

machinery and give the information. I cannot say. I only say that tomorrow you raise this point and I will request the Hon. Speaker to ask the Government to be ready.

**SHRI NIRMAL KANTI CHATTERJEE:** Tomorrow?

**MR. CHAIRMAN:** I cannot give an unjustified direction to the Government to give the information by Five O'Clock and that you will have the information readily. It is not possible.

**SHRI NIRMAL KANTI CHATTERJEE:** The only request we make is not an unjustified request. What request, which we have made, is unjustified? We are pointing out that we are sitting in Delhi. Just a telephone call to the *Thana* will give him all the information. Let him find out.

Therefore, we submit that it is possible to make a report before we adjourn in the evening.

**MR. CHAIRMAN:** Shri Chatterjee, you have made your point, which I think the Minister has noted, and I am sure that the machinery will be geared and something will be done.

*(Interruptions)*

**MR. CHAIRMAN:** Now, Shri Sartaj Singh.

14.44 hrs.

#### DEMANDS FOR GRANTS (GENERAL) 1991-92—Contd.

Ministry of Industry—Contd.

*(Translation)*

**SHRI SARTAJ SINGH** (Hoshangabad): Mr. Chairman, Sir, in the controversial new Industrial Policy it has been accepted that the policies framed till now were faulty. The new industrial policy negates the first industrial policy framed in 1956. The Government has conceded that the policy framed in 1956 gave priority to the public sector and this was detrimental to the economy of the country. It is

due to these faulty policies that the country is facing a difficult situation today. Huge debt has piled up. Assistance from foreign countries has become so necessary that in order to pay off our debts we have had to pledge our gold. *(Interruptions)*

Today the Government is in a dilemma. While the Industrial Policy of 1956 is being negated the decision of the people who formulated the policy is not being criticised. The country is facing the consequences. It has been said many times that the nation has made much progress. Compared to our neighbouring countries we have made much progress. Just now hon. Shri Vilas was also saying the same thing. The reality is quite different. Statistics presented with the Industrial Policy show the figures of per capita income. According to the figures, India is last among all the eighteen neighbouring countries in this respect. Compared to India's per capita income of \$ 870, Indonesia has a per capita income of \$ 1820, China \$ 2470, Thailand \$ 3280, Brazil \$ 4660 and Greece \$ 6440. All these figures prove that it is wrong to say that our per capita income has increased or our country has made progress in industrial field.

According to official figures, India's rate of industrial growth is 5.5% whereas that of Pakistan is 10.8%, Thailand 11.5%, Taiwan 13.2% and South Korea 16.5%. So we cannot say that India has done better than other countries in the industrial sector. The rate of agricultural growth in India is 2.1%, in Malaysia 4.7%, Thailand 4.5%, Indonesia 3.5% and Phillipines 3.6%.

**SHRI VILAS MUTTEMWAR:** Please suggest some steps that would help the country make progress.

**SHRI SARTAJ SINGH:** In the context of the new Industrial Policy, I would like to say that all industrial policies in our country are influenced by foreign countries. The Industrial

[Sh. Sartaj Singh]

Policy of 1956 was influenced by Russia. I have no hesitation in submitting that it is a fact that our new Industrial Policy has been formulated under the influence of IMF and World Bank. Whenever Industrial Policy is formulated Government never takes into consideration the requirements of the people in the country, the prevailing circumstances and the problems the country is facing. The Government invited foreign industrialists to invest money in India and also terminated the limit required under MRTP, but it did not make any effort to protect cottage industries.

Ours is a country of villages. Cottage industries are the back-bone of our country. However, the Government has not protected any industry which may provide job opportunities to people. Many items which can be produced in cottage industries are being produced by multi-national companies in our country. As it has already been stated that even shoes are being manufactured in big factories, so much so that the items like hair-oil, soap, tooth paste etc. are also being manufactured by the multi-national companies. These things should be prepared in cottage industries. This is the outcome of the wrong industrial policy adopted by the Government. They have not protected those industries which may provide job opportunities to people. If a cottage industry is given protection, it would provide job opportunities to a number of people. Bidi udyog can be taken as an example for it. Bidis are not prepared with machines in big industries. This industry has been providing job opportunities to lakhs of people in the country. In the new industrial policy the Government should specify some industries as cottage industries and give protection to them. Only then the people in the country will get job opportunities. We are backward for which our wrong policies are responsible. Rampant corruption and negligence are having adverse effect on our industries and creating many problems.

When the matter of foreign exchange comes we find that there is shortage of foreign exchange in our country. I would like to give an example of the public sector industrial unit set up in my area. The only unit for producing paper for currency notes is situated at Hoshangabad. Paper meant for currency notes only is produced there. That unit is supposed to produce 10 tonnes of paper per day, whereas 7 tonnes of paper is being produced. The reasons for this under production are very ridiculous. Yesterday Shri Vaghela, in his speech, referred to corrupt methods that are applied to get railway wagons. The factory is having less production than what is required because wagons are not available for the booking of the paper already prepared. Four channels work in the entire production process and one or two channels have to be closed due to the lack of space for keeping the stock material. On the one hand the production in the unit is low while on the other hand the employees have been fighting for bonus. The Government on their own invited global tenders to import paper meant for currency notes. Recently a tender for paper required for preparing five thousand metric tonnes of currency notes has been invited though it can be prepared in the country itself. It is a matter of examination why efforts are not made to run the factory properly. Measures should be taken to increase the production which may meet the requirements of the country. How many currency notes are printed, should also be known, because paper is prepared in accordance with it. It cannot be used for any other purpose. Water mark and denomination number have to be printed during the preparation procedure, even thread has also to be put at the same time. About 7 tonnes of paper is being prepared everyday in the country and about 5000 metric tonnes of paper has to be imported. The details of the scale at which the currency notes are being printed should also be provided. In this manner the common man has to bear the burden of price-rise only due to the prevailing corruption in

the industries and the conspiracy by the industrialists. Just now during the Question Hour we were discussing the prices of cement when the price of cement was Rs. 30/- per bag the excise duty was the same as is today when the price of cement is Rs. 110/- per bag. Why the situation has deteriorated to the extent that the price of cement has increased from Rs. 30/- to Rs. 110 per bag in spite of the fact that neither tax has been imposed nor excise duty has been increased on it. The only reason behind it is that the companies manufacturing this product in the country have been conspiring to charge the prices arbitrarily. My submission is that the Government should give incentives to them so that they increase the production. However, increase in production does not mean that they are free to charge the money they want. One of the other causes given for increase in cement prices is the freight rates. This increase in freight rates may cause a nominal increase in the prices but not such a big increase from Rs. 30/- to Rs. 110. The Government should take measures to check this conspiracy being hatched in the country to cheat the people.

Same situation prevails in the tyre industry. The owners are increasing the prices arbitrarily, the industrialists are conspiring to charge the prices arbitrarily and no action is being taken by Government. If the economy of the country has to be improved we will have to check corruption. Multi-national companies are permitted to manufacture petty items like hair oil, soap, tooth-paste etc. They should not be allowed to do so. The Government invites them to prepare common drinks and permit them to prepare Pepsi Cola. If at all we have to invite them, we should do so for specific purpose. They should not be allowed to enter into cottage industries. If the Government provides complete protection to the cottage industries by transferring a certain share of the production from big industrialists to them, it should not only increase the production but also remove unemployment. Now Industrial Policy does not have these

provisions and thus it would not solve any problem. Rather it poses various threats, it would prove beneficial to big industries and multi-national companies. Small industrialists may have to face problems in running their industries and they may close their units. No provision has been made in the new Industrial Policy to protect the cottage industries. Therefore I oppose it.

**SHRI ANKUSHRAO RAOSAHEB TOPE** (Jalna): Mr. Chairman, Sir, I rise to support the Demands of Grants of the Ministry of Industry and I am very grateful to you that you gave me an opportunity to speak. The hon. Member sitting in front of me has severely criticized the industrial policy. But my submission to him is that the country which could not manufacture even a small needle before independence has developed to the extent that it is capable of manufacturing even the defence items like tanks, ships, aeroplanes etc. We have no need to import defence material any more. Until 1970 foodgrains was imported and it is only the result of our Industrial Policy that we have become self-sufficient in that respect. Rather we have started exporting it. We have also become self-reliant in textiles and medicines. Earlier the machinery required for setting up heavy industry like Steel Plant, Sugar Plant, Petro-Chemicals Plant, Fertilizer Plant, Oil Refineries, Thermal Power Plant etc. was imported and now the same is being manufactured in the country itself.

15.00 hrs.

We should be proud of the fact that we are not required to import anything from abroad. We can manufacture all these items indigenously and it is the outcome of our excellent industrial policy.

Mr. Chairman, Sir, we should be proud of the fact that India is the leading producer of scooters, chemicals, electronic goods etc. In this

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context, I fully welcome the industrial policy formulated by our Government and our party. It is also a fact that the outstanding outcome of this policy will be felt soon after its formulation. More and more industries will be set up and the red tapism and bureaucratic hurdles will be removed. More and more unemployed people will get employment as a result of it. The stock of foreign exchange will definitely be augmented.

Mr. Chairman, Sir, with regard to the new industrial policy I want to draw the attention of the Government towards certain aspects of it. With the liberalisation of the policy, there will be radical changes in the infrastructure and additional facilities will be provided and the industrialists will set up their industries in the complex. I am a member from Maharashtra. Marathawada is a very backward area of Maharashtra. It has been unanimously accepted that Maharashtra is a prosperous state as far as industrialisation is concerned but this is not true with regard to all the areas of Maharashtra. For example, we take Bombay and Pune belt. Owing to the excellent availability of all the infrastructures at these places all the industries are concentrated there; thus creating pollution problem. But as far as Marathawada and Vidharba are concerned, they are backward areas and also on account of the non-availability of infrastructure I apprehend whether the new industrialists will set up their industries in that area or not? I apprehend also whether the regional imbalance prevailing in this area will be dispelled or not?

Mr. Chairman, Sir, I would urge the hon. Minister that Marathawada area is a very backward area. Nobody knows National Highway. Even a single kilometre broad gauge line is not there in this place and there exists wide communication gap. I have my own fear if the industrialists will set up their industries in backward areas despite liberalisation of the policy. As such, through you I would like to

bring this fact to the notice of the Government that more and more infrastructure should be made available in these backward areas otherwise more and more industries will be set up in those places where these already exist in large number and that will create serious problems. As such infrastructure is required to remove the regional imbalance and more and more attention should be paid to this aspect. Just now our colleague Shri Vilas Muttemwar rightly asserted that emphasis on infrastructure should be laid in those areas, where no broad gauge or national highway exists. The industrialists do not take interest in setting up industries in these places unless they find good infrastructure there. As such you should pay your attention to this aspect.

