar**: After devaluation export is reduced.

**Shri Shafi Qureshi**: Production is the main thing. It is a simple proposition. If you have more production, you have more for internal consumption, you have more exportable surplus and if you have more exportable surplus, you have more foreign exchange. So if we grow more coffee, naturally we have more foreign exchange.

I do not think there was any other point which requires reply at this stage. So, if we grow more coffee, naturally we have more foreign exchange.

**Shri Jyotirmoy Basu** (Diamond Harbour): The Commerce Ministry, to my mind, would be the most important Ministry because it can partly or freely remove the poverty we are suffering from or it can bring more poverty also.

What has been done in the 20 years since we got independence? What has been the policy that the Congress Government has been following? They have been following what the Britishers did during the 200 years of their

ade previous to that. What did they do? They wanted to take all the natural resources of the country, mineral wealth and so on; they used cheap Indian labour, produced things, shipped them and minted money.

What do we see? If we study the analysis made by the Midland Bank, one of the Big Five banks of England, they say that the terms of trade are every year becoming unfavourable to India. They do not say so with special reference to India. But according to that leaflet dated August 1966, the 'terms of trade of developing countries are becoming extremely unfavourable to them' which in turn, are making things highly favourable to advanced countries.

This situation is favourable to the wealthy, which is like carrying coal to Newcastle.

According to the said Bank's figures, the index of export unit value, taking 1958 as the base year, went down from 105 to 98; the import unit value, with the same base, has gone up from 98 to 100. The same old story. The said Bank also compiled an index of terms of trade which shows that taking 1953 as the base year, it has gone down from 103 to 97 which shows that the trade with the imperialist powers has become disadvantageous to us by more than 10 per cent during the last decade. In actual terms, it will mean that there has been a loot of Rs. 200 crores during this decade.

Devaluation has added fuel to the fire. This loot of Rs. 200 crores has been increased by another 57 per cent. The hon. Minister will have to gather his accountants and statisticians to calculate as to how much all this will amount to.

This plunder that I have indicated only refers to the front door methods. But Government have encouraged and connived with those persons who want to do these things by offering them opportunities through the back

door. There is the basic disease of under-selling and over-buying. This is what we have been doing. This new disease is under-invoicing while selling and over-invoicing while buying. Despite serious foreign exchange difficulties, the exporters as well as importers have made it a practice to steal our foreign exchange resources. I really doubt if there is an exporter who has not got a No. 2 account in a foreign bank in a foreign country. They are having black money in foreign currencies. It has become a common and established practice, and Government has been a silent spectator of this. What do they do with that money that they have accumulated as black money in foreign countries? They invest that money into the smuggling business. Sometimes they buy gold at Rs. 65 for 10 gms., i.e., the international price, smuggle it into India and sell it at Rs. 150. That is all out of over-invoicing and under-invoicing. The average man in this country only talks of black money inside the country, but as I have said just now, there is an alarming quantum of black money now getting accumulated in foreign countries, and unless we tackle that, it is going to drown us and our foreign trade one day. I demand a thorough probe into the ramifications of the foreign exchange racket, which should also cover the activities of tourist smugglers. There should be a permanent set up to keep a check in this over-invoicing and under-invoicing, and it should be made a major penal offence.

We have, in the name of export promotion, set up 15 export promotion councils, and five commodity boards like the Tea Board etc. The export promotion councils are dominated by traders, bureaucrats and a number of foreigners. They are supposed to be our well wishers. What is the result of this domination? They enjoy all the facilities, they derive a lot of benefit but all at the cost of the common man. The country does not gain on the whole. They gain, they gain a lot from this. What is at at we are seeing? In spite

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of the installation of these numerous, a dozen and a quarter, export promotion councils, the export quantity and value is going down every day. We require to do serious rethinking on this, because our whole export trade is, in my opinion, wedded to Britain and America and other advanced countries. We are almost dictated to by them, why almost, we are virtually dictated to by them, because for everything almost we are dependent on them, namely high-priced machinery we produce and export or intend to produce and export, all intermediary goods, maintenance items and high-rated credit. Over and above this, the bulk of our exports is carried in foreign bottoms, foreign steamers. Under the circumstances, how on earth can a sensible man think that by making exports we can prosper? The people who will prosper are those countries which have already prospered at our cost.

