9603 Announcement re: JYAISTHA 17, 1884 (SAKA) Demands for Grants 9604 result of Division

licences are being given for large paper factories. The small people like the agriculturist who may be a member of a co-operative sugar factory cannot take part if the paper factory is very large or if it requires large capital. This factor must also be taken into consideration.

I would then refer to the raw materials position. Sometimes the people say that the position is very easy. It was said that pig iron, for example, was available in plenty but if we take the small industries into account, we find that pig iron is not available to these industries in time. Quotas are allotted, and even if steel quotas are allotted, for about one or two years the quota is not received sometimes. The quality or category which the small industries require is not given to them and some other thing is offered. I think we must give priority to the small-scale industries in the matter of giving licences for raw materials, because, we find that in the matter of big industries, there are people in Delhi who have got offices in Delhi and they can contact the Government officials and get the raw materials which they require. But for the small-scale industries, there is difficulty. and so the Government must decide that priority should be given to them. If there are hundred wagons available, say, at the Bhilai plant, some quota should be given to the small industries and some quota may be restricted for consumption by big industries. If that is done, I think the small industries can thrive and come up.

With these words I resume my seat.

ANNOUNCEMENT RE. RESULT OF DITTISTON

Mr. Deputy-Speaker: I have to inform the House that there was an error in the announcement of the result of the Division held on June 6, 1962, on cut motion No. 324 on Demand No. 48 in respect of the Ministry of Home Affairs. The House has already taken a decision and his error has

absolutely no effect on it. However, I consider that the correct position should be on record.

On a check-up of the photograph and the proceedings, it now transpires that the correct result should be 'Noes' 121 and not 120 as announced on June 6, 1962.

DEMAND FOR GRANTS-contd.

MINISTRY OF COMMERCE AND INDUS-TRY—contd.

Mr. Deputy-Speaker: There are some selected cut motions relating to the Demands under the Ministry of Commerce and Industry which may be moved subject to their being otherwise admissible.

Concessions to foreign private capital

Shri Vasudevan Nair: I beg to
move:

"That the demand under the head Ministry of Commerce and Industry be reduced to Re. 1." (82).

Failure to implement the Industrial Policy Resolution

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced to Re. 1." (83).

Mechanising of coir industry without providing proper avenues for employing the workers who will be thrown out of employment.

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced to Re. 1." (84).

Policy of not allowing State Governments to start industries in State Sector.

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced to Re. 1."

Policy regarding export and import of agricultural commodities

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced by Rs. 100." (6).

State Trading Corporation's policy towards big and small scale industries.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced by Rs. 100," (7).

Need to reduce the export of iron ore and manganese for the protection of steel industry.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced by Rs. 100," (8).

Need for research in small machinery for weaving purposes

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Ministry of Commerce and Industry be reduced by Rs. 100."
(9).

Unsatisfactory situation in handloom Industry due to shortage of raw material.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (23).

Need to set up textile industries in Tungabhadra project areas of Raichur and Bellary districts of Mysore State.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (24)

Crisis in handloom industry

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (25).

Need for reservation of market for handloom industry in certain varietics of production like dhoties and sarees.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (26).

Need to supply adequate quantity of good quality yarn at low price to the handloom industry.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (27).

Need for liberal policy in issuing licences and permits to conduct trade within the four walls of the planning policy.

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100," (28).

Failure to bring the cottage industries under the Khadi and Village Industries Board, in Kerala State.

Shri P. Kunhan: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (64).

Non-utilisation of funds under the Khadi and Village Industries Boards

Shri P. Kunhan: I beg to move:

"That the demand under the Industries be reduced by Rs. 100." (65).

Failure to organise and implement programmes for the development Khadi and Village Industries rural areas.

Shri P. Kunhan: I beg to move:

"That the demand under the Industries be reduced by Rs. 100." (66).

Need for development of handloom industries in South

Shri P. Kunhan: I beg to move:

"That the demand under the Industries be reduced by head Rs. 100." (67).

Need to expedite work on establishment of Phyto-chemical Plant at Neriamangalam

Shri M. K. Kumaran: I beg to move:

"That the demand under the Industries be reduced by head Rs. 100." (68).

Need to arrange import of raw cashewnuts to ensure stability of prices and equitable distribution of the raw material among manufacturing units

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (69).

Need to carry out technical improvements in the handloom industry.

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (70).