Sir, I am an employee of cooperative sugar industry. I would like to draw your attention towards the fact that twenty seven new industries have now received, licences. They are all cooperative sugar mills. Here the small farmers have contributed Rupees One thousand each and thus collected one and a half crore rupees. They have got licences for sugar industries, and for obtaining machines for these industries the supply order has already been given, and some good progress in their work has been noticed but a letter was issued by the term lending institution—I.F.C.I. and I.D.B.I. directing them to stop their operation, because their units were not considered feasible and viable. This thing should be taken into consideration while giving the licences. It is correct that these are not viable and feasible and incentives are very less but it should be considered at the time of licensing. We have talked to the Minister of Food in this regard. But delaying it further would result into constant escalation of project cost and if the project cost increases, the whole units are likely to be born sick. Therefore, financial institutions should look into this aspect.

Sir, the policy adopted in respect of the new industries comprises of eighteen



items and sugar is one of them. I have just now told you that I am an employee of a cooperative sugar mill. In Maharashtra all the sugar mills are in cooperative sector. A favourable policy started by the Congress Government is still continuing in Maharashtra since then. Previously applications were invited by the state Government and after considering those applications, these were sent to the State Food Department with due recommendation. Thereafter the screening committee of the Department of Food looked into all these applications and then gave its recommendation; and only then the licences were issued by the Department of Industry. But V. P. Singh Government changed the entire thing. They started inviting applications directly through Department of Industry. They did not consider the availability of sugarcane to start a mill and distance of the new unit from the existing mill. Ignoring all these important factors, applications were invited directly by the Department. If you look at the licences issued during their regime, you would find that all the licences were issued to the top industrialists, millionaires, the people who do not belong to any cooperative or public sector. If the policy is not changed, I apprehend that in future also, all the big industrialists will grab these licences and cooperatives and public sector would be denied these licenses. As such I am of the opinion that whenever you make any amendment to the policy relating to sugar industry, you should follow the old procedure that was being followed during the Congress regime. The Government should invite the applications, Food Department should pass them on to the Screening Committee and thereafter on the basis of its recommendations Department of Industry should issue licences. This is the proper procedure. Meanwhile, another clause was imposed on us. Previously the plant capacity of a cooperative sugar mill used to be one thousand two hundred fifty tonnes, but due to the pressure of industrialists, the plant capacity for sugar mill has been increased to two

thousand five hundred tonnes. As such the cost of the factory has gone upto Rs. 35 crores. As such our submission is that in the proposed policy, this limit in respect of new factories should be reduced to 1250 tonnes only and if it is not possible then it should be at the most 1500 tonnes. They will keep on expanding as their supply of sugarcane increases. As such, in the new industrial policy the concept of 2500 tonnes should be replaced by 1500 tonnes. This is what I want to bring to your notice.

Mr. Chairman, Sir, since these days by-products are taking the place of the main products, and main products are becoming by-products in hazardous chemicals. Moreover a lot of importance is being given to distilleries. There is a substance called molasses and the distillate too, which is prepared from molasses, has been included in the list of 18 hazardous chemicals. My request to hon. Minister is to delicense at least this by-product. It is all right as far as sugar is concerned because sugar covered in 18 items, but the by-products of sugar i.e. molasses industry should be delicensed as has been done in case baggase based industry. If you delicense molasses industry, more and more cooperative distilleries will come up.

Sir, I would also like to state that agro based industry should be given top priority. Similarly, while framing the policy for sugar you should give top priority to cooperatives and public sector and not to private sector. As such I want to bring this thing also to your notice.

Mr. Chairman, Sir, in the end I would like to know from you as to when you are going to declare agriculture as an industry. We pay attention to and come to the rescue of sick industries, but when faced with the similar situation, the agriculture sector or our farmers do not get adequate facilities. For instance, when an industry turns sick,

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it gets assistance through BIRF, but if agriculture fails, no such facilities is provided.

A number of hon. Members have expressed their views on fertilizer price policy. I had myself said that there should not be dual price for fertilizer as it was not going to benefit the small farmers. Yet the Government went ahead with its decisions of dual price and the result is that the small farmer has to suffer.

Having said this, I would say that the industrial policy should be such which could benefit the maximum number of farmers. With this, I support the Demands relating to the Ministry of Industry that have been presented in the House.

**SHRI MOHAN SINGH (Deoria):** Mr. Chairman, Sir, the objective of the industrial policy of our country is to eradicate unemployment and poverty, increase production and development of India as a modern and socialist state, etc., but unfortunately the new industrial policy that is being adopted in the country is a total departure from our earlier policies. We can raise production in the name of modernity, but modernity or automation has no answer to the problems of growing unemployment, poverty and hunger. Our industrial policy has undergone fundamental changes during the last one decade and on the basis of these basic changes. We see that the rate of growth of employment in the industrial sector which stood at 3 per cent in the 80's slumped to 1.5 per cent when we started importing modern and automatic machines. It means that automation in the industrial sector has resulted in progressive decrease in growth rate of employment. Consequently the number of unemployed youth registered with employment exchanges in the country has swelled to 4 crore, of which 11 lakh are skilled workers, i.e. doctors, engineers, junior engineers, etc. The number of such educated unemployed youth in the coun-

try is somewhere in the region of 11 to 13 lakhs. Apart from that a large number of unemployed persons in the rural areas do not get themselves registered with employment exchanges as they do not have an access to them. If they are also added, the number of unemployed will further go up. The crux of the matter is that the policy of the Government is resulting in continuous growth of unemployment.

The tempo of production may look to be picking up, but we are certainly drifting from the time tested policy of providing a type of industrial infrastructure which is employment oriented and suited to higher productivity at low capital investment. Today we are trying to initiate the European model which has been adopted by only 7 countries whose total population is just 17 per cent of the world's population. Yet these industrially developed seven countries are producing a staggering 75 per cent of the world's total industrial production. Their objective is to achieve higher productivity with higher capital investment but with a lower labour inputs which suits them since their population is very small. On the contrary, our objective should be to raise productivity with lower capital investment by providing employment to more and more people. Our blind imitation of the western model, we are spoiling the very industrial infrastructure of our country. The result would be that foreign capital would dominate our industrial sector. Our attention is centred around the people of so-called consumer culture who number only 9-10 crore and constitute just 3 per cent of our total population. They own cars, bungalows, refrigerators and are enjoying the luxuries of air-conditioners and all other gadgets available in the domestic and foreign market. This is the reason that the multi-nationals who are invited here have shown tendency only to increasing production of consumer goods in the country. Consequently, unemployment is increasing and expansion of industrial network has

slowed down. I have read a book on multinationals by one Dr. Swamy. By giving an illustration he says that when he conducted a survey of Colgate Company in 1982, he found that their product 'Promise Toothpaste' is manufactured in small cottages in villages and it costs just eight annas, but the company puts its label on it and sells it at Rs. 10.50 in the market.

Mr. Chairman, Sir, advertisement culture is on the increase in our country. The multi-national companies flood the markets with their consumer products through advertisements on the Doordarshan and thus they are destroying the small and cottage industries in the country. Therefore, we shall have to clearly demarcate the domain of multi-national companies vis-a-vis small and cottage industries in our industrial policy. Let us take the example of Lux and Lifebuoy brands of bath soaps. The advertisement slots propagate that Lifebuoy soap is helpful in improving health in the country. Taken in by such advertisements, the village youth uses Lifebuoy soap, but finds no improvement in his health. This advertisement culture of Doordarshan is gradually eating into the small and cottage industries of this country. This has got to be checked. If at all we invite the multinational Companies to set up industries in this country they should be totally banned to enter the areas meant for cottage and rural industries.

Mr. Chairman, Sir, Bata Company which manufactures shoes entered our country with a very small capital investment. But now this company has captured the market in such a way that many of the 30 lakh tanners in this country have been rendered jobless. They have no means of livelihood. The Bata Company gets its shoes manufactured through them at a rate of, say, Rs. 100 per pair, but aided by advertisement, sells the same for Rs. 300 to Rs. 400. Thus the capital of our country is flowing into the multi-national companies. Therefore, such areas will

have to be well defined and demarcated so that the items meant to be produced in the cottage and small industries are not thrown open to multi-national and big companies. Restrictions should also be imposed on the advertisements which make exaggerated claim of the quality etc. of the products. I would rather suggest that such advertisements should be totally banned on Doordarshan.

The Government of India owns a Leather Corporation based at Kanpur. Among other things, the Corporation has its tannery which softens the leather for shoe manufacturing and other uses, but this public sector company has been incurring losses all these years. We all must ponder over the reasons for these losses. We should also give thought to the causes of sickness in public sector units. I feel that we all politicians, and corrupt officers are responsible for it. Therefore, Government should give all these things a fresh thinking.

Mr. Chairman, Sir, during the last 10 years, about 6 lakh textile workers have been rendered jobless in 450-500 textile mills in the country in the name of modernisation. My suggestion is that since fine cloth can be woven on the loom in the cottage industry, textile mills should be given only the work of spinning and the weaving part be left to the handloom industry. I do not think, the Government should have any objection to it. If this is done, we should be able to provide work to the weavers in each and every village. It will not only increase employment but will also pave way for industrial progress and employment opportunities on large scale can be created.

Sir, the influence of multi-national companies and foreign capital is resulting in deterioration in the economic condition of the poor in our country. Some people say that investment of foreign capital is being

[Sh. Mohan Singh]  
 encouraged in almost all countries around the world. But we shall have to see as to what has been the results of such a step. The example of USSR has been well illustrated before us. To think that we should invite foreign capital because countries like USSR and China are also doing the same is not correct. But keeping in view the sequence of events taking place there we feel that a powerful country like Russia will be converted into a political arena of Western Europe and America. What kind of Government should be there, would not be decided in USSR, but it will be decided in Washington and America. If we want to create similar conditions in our country, there is no objection, but we can only give our suggestions to to Government. Our country is being continuously burdened by foreign debt. During the last decade our country has come under the burden of foreign debt to the tune of one lakh and twenty thousand crore rupees. Our country is under the burden of internal loan of nearly two lakh and eighty thousand crore rupees. The economic condition of our country resulting from the burden of foreign debt is such that had it been a Private Limited Company, it would have warranted bankruptcy proceedings. Therefore, the foreign capital and foreign investment should be restricted. I am not totally against inviting it, but if it is necessary, its areas should be restricted so that the old industrial policy formulated in 1948 and 1956 which aimed at achieving indigenisation and self reliance could be properly followed and protected in our country.

