

6205 Committee on Private PHALGUNA 22, 1950 (SAKA) Resolution re: 6206
Members' Bills and Licensing of New Industrial
Resolutions Units

Enacting Formula

Mr. Deputy-Speaker: There is an amendment—No. 4—to the Enacting Formula.

Amendment made:

Page 1, line 1,—
for "Ninth Year" substitute
"Tenth Year".

[Shri Satish Chandra]

Mr. Deputy-Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill".

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill

Shri Satish Chandra: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

14.33 hrs

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS
THIRTY-SEVENTH REPORT

Shrimati Ha Falchoudhuri (Nabadwip): I beg to move:

"That this House agrees with the Thirty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th March, 1959."

Mr. Deputy-Speaker: The question is:

"That this House agrees with the Thirty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th March, 1959."

The motion was adopted.

14.34 hrs.

RESOLUTION RE: LICENSING OF
NEW INDUSTRIAL UNITS—contd.

Mr. Deputy-Speaker: The House will now resume further discussion of the Resolution moved by Shri P. K. Vasudevan Nair on the 27th February, 1959 regarding the policy of licensing new industrial units.

Out of 2 hours allotted for the discussion of the Resolution 7 minutes have already been taken up and 1 hour and 53 minutes are left for its further discussion today. Shri P. K. Vasudevan Nair may continue his speech.

Shri Vasudevan Nair (Thiruvella): Mr. Deputy-Speaker, last time I was trying to restate the general policy adopted by this House on the question of giving licences for new industrial units. On that policy there is no difference of opinion. That is a good and correct policy. I am trying to examine how that policy is being implemented. My complaint is that the Government does not take any care at all in the correct implementation of this good policy. I am quite sure that most of the representatives of most of the States in both sides of this House will have given their own reasons for supporting my Resolution.

At the outset I will examine some general figures as far as licensing of new industrial units is concerned. With great difficulty, I went through

[Shri Vasudevan Nair]

the *Journal of Industry and Trade* to find out the number of licences issued during a specific period and I could not go through the entire period as it is a very difficult task. I have got the figures for the period October 1956 to October 1958. Altogether 1,230 new licences were issued. I have got it tabulated State-wise. Now, the Bombay State, the most fortunate one because of historical and various other reasons—we do not grudge at Bombay or any other State; we just want to catch up with others—got 444 licences—36.09 per cent of the total. The next fortunate State is West Bengal which gets 233 licences which comes to 18.94 per cent. Then comes the State of Madras with 139 licences. I will examine the position of my State because I am more concerned with my State. The position of Kerala is really very pitiable. Out of 1,230 licences, Kerala got only 34—2.76 per cent. I do not go through all the figures but we have our friends like Madhya Pradesh, Punjab, Orissa, Mysore, Rajasthan and many other States. I have got some other figures also. This shows that even today, even after the acceptance of the Industrial Policy Resolution and definite statement by the States Reorganisation Commission and also by the Planning Commission to the effect that we should try to develop and lift up the under-developed States when new licences are given—after all that, the position is that there is heavy concentration in certain areas. These very figures declare categorically that there is no conscious effort on the part of the authorities in charge of the affairs to give a changed and new life as far as the industrial development of this country is concerned.

Shri Harish Chandra Mathur (Pali): How many licences were refused?

Shri Vasudevan Nair: The *Journal* does not give that figure.... (*Interruptions*)

Mr. Deputy-Speaker: Order, order. New licences should not be added here!

Shri Vasudevan Nair: I also looked into the annual report on the working of the administration of the Companies Act for the year ending March 1957. During that period, it is stated, 848 new companies were registered—301 in West Bengal, 170 in Bombay. In this particular case, West Bengal leads and Bombay seconds. Anyway, they take away nearly 65—70 per cent of the total. I need not give more general figures about the situation in the country. These figures very clearly illustrate the direction in which we are going. I am afraid we are going in the very same old direction in spite of the loud proclamations of the authorities in power to the contrary.

Sir, I hope that the representatives from other States will go into the situation with regard to their own States in more detail, and you will please allow me to concentrate myself on the situation in my own State. My State is one of the aggrieved States. You might have heard many people calling us a problem State. It is very true that we have got many problems, perhaps many problems which do not trouble many other States.

You know of the serious food situation in our State, but that is not relevant here and I will not go into it. You also know, Sir, of the serious unemployment problem. Perhaps we are having the largest number of educated unemployed in the whole of India. Many problems are there, and really you cannot blame the people for calling us a problem State. Therefore, we should be given more consideration than any other State in India.

But what have we got? I should say that after the advent of freedom we did not have any industry worth the name. One or two industries

come to my mind, like the D.D.T. factory. I know the hon. Minister will refer to the D.D.T. factory. What is the employment potential there? It is nearly 200, that is my information. In the Second Five Year Plan Government is spending something like Rs. 501 crores in the public sector, and we have got our share in this D.D.T. factory, a factory which can employ nearly 200 people. Sir, he may also refer to one rare earth factory. But I am quite sure he cannot refer to more because there are no more industries in our State after the advent of freedom.

Now, what is the position of some of those traditional industries that we had like coir or handloom which are not even worth the name of industry? Such industries are dying out and we are finding it very difficult to keep up these industries in their own positions.