In the international market with which I have been associated for quite same time in Europe, I have noticed that they artificially manipulate through figures, through statistics and various other means. Whenever there is pressure, a price-cut is suggested, and pressed upon. That price-cut is ultimately passed on to the poor grower or the common man, but it does not touch anybody in between in those advanced countries who are our Godfathers.

For example, take the export of steel. They are giving a subsidy of Rs 5 to export it. This is the announcement of the Joint Plant Committee. They say it is for the Indian users—Rs. 5—and they pay it to the export kitty. This is according to the Joint Plant Committee. So, you rob the common man who has no say in the matter of government and we pay to somebody who has enough.

We have another wonderful thing: sugar. The Government have been very anxious to hide, conceal, the

price. We are getting sugar at five annas a kilo from America. I think it work out to about to £13 per ton. I do not know: I have to recalculate this thing. In Britain today, the British buyers are paying 47 per ton. If they go into the ECM, or whatever it is, they will be paying for this sugar at £80 per ton. We are very rich people!—India need not have more money; so we should be satisfied with £13 a ton!

By the way, this ECM is going to be another trouble for us. I have here an extract from the speech made by Mr. Bowden in the House of Commons in which he says that they would be more partial towards those countries who are old Commonwealth partners. He has also gone to the extent of saying that "they originate from our own stock" It is the same old colour bar. If I were the Commerce Minister, I would say, "If you want to negotiate, negotiate direct with these people. Do not go through these British dalals."

What about jute? We have been given subsidies for exports and for imports. But we have been buying the Thai jute which is the same thing as Mesta, which is the third rate thing. In that, the wastage comes to about 20 per cent, while in the case of the Indian jute, the waste is about seven per cent. There is a lot of over-invoicing and undervoicing that we know. So, there is again another bank account or a dozen bank accounts to hold this foreign exchange, black money.

This under-invoicing and over-invoicing, I have seen it myself, and the people are doing it. It is done in a very clever manner. Suppose you are exporting metallic ore to Britain or to any European port; you have a metallic ore, the metallic contents of which would be 80 per cent; the landed cost of that ore is, say, Rs. 400 per ton. What you do is, you invoice it as inferior metallic ore or showing a metallic content of 60 per cent, the landed

cost of which is Rs. 120. So, in paper, you demand Rs. 120; deliver the goods for Rs. 400. Retain that Rs. 280 in Europe or America and bring in Rs. 120. So, in the income-tax accounts, foreign exchange account, labour, wages, bonus and profit shares, you would find only more zeros than anything else.

Another way of under-invoicing is this: You issue goods; some carpet-backing materials which are more expensive than the ordinary sacking material or hessian. I know that with Bird & Co. it is almost their daily practice; they brand the bales as carpet backing material; they are marked as something inferior; they are sent out and sold as carpet backing material. The money is collected and got and is retained there, and the balance is sent out. God knows how much money is going out like that. There have been firms which have cheated this country to the tune of Rs. 70 crores on one account.

Export and import trade is another racket where there is a lot of swindling. We have seen Bombay firms exporting stones in place of stainless steel to get this entitlement. Hindustan Steel have been exporting benzene which they produce, while in this country our chemists require benzene, which we are importing. Thus, we are exporting on one account and importing on another.

The Import Controller's office is a hunting ground for corrupt officials. They have made a monopoly of the whole thing, which is very unhealthy and bad. When Pakistan is taking steps towards nationalisation of the import-export trade, I cannot understand why we should not also give serious thinking to it. I personally feel that that is the only solution.

85 per cent of the coir products are produced in Kerala. Government have been saying that after devaluation, they have been getting more money.

But the money is not reaching the producer. It is going to the middlemen. The workers in the coir industry are going on strike in a very short time. Government should do something about it. The Kerala Government has expressed a desire to take it over, because most of the coir products are made in Kerala.

Coming to tea, we have been losing money on tea. We were getting Rs. 130 to Rs. 140 crores, but now it has come down to almost Rs. 100 crores. Indian tea can earn four times more foreign exchange even if the quantity exported remain the same. Incredible as it might sound, a staggering gap between the low price the Indian grower gets and the consumer abroad pays is due to the hundred-year-old marketing and distribution pattern designed to suit the British colonial trade interests. The documentation given below, compiled by myself closely associated, for years with the tea export business in India and abroad, would serve to underline the need to break the vicious grip of foreign monopoly interests over our tea export business.