Secondly, the jurisdiction of M.R.-T.P. Act should be widened in our country. This Act has favoured some private business houses. The experience of the last 40-45 years shows that the way industrial capital was cornered by some industrial houses through monopoly, in the same manner as some cities are advancing industrially and the remaining areas are becoming poorer and weaker. Its jurisdiction should be widened, and

it should be provided that no fresh capital issues would be allowed to monopoly houses and no new licences for establishing industries would be given in those areas where capital to the tune of Rs. 500 crores has already been invested in Public Sector or Private Sector. This way we can improve the condition of backward areas of our country. There are areas which are industrially backward and people are fleeing to big cities and industrialised areas in search of employment, thereby multiplying the problems of the cities. By setting up industries in backward areas, we can help the weaker and poor people of this country and develop the backward areas.

I would like to suggest to the Government that a committee of this House should be formed to review the industrial policy ab-initio. The new industrial policy formulated by this Government is an effort on the part of the Government to put an end to the generation of employment, promotion of industry and indigenisation in this country. While opposing it and bitterly criticizing it, I would urge upon the Government to make a change in it and to reconsider it ab-initio. Government should enact new laws and formulate new rules for the establishment and protection of the agro-based industries.

With these words I conclude my speech and express my thanks to you for giving me an opportunity to speak on industrial policy and the budget of the Department of Industry.

[English]

SHRI E. AHMED (Manjeri): Mr. Chairman, Sir, I rise to support the Demands for Grants for the Ministry of Industry as well as the Policy Statement of the Government.

Much has been said about the new industrial policy statement of the Government and there were arguments for and against the new industrial policy.

But I would just like to mention that immense economic changes are taking place throughout the world. In such circumstances we cannot lag behind and close our eyes the changes that are taking place around the world in the industrial sector. I view that the Industrial Policy of the present Government gives impetus to the new industries and it will also accelerate the process of industrialisation in our country. For the last 30 years, we could not raise the standard of life of our people. It is not because we do not have any policy or programme. It is not because that our leaders, the rulers have no desire to do so. But there was something wrong with our policy, with our approach and with our perspective plan which we have formulated in 1956 and after that also. I must say that the controls—even one may call it as a cancerous growth of controls—which the Government has introduced in every sphere of our economic activity have resulted in this present position as far as the industrial sector is concerned. Therefore, this change is a welcome feature. It is a matter of welcome and satisfaction that the Government have come forward with a realistic approach in regard to the industrial sector of this country. So, the new policy is welcome.

Sir, I have heard some of my friends who were attacking it and also quoting the 1956 Industrial Policy Resolution. The 1948 Policy statement was modified in the Industrial Policy Resolution of 1956. Again, we can find that it has further been modified in 1973, 1977 and 1980. But these people who have been opposing the present Policy statement were the persons who were opposing the modified Policy statement all these years. I could not see at any time some of my friends who have been opposing the present Policy statement have supported the Policy statement of 1973, 1977 or 1980. The modification is quite essential. It is not departing from the fundamental policy of what the Government decided

in 1948, 1956, 1973, 1977 and 1980. We are living in changing times. We have to run up with the changing times. The situation in India in 1948 was not the same. The situation in India in 1991 is quite different. The industrial situation of 1973 as different. There is sea change between the two situations. Therefore, changes are essential. It is in this regard that we have to view the changes and welcome it.

Some of my friends have expressed apprehension with regard to the role of the Public Sector Undertakings and the change in the stand of foreign technology. What I could see in the new Industrial Policy statement that things are quite different. I would just highlight what the new Policy says. It says that no licensing is required except in the case of 18 industries. It also says that there will be no asset limit in the case of MR-TP companies nor prior approval required for such MRTP companies. Moreover, approval will be given for foreign investment up to 51 per cent and in the case of 34 high-priority industries, automatic permission will be given for foreign technology agreements and like that. Here, I just want to mention one thing. In spite of the fact that we have given all encouragement to our indigenous industries to develop technology may I ask this question: Could we just go beyond the present state of the screw-driver technology in our industry?

15.30 hrs.

[Shri P. M. Sayeed *in the Chair.*]

Who are responsible for it? I do not find fault with our scientists alone. But at the same time, we do not have the necessary infrastructure facilities to develop our scientific ability whereas our nation has the largest number of technocrats and the scientists. Therefore, the present policy of the new Government is based on a realistic approach to the problem and the present situation prevailing in the country. Even after forty years, we have not got more



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industries but we have more regulations. And there was only one change, I should say, which was during the regime of late lamented Shri Rajiv Gandhi. It was he who first relaxed the licence and the permit raj of this country. But unfortunately, we have only delays, demoralisation, cost escalation and the loss of moral fibre and at every point of control. When we consider about control, we find that every point of control has become a point of corruption. And we have been going along with this system for the last thirty to forty years. The present policy is a change.

Another opposition was about the role of the public sector undertakings. But I think, if one goes through the Policy Statement of the Government and especially para 15 and 16, one need not have any apprehension about it. In paragraph 15, the Government has made it abundantly clear and I quote:

"The Government will ensure that the public sector plays its rightful role in evolving the socio-economic scenario of the country. Government will ensure that the public sector is run on business lines as envisaged in the Industrial Policy Resolution of 1956 and would continue to innovate and lead in strategic areas of national importance. In the 50s and 60s, the principal instrument for controlling the commanding heights of the economy was invested in the capital of the key industries. Today the State has other instruments of intervention particularly fiscal and monetary instruments. The State also commands the bulk of the nation's savings."

Therefore, there shall definitely have the rightful place for the public sector industries in the new policy also. I would request the hon. Members who opposed this Policy Statement to take the entire policy as one unit and not to separate one paragraph from another paragraph. Paragraph 16 of the Policy Statement also elucidates

the Government's policy with respect to the protection to the labour. I quote:

"The Government will fully protect the interest of labour, enhance their welfare and equip them in all respects to deal with the inevitability of technological change. The Government believes that no small section of society can corner the gains of growth, and leave the workers to bear its pain. Labourers will be made equal partner in progress and prosperity. Workers' participation in the management will be promoted. Workers' cooperatives will be encouraged to participate in packages designed to turn round the sick companies, intensive training skill development and ungradation programme will be launched."

Therefore, there shall be no apprehension with respect to the role and the welfare of the labour under the new Policy Statement. Therefore, we are to compliment the Minister and the Government for bringing out the new Policy Statement in the industrial sector. We must continue to strive for more growth whatever the difficulties we have in our way. That is the only way by which the country could achieve its industrialisation.

While discussing the industrial development policy, I may mention about the investment projects of NRIs. One of the hon. Members from Andhra Pradesh—I am sorry to hear about that—was just describing the role of NRIs in a very uncharitable way.

I do not want to mention about it. Describing the NRIs, he has used the word.....\*. But unfortunately, my friend, has to know that the NRIs are responsible for paying the largest amount of foreign exchange, to this country. He was asking why our doctors are going away? Why our engineers are going away? He does not know perhaps, that our doctors

\*Not recorded.

were here and our engineers were here. without any employment. (*Interruptions*)

**SHRI K. P. REDDAIAH YADAV:** Sir, just a minute. I want to say something.

**SHRI E. AHAMED:** No, Sir. I am on my legs and I may be protected.

**MR. CHAIRMAN:** Shri Reddaiyah, please be seated. The convention of the House is that if anybody is speaking and if he yields then only the other person can speak. (*Interruptions*)

**MR. CHAIRMAN:** Shri Reddaiyah, that is not the way to conduct yourself. Shri Ahamed, you may continue.

**SHRI E. AHAMED:** Mr. Chairman, Sir, why these NRIs are compelled to go to foreign countries and work there? Had they been provided with jobs and other facilities here, do you think that anybody will leave this country. How many engineers are there in Kerala, who have been seeking for employment? Government had failed to provide employment to them. You only gave them degree and you want them to just go around and seek a job. And they do not have any job. Only by their going away, we were also able to accommodate other people in those jobs. Only this morning, the hon. Minister has placed on the Table of the House, the list of the unemployed persons—both skilled and unskilled—as on December 1979. In my own State, there are, as per the records of 1979, 29 lacs seeking jobs. Now, it must have crossed the figure of 35-40 lacs. In the West Bengal, in 1979, there were job seekers of 45 lacs and more. Now, it must have crossed 55-60 lacs. Why the State Governments, then, are not in a position to provide jobs to these persons? And these poor people, they have gone out of this country seeking their livelihood and

we call them as.....\* NRI's. Sir, who are the.....\*people? I am sorry to say this. I cannot say the word.....\* to an hon. Member of this House Therefore, I refrain from saying so.

Sir, these NRIs are trying to come and invest all their money, here, in their mother land. They have not been encouraged: they have not been given incentives. Therefore, I take this opportunity, to request the hon. Minister that not only he should enunciate or envisage policies and call the NRIs and say you can come here and work, but, also should give them necessary information. You must also educate them and also where they have to come and invest their money.

Therefore, it is essential for the Industrial Development Ministry, to have a separate cell to educate and attract the NRIs. Have you got any project profile to present before them? Have you got any information to present before them? Government just say in policy statement that all NRIs should come here and we will give all these things. But, we are not in a position to present anything before them. In this respect, I would even request the hon. Minister to emulate the steps taken by Gujarat Government. Gujarat government have made certain arrangements to attract the investors. I would say that Government need not go after the investors. The investors are very intelligent people. They know where to invest, when to invest and how to invest. The Government should also make certain arrangements to attract them, to educate them, to guide and assist them. Simply your saying that they will be given assistance us will not hold water. All the Indian Missions abroad should also be equipped with facts and figures to provide information as and when necessary. Then only the Government will be able to succeed in attracting NRIs. I hope the Government will take necessary further steps in this matter.

\*Not recorded.

[Sh. E. Ahamed]

Another matter I would like to mention is about the reconstruction of the sick industries that we have in this country. We have one corporation known as BIRF. We should say that it is a blind corporation. When I had the privilege to be the Minister in charge of industries in Kerala, many of the industrialists used to say that it is a blind corporation. It is a corporation of something like a steamroller, making a lot of sound and moving at a snail's pace. What is the use of this corporation? Could the Minister be pleased to review what are their activities? It is now in the Finance Ministry. Unfortunately Finance Ministry does not know what are the steps to be taken to make it useful. Finance Ministry is separate from the Industry Ministry. Therefore, BIRF should be under the Industry Ministry. It shall not be under the Finance Ministry. If BIRF is put under the Industry Ministry, the Industry Ministry will be able to do something to accelerate the process of revival of the sick industrial units. I hope the Government will consider this matter in the proper perspective.

About the investment subsidy that the Central Government is committed to give to the State Governments, I am given to understand that the Union Government is taking a very narrow approach to the problem and also delaying the disbursement of the industrial subsidy that the State Governments have already given to the entrepreneurs, when there was the provision for industrial subsidy. Now the Union Government are taking shelter under some technical excuses. It is quite unfair on the part of the Central Government. Whatever the amount the State Governments have already given to the industries, the Central Government should reimburse it and it shall not be delayed. Especially in a small State like Kerala where we find it extremely difficult even to meet our daily requirements, if crores of rupees of reimbursement is delayed by the Central Government, how can we run the State Govern-

ment? I hope the Central Government and the Minister will take further steps to release the money to the State Government.