Our complaint is that the Government did not take any interest in respect of some of those industries which should be located in Kerala and for which perhaps Kerala may be the best location or even the only location, even in such cases Government have failed to persuade those people in the private sector to start the industries in our State.

Now, I will make certain references to certain of them. I will, at the very outset, refer to the manufacture of rubber tyres. I understand that three licences are issued during this period. The hon. Minister may say that we have got one. We have got one licence which is not used and, perhaps, which cannot be used by that particular gentleman in the near future. Two other licences were issued, one for Madras and one for Bombay State. You are aware, Sir, that we produce something like 97 per cent. of the rubber in the whole of India, and nobody will argue that a rubber tyre industry should be located anywhere outside the State which produces 97 per cent. of the total rubber.

Again, in the case of electricity we are reputed for cheap electricity. Our

labour—of course, some of our friends have complaints about them, I will come to that in the end—is very efficient. That was even accepted by the British Mission which came there to examine the spot for the second ship-building yard. In spite of all these facts favourable to us, licences were issued to Bombay and Madras.

In the case of Bombay, I am afraid the Government have gone against the very accepted principles of foreign participation. That is not very relevant to my point here, but I want to remind the House that in that case the Tatas are going to collaborate with a foreign firm, an Italian firm, where they are going to hold 60 per cent. of the shares—that is my information—and our native capitalists are going to have 40 per cent. And, they are going to have the factory at Bombay. I ask the Government, what was the difficulty in the way of the Government asking that party to start that industry in Kerala State? I am quite sure the Government possesses enough power in its hands to ask those people who are requesting for licences to start an industry in a particular place when the Government feels that that is the best place for that industry. But in this particular case Government did not do that. I do not know the reasons. I hope the hon. Minister will explain.

Now, there is the question of lemon grass oil. For a long time our people, our cultivators, who perhaps produce hundred per cent. of our total production in India were hoping that something will be done. There may be no other State in India which produces lemon grass oil. Now we hear that we are going to have some factories to produce vitamin A or something like that by making use of this lemon grass oil. But we hear that that factory is going to be in Poona.

An Hon. Member: It is already there.

Shri Vasudevan Nair: I do not know. It is very strange that though we produce hundred per cent. of the lemon grass oil in the country the factory goes to another place.

[Shri Vasudevan Nair]

Also, we have got plenty of minerals. The Minister may say that we have got the rare earth factory. But what is the position? Only certain primary processes are being done there and the major processes are being done in Bombay. There again the main factory is going to be in Bombay.

There is another instance which I have to bring to the notice of the House. It was announced in this very House itself that we are going to get a Security Press, in the public sector. What has happened to that Security Press, I ask the Minister. After some time we came to know that that Press is going to be divided into two parts. One went to Coimbatore. We do not grudge that, because it is our sister State. We want all the States to have all the industries. But, Sir, when it was decided to have the Security Press at Koratti in Kerala State for which 100 acres of land has already been bought by the Government of Kerala, what was the reason for the Government to shift a part of it to another place? All right; let it go to Madras State. But what about the remaining part? We hear that it is not going to come into existence in the Second Plan period. Previously it was decided that this Security Press will come into existence in the Second Plan period. But now that is not going to come into existence.

Sir, it was almost decided once upon a time that a heavy electrical plant will be located somewhere in Kerala. But we have lost it. It has gone to another State.

Then there is the story of the second ship-building yard. The answers to our questions given by the Minister of Transport and Communications yesterday make us more concerned about the final decision as far as the second ship-building yard is concerned. Many of our hon. friends on the other side, when they meet us in private, have assured us that Kerala will get it. But yesterday's answers show that it is very complicated. Many more questions are before this Zonal Technical

Committee. They are going to examine technical problems now, apart from the technical problems examined by the best experts from Britain on this issue. I do not know what technical problems are going to be examined by this Technical Committee appointed by our Government.

In this context, Sir, I would invite attention of the Government to a statement made by our Finance Minister in our State legislature during his recent Budget Speech. What he says is as follows:

"The complaint that Kerala got no share in the industrial expansion brought about in the first and second Five Year Plans of India is not confined to any single party in Kerala."—

I hope even our Deputy Minister Shri A. M. Thomas will agree with me.

"It is the complaint of the entire populace. Kerala does not have even a single scheme under heavy industries in the public sector in which the Union Government have directly invested. The people of Kerala hope that a different approach will be perceptible at least in the third Five Year Plan. In my view, the people of Kerala would consider the issue of a second shipyard as the touchstone of the Centres earnestness in this line.

May I avail myself of this opportunity to declare that every day of delay to announce that it would be located at Cochin serves only to strengthen the misgivings of the people of Kerala".

I may make use of this opportunity to request the Government, to urge upon the Government, to take a final decision on this question at least as early as possible and remove the misgivings of the people of our State.