Need for making a matching contribution by Government to Contributory Thrift Funds set up by the Weavers' Co-operative Societies

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced Rs. 100." (71).

Need to make available all qualities of yarn at fixed prices

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (72).

Need to organise and develop markets for handloom goods within country and abroad

Shri M. K. Kumaran: I beg to

"That the demand under the head Industries be reduced by Rs. 100." (73).

Need to remove regional imbalance in industrial development of the country.

Shri M. K. Kumaran: I beg to

"That the demand under the head Industries be reduced by Rs. 100." (74).

Need to take immediate steps for the industrialisation of Kerala

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (75).

Need to set up Central Sector industries in the State of Kerala

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (76)

Need to take steps to bring down the cost of production of newsprint in Nepa Mills

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (77).

Overall working of Nepa Mills

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (78).

Need to set up factories to manufacture starch and glucose out of tapioca

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (79).

Need to reduce the weightage given to manufacturers and dealers in the Coir Board

Shri M. K. Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (80).

Need to take effective steps to increase export of coir goods

Shri M. K Kumaran: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (81).

Need for setting up a Coir Trading Corporation

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (108).

Need for consumption of more coir goods by the Government Departments, Corporations, etc.

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (109).

Failure to utilise the allotment for coir industry fully

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs., 100." (110).

Need for starting alternate industries in those areas where coir industry is in crisis

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries b_e reduced by Rs. 100." (111).

Need for promoting export of coir goods

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (112).

Need for reducing the freight rates for export of coir goods

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (113).

Need for extending the Industries (Development and Regulation) Act, to the manufacturing sector of Coir Industry

Shri Vasudevan Nair: I beg to: move:

"That the demand under the head Industries be reduced by Rs. 100." (114).

Need of supplying coir yarn to manufacturing sector at reasonable prices

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (115).

Need for developing co-operative movement in coir industry at a faster rate

Shri Vasudevan Nair: I beg to

"That the demand under the head Industries be reduced by Rs. 100." (116).

Need of improving the work of the Coir Board

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (117).

Need for starting new industries in industrially backward regions

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (118).

Need for restarting work for the Phyto-Chemical plant at Neriyamangalam

Shri Vasudevan Nair: I beg to

"That the demand under the head Industries be reduced by Rs. 100." (119).

Need for starting new industries in industrially backward regions like Kerala

. Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (120).

Need for helping the cashewnut industry to get out of its difficulties

Shri Vasudevan Nair: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100." (121).

Need for decentralisation of the salt industry

Shri Sivamurthi Swamy: I beg to move:

"That the demand under the head Salt be reduced by Rs. 100." (33).

Need to collect the exact prices of various commodities in other countries

Shri Sivamurthi Swamy: I teg to move:

"That the demand under the head Commercial Intelligence and Statistics be reduced by Rs. 100." (34).

Functioning of the Institute of Chartered Accountants of India, New Delhi

Shri P. Kunhan: I beg to move:

"That the demand under the head Other Revenue Expenditure of the Ministry of Commerce and Industry be reduced by Rs. 100." (122).

Failure to ensure that the Central Government Rules are fully implemented by the Institute of Chartered Accountants of India, New Delhi

Shri P. Kunhan: I beg to move:

"That the demand under the head Other Revenue Expenditure of the Ministry of Commerce and Industry be reduced by Rs. 100." (123).

Mr. Deputy-Speaker: These cut motions are now before the House.

Shri Jashvant Mehta: Mr. Deputy-Speaker, Sir, I have been listening to the debate for a pretty long time. In our country which is an underdeveloped one, the Commerce and Industry department is the most We important department. have decided after the attainment of freedom to change the pattern of society. We have also decided that there should be an industrially advanced and progressive society. At present, what are our problems of industrialisation? Our industrial policy has been laid down. We have completed two Five Year Plans and we are passing through the third Plan. At this juncture, we would like to pause and consider where we stand.

18 hrs.

What are the problems before the country? My predecessors have spoken about foreign exchange and other things. How is the Government going to face these problems? There are so many other impediments also in this industrial development. The major impediments to continuous and economic production in a number of industrial units in the country at present are the shortage of power, inade, quate transport and shortage of raw materials and fuel.