About the central investment, I am sorry to find that a State like Kerala has not been given adequate investment by the Central Government in the industrial sector. I have one paper here furnished by the Central Government to the State Government. It mentions:

"The total Central sector investment and the shares received by some of the major States vis-a-vis Kerala as on 31-3-1990 are given below:"

I have absolutely no objection if any State is given more aid. But at the very same time my only complaint is that Kerala has been ignored. I don't want to use the word 'neglect' because the Government will not neglect our State.

In this connection I refer to above mentioned document of 1990 that Maharashtra was given Rs. 19,933 crores; that is 17.59%. Madhya Pradesh was given Rs. 12,580 crores; 11.09%. Andhra Pradesh, Rs. 11,412 crores; 10.6%. Bihar, Rs. 9,638 crores; 8.50%. Uttar Pradesh, Rs. 8,794 crores; 7.76%. The figures for West Bengal, Orissa, Tamilnadu, Gujarat are also there. Kerala's share is only Rs. 1,701 crores which is 1.5 per cent. It is only 1.5 per cent. Sir, last time it was much more than that. Every year that passes by, Kerala's share is being reduced and I do not know why it is so. We have only a few industries there and the investment of all these industries was very low. Is it because of the fact that we are sitting here in Delhi and Kerala is far away that our bureaucrats and Ministers cannot see Kerala as such? If it is so, I venture to say, "please change the mind as well as the decision". Kerala is also part and parcel of this country. Kerala can also play its own constructive role. (Interruptions) Whether the Minister of Industry is

Prof. Kurien or not, I am not concerned. But, I am here speaking for the State of Kerala.

MR. CHAIRMAN: Please conclude.

SHRI E. AHAMED: This is a very important thing, Sir. Some years back, we have been offered the Railway Coach Wagon Factory. Later on, we have been told that it has been shifted to some other place. I do not want to say that if went to Kapurthala or to some other place. But what about Kerala? What are the new industries that are going to set up? There are wide scope for setting up Down-stream industries making use of raw materials like Benzine, such other by product from the Cochin Refinery or the Caprolactum Factory. Unfortunately, it has not been utilised. How much raw material—which could be one of the by-products for many of the industries—is going waste? It is a great loss to the country, as such. Why not the Government take some steps in this matter? Kerala is a model for other States for the development of bigger industries, larger industries. There may be some labour disputes here and there. But, I would like to present before this House that Kerala is one State where the Government of India can invest large amount for the development of the petroleum-based industries and other chemical-based industries.

SHRI PIUS TIRKEY (Alipurduars): It is a very small State.

SHRI E. AHAMED: It is a very small State; but it is very potential State, much more potential than the State to which my hon. friend belong to.

While supporting the Demands for Grants of the Ministry of Industry and also taking this opportunity to compliment the Government, I would say that we must still strive hard to have the industrialisation, taking the labour, taking the technocrats, taking the entrepreneur with us and to make this country a successful one for the well-being of every citizen of this country.

With these words, I conclude. *(Interruptions)*

SHRI K. P. REDDAIAH YADAV: Sir, I have to make one clarification. He has made a very serious allegation against me. *(Interruptions)*

SHRI E. AHAMED: I have not made any charge against anybody. That is not my practice. *(Interruptions)*

MR. CHAIRMAN: Shri Reddaiah, if there was any objectionable utterances against you or against any other hon. Member, I would have asked him to withdraw that or I would have ordered to expunge that. But, I do not think that there is anything of that nature which has gone on record. So, please cooperate with me. Now, Shri Madhukar.

*(Interruptions)*

SHRI K. P. REDDAIAH YADAV: Sir, when he has made an allegation against me, I have got every right to clarify that. *(Interruptions)*

MR. CHAIRMAN: Shri Reddaiah, you cannot pressurise the Chair like this. I said that there was no derogatory remarks against any Member, much less against you. Therefore, please resume your seat and do not disturb the proceedings of the House. Shri Madhukar now.

*(Interruptions)*

SHRI K. P. REDDAIAH YADAV: Sir, kindly give me one minute. I will clarify. *(Interruptions)*

MR. CHAIRMAN: I am telling you that there was no derogatory remark.

*(Interruptions)*

SHRI K. P. REDDAIAH YADAV: He has made an allegation, Sir. *(Interruptions)*

MR. CHAIRMAN: You cannot shout like that. Shri Reddaiah. Please do not do that.

*(Interruptions)*

**SHRI K. P. REDDAIAH YADAV:** What is this, Sir? He has levelled charges against me and you do not want me to clarify that. *(Interruptions)*

**MR. CHAIRMAN:** I do not think that he has levelled charge against you.

*(Interruptions)*

**SHRI K. P. REDDAIAH YADAV:** The whole speech was misunderstood and misinterpreted by the hon. Member. You can give me half-a-minute time. I have not said that. If you give me half-a-minute time, the matter will be over. I have only said that the NRIs are not angels. They have studied in Government colleges which were funded by the poor people's money in this country. On every student, Rs. 1.5 lakh have been paid by the poorest of the poor of this country. You are putting them at a higher plane making all Indians as second-class citizens to them.

**MR. CHAIRMAN:** Do not make any speech on this.

**SHRI K. P. REDDAIAH YADAV:** Like any other man, they can invest in India *(Interruptions)* NRIs are now being used by the black-money people to siphon their money to Switzerland and again bring it back through NRIs, and they are using it for clandestine deals. *(Interruptions)*

**MR. CHAIRMAN:** Please resume your seat.

*(Interruptions)*

**MR. CHAIRMAN:** If you shout like this, I may have to name you. Do not do that.

*(Interruptions)*

**MR. CHAIRMAN :** I have given you the time to explain it and you have clarified the position.

*(Interruptions)*

**MR. CHAIRMAN:** Please resume your seat.

*(Interruptions)*

**MR. CHAIRMAN:** Please do not disturb the House.

*(Interruptions)*

**SHRI E. AHAMED:** I did not mean anything. He has used the word 'bloody'. *(Interruptions)*

**MR. CHAIRMAN :** You cannot say anything and everything any time.

*(Interruptions)*

**MR. CHAIRMAN :** Nobody can stand up like that.

*(Interruptions)*

**SHRI INDRAJIT GUPTA (Midnapore):** I was not here when the Hon. Member spoke. If that word 'bloody' has really been used, it should be expunged. *(Interruptions)*. The record may kindly be examined.

**MR. CHAIRMAN :** If there was any such objectionable word, he will be either asked to withdraw or the Chairman will expunge it.

*(Interruptions)*

**SHRI E. AHAMED:** Sir, I have taken exception to the word used by the hon. friend.

**MR. CHAIRMAN:** That is over. Now, Shri Kamla Mishra Madhukar...

*[Translation]*

**SHRI KAMLA MISHRA MADHUKAR (Motihari) :** Mr. Chairman. Sir, I appose the new Industrial Policy of the Government, because this policy is framed by the Government in the name of industrialisation and promotion of science and technology; but as a matter of fact, it is based on multinational companies, big industrialists, world Bank and I.M.F. The police of self-reliance adopted by our country



has been discarded. No doubt, the Government may be in favour of implementing it, but basically it will increase unemployment, price rise and the local talent of the country would not be utilised. We have to see as to what extent industrialisation takes place as a result of implementation of this policy.

The Members from our party who spoke before me have already expressed their views on this subject. I would like to limit myself to my district of East Champaran. Hon. Minister and all the Members sitting here must have heard the name of Champaran. It is the place where Mahatma Gandhi had led the movement of farmers after his return from Africa. So you must be familiar with the name of Champaran. But it is a matter of regret that even after 44 years of independence, no industrial development has taken place there and we have only that sugar mill there which was established by Englishmen during the British Raj. In Champaran district, there is Rama cast Engineering Works in which 200 workers were employed, but the factory is now lying closed. We tried time and again to get it re-opened, but it could not be reopened. When we went to see the authorities and the Ministers, we came to know that there is a relative of Birlas, who had obtained a loan from the Government. But no efforts were made to reopen the mill in Champaran. The mill was not re-opened, with the result, 1200 workers had to take to rickshaw-pulling, and they are passing through a bad phase, and they have got no means of livelihood to bring up their children. Champaran is predominantly an agricultural area and fruit and vegetables are produced in plenty there. Foremost among the fruits are lichi, mangoes and bannana, but no food processing industry has been set up there. The Government should set up such industries at Champaran. Cottage industries have been in existence there for almost a century. Under the cottage industry sector, buttons are manufactured from shells and these are exported also. Ornaments are

also made under this industry. Government does not pay any attention towards it. There is no running capital in this industry of Champaran, which could help develop this industry. Sugar mill was there since the British rule. No new industry was set up since then. Rama Cast works is already lying closed. I met the Ministers and officials in this connection, but nothing came out. In sugar mills, there is a by-product called bagasse and the local people are demanding that bagasse so produced should be utilised for producing spirit and a distillery may be set up there. I have been elected to the Lok Sabha for the fourth time and I have said many a times in the House that an industry based on bagasse should be set up for the development of Champaran. Champaran is producing so much of sugarcane that it is sent to Nepal as well. It would be very nice if a sugar mill is set up in the Private Sector at Adapur in Champaran. There are small industries also. There are small as well as big steel industries also in which rods are manufactured. Because of lack of capital and marketing facilities, these industries are facing closure. Government had formulated a scheme to set up a leather industry at Champaran. But that plan is lying in the cold storage. Minor footwear business is running in Chakia and many other cities. But because of lack of marketing facilities, their condition is pitiable. Assistance may be provided to those industries for their development. Champaran is an agriculture dominated area, so some help should be rendered for setting up of agriculture-linked industries there so that some agro-based industries could be set up. Arrangements for providing financial assistance should be made by the Industries Department. I would also like to demand that a jute industry should also be set up there. The Government has provided funds for the modernisation of the sugar mill. Government should find out whether these mills have been properly modernised or not and whether the funds provided by other financial institutions have been properly utilised or

[Sh. Kamla Mishra Madhukar]

not. An enquiry committee should be set up for this purpose. We can't be self-reliant by the new Industrial policy. It has created tremendous price-rise in the country. With these words, I conclude my speech.

16.00 hrs.

[English]

SHRI N. DENNIS (Nagercoil) : While supporting the Demands for Grants for the Ministry of Industry, I wish to make the following points.

Industrial development is highly essential for the overall economic development and also for generation of employment opportunities in the country. India has 15.5 per cent of world's population, but it generates only 1.5 per cent of its wealth. Since Independence, we have improved considerably in industrial production. Our industrial production is five times more than what it was in the year 1951.