I stop at that. I have given enough instances to establish my case that we are terribly neglected. What is the way out? I beg to place before the House two or three proposals to rectify the position. I would urge

upon the Government to attempt earnestly to put the industrial policy resolution, the policy accepted by this very House, into effect. I would urge upon the Government to revise some of its other policies also. In certain States in our country, we can have industries only if State Governments themselves take up the responsibility of starting industries. They cannot just wait at the doors of the private capitalists. They cannot be left to the mercy and to the whims and fancies of the private sector. In that case the State Governments have to be helped very liberally. The State Governments should have their own part to play in it. They have to take up many responsibilities, but the Central Government should come to the help of the State Governments very liberally. In our country today, there are many institutions that can help for starting new industries, not for helping the State Governments but the private industrialists, and they are, the Industrial Finance Corporation, the National Industrial Development Corporation, the Refinance Corporation, the Industrial Development and Credit Corporation, the State Finance Corporations, etc., etc. But all these corporations and institutions are there to give help to the private sector. Apart from these, the Government is directly giving much help to them. They stand guarantee for the loans these people are getting from outside our country, but in the case of the State Governments there is no help given to them. That policy has to be revised, and they have to be helped and they should take up the responsibility of starting industries by themselves.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri Vasudevan Nair: Please excuse me if I take a couple of minutes more. There is another question. For example, our Government took some decision to collaborate with some of the private capitalists in starting some new industries. They decided to invest some money together with private men in some industries, because, without that, no industry worth the name

will be started in our State. It is a very poor State. No one individual can put in Rs. 50 lakhs or a crores of rupees in one industry without the help of the Government or without the help of the Finance Corporation. That is the history in our State. When Dr. C. P. Ramaswami Aiyar was our Dewan, all the industries worth the name were started with the direct help of the Government, and with the collaboration of the Government. That is the only possible way even today. But the Planning Commission, unfortunately, has taken objection to this collaboration of the State Government with private capital. I know there is a lot of correspondence going on between the Planning Commission and the State Government. I request the Central Government to intervene in the matter on behalf of the State Government and see that the State Government is allowed, at least in our case or in the case of some other State like ours, to collaborate with private capital to start new industries.

Finally, the third Five Year Plan is in the offing. Discussions are going on. When the industries in the public sector in the third Five Year Plan and their location are decided upon, I urge upon the Minister to consider the case of States like ours in the formulation of the third Five Year Plan. I hope he will consider it.

Mr. Deputy-Speaker: Motion moved:

"This House is of opinion that the policy of licensing new industrial units be changed so as to bring about an emphasis on the location of such new units in less developed areas unless there are major disadvantages in such areas in the matter of availability of raw materials."

There are some amendments.

Shri Panigrahi (Puri): I beg to move:

That for the original Resolution, the following be substituted; namely:—

"This House requests the Government that in case of issuing

[Shri Panigrahi]

licences to new industrial units, the claims of the poor and industrially backward regions of India be given first priority with a view to achieve even distribution of industries in the country and for the purpose of avoiding bigger concentrations of industries in a few developed areas only."

Shri Punnoose (Ambalapuzha): I beg to move:

That in the resolution,—

after "industrial units" insert—

"and starting of industries in the public sector."

Shri D. E. Chavan (Karad): I beg to move:

That in the resolution,—

add at the end,—

"and further recommends that immediate steps be taken to shift the existing industrial units suffering from defective location to better location."

Shri Shree Narayan Das (Darbhanga): I beg to move:

That for the original Resolution, the following be substituted, namely:—

"This House appreciates the policy of licensing new industrial units so far followed and urges upon the Government the necessity of laying more emphasis on the location of such new units in less developed areas unless there are major disadvantages in such areas in the matter of availability of raw materials and other incidental facilities.

Shri M. C. Jain (Kaithal): I beg to move:

That for the original resolution, the following be substituted, namely:—

"In view of the balanced development of different regions in the country which has been the declared objective of the Government this House is of opinion that the policy of licensing new industries

in the public sector requires re-orientation so as to ensure their location in industrially backward areas unless there are major drawbacks on non-availability of raw-materials in such areas."

Mr. Deputy-Speaker: So, the substitute motions and the amendments are before the House.

I have got about a dozen names with me. I find that some hon. Members are standing to catch my eye. There ought to be some time-limit, I believe. I place a limit of ten minutes for each hon. Member. I cannot help it. Half an hour has already been taken by the hon. Member who moved the original resolution. Half an hour at least should be given to the Minister-in-charge. Would he require more time?

The Minister of Industry (Shri Manubhai Shah): I would require half an hour.

Shri Harish Chandra Mathur: We can sit a little longer.

Mr. Deputy-Speaker: We will see to that afterwards, if the House so desires. Shri M. C. Jain.

श्री म० चं० जैन : जनाब डिप्टी स्पीकर साहब, जो रेजोल्यूशन मूव हुआ है जहाँ तक उस की स्पिरिट का ताल्लुक है, मैं इस को स्पॉर्ट करता हूँ। इस के यह मानी नहीं हूँ कि अब तक हमारी गवर्नमेंट का इस तरह ध्यान ना था कि मुस्तलिफ इलाकों में नये इंडस्ट्रियल यूनिट्स जारी न किये जायें और सभी को एक ही जगह पर कंसेंट्रेट किया जाय। लेकिन चूँकि इस के पहले भी गवर्नमेंट का इस तरह ध्यान था, इस वास्ते जब भी लाइसेंस दिये जाते थे या पब्लिक सेक्टर में नये कारखाने खोले जाते थे और खोले जाते हैं, उन को खोलते समय मुस्तलिफ इलाकों का अवश्य खयाल कर लिया जाता है। लेकिन फिर भी ऐसा महसूस होता है कि अंग्रेजों के जमाने की बजह से कहिये या फस्ट फाइव ईयर प्लान