Taking a close at this chart, we find that while we are getting about 256 paise per pound of tea, the housewife in foreign countries is paying very much more. For instance, the consumer pays between Rs. 7.30 to Rs. 42 in U.K., Rs. 18.78 in USA, Rs. 18 to Rs. 36 in Italy, Rs. 9.80 in Sweden, Rs. 5.20 to Rs. 13 in Netherlands, Rs. 15.26 to Rs. 46.56 in Switzerland, Rs. 18.46 to Rs. 23.91 in Denmark and Rs. 70 in Austria. I had brought an empty packet for Dr. Roy....

Shri Ebrahim Sulaiman Sait (Kochi-kode): I request that this chart may be placed on the Table.

[Shri Jyotirmou Basu then headed the chart\* at the Table.]

Mr. Speaker: Mr. Basu, you will have to finish in two minutes.

\*The Speaker not having subsequently accorded the necessary permission, the Document was not treated as laid on the Table.

**Shri Jyotirmoy Basu:** We have a Tea Board. The Tea Board is a very impressionable thing, but what they have given to the nation amounts to nothing. They go round all over the world. The new Chairman comes to Delhi every week. He draws a fat travelling allowance. He goes to New York. There are attractive lady assistants drawing fat salaries. But what is the net result? We do not get one-fourth of what the housewife pays in the foreign countries. The Indian labour gets 4 annas for a pound of tea whereas a labourer in a foreign country pays Rs. 20 for a pound of tea. A cup of tea, you will be surprised to know, might cost you anything between Rs 3 and Rs. 6 in foreign countries. In a middle-class cafe it costs anything between Rs. 2 and Rs. 3, and the Government had been sitting over it. The late Dr. Shivarwamy made specific recommendations in the Plantation Inquiry Commission Report and the Government had been only watching, making big buildings for the Tea Board, constructing air-conditioned rooms, guest houses for the big team of officers and all that. We do not want all these things. I suggest that a Tea Marketing Corporation be formed and we take marketing of tea in packets like as they do in the case of horlicks and scotch whisky so that with the tea we will be able to sell packing material, packing labour and shipping freight. That is the only way-out.

17 hrs.

#### BUSINESS OF THE HOUSE

**The Minister of Parliamentary Affairs and Communications (Dr. Ram Subhag Singh):** With your permission, Sir, I would like to announce a change in the programme of our discussion on Demands for Grants. On the conclusion of the discussion and voting on the Demands for Grants relating to the Ministry of Home Affairs the Demands for Grants of the Ministries of Irrigation and Power and Com-

munications may be taken up giving precedence over the Demands for Grants of the Ministry of Food and Agriculture. This change has been necessitated to facilitate the Minister of Food and Agriculture to participate in a conference of Chief Ministers and Ministers of Agriculture and Irrigation in States to be held on the 6th and 7th of July.

**Shri P. C. Sen (Purnea):** Sir, I rise to a point of order. May I know what is the time taken by this side and that side.

**Mr. Speaker:** I do not know. I have not calculated.

**Shri Nath Pal (Rajapur):** This is perhaps the longest point of order ever raised in this House.

17.03 hrs.

#### DISCUSSION RE: STRIKE BY AIR-INDIA PILOTS

**श्री कंवर लाल गुप्त (दिल्ली सदर) अध्यक्ष जी,** यह दुर्भाग्य की बात है कि आज एयर इंडिया के विमान चालकों द्वारा हड़ताल हुई है। [जैसा कि सब को विदित है इस हड़ताल से करीब तीन करोड़ रुपये का फारेन एक्सचेंज का नुकसान होगा। इस के प्रतिरक्त जिस सर्चिस के बारे में हमारे देश का नाम ऊंचा है उस को भी घटका लगेगा। आज अध्यक्ष महोदय, फारेन एक्सचेंज की हमारे देश में कितनी कमी है और कांग्रेस के 20 साल लगातार चलत आर्थिक नीतियों के चलाने के कारण से देश की स्थिति यहां तक पहुंच गई है कि सरकार बुनिया में बालटेन से कर के फारेन एक्सचेंज इट रही है। यह जिस देश की स्थिति हो उस में यह हड़ताल और उम में इतना नुकसान यह देश के लिए बड़ी चिन्ताजनक बात है। अध्यक्ष जी, तय क्या है? मुझे बहुत बड़ी उत्सुकता बर नही घाटी। 1 जुलाई 1965 के तीन साल के