As far as the number of scientists and technologists is concerned, we rank third in the world. But when it comes to industrial production, we rank only tenth. So, we have to gear up our production by adopting the latest technology, by hard work and by improving the quality of our products.

I would like to say a few words about the present Industrial Policy. To cope up with the changed circumstances within the country as also in the world, it is highly necessary that we have to adopt new methods to suit the new circumstances. On previous occasions also policy and procedural changes were made. Policy statements were made in 1948, 1956, 1973, 1977, 1980, 1985 and 1986, apart from the present Industrial Policy of 1991. These policy and programme statements are based on the experience gathered from previous policies and programmes. The new policy would promote overall industrial growth. It would also facilitate the flow of foreign capital and foreign technology into our country.

There are criticisms regarding the present Industrial Policy. It is pointed out that this policy is a deviation from the policy pursued so far and that it has deviated from the Gandhian path. As I have stated earlier, these changes are necessary to suit the present circumstances. In the Policy Statement 1991 itself it is mentioned that this policy is a continuity with change.

It is seen that the Policy is silent about the target of growth and also employment generation. It is also silent about rural industrialisation. It is pointed out that it has deviated from the path of self-reliance and that it relies on foreign capital for our industrial development. Heavy machinery based industrial approach would result in large scale unemployment. It would also lead to concentration of wealth in a few hands. Therefore, it is highly necessary that a demarcation be made between the items manufactured by big industries and these items produced by small scale industries.

Sir, it is imputed that this Policy is an outcome of pressure from IMF. It is highly uncharitable to say so. An overall assessment of the policy we find that this is an excellent policy document which we need for our industrial advancement.

The abolition of industrial licensing, except for an short list of 18 industries, is a historic event in the field of industrial development. The Government has given a free hand to entrepreneurs to produce and prosper. Instead of knocking at the doors of different officers for industrial licence and also for other clearances they can straightaway start the industry, eliminating the delays. This would root out corruption and also bureaucratic bottlenecks and hurdles.

The new policy is aimed at providing help and guidance instead of exercising control. The intention is to modernise the economy and invite foreign investment, boost production and export goods to foreign countries.

Another aspect of the policy is that permission is granted to foreign investment up to 51 per cent. This will enable the multinationals and others to come in and make investment and open big industries. This will also lead to inflow of foreign technology. It will accelerate export and develop a competitive environment.

Foreign investment is a must for technological cooperation. To earn foreign exchange we have to export goods and for exporting goods we should manufacture those goods which people want and for that we need technology and investment which are permitted. But in doing so we should see that the benefits should not go to the Multinational companies but to the common people.

Automatic approval of foreign technology without bureaucratic clearance will make the entrepreneurs to negotiate in their own commercial interest with their counterparts and thus we would be able to get high grade technology for the development of Indian industries. We should make avail of the latest technology which is highly needed for the promotion of our industry and to produce best quality products.

The Industrial Policy Resolution of 1956 gave Public Sector a strategic role in the economy. Now, many public enterprises have become a burden rather than an asset to the Government. Public Sector companies are faced with a number of problems due to insufficient production, poor project management, over-manning, lack of technological upgradation and so on. There are very low rates of returns on the capital invested. Inefficient state units have to be closed down and they cannot be made viable. Country could not bear their burden for a very long time. It is felt that steps have to be adopted for putting them in order or they should be handed over to the private sector.

At the time of Industrial Policy Resolution of 1956, it was thought that the public sector undertakings

would provide assets for the establishment of other industries but that did not hold good.

Regarding small scale sector, no licence is required for the items exclusively reserved for the small scale sectors. Multi-national or big companies should not erode in the areas of the small scale sector. Such an erosion would create wide-spread sickness and that lead to wide-spread unemployment in the small scale sectors. The new Policy statement has given an assurance that the small and thin Cottage industries would be given protection to flourish within their areas of activities.

The allocation to this sector is very low. The big industries cannot provide employment opportunities to the large number of unemployed people. The small scale industries would provide employment opportunities to the people of the villages and also to the people who are living in the rural areas. So, protection has to be given to these industries for marketing of products. They should be encouraged by giving exemption from Excise Duty and Sales Tax. There should be a clear-cut demarcation between the areas of big industries and the small scale industries. That would bring about a balanced economic system and growth of both the sectors.

Khadi and village industries should be given encouragement because these industries are giving employment opportunities to the Scheduled Castes, Scheduled Tribes and also women and backward class people.

Job-oriented cottage industries should be started in the villages. Cottage industries also should be started in villages. Small scale industries should be given adequate working capital and also other incentives.

Regarding backward areas, encouragement should be given for the establishment and promotion of industries in the backward areas. The policy pronounced as per the Industrial

[Sh. N. Dennis]

Policy Resolution of 1956 is dispersal of industries away from the metropolitan cities and towns but industries are emerging in towns and cities and in villages are left out.

Industrialisation of rural areas is highly essential for the overall growth of the country. Eighty per cent of our people live in villages. Basic infra-structural facilities should be provided in the villages so as to establish industries in the rural areas.

At least one industry should be set up in a district where there is no industry.

My area Kanyakumari District is industrially a backward where even not a single industry either in the public sector or in the private sector is established. There are ample scope and opportunities for the establishment of titanium industry and also zirconium industry and also rubber based industry there.

Zircon and Ilmenite, the raw material for the manufacture of Zirconium dioxide and Titanium dioxide are found in mineral sands at Manavalakurichy and other coastal villages of Kanyakumari District. The per unit production of rubber is the highest at Kanyakumari District. So, any one of these industries—titanium or zirconium or rubber—should be established in these backward areas.

SHRI R. K. G. Rajulu (Sivakasi): Mr. Chairman, I thank you for giving me this opportunity to speak before this House. Above all, my heart goes to thank my beloved Puratchi Thalaivi Chief Minister of Tamil Nadu.

We are sure that the new Members of Tamil Nadu like me will keep up to the expectations of Puratchi Thalaivi.

My presence and participation is for 12 lakh voters of my constituency and on behalf of nine crore people of Tamil Nadu.

I take pride in taking part in this discussion on the Demands for Grants under the control of the Ministry of Industry.

It is an industrial constituency which I represent that is Sivakasi.

And above all the Tamilnadu Chief Minister Hon. Puratchi Thalaivi has vowed to make Tamil Nadu the number one State in India. Tamil Nadu under her leadership is poised to take a very big leap.

It is here, the Prime Minister and the Industry Minister, where we expect you to shoulder our efforts to attain a successful industrial State of India. Having an able administration, we the people of Tamil Nadu, are confident to make a prosperous State which every citizen dreamt off.

The Industrial Policy announced by the Government is a very positive step towards acceleration of economic growth. We request you to take special care for the small scale industry and the cottage industry in Tamil Nadu. We have the handloom sector, match box, fire works and the printing industries in my constituency and they require special scheme of benefits from the Centre.

There are lakhs and lakhs of people who depend on this small scale sector. We request you also to see that care should be taken on tannery and leather industry.

Garment units may also be provided facilities for their development and achievements.

And above all, the Tamil Nadu Chief Minister expects an immediate action on the following projects by the Industry Minister and our beloved Prime Minister.

National Aromatics and Petrochemicals Corporation Limited (NA-PCO):

A joint venture of Madras Refineries and SPIC, envisaged a project to

manufacture purified terephthalic acid (PTA) and Aromatics (Orthoxylene and Benzene) at a cost of Rs. 1380 crores which will offer opportunity for a large number of downstream industries with considerable employment potential;

Letter of intent issued on 1987;

The first stage of approval was made by Public Investment Board in 1987; the second stage of approval was made by Public Investment Board in 1990. But still we are waiting for final clearance from the Minister of Petroleum and Gas. Your recommendation and orders are most earnestly expected.

The second need of the Chief Minister of Tamilnadu is this. The production potential of gas in Bombay High is 61 million cubic meters per day. The gas carried through Hazira-Bijapur-Jagdishpur (HBJ) pipeline of 1700 kms from Bombay High is only 39.5 MCMPD.

Tamil Nadu suggests that the balance of 21.5 MCMPD of gas may be transferred in a similar way by pipeline to a distance of 1,290 km only, for use by Tamil Nadu. By the use of this gas as raw material, industries such as power generating stations and gas-based complexes can be developed. It will help employment and Tamil Nadu—and above all India as a whole—can flourish.

The third need mentioned by the Tamil Nadu Chief Minister, is about the Hindustan Photo Films Manufacturing Company which had obtained a letter of intent in 1981 itself for the manufacture of colour film. But the Government of India has not cleared the project, so far. We request that the clearance may be expedited.

The fourth need of Tamil Nadu is about setting up a permanent trade fair complex in Madras city, for which a proposal has been sent. The State Government have identified an area of 34.56 acres in Nandambakkam

village, Saidapet Taluk in ChengaimGR district of Tamil Nadu. The site was originally placed at the disposal of the Indian Drugs and Pharmaceuticals Limited, a Government of India undertaking in the year 1961. It has been decided to re-set the land in order to set up a permanent trade fair complex in Madras. The requisitioned land remained unutilised, though out of the total extent, about 207.5 acres was given free of cost to IDPL by the Tamil Nadu Government. The Department of Petro-Chemicals may be requested to make the land available for the Trade Fair Complex.

On behalf of Tamil Nadu State I request the Central Government, and in view of the high confidence which our beloved "Puratchi Thalaivi" the Chief Minister of Tamil Nadu has in the Congress Government, I hope that the Prime Minister and the Minister of Industries will take care of the interests of Tamil Nadu, which I have placed before the House.

Thank you.

[Translation]

SHRI PIUS TIRKEY (Alipurduars): Mr. Chairman, Sir, I rise to oppose the Industrial Policy resolution. Several industrial units are being set up in our country but for whom are they being set up. The Government has not paid any attention to it. Heavy industries like Bokaro, Bhilai, Rourkela and Haldia have been set up but it should be kept in mind that this renders thousands of people homeless and they are starving today. They have been deprived of their land and livelihood. They have been ruined. Whenever land is acquired for setting up an industry no provision is made to rehabilitate them. The Government is giving all types of punishments to these displaced persons. I fail to understand for whom these industries are being set up. The land which has been acquired is lying idle whereas those who owned the land are ruined. This is



[Sh. Pius Tirkey]

particularly true about the tribal areas. That is one of the main reasons for armed revolt in the tribal areas. Everywhere there are irregularities.