के शुरू होने से पहले के वापसात को देखिये वा कुछ कुछ दूसरी पंचवर्षीय योजना के वक्त से पहले के हाल को देखिये, कुछ ऐसा इरेगुलर डिबेलपमेंट हुआ है इंडस्ट्रीस का कि जिससे यह बकरी मामू देता है कि गवर्नमेंट का ध्यान नये सिरे से इस बात की तरफ दिलाया जाय और उसको बतलाया जाय कि जिन जिन इलाकों में अभी तक बढ़ी हैवी इंडस्ट्रीस जारी नहीं हुई है वा जो इलाके इंडस्ट्रियली बहुत पीछे हैं, उन की तरफ भी उसका ध्यान जाना चाहिये। मैं नहीं समझता हूँ कि इस रेजोल्यूशन की मुस्तालिफ हाउस के किसी भी सेशन की तरफ से होगी। प्लानिंग कमीशन की दूसरे प्लान के सम्बन्ध में जारी की गई रिपोर्ट में भी इस बात पर भी जोर दिया गया है और साथ ही साथ स्टेट्स रिफार्गनाइजेशन कमीशन ने भी जब वह हृदबंदियों की बावत गौर कर रही थी, इस बात की तरफ ध्यान दिलाया है कि इंडस्ट्रियल डेवलपमेंट के लिहाज से गवर्नमेंट जरूर इस बात का ख्याल रखे कि जिन जिन इलाकों में इंडस्ट्रीस नहीं हैं वहाँ पर नई इंडस्ट्रीज खोली जायें और उन इलाकों का खास तीर पर ध्यान रखा जाय। इसलिये रेजोल्यूशन के मुवर महोदय को मैं मुबारिकबाद देना चाहता हूँ कि उन्होंने इसके जरिये गवर्नमेंट का फिर से ध्यान इस बुनियादी मसले की तरफ दिलाया है।

उन्होंने खास तीर पर अपनी स्टेट यानी केरल का जिक्र किया है। केरल स्टेट के बारे में कुछ लापरवाही कहिये वा इंडिफेंस कहिये, बरती गई होगी, इससे मैं इंकार नहीं करता हूँ। लेकिन आपको पता ही होगा कि पिछले दिनों यू० पी० का मामला सामने आया था। यू० पी० के चीफ मिनिस्टर ने हालांकि वह कांग्रेस पार्टी से ताल्लुक रखते हैं, इस बात का गिला किया था और न सिर्फ गिला किया था बल्कि उन्होंने ने पार्लियामेंट के जो यू० पी० के मैम्बर हैं उन की कनवेंशन कर खास तीर पर इस बात की सिकायत की थी कि इंडस्ट्रियल डिबेलपमेंट के मामले में सेंटर की तरफ से कुछ उनकी स्टेट के साथ

धक्का सलूक नहीं हो रहा है और वंसा सलूक नहीं हो रहा है और कि होना चाहिये। हो सकता है कि यू० पी० के हमारे साथी यू० पी० का केस प्लीड करें जिस तरह से केरल के मुझ के पहले बोलने वाले माननीय सदस्य ने केरल का केस प्लीड किया है। मैं भी पंजाब के बारे में मिनिस्टर साहब की खिमत में कुछ अर्ज करना चाहता हूँ।

15 hrs.

जहां तक पंजाब का ताल्लुक है और जहां तक रा मैटीरियलस के मिलने का सवाल है, मेरे ख्याल में सारे हिन्दुस्तान में सब से ज्यादा वहीं पर होता है। जहां तक काटन का सवाल है, वह वहां बहुत ज्यादा होती है। जहां तक बिजली मिलने का सवाल है भाखड़ा नंगल की वजह से जितनी सस्ती बिजली अब पंजाब में पैदा हो रही है उतनी सस्ती बिजली श.मद और वहीं पैदा नहीं हो रही है। शीष्ट उतनी मात्रा में नहीं हो रही है। हमारे यहां नंगल में फटिलाइजर फैक्टरी बन रही है। जहां तक पावर का ताल्लुक है वहां पर छोटे छोटे पावर हाउस लग चुके हैं और अब सलूज के लैप्ट बैंक की तरफ भी लग रहा है। लेकिन इतना होने पर भी डिमांड पावर की पूरी नहीं हो सकती है। वहां से पावर दिल्ली भी एक्सपैक्ट करता है, राजस्थान भी एक्सपैक्ट करता है और अगर और भी किसी को दी जा सके तो वह सूबा भी एक्सपैक्ट करता है। जो पावर हाउस लैप्ट बैंक पर बन रहा है उससे गुबारा इतिहास वाला नहीं है। मैं चाहता हूँ कि सलूज के राइट बैंक पर भी पावर बनाने की ध्येयस्था की जाये और तभी जो पंजाब और दूसरे स्थानों की जरूरियात हैं वे पूरी हो सकती हैं।

जहां तक दूसरी स्माख इंडस्ट्रीज का ताल्लुक है, मिनिस्टर महोदय की जानते हैं और हाउस भी जानता है कि पंजाब के लोगों में धपने धाप हिम्मत कर के इन को सलू