The supply position of coal and hard coke is indeed very serious. The production of coal has not been increasing satisfactorily. There are signs of slowing down of production of coal, following large stocks at pitheads. This is a serious matter which requires immediate attention. Nonavailability of coal in adequate quantity presents a serious threat to continuous industrial development in many regions. In Gujarat State, the Gujarat Manufacturers' Organisation have given a notice that due to shortage of coal, they have decided to close the industries. We are passing through critical stage at moment. We have taken a programme, as my predecessor said, in this programme, there is no coordination. If there is no coordination, you cannot go ahead. There is no coordination between the Commerce and Industry Ministry and the Railway Ministry, the Transport Ministry and other Ministries. If there is proper coordination, we can tide over these difficulties and go ahead.

We have seen this in so many things. I will be able to give few examples. But first of all, I would like to say something about the department. Government have decided to industrialise this country and the right policy has been laid down, what are the factors which come in the way of the implementation of the policy? The main problem is the problem of implementation. In this Commerce and Industry Ministry, work has increased; procedure has increased. But if we look at the result, sometimes we find that we are at a sorry state. Some dynamic change should be introduced from above to expedite the papers and to solve the problem of delay.

A word may be mentioned about certain aspects of licensing, under the Industries (Development and gulation) Act. In view of the increasing tempo of industrialisation, the industrial licensing machinery has to handle a larger number of applications. The time-lag between submistion of the applications their final disposal is widening and consequently the implementation the projects gets delayed. Simplification of procedure to make the disposal of applications quicker is necestary. The Ministry should look into the problem and find out ways and means so that delay in passing of papers may be avoided

I would also like to touch upon the problem which my hon. predecessor also posed before the House. I look at it from a different angle. In India there are two India, one is modern India and the other is rural India. What i; our approach to this problem? How are we going to break the wider gap between the rural area and the in-

dustrial area. The problem of urbanisation is also there before us. On the one side we say that pres ure on land is increasing and there is a great queue of people wanting to go to the cities. Again, there is the problem of the cities.

We have to take stock of the situation in time. If you look at the past 14 year, the total effect upon the country side after 14 years of industrial development after swaraj and 10 years of planning has been insufficient both from the point of view of creating employment opportunities and adding to the wealth of the rural people and also from the point of view of raising the standard of living of the people particularly of the economically and socially backward sections of the socity.

In our society, if you look at it, 82 per cent of the people are living in rural areas. How are we going to break these barriers. I shall, first of all, deal with rural industries. The Khadi and Village Industrie; Commission, the Handloom Board, the Handicrafts Board and many other bodies which come under the purview of this Ministry are tackling the problem of rural industrialisation in the piecemeal way. As we have the Ministry for Heavy Industrie; we should have a ministry for small-scale and rural industries. As a matter of fact, the problem of rural industrialisation is more important because 82 per cent of the population live; in village. We are never tired of quoting Gandhiji, that India lives in the villages. has the Government and the planning Commission done justice to these villages?

We have spent Rs. 10,000 crores during the two Plans. But what was the allocation for village industries? It was only about Rs. 400 crores. That means, the urban population consisting hardly of 18 per cent gets the lion's share. See the utter indolence! It has also been admitted by government spokesmen that the rich become

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richer under our two Plans and this is not the way towards a socialist pattern of society. There is no balanced development. I would like to urge that rural industrialitation scheme should be allotted 50 per cent of our Plan allocations from other sections of industry, if not 80 per cent.

I understand that the Planning Commission has also got a committee for this purpose. I would like to appeal to them to treat this problem as an urgent one and think in the direction of a balanced development. Because the pressure on land is increasing, unemployment in rural area is more and under-emploment is also there, the neglected villages should be given top priority.

The Khadi and Village Industries Commission, which is the pioneer body in this field, has been criticised for it; mistakes of commissions and omissions, by the Estimates Committee. The Estimates Committee has pointed out certain anomalies and shortcomings in the performance of this Commission.

I know my elf that the Ambar Charkha programme of the Commission has not been successful. Nearly 60 or 70 per cent of the Ambar Charkhas are lying idle. Secondly, the rates of wages paid to the workers engaged in Khadi and village industries are comparatively low. Nevertheless, this Commisdustries Board that they are not preing the village industries.

I do not agree with my hon. friend that these village industries are not providing employment to people. Of course, I am not subscribing to the view point of those persons who are sitting in the Khadi and Village Industries Board that they are not prepared to accept the modern techniques, power and other things to give a minimum and an economic wage and raise the standard of workers working the village industries.

An hon Member: You mean the powerlooms.