Mr. Chairman, Sir, this Government is a bankrupt Government. It has invited foreign investors to invest in this country. God knows who will come. We are already under foreign debt of Rs. 2000 crore. No one knows what to do. Foreign experts are being called and asked to help us overcome the crisis. They have gone to the extent of treating them as their lords. This is the way Government is behaving. They will become lords and we will become servants. They will order and we will have to carry them out. This Government is not wise enough. They are insulting the talent within the country by calling foreigners in the country. They will come with lot of money and start behaving like lords. As a person behaves in a Hotel ordering the waiters and others so would they behave in this country. We are becoming waiters. The Government is following this policy and, therefore, I oppose it. The Ministry of Industry has gone to the extent of pleasing those foreigners and seeks their permission for making a statement lest they get angry. This is the policy today.

The Government does not have funds. Those who do not have money are like beggars. How can they speak. When somebody comes from abroad the Ministers, the Prime Minister queue up to receive him. This is an insult to our country. The Government thinks that those foreigners would come and set up heavy industries and then the goods would be sold in international markets. Will they ever leave their market. The Brits had also come on the pretext of trade and later created friction and bickerings amongst us and became our rulers. History will repeat itself.

The Congress Party gets funds from abroad for elections. It gets

help from Russia and capitalists. Now awareness about regional interests has been created in the minds of people. This has spread to States like Tamil Nadu, Jharkhand, Uttar Pradesh and Bengal. Caste factor has also come to the fore. The foreigners will not set up industries but would create differences and bickerings amongst us and make us fight. They will deprive us of everything. They have already taken away the gold, they will take away everything else. The entire world will laugh at us if we continue to act like this. We thought that this Government was sagacious but in fact it does not even have common sense.

There is lot of unemployment in the country. What are the reasons for losses in the Public Sector industries. If the Government cannot run them, let there be workers' participation in management. But the Government does not want co-operation from its own people but it wants it from foreigners. The Government did away with the owner worker concept and brought in the bureaucrats in their place. As a result there was no accountability and the Public Sector incurred huge losses. Efforts should be made to seek the co-operation of the workers to make these industries viable. They treat workers like slaves. But they themselves are slaves of money. The officers are corrupt but the chowkidar goes to jail. Corruption is rampant in the Public Sector. If Public Sector is to be made viable, employees participation in the management is a must. If the co-operation of workers is sought they would feel that the factory is their own and they would even work for ten hours instead of eight. But this was not done. You may be aware how corruption has spread so fast even at the top level. The funds of the Public Sector are either utilised by the Ministers or by the Party. How can the industry run then? You will have to fix percentage for everything. Does the Government not know as to what is the percentage the

workers get and what is the percentage of development. When Shri Rajiv Gandhi was the Prime Minister he had said that the poor did not actually get even five percent of what was sanctioned for them. The middlemen and brokers swindle the money. If foreigners take over then we would get only five percent of the share and rest 95 percent will go to foreign countries. Who will pity us and come over to our country. Our is a tropical country having very hot climate. Why would people from cold climate countries come here unless they are sure of assured returns on their investment. Do you think that they are large hearted and kind and will come here to serve you. If it is so you are sadly mistaken.

Besides the old Hindu-Muslim enmity a new phenomenon is at work. The Hindus have divided in two categories. Those who are in BJP are not Hindus...*(Interruptions)*... You should atleast exercise some discretion. It is said that unless a person is not a member of BJP he is not a real Hindu. The Hindus have thus divided in two categories.

There are riots and clashes everywhere, whether it is Tamil Nadu, Punjab, Kashmir or Andhra Pradesh. There are riots even in Congress ruled states. You are more friendly with the IMF these days. We have become enemies now. The Government does not consult us. Even if it does, it does not agree to our proposition. It is just like a honeymoon. When the bride is beautiful the husband becomes a slave and this is coming true in our case also.

Unemployment is on the increase. The new policy of liberalisation will open the doors to multinationals. That would not be a very sensible thing to do. Those foreigners will come to India and live in five-star comfort, drive imported limousines and establish their townships. They will produce vehicles and food-stuffs for the local people. Items like toothpaste that are manufactured in

India will also be produced by them. The Government believes that they will make life easier for us and after some time they will hand over their share of the international market to us and leave the scene. Will anyone be so foolish? Does the Government really believe that they will hand over the market created by them? They approached this country as traders, looking for a few concessions and today they are dominating the Indian economy. I fail to understand the Government's thinking. The Government seems hell-bent on disintegrating the country. Today the problem is not limited to differences between Hindus and Muslims. The feeling of regionalism has arisen and even Hindus are a divided community. Problems exist in Punjab, Kashmir, Tamil Nadu and in the North-eastern part of the country. In tribal areas people are resorting to violence to get their rights. The belief is that foreigners would come and change the situation for the better. They will come here and get a hold over our job market. We are a developing country but we are providing the multinationals with all facilities. What will happen to the slum dwellers in this process?

During elections I have gone around slum colonies and seen the tricolour atop each dwelling unit and slum-dwellers sporting badges of political parties. We ask them for votes but don't give them anything in return. Something has to be done for their upliftment also. Some vacancies should be reserved for them in industries. They are not ashamed of it. Those foreigners will come and will see as to how many people are living in slums in our country. In this way we will expose the conditions existing in our country to the whole world. Everyone will think that people in India right from the common man to Ministers lack intelligence and are willing to be led by others. They are not capable of running their own Government or their industries. This will prove that Indians are experts in stealing ideas from others and in

[Sh. Pius Tirkey]

indulging in corrupt practices such as sending their money abroad and the same money is being lent to the country at high rates of interest.

Adivasis have become a neglected lot today. Nobody bothers about them. Problem existing at one place can spread to other places.

Yesterday when sweepers went on a hunger strike, everyone was affected. Why don't you all take up that work? What is your policy on providing means of livelihood to the people?

If the country has few resources we shall make do with less. Why are large dams being made? What will be done for the resettlement of those who are uprooted from the dam sites? But the Government is more concerned about showing off to the world that we have the largest dam in the world.

Therefore, I would like to say that ours is a social structure and what are the changes that we want to bring about in that structure. They will teach dishonesty and how to develop a bad character. We will be at their mercy because we do not have capital to invest in industry.

I would like to say that the Government should invite us to discuss this issue. Otherwise this country will face difficult times. With these words I conclude.

[English]

SHRI BASU DEB ACHARIA (Bankura): Mr. Chairman, Sir, we have to consider this Industrial Policy and the Policy on Small-Scale and Tiny Industries along with Trade Policy, Import Policy and the Budget. All these policies are dictated by International Monetary Fund. The International Monetary Fund are demanding us to re-structure our industries. The Government adopted the Industrial Policy in the year 1956, the Policy which was based on the

statement, which was adopted in 1954. The statement which was based on our Directive Principles of State Policy and the Preamble to the Constitution, that Policy has to be changed. The cardinal thing of that policy was self-reliance. The vital thing of that policy was that certain areas should be reserved for public sector. We think that the concept of public sector which our Government adopted after Independence, is not for socialism or for socialistic pattern of society in our country. So, why do we have this concept of public sector in our country? For what purpose? Is it for socialism or for socialistic pattern of our society?

When we got independence, the capitalists of our country had not enough capital to have such large industries—steel mills or other big industries. And when the capitalists had no such capital to have big industries, core industries, then foreign capital would come. In order to prevent infiltration of foreign capital and multinationals, this concept of public sector undertakings was adopted. It should be made clear that our party is not for mixed economy. What we wanted after Independence was dismantling of the capitalist structure of our economy. That was not done. The cardinal thing of that policy was self-reliance and this new policy is a complete reversal of the earlier policy. It has been reiterated in the policy statement that this policy is not a departure from the 1956 industrial policy; this is only to consolidate the gains of the policy that we adopted in 1956... (Interruptions). I have already made my point clear.

Sir, we have steel industry in the public sector. We have Durgapur, we have Bokaro, we have Bhilai, Rourkela, Vizag. When this steel plant at Bokaro was thought of and the United States was approached, they refused to assist us. Then we had to approach Soviet Union and Soviet Union agreed to help us. The

condition that was imposed on us by the United States was to have it in the private sector, not in public sector. At that time also our Government did not want to depart from the policy which was adopted in 1956 to reserve some areas for public sector and not to allow private sector in certain areas of our core industry.

Why this foreign exchange crisis that we are now facing is there? This warning was given in 1984-85. In the year 1984-85 this liberalisation policy was adopted. Our doors were opened. This open door policy was adopted in the year 1984-85. At that time we gave a warning that this would create problem and there would be crisis. We are now facing the crisis of foreign exchange.

In our State the jute industry is a vital industry where not only 2,30,000 workers are engaged in the jute industry but there are 40 lakh jute growers who are dependent on that industry. That industry was affected by this liberalisation policy because the synthetic granule was imported—allowed under O.G.L.—and the bags were manufactured. These synthetic bags were used by the public sector undertakings. Then that Act was enacted for the mandatory use, to jute bags. The Government had to enact a law that because the jute industry was facing the crisis. A number of jute mills were closed down. Then the Government had to enact a law for the mandatory use of jute bags. Then the owners of that synthetic industry went to Court to have protection from the Court.

The public sector has become like a whipping boy. What is the problem in the public sector? There are two categories of public sector. One is the public sector from the very beginning and the other is the public sector where a sick unit was taken over and then subsequently nationalised. Like the National Textile Corporation, 126 textile mills were all sick mills. These mills were under

private management. They were made sick. The money which the owners of these mills received from the banks was siphoned off. They made these mills sick and then these mills were taken over by the Government and then subsequently nationalised. But what was to be done to make those mills viable was not done, the working capital was not given. There is a glaring example of this in my State. In the constituency of Shri Haradhan Roy one unit of the Cycle Corporation of India is there. Today hardly ten bicycles are manufactured per day in a factory where are, I think, two thousand workers who are working. Why it is so? The workers are not to be blamed. The workers want to work. In the NTC mills there is a mill in Dum Dum in the constituency of Shri Nirmal Kanti Chatterjee where a similar situation exists. In the National Jute Manufacturing Corporation there are 30,000 workers.

What I want to say is that after nationalisation the need was to give working capital to make the industries viable for their expansion and for diversification and this was not given. In the Cycle Corporation of India, in order to manufacture the bicycles, the raw material which is required are not given. Now we are blaming them. Ten to twenty bicycles are manufactured per day. How this can be viable? It is not earning profit.

Take the case of Scooter India Limited. You took over that unit and then nationalised it. You did not allow this unit to have collaboration with other companies. You allowed your Bajaj to have collaboration with other foreign companies. How can your Company, the public sector company, compete with a private company if you cannot allow your company to have collaboration to have very efficient automobiles? Then you decided to sell it to Rahul Bajaj for how much money? For Rs. 5 crores? Even the value of that land is more than Rs. 15 crores and if the machinery is Rs. 200 crores. You decided to sell it to Rahul Bajaj three

[Sh. Basudeb Acharia]

years back. When there was resistance by the workers, by the Union and by the Members of Parliament, then you had to cancel that deal. (*Interruptions*).