[श्री यू० ए० जैन]

किया है। लुचियाना को भाप जानते ही हैं, उस के डिबेलेपमेंट का सब से बड़ा कारण यह है कि वहाँ के लोगों ने हिम्मत से काम लिया है, पुनर्बाध किया है, वे इंडस्ट्रियस हैं। मैं मानता हूँ कि सस्ते दायों पर बिजली का मिल जाना भी एक बहुत बड़ा कारण है, लेकिन यही एक कारण नहीं है। जितनी बिजली पंजाब में तैयार हो रही है वही सारी की सारी कंप्यूम की जा रही है और अब उस की कमी पड़ रही है। अब तक जितने पावर हाउस हैं उनसे जितनी बिजली पैदा की जा सकती थी वह पैदा की जा रही है और सारी कंप्यूम हो रही है। चार पांच बरस पहले यह ब्याल लोगों को था कि कौन इस बिजली को लेगा और कहाँ यह सारी बिजली जायेगी, लेकिन अब ऐसी कोई बात नहीं है। जितनी भी बिजली लैप्ट बैंक के पावर हाउस से धनी बनेगी वह पड़ने ही बूक ही चुकी है और अब पंजाब के इंडस्ट्रियल डिबेलेपमेंट के लिये जरूरी है कि राइट बैंक के पावर हाउस के लिये भी रूपया फौरन ही सौकान किया जाय और अगर यह सौकान फाइव इयर प्लान में नहीं हो सकता है किसी कारणवश तो तीसरे प्लान के शुरू में इसको रस दिया जाये।

जहाँ तक पंजाब में इंडस्ट्रीज लगाने का सवाल है, कुछ मंत्री साहिबान कह सकते हैं कि अगर सारी स्टेट को लिया जाये तो विकसयत की कोई गुंजाइश नहीं है। मैं भी इससे सहमत हूँ। लेकिन कुछ मंत्री साहिबान को विकसयत की गुंजाइश हो सकती है और कुछ को नहीं। मैं माननीय गंधी महोदय से प्रार्थना करता चाहता हूँ कि सारी स्टेट को एक यूनिट न समझें—क्योंकि सारी स्टेट को एक यूनिट समझ कर चलें तो भी उस स्टेट के बाज इनाकों के साथ ज्यादाती हो सकती है—दो यूनिट समझें तो भाप को पता चलेगा कि एक यूनिट का बहुत ही बुरा हाल है। इस के जवाब में मिनिस्टर साहिब कह सकते हैं कि यह स्टेट का सामना है हम क्या कर सकते हैं। लेकिन मेरे तजुबे में एक बात साई है और मेरे ब्यास में हाउस

के दूसरे मेम्बर साहिबान भी इस की टाईब करने कि कितनी ही स्टेट्स ऐसी हैं जिनमें एक पोशन की तरफ तो ध्यान दिया गया है लेकिन दूसरे पोशन की तरफ बिल्कुल भी ध्यान नहीं दिया गया और उसमें सेंट्रल भी कुछ हद तक जिम्मेदार है और वह स्टेट तो जिम्मेदार है ही। मिसाल के तौर पर मैं भाप को बतलाना चाहता हूँ कि पंजाब के दो रिजन हैं, एक हिन्दी रिजन और दूसरा पंजाबी रिजन। माननीय उपाध्यक्ष महोदय इसको अच्छी तरह से जानते हैं। हमारे यहाँ हिन्दी रिजन में इस बात की कोशिश हुई कि वहाँ भी कुछ रिटोरिंग मिल्स के लिये लाइसेंस मिलें। लोगों ने पहले पंजाब गवर्नमेंट से प्रार्थना की और पंजाब गवर्नमेंट ने उस केस को सैटर वालों के पास भेजा। सैटर वालों ने जवाब दिया कि नया लाइसेंस नहीं मिल सकता है। हम जो लोगों के नुमायन्दे हैं, उन के पास वे लोग पहुँचे। मैंने तब शास्त्री जो को लिखा। शास्त्री जी ने उस के जवाब में मुझे एक लम्बी चौड़ी चिट्ठी लिखी। उस जवाब की मेरे पास काफी है। उन्होंने उसमें लिखा कि पहले से ही पंजाब में ५५ रिटोरिंग मिल्स हैं। बाकी भी ऐसे स्थान हिन्दुस्तान के दूसरे भागों में हैं जहाँ इनका सपाया जाना आवश्यक है। उन्होंने लिखा कि सक्सेना कमेटी बनी, उस ने रिपोर्ट दी कि यह और एबिथानस केपिसिटी का सवाल है, फारेन एक्सचेंज का सवाल है, मशीनरी वगैरह बाहर से आने का सवाल है वगैरह और हम इजाजत नहीं दे सकते हैं। उन्होंने लिखा कि चार स्टेट्स ने इनकी कमी है, असम, बिहार, आन्ध्र प्रदेश और केरल। उन्होंने कहा कि इन स्टेट्स को और रिटोरिंग मिल्स के लाइसेंस दिये जा सकते हैं लेकिन पंजाब के लिये नहीं दिये जा सकते हैं। मैं कहना चाहता हूँ कि बीते सो चिट्ठी से साफ जाहिर है कि बिहार के एक कास इनाके का यानी नार्थ प्राफ दि मॉजिस का जिक्र किया है कि मॉजिस के उत्तर की तरफ के इनाके को भीद लाइसेंस मिलेंगे

लेकिन पंजाब के बारे में दूसरे इलाके का चिन्म नहीं किया है। अगर वह बिहार को इस तरह से दो हिस्सों में विभाजित कर सकते हैं, तो मैं पूछना चाहता हूँ कि इसी काम के लिये पंजाब की इसी तरह से दो हिस्सों में क्यों विभाजित नहीं किया जा सकता है।

15. 06 hrs.