Shri Jashvant Mehta: I subscribe to the view that the Khadi and Village Industries Board people should also adopt modern techniques and equip them with that so that those workers who are employed in those industries get a living-standard wage

While we look at this if we look at the total employment in the industrial sector, what is it that we find? In the industrial sector, I find, after 14 years of industrialisation employment has gone down. If you look at the statistics of the last three years, you will realise that we have been able to give employment only to something like 40 lakhs of people in industry. So, in comparison with this, this also is a mean; to get employment.

But I would like to state something more. This Khadi Commission is also criticised for Government's subsidy by certain sectors. I will like to ask some questions. Is any industry in this country which is not subsidised or which is not supported by the Government? If you look at the sugar industry, you will find t hat if there is no protection given to the sugar industry the industry cannot stand in competition with other countries. In this way, this is an indirect subvention this indirect subvention has to be viewed from the viewpoint that 14 lakhs of people get employment through these Khadi and village industries.

We have to protect these village industries and have to change our conception of rural industries. If we want to go in for industrialisation, this rural industries' problem should also be tackled in a different way. In the Third Five Year Plan the Government is thinking to have 200 industrial estates. My suggestion to the Government is this. On the one side we are making a hue and cry that urbanisation is increasing, on the other, the allotment of industrial

estates is always to the cities. Why is Government not setting up industrial estates in the backward rural areas so that you can remove backwardness, give employment and also industrialise the area? If we look at the allotment of industrial estates in the Second Five Year Plan, we will find that most of the industrial estates have been located in cities, like, Ahmedabad, Madras and Bombay No industrial estate been allotted to the rural areas, we genuinely mean to industrialise and break the backwardness of these backward tracts, industrial estates should be allocated to the backward areas.

Even in this allotment of industrial estates, there is power pulling. Where to allocate them and where to set up these estates also is a problem. a uniform policy should be laid down for the allocation of industries all over the country so that provincialism may not rise. Day in and out we hear that this State has been neglected or that that State has been neglected Everybody is justified in saying that, because in one State you will find that there are two or three, or more public sector industries while in another State you will not find a single public sector industry. people have a legitimate grievance and they ask the Government as to what is the policy of the Government? And, what the criteria are on which these public sector industries have been allotted? That should also be decided. If such criteria or principles are laid down, there will be any grievance from any When I went to Ahmedabad, people were saying that Gujerat has been given any public sector industry in the last 15 years. They asked why is that so. I said that I did not know the policy of the Government. The same is the case in some other States also. Other people are also saying that they have not got public sector industries. There should be some policy laid down by the Government on this point

The most important problem in industrial development is electrification I would like to plead on behalf of Gujerat. We are suffering and our industries are held up due to shortage of electricity. We would like to know what is the programme of the Government in completing the atomic power station at Tarapore which going to supply power to Maharashtra and Gujerat. Why has progress been delayed? What are the reasons? Where does the matter stand? this is clarified in the House. would be able to know when the atomic power station will give power to Maharashtra and Gujerat,

The Government should try to reduce the cost of production in industrial sector. If you want to encourage foreign trade, cost of production must be reduced. In direction also some effective measures should be taken. Price parity should be established between agricultural production and industrial production. This is the most important problem. We would like to know how the Government looks at it and what steps the Government proposes to take in establishing parity between industrial goods and agricultural goods, so that there may not be imbalance.

The last point that I would like to state is about the management of the Company law Administration. There are some cases in the Company law Administration. In the report also some cases have been stated. About a year ago, when there was a debate on amendment of the law, Shri Asoka Mehta also referred to some cases and the Government, at that time, assured that some enquiries were going on. I would like to know the result. When the Company Law Administration blacklisted some companies, the Government are not publishing names of the companies. Why the Government are not publishing names? They should be published so that the people may know who are the law-breakers. The Company Law

Administration has taken action in so many cases and some cases were handed over to the police. We would like to know from the Government which are the companies which have been under enquiry, what are the names of the companies.

Shri Kappen (Mavattupuzha): Sir, "produce or perish" must be our slogan. If we want to salvage our country from penury, poverty, backwardness and mass unemployment, our industries must be able to produce more. It is true that we have achieved a great deal during the last one decade. But when we consider that we have to leap over centuries and that our people are getting impatient, what we have achieved dwlndles into significance.