**SHRI NIRMAL KANTI CHATTERJEE (Dum Dum):** Even then they have no allotment in their budgetary expenditure. (*Interruptions*).

**SHRI BASUDEB ACHARIA:** These are the glaring examples to show how the public sector undertakings were deliberately made sick. Your Hindustan Fertilisers at Haldia worked for a few months, three or four months. A number of parts and machinery came from various countries and then a defect developed and it could not be rectified. Still it is not functioning, it is not working since 1986. An amount of Rs. 600 crores was spent. A Committee was set up and they recommended for its revival. Still no decision was taken.

Sir, there are a number of examples to show how a company which could be made viable was made deliberately sick and then subsequently it was closed down. How a public sector Company can compete when you have liberalised licensing policy? You have liberalised the licensing policy, it is all right. We understand that there is some problem with regard to licensing policy, we also sometimes felt that it takes time, delay is there, and so on, so something should be done to expedite.

**SHRI NIRMAL KANTI CHATTERJEE:** Not only that. The licensing policy was used to deny West Bengal any investment.

**SHRI BASUDEB ACHARIA:** For 11 years we had to wait for clearance for Haldia Petro-Chemicals. (*Interruptions*). No, there should not be such liberalisation that you will remove this licensing policy ultimately. Japan and South Korea are industrially very advanced countries.

they have also some restriction, they have some controlling machinery. Any entrepreneur cannot set up any industry anywhere. The Government decides which type of industry and where can be set up. So, the mechanism is there. (*Interruptions*) By removing this licensing, by opening the doors to the multinationals, foreign industrialists, it will create problems and by removing this ceiling, from 40 per cent to 50 per cent, then to 100 per cent, for export-oriented goods, we have seen how Pepsi Cola is now behaving. (*Interruptions*) You cannot compel your Pepsi Cola to export. What was the agreement with Pepsi Cola? Sixty per cent of its products should be exported—my good friend Shri Giridhar Gomango is sitting here—but that company is not abiding by the agreement. How many 100 per cent export-oriented companies are abiding by your rules and regulations? It is said that the productivity and the employment potential would be increased if there is competition. What type of companies will they bring to our country? In our country, more than 50 per cent of population are living below the poverty line, we have more than four crores of people in the register of Employment Exchanges and we have more than 11 crores of unemployed people living in rural areas. So, when you adopt any policy, you must consider these people and their purchasing power. What type of technology will they bring? We support the import of technology because we need modern technology. We need foreign money also. But, at the same time, our technology should be developed. I do not find anything in the policy statement about the development of our own technology. Why should we import rail coaches and rail engines spending crores of rupees? We can produce them in our Chittaranjan Locomotive with the same horse power. Why should we import them from foreign countries?

We have seen how ABL was allowed to close down. Then, dur-



ing the Seventh Five Year Plan, it was targeted to generate 22,000 MW of power and when we were to construct more thermal power stations, two units of ABL one in West Bengal and another in Karnataka were closed for 18 months. We had to fight with the Government to reopen them. Then, import of boiler was allowed and an inferior quality boiler was imported. Though that unit is in the private sector, all the directors are from the financial institutions and in public sector units like NTPC and BHEL, all Managing Directors are from the Government.

17.00 hrs.

The management is from Government and all private sector is a misnomer because 87 to 88 per cent of the money comes from financial institutions. Now the Government is removing the controls which these financial institutions still exercise over this industry. They get loan which can be converted into equity. That convertibility clause is being removed. The control of financial institutions over the private industry is also being removed. I do not know what made you to adopt this policy and what was the compulsion behind all this.

We have examples under your Ministry. You blame the Heavy Engineering Corporation and the Mines and Machinery Corporation. The MAMC is in my State. What was the purpose of having these two industries? Is it to produce the mining machinery? Now we are going in for open cast mining. MAMC is for underground mining machinery. The Government is importing this machinery and components from the United Kingdom. MAMC can produce good Longwall machinery. They have produced foolproof machinery but in spite of giving orders to these Heavy Engineering Corporation units, the whole industry which is under public sector, is importing this machinery by spending crores of rupees

of foreign exchange from this foreign country.

17.02 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Now these two units have become sick. They will become sick if they do not get orders. It has to depend on orders from other public sector undertakings.

MAMC have to bag orders for modernisation from Birla Technical Service for modernisation of Durgapur Steel Plant, definitely that public sector undertaking will fall sick one day.

Shri Santosh Mohan Deb will consider when ISCO modernisation will be finalised.

We are for ancillarisation. There are small-scale industries in and around ISCO and Durgapur. The percentage of orders they got from Durgapur for modernisation was only 18 per cent. They say then capacity is only 18%. If it is not correct, Shri Somnath Chatterjee can enlighten us.

SHRI SOMNATH CHATTERJEE (Bolpur): I shall also speak on this. I attended the meetings.

SHRI BASU DEB ACHARIA: We have organised a seminar in Chittaranjan because this modernisation of ISCO will have to be done.

There is cement industry in my Constituency. It is a new unit. Within one year, it has become sick. It remains closed for three months to four months in a year. It is closed not because of workers, not because of any agitation but because this unit does not get klinker—one of the raw-materials for cement—from CCI. Moreover, lime-stone is available at Jhalda, a place in my District and it can be exploited for klinker. That place is very much nearer to that unit. It is under the control of CCI.

[Sh. Basu Deb Acharia]

Though it is a joint sector unit of the Cement Corporation of India and the West Bengal Industrial Development Corporation, the Cement Corporation of India's share is more; it is holding 51 per cent share. So, this can be made a viable unit and it can be made a good unit if that lime-stone can be exploited for klinker.

Another unit can be set up by the Cement Corporation of India because our State is deficit in cement. There is another unit owned by the Birlas at Durgapur and it is getting slag from the Durgapur Steel Company. This unit is also getting slag from IISCO. Therefore, I urge upon the Minister of Steel not to increase the price of slag because it will have some effect on the cost of cement also.

Then, there is another statement on Small Scale and Tiny Industries. I have seen how our Handloom Industry was ruined when, in 1986, the new Textiles Policy was announced by the then Government. Hundreds of Handloom Units were closed down. At that time itself we categorically stated that Textiles Policy was to protect the interests of the textile mill-owners. This Policy on Small-Scale and Tiny Industries is also to protect the interests of the big industrialists. The point is that a certain sector was reserved for the Small-Scale Industries. Freedom has now been given; Liberalisation has been made now. There is no reservation. Anybody can go anywhere. One Committee was set up long back to go into the question of dispersal of industry.....(*Interruptions*) I am not discussing the Textiles Policy. I just referred to that. That Committee also submitted a report on dispersal of industry. I do not know what action was taken on the recommendation of that Committee i.e. the Committee on Dispersal of Industries. The main purpose was dispersal of industry to backward areas. So, there was a scheme. There was some difficulty. We have also criticised that subsidy scheme for the backward areas because backward

area is remaining backward for ever. The 'no-Industry' area is remaining without any industry. For the last 15 years, there is no industry in such areas. The purpose of identifying certain areas as no-Industry area is to set up industries. I can cite the example of Cooch Bihar. Shri Amar Roy Pradhan was telling that my District is having no industry.....(*Interruptions*) The purpose of identifying a District as no-industry District is to set up industry. So, there was that subsidy scheme. But that scheme was abolished.

**SHRI SOMNATH CHATTERJEE** (Bolpur): Prof. Kurien, better you resign now. You cannot answer this point.

**THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY** (PROF. P. J. KURIEN): That is why we liberalised it. You can do it now. (*Interruptions*)

**SHRI BASU DEB ACHARIA:** The former Finance Minister Prof. Madhu Dandavate in his Budget Speech said that in the new scheme it would be announced. So, unless some incentive is there, why should the entrepreneurs go to the backward area, to the North-Eastern States where there is no infrastructure? An hon. Member from Madhya Pradesh was saying that no industry was coming up in his area. How will the industry come when there is no railway line? Unless there is infrastructure, industry will not come. Unless you give some incentives why will an entrepreneur go to the backward area, to the tribal areas to set up industries? You have to evolve a scheme to encourage the entrepreneur so that he can go and set up industry in backward area, tribal area in hilly areas by which 'no industry district' can be converted into industrial district. (*Interruptions*)

**MR. DEPUTY SPEAKER:** Please conclude.

**SHRI BASU DEB ACHARIA:** Sir, now I come to the workers' problem. Workers' problem is a vital question. This Policy is linked up with the workers.

**MR. DEPUTY SPEAKER:** It is true. But many more Members have to speak.

**SHRI BASU DEB ACHARIA:** There are two or three sentences mentioned about the workers—workers' welfare will be protected and they will be redeployed; a renewal fund will be created it has been stated in the Budget speech; and there will be golden hand-shake. Prof. Kurien, do you know about the golden hand-shake? (*Interruptions*)

This problem was there two years back in China. When massive modernisation took place, all the workers were redeployed and not a single worker was retrenched. All the workers were redeployed and given job. (*Interruptions*)

There are two aspects. When there will be competition, number of units will be closed down and the workers and employees of these units will be thrown out in the street. If a new industry is set up with foreign capital and in collaboration with the multinational corporation... (*Interruptions*)

**SHRI MURLI DEORA (Bombay South):** How many are there in West Bengal?

**SHRI BASU DEB ACHARIA:** I know better than you. We have got control over them, and not like you and your policy. You are surrendering it. All our economic independence is being attacked. You are selling it out.

17.14 hrs.

[MR. SPEAKER *in the Chair*]

If a new industry is at all set up by the multinational corporation with their worn out technology, old technology, out-dated technology, how

many will be employed in those industries? I have already stated that there will be capital intensive industries and the multinational corporations will come, but will not give job to our unemployed youth. Where will the four crore unemployed youth go and where will they get employment? That is a vital question. You have not stated anything in your policy about this. Our Industrial Policy should be linked with employment.

Unless that aspect is there, there will be a problem and there will be unemployment and a number of units will be closed down. The crisis will be much more because of that in our industrial sector.

Now I will say a few words about one organization that is, BIFR. I hope you all agree with me. The main purpose of this Board, so far as we understood from its report, was to wind up the industries. If you go through the recommendations and reports of the BIFR, you will find that in 98 per cent cases, it has recommended for winding up. In West Bengal only, for ABL, they did a very good package. The Titagarh Paper Mill Unit No. 2 has been reopened, that too, because of our State Government's active cooperation. The Titagarh Paper Mill Unit No. 2 has been reopened on the 15th of August. In all other cases, except in two, they have recommended for liquidation. So something should be done about this BIFR. The purpose of forming this Board was to recommend for reconstruction or revival of the industry. But that main purpose has not been served. So, I oppose this industrial policy.