[SRI C. R. PATTABHI RAMAN in the Chair]

पंजाब के बारे में मैं आपकी बतलाना चाहता हूँ कि वहाँ पर जो ५५ इस तरह की मिल्स हैं उनमें से केवल दो ही हिन्दी स्पीकिंग एरिया में हैं। मैं कोई शिकायत की बात नहीं करता हूँ लेकिन चाहता हूँ कि मंत्री महोदय इस धीरे ध्यान दें। इसका कारण यह है कि जहाँ तक इन्डस्ट्री का तात्पर्य है और इन्डस्ट्रियल डेवलपमेंट का तात्पर्य है, हिन्दी रिजन पंजाबी रिजन से बहुत पीछे है। यह हालत उसकी हमेशा से ही रही है। जो इलाके पहले से भागे बढ़े हुए हैं वे तो धीरे बढ़ते चले जा रहे हैं और जो पिछड़े हुए हैं वे पिछड़ते जा रहे हैं। जो इलाके भागे बढ़े हुए हैं वे थोड़ी सी हिम्मत करते हैं तो उनको लाइसेंस दे दिये जाते हैं लेकिन हमें यह जवाब दिया जाता है कि आप सारी स्टेट को लें। सारी स्टेट को अगर लिया जाये तब तो यह बात सही मालूम देती है और अगर आप हमेशा सारी स्टेट को ही लेते रहेंगे तो कभी भी इन इलाकों का डेवलपमेंट नहीं हो सकता है। इस बास्ते मैं जोर देना चाहता हूँ कि इस चीज को आपकी अपनी भावों से दूर नहीं करना चाहिये। अगर इसी तरह से कुछ इलाके तो भागे बढ़ने चले गये और बाकी पीछे रहने चले गये तो जो डिस्पैरिटी है, जो भाव विषमता वहाँ मौजूद है, वह बनी रहेगी और मैं आपकी बतलाना चाहता हूँ कि जितनी भी एजिटेशन होती है, जितनी भी मूवमेंट्स चलती हैं वे इसी विषमता के कारण चलती हैं। जब एक इलाका महजूस करता है कि हमारे साथ ज्यादा ही है और दूसरे इलाके के जो लोग हैं वे ज्यादा एडवांस्ड हैं तो किसी न किसी क्षण वे एजिटेशन फूट पड़ती है। गुजरात और महाराष्ट्र

का जहाँ तक सवाल है, यह भी मैं समझता हूँ डिस्पैरिटी की वजह से कुछ हद तक हल नहीं हो सका है। लोग जब देखते हैं कि एक इलाका तो ज्यादा डिबेलेप्ड है एक कम है तो उससे फायदा उठाकर लोग दूसरे के सेंट्रिमेंट्स को भडकाते हैं, जनता से अपील करते हैं और एक एजिटेशन सड़ी कर देते हैं। और भी दूसरे कारण इन एजिटेशंस के हो सकते हैं लेकिन यह भी एक बहुत बड़ा कारण होता है। हमारे वहाँ भी हरियाना वालों का सवाल है जो कि हिन्दी रिजन है। वहाँ के लोगों के साथ भी सौतेली भाँसा चलता रहा है। वह एक ऐसे इलाके के साथ जोड़ दिया गया है जो कि हमेशा से ही उसके साथ सौतेली भाँसा जैसा, स्टेप मदारली ट्रीटमेंट करता भाँसा रहा है। स्टेट्स रिफार्गनाइजेशन कमिशन से पहले से वहाँ पर इसके खिलाफ माग चलती भाँ रही है। मैं चाहता हूँ कि एंसा मौका ही नहीं भाना चाहिये कि इस तरह की माँगें उठें। इसके लिये जरूरी है कि जो हमारी गवर्नमेंट है वह बैलेन्ड एकानमी की तरफ पूरा ध्यान रखे। उसका तो उमूल ही बैलेन्ड एकानमी है। यह नहीं कि मैं हुकूमत से अपील कर रहा हूँ कि बैलेन्ड एकानमी के सिद्धान्त को कबूल किया जाय। वह सिद्धान्त तो उसको पहले से ही कबूल है। आज तो सिर्फ उस पर अमल करने का सवाल है। उसके अमल से भी जाहिर है कि वह इतना उभूल को मानती है लेकिन कुछ इलाके ऐसे हैं जिनके लिये मैं कहना चाहता हूँ कि वह इन्डस्ट्रियल डेवलपमेंट के मामले में स्टेट के ऊपर न छोड़े जायें। सेन्ट्रल गवर्नमेंट खुद उन को देखें कि कौनसा बेल डिफाइन्ड इलाका है और किसको बेल डिफाइन्ड किया जा सकता है। जैसे कि कास्टिट्यूशन में तसलीम कर लिया गया है कि इसके लिये प्रेजिडेंट आर्डर हो सकता है मिसाल के तौर पर प्रेजिडेंट ने पंजाबी स्पीकिंग रिजन को और हिन्दी स्पीकिंग रिजन को अलग अलग रखा है। मैं समझता हूँ कि इसी तरह से बैलेन्ड डेवलपमेंट होगा और लोगों में जो डिस्पैरिटी या विषमता की शिकायत है