A survey conducted by the National Council of Applied Economic search estimates that by 1970-71, the number of unemployed persons Kerala alone will be 24 lakhs. This is a tremendous problem. How are we going to solve this problem? 24 lakhs of unemployed people, most of them educated, are really a danger to the safety, peace and ordered life of the country. The Planning mission has laid down that the fundamental objective of any planning is to give the people a better life, to improve their standard of living and to give them a fuller and varied life. The Third Five Year Plan lays down its objectives, and two important objectives are mentioned there. first is to increase the national income by five per cent; the second is to increase the employment potentialities and to absorb the man-power of the State.

If we turn our eyes from the objectives which are noble and laudable, and come down to the achievements, what is it that we see? If we just go through the report of the Ministry of Commerce and Industry for 1961-62, what we find is that our progress is being impeded by dearth of foreign exchange. This is admitted. And what are we doing to

[Shri Kappen]

earn this foreign exchange? It is repeatedly said in the report that it is only by increasing our exports that we can bridge this gap of foreign exchange.

Now, let us examine whether our exports are increasing. First, I turn to the plantation industry for two main reasons, firstly because plantation industry is the one industry which gives the major items of our export, and secondly because I come from a constituency which is the very seat of plantation industry in Kerala. Now, when we examine, what we find is that for the three years commencing from 1958 and ending with 1961, the exports are decreasing. Let us take tea, for example. We find that the export is steadily decreasing for the last three years, from 1958 to 1961. I have got the figures here with me. The export earnings are going down. The quantity of export also is being reduced.

Then, again, if we examine other aspect of the question, we find that the United Kingdom is the biggest consumer of Indian tea. But if we examine the import by the United Kingdom we find that the import of Indian tea is going down while that of Indonesia, the African countries, Japan and other countries is steadily increasing. The Food and Agriculture Organisation United Nations has pointed out in its report that by 1965-66 there will be 100 million lbs excess of production over consumption. That means that the price of tea must necessarily go down. If the price goes down, it has to be examined whether we will be able to compete in the open market. When we find that our exports to UK, Canda and the USA are going down, it can easily be seen that if the price also goes down, we will not be able to compete with other countries in the open market and our tea industry will be facing a great crisis. When we consider that the annual wage bill of the Indian tea industry

is Rs. 43 crores, any harm to the industry will be a tremendous blow to this country.

Therefore, I call upon the Government and the Ministry to take note of the warning, to rise from its lethargy and come to the help of the industry. How to do it? The first thing that we have to do is to reduce the cost of production of Indian tea so that it may be able to compete in the open market. Secondly, we should go to the aid of the industry by giving fertilisers, implements and things. Thirdly, increase the internal consumption of tea so that the Indian tea producer may not be compelled to sell his tea at less than cost price.

Now, I turn to another industry, cardamom. It is practically the monopoly of Kerala, nay India. 80 per cent of the world output of cardamom is produced by India and it is a export commodity. Foreign exchange worth Rs. 2.5 crores is carned by this industry. What is the position of the industry today? Cardamom is produced by the middle class and lower middle class agriculturists. Because of the low prices obtaining and because of pests and diseases afflicting the plant, the poor agriculturist is not able to continue with the industry; it is practically dying out. Are Government prepared to go to the help of the industry? I would request them to give long-term credit to the poor agriculturists. They only ask for a loan for 10 years, to be paid back with interest. If you give them longterm credit, that industry will be saved. But when we ask the Reserve Bank of long-term credit to the cooperative societies, they cannot understand why long-term credit is necessary for agriculture. That is our experience. Except short-term loans, other loans are denied. It is because those people in the Reserve Bank and in the Ministry here do not understand the real problem of the industry there and agriculture there.

Take, for instance, rubber. It takes 8 years to yield. To produce rubber, the agriculturist has to invest money on an 8-year basis. What is the use of giving him short-term loan for ten months? If you want to save the industry, give him long-term loans. That is what is asked for.

It is mentioned in the Report that the policy of Government in starting industries is to energise the industrially backward regions. I really doubt the sincerity of that statement because during the last two Five Year Plans, the amount invested by

the Government, the Central contribution, so far as Kerala is concerned, was only Rs. 0.79 crores.

for Grants

Deputy-Speaker: The Member may continue his speech tomorrow.

Shri Warior (Trichur): He must be given much more time.

18.31 hrs.

The Lok Sabha then adjourned till Eleve of the Clock on Friday, June 8, 1962 Jyaistha 18, 1884 (Saka).