This policy was prepared under the direct guidance of International Monetary Fund. They were wanting to restructure our economy; they were wanting to restructure our industry and our public sector. I oppose this and people of our country will also oppose this on the 27th of September. Lakhs of people will come to Delhi

[Sh. Basudeb Acharia]

to oppose this anti-people policy of the Government. Because of this policy, thousands and lakhs of workers will be unemployed and hundreds of units will be closed down. So, I oppose this industrial policy.

MR. SPEAKER: Well, I think the House would be interested in taking up the discussion on the flood and drought situation also. That matter is pending with us for a pretty long time. At 5.30 p.m., the Home Minister is expected to make a statement and after that, if time is there, we may allow one or two members to make speeches on the Demands for the Industry. After that, if you agree, because Orissa is suffering from floods and we would like to know the Government's reaction and we should not keep it pending, we can start the discussion at 6 o'clock, today itself and go up to 7 o'clock.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Sir, what is the fate of the lone Members of this House?

MR. SPEAKER: The fate of the lone Member is, he will speak on the Demands for the Industry.

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Sir, we are discussing the new Industrial Policy and the Demands of the Ministry of Industry. As far as the new Industrial Policy is concerned, there are many points which can prove to be good solutions to various problems whereas there are certain points which can cause contradictions. These shortcomings should be removed.

The new Industrial Policy encourages foreign investment and lays emphasis on strengthening the public sector. Besides policy matters other things like liberal issuance of licences and increasing the level of investment in small industries have also been mentioned. Still, the Industrial Policy does not make any special mention of providing more employment opportunities. The basic thrust

of our industrial policy should be on making the country self-reliant. More employment opportunities should be created as a result of the implementation of the policy. Ours is an agricultural country. The Industrial policy should extend help to the agricultural sector.

We want to create a healthy business environment that not only attracts industrialists to set up industry but also offers them a good market. As far as modernisation of industry is concerned, we would like to adopt new technology. But that new technology should not involve too much of automation because that would mean loss of jobs for many people. What we want is that we should maintain our character of industriousness. The industrial policy should provide a permanent solution to all the problems.

The industrial sector in India consists of large-scale, medium scale and small-scale industries. There are rural industries and cottage industries also. Instead of looking at them on an individual basis it would be better if we treated them as a joint entity. Till now large-scale industries were receiving all the encouragement and medium and small-scale industries were influenced by it. They have not received any push from the Government. It is said that big fish eat small fish. This applies to Indian industry also. Big industries are not allowing the smaller ones to exist. Due to this, neither are any new job opportunities being created nor are the basic needs of food, clothing and shelter, proper education and a healthy environment being met. We have not been able to take any concrete step in this direction. In the context of the new Industrial Policy, the policy paper says:--

[English]

"In order to invite foreign investment in high priority industries requiring large investment and advanced technology, it has been decided to provide approval for the direct foreign

investment upto 51% equity in such industries."

[Translation]

Will this not make us more dependent on foreigners? Will the multinationals influence us to such an extent that we become too dependent on them? I hope the rise in foreign investment will not adversely affect India's quest for self-reliance. We must take the consequences into account before going ahead.

Our policy should be such that an industrialist or a trader can work as a trustee. Today the industrialist is not working as a trustee. The industrialist himself has no relationship with his workers, and there is no worker participation in management. We believe that workers should participate in management. A national management cadre should be formed from where management needs could be fulfilled. I do not want to go into the details of the current state of the public Sector. But if we just consider the coal industry we can see that it is incurring losses in crores of rupees. Steel industry is running in loss. If we make a comparison of the Steel Factories working in the public sector with TISCO and ISCO, the latter will surpass the former in every respect. Although both are being run on same professional lines, yet one is earning profit and the other is incurring loss. I do not say that public sector industries are not enterprising. These are also enterprising and the officials are quite industrious. Some of the Public Sector enterprises have made a name for themselves for producing quality products. For example, we may cite the instance of BHEL. It has established its name in the field of high power generators and other products. The HMT's reputation is also good, but as far as coal industry is concerned its reputation is not that high. If we look at its performances both before and after nationalisation, we will come to know that its performances deteriorated after nationalisation and the industry is running into loss of

thousands of crores of rupees. Power generation industry is also running into losses of thousands of crores of rupees. Several steps have been proposed in the new policy to improve the functioning of public sector industries, so as to make good their losses. The steps are being enumerated for quite a long time, but till date there has been no improvement in their work nor do the losses have been made good. What is the position today? Iron Ore extracted in Madhya Pradesh is being exported at a low cost while steel is being imported at a high cost.

Sir, I would like to submit that position of big industries is none too good as I have stated earlier. The position of even small industries are not that good. What is the position of handloom industry? To encourage the people engaged in small-small industries, there is a need for setting up a new ministry to look after the functioning of handloom industry. All out encouragement needs to be given to carpenters, blacksmiths, potters and smalltime goldsmiths, and programmes about them may be televised on Doordarshan from time to time highlighting the quality of their products. If this is done, then I think we will be able to create an atmosphere conducive to generation of employment in the country. This is the only remedy and if no such thing is done, then I do not think a proper atmosphere for making industries employment oriented could be created in the country.

Mr. Speaker, Sir, it is always alleged that big industries indulge in tax evasion. Tax evasion is discussed time and again. So I think a tax inquiry commission may please be set up to look into the complaints of tax evasion in the concerned industries and also to rationalise tax structure wherever anomalies are found. This may be the position in the case of several industries and remedial action should also be taken to remove such complaints. At least this will make the industrialists aware of their



[Dr. Laxminarayan Pandeya]

duties towards the country and also instill a feeling in them of taking a pride that they are also serving the country. This will remind them of their duties to the nation.

Mr. Speaker, Sir, today a stage has come when consumer items which are supposed to be produced by small industries or cottage industries are being manufactured by big industries. For example, Lifebuoy, Sunlight and Lux and other such products are being manufactured by large companies and multinational companies. Cannot these products be reserved for small-scale industries? Today the position is different, but there is a need to reserve production of consumer products for small-scale industries.

Sir, through you, I would like to submit that our export and earnings from export should always be employment oriented, so that the exports can be increased further and that too especially of the products manufactured in the small, rural and cottage industries. Through the exports of products of the earnings of small industries from export can be increased further, which will ultimately prove beneficial for this sector only.

Sir, in this policy a number of things have been left untouched. Nothing has also been said about small and cottage industries in the policy. For example the cement industry is being run on old technology in our country. If technological advancement is not introduced in cement industry the output will definitely go down. It is being said that there is only loss in Public Sector. But if modern technology is introduced in cement and other industries then the losses can be converted into profits leading to general overall improvement.

Sir, today the most important thing is that there is no proper coordination between the production cost of the goods and the price being paid by the consumers. Consumers are

facing lot of hardships in buying goods, as they have to pay much more than the production cost of goods. There is a need to bring about some kind of rationality in this also. I would like to submit that though this policy will give a boost to certain industries, yet in the case of others there is a need to augment investment and encourage them further.

What is the position of Scooters India Limited, a discussion on which took place in this august House. Some time back there were talks that it was being transferred to private sector. This enterprise is in a sorry state and huge money of a large number of share holders is invested in it. Similar is the state of affairs in several other industries. I think that there is a need to make improvements in them. I hope the Government would pay attention to it and create an atmosphere in which equal opportunities of growth would be made available to all. Small scale and medium scale industries should work in a competitive environment, so that all industries prosper and equal opportunities of growth are made available to all. By and large there is a need to work with a spirit of nationalism. Then only the industrial policy presented today can prove to be successful. The most essential thing is decentralisation. While it is true that we are a democratic force, we should also have economic democracy which, at present, is missing. I would like to submit that while we may strengthen the public sector, we may also bifurcate the small and big industries and create a cadre, so that efficient management is made available to all industries and these are run on profitable basis and not as loss making enterprises. At the same time industries in the private sector should be given enough opportunities, so that they also work in the interest of the society and the country as well. Competition may not prove harmful for each other's growth and put them in the list of sick industries.

(General) 1991-92—  
Ministry of Industry

It is generally said that Public Sector industries whether they be textiles, cement or sugar are not functioning satisfactorily. Then comes the question of providing subsidy for revitalising the sick industries in which thousands of workers are employed. Such a situation should not be created. We should ensure that our industrial units work properly and they are adequately financed so that they could become self-reliant. While encouraging foreign investment and multi-national companies to invest in the country so as to achieve self sufficiency, we must ensure that freedom and sovereignty of the country is not jeopardised. I hope the hon. Minister will cover of all these points while replying to the debate on industrial policy. So far as the demands for grants of the Ministry of Industry are concerned, several issues connected with it can be highlighted. Regional imbalance should also be removed by stopping concentration of industries at one place, no industry at other places.

(Interruptions)

MR. SPEAKER: How much time more you will take.

DR. LAXMI NARAYAN PANDEYA: I will conclude within two minutes.

Madhya Pradesh is backward from industrial point of view. There is ample scope of setting up of big industries in that state. These industries should be set up there.

I would like to submit that keeping in view the statements made in regard to the industrial policy and what has been said in connection with the demands, research and development for industrial progress and modernisation should be encouraged. I would also like that our economic sovereignty should also be protected. Before inviting foreign investment we must ensure that our sovereignty is not affected.

With these words I conclude.

[English]

SHRI NIRMAL KANTI CHATTERJEE: Sir, before the Home Minister rises, I have a submission to make. About three hours ago, when you were not in the Chair, we mentioned that people were on *dharna* before the Railway Minister's house when some people were taken into custody in Tughlakabad Police station. Now, I may inform that—I will not mention the name of the Minister—a Minister who has actually visited that place has come back saying that in fact, Shri Harish Rawat, an ex-MP and Shri Yashwant Sinha are in custody along with 55 people. There were blood stains in the police station itself. He says that they were terribly beaten. We made a request three hours ago that as the Home Minister was there, we wanted him to make a statement on this incident. At that time, he asked whether it was a rumour or an information and we insisted that it was an information. Now, a Minister had told... (Interruptions).....

MR. SPEAKER: I have told you that that Minister could tell the Home Minister also.

SHRI NIRMAL KANTI CHATTERJEE: No. He is not the Home Minister. If you want, I can mention his name. But I do not want to name him. Now, since the Home Minister is here, let him inform us as to what had happened... (Interruptions)... He has come back seeing blood in the police station itself. I, therefore, request the Home Minister to make a statement. (Interruptions)

SHRI MANORANJAN BHAKTA: Sir, action should be taken against the guilty persons. This is a very important point. (Interruptions)

MR. SPEAKER: Everything is important. Mr. Bhakta, you please hear me.

(Interruptions)

MR. SPEAKER: You raise important matters and you ask the Minis-