[श्री यू० चं० जैन]

भूतनामिक रीजन्स के बारे में वह भी नहीं रखेगी ।

में ज्यादा समय नहीं लेना चाहता । मैं खय्यालता हूँ कि मिनिस्टर साहब का इस तरह ध्यान होगा । इस रेजोल्यूशन में जो कसर रह गई थी उसके लिये मैंने सविस्टट्यूट मोशन दिया है । उन्होंने तो सिर्फ प्राइवेट सेक्टर के बारे में कहा है । मैं ने अपने सविस्टट्यूट मोशन में कहा है कि न सिर्फ प्राइवेट सेक्टर के बारे में ही लाइसेंस देने के उक्त इस बात का ख्याल रखा जाय बल्कि पब्लिक सेक्टर में भी जो इंडस्ट्रीज हैं उनके बारे में भी गवर्नमेंट इस बात का ख्याल रखे कि जो इलाके पहले से नजर भन्दाब हो गये हैं उनकी तरफ ज्यादा ध्यान दिया जाय । लेकिन एक शर्त जरूर है, जैसा कि "ग्रुवर आफ दि रेजोल्यूशन" ने भी माना है कि अगर रा मैटिरियल की प्रवेलेबिलिटी कंसेरन हो तो इंडस्ट्री को उसमें ही रहना चाहिये । अगर ऐसा है तो हमें मजबूर हूँ । मेरे साथी श्री पुन्नू ने जो अर्नेडमेंट दिया है वह तो मेरे अर्नेडमेंट से कवर हो जाता है । लेकिन श्री श्रीनारायण दास ने जो अर्नेडमेंट सविस्टट्यूट मोशन की शकल में दिया है उसमें एक शीट चीज जोड़ दी है जिसकी हिमायत करने के लिये मैं तैयार नहीं हूँ । जहाँ उन्होंने "प्रवेलेबिलिटी आफ रा मैटिरियल" की बात को रखा है वहीं पर प्रागे चल कर लिख दिया है : "एंड अवर इंसिस्टेंस फेसिलिटीज" । यह बहुत बड़ा दबावा उन्होंने खोल दिया है कि अगर गवर्नमेंट कही पर इंडस्ट्रीज जारी करे तो उसको रा मैटिरियल के साथ साथ दूसरी चीजों को भी देले । वह किसी भी जगह पर इंडस्ट्री को खोलने के लिये कह सकती है कि रा मैटिरियल के साथ साथ फला फला वजह भी थी जिसकी वजह से इंडस्ट्री को किमी खास जगह में खोलना जरूरी हो गया । मैं इस अवर इंसिस्टेंस फेसिलिटीज वाली चीज को मानने के लिये तैयार नहीं हो सकता ।

में कहना चाहता हूँ कि जब भी कहीं पर प्राइवेट सेक्टर या पब्लिक सेक्टर में किसी इंडस्ट्री को नया लाइसेंस देने का सवाल उठे तो रा मैटिरियल फेसिलिटीज के साथ साथ । इस बात का भी ध्यान रखा जाय कि जिन इलाकों में पहले से ही इंडस्ट्रीज नहीं हैं उनमें शुरू किया जाय । तभी जा कर इस देश में बैलेन्सड एकानमी हो सकती है ।

इन शब्दों के साथ मैं अपने सविस्टट्यूट मोशन को पेश करता हूँ ।

Shri Surendranath Dwivedy (Kendrapara): I do not think there will be any disagreement in this House about the purpose of this Resolution. If I mistake not, the National Development Council, at some stage or other, agreed in principle that within the available resources every effort must be made to provide for balanced development in different parts of the country. This is, of course, in regard to the removal of regional disparities. But this Resolution points out to a specific problem, that is, location of industries in our country.

In spite of the fact that so many hon. Members have repeatedly pleaded for it and in spite of the fact that the balanced development of our country is being accepted by the Planning Commission and agreed to by the National Development Council from time to time, if one sees the industrial map of India, it will be found that still most of the industries are concentrated in about a dozen places. There has been no attempt to revise that direction. I do not think the hon. Minister is in a position to tell us today whether by the policies that they have carried out there has been any change in the picture at all. So, we find in the country some portions rather very well developed and flourishing in the 20th century, getting all modern facilities, while there are other areas still in the mid-19th century. And when I say this I do not want

to plead simply because my State of Orissa is neglected, or Kerala has not been given justice, or Rajasthan has not got more industries so, from that point of view, we come in this House and say that they should decide this. This House, this Parliament has deliberately and consciously decided that this country will have a socialist economy and that the development of the country must be on socialistic lines, which they call "pattern". By accepting this principle, it becomes obligatory on their part to remove not only disparity on individual prosperity but also regional inequalities. We should act in such a manner as to give incentive to more depressed areas and give equal opportunities to the individual members of those areas too. If this is done, then only can this unbalanced growth be broken and concentration of capital or industries in a few hands, or in some favoured places, be broken. It seems the Prime Minister has become conscious of this just a few days back. He has stated in Bombay: I do not want that industries should be concentrated in the hands of a few people. If that is so, what has the Government done in this matter?

I do not want to quote many figures, but I have got here licences issued by the Government for the period April 1956 to September 1956 and also from October 1956 to October 1958. It will be seen that from April 1956 to September 1956 licences issued to States like Assam, Bihar, Orissa and Rajasthan—and these are very backward areas—were very few. For example, Assam has got 1.24, Bihar 2.16, Orissa 1.24, Rajasthan 1.24.

Shri Ranga (Tenali): Rajasthanis are found everywhere.

Shri Harish Chandra Mathur: I shall be grateful if you send them back.

Shri Surendranath Dwivedy: Rajasthanis may be everywhere, but we are considering the region. I thought that perhaps in the Second Five Year Plan things would have been better. But

if you look into the figures from October 1956 to October 1958 you will find that the concentration in those developed areas like Bombay and West Bengal have increased. In the other areas there has been no visible signs of improvement but only deterioration.

I do not think that at the present stage of development, when we are speaking of technological and other things, it will be said that some areas are undeveloped because only other areas have got historical advantages and facilities. Because of technological development, out of one raw material several commodities can be produced. In these days of atomic energy I do not think it can be a consideration. Even where we have coal, hydro-electric power and other things, no consideration has been given to set up new industries by granting licences. When we are talking of technological development, when our transport and other facilities are also increasing, is it proper for us, again to say that because some areas have got certain advantages, which they have been enjoying for historical reasons for ages to come, we should not give priority to the areas which are less developed? That is what we really find from this statement. The licences for new industries are issued under the Industries (Development and Regulation) Act. There are complaints—I do not know how far they are valid—that very great delay generally occurs while granting licences. I know that when a license goes to the Government, it is perhaps necessary to collect all connected information. But, at the same time, I do not think that the procedure cannot be changed in such a manner as to make it as easier and quicker as possible. I know that the licensees generally come from areas which are very well developed. And, naturally, they, for their own advantage want it in the nearabout places where they function. But it is up to Government, if they are really serious in acting upon this policy which has been accepted by the National Development Council and the Planning

[Shri Surendranath Dwivedy]

Commission, to tell the particular licensee that he will have to go to other regions. If he is not prepared to do that, then the people of those regions may be asked to take up that work, or in conjunction with the State Governments concerned, the Central Government themselves may come forward to take it up. I say this with a certain amount of confidence because you will find that not only Members belonging to the Government's party but all sections of the House are anxious that the development of this country must go on in a uniform manner, so that a feeling of unity, a feeling of uniformity, a feeling of progress and a feeling of sharing the prosperity together are created. If we are serious in acting on this policy. I do not think there will be any great difficulty or obstruction from any quarter whatsoever.

As regards my State, if I raise that question, the hon. Minister will come forward and say, we have given you Rourkela, we have given you Hirakud, and so on.

Shri T. B. Vittal Rao (Khammam):
And a fertiliser factory.

Shri Surendranath Dwivedy: All these things will be said to me. But the problem of employment should also be taken into consideration. We know there are people who are running to the cities for employment, and we know what the condition of the people is where there is concentration, and we are spending large sums of money on slum clearance. If some part of this money goes to the States for development of transport, then many of these things can be avoided. So far as Rourkela is concerned, in any case, Government were bound to have the plant there, because the raw materials are available there in plenty. In Rourkela, there can be dozens of steel plants like the one that is there now. So much of raw material is available at that place.

Whenever the question of employment is raised in the House, as to how

many Oriyas have been appointed, we are always confronted with the answer that it should not be considered from a parochial point of view. Even the other day, in the consultative committee, a Member from the Congress Party asked how many Oriyas had been employed in the Rourkela factory. Some other Members took objection to this question, and the hon. Minister refused to give the information and stated that this was a national factory, and, therefore, every Indian national was entitled to get employment there, and that this should not be considered from a parochial or provincial point of view.

It is not a parochial point of view, but the question should be considered from the point of view of the fact that the population is so backward and so economically undeveloped that they have often to run to the neighbouring States for employment in factories and other things. At present, you will find that there are lots of people in Calcutta who are being refused employment in the Calcutta factories, because the Bengal Government insist that the sons of the soil must be given first preference in any of the industries that are to be started there or that are already going on there. That being their attitude, it becomes essential that in areas like these, opportunities should be afforded to the people of the locality to get employment in the factories. So, it is no satisfactory answer to say that Rourkela plant has been established there. I want to know how many new private industries are going to come up in Orissa or how many permits have been issued during this period or what efforts Government have made in this matter.

Mr. Chairman: Now, I call upon Shri Shree Narayan Das. After that, I shall call Shri Mahanty, Shri Panigrahi and Shri Punnoose; they can get ready.

Shri T. B. Vittal Rao: What about others?

Shri D. B. Chavan (Karad): I have moved an amendment.

Mr. Chairman: I have been given the list, and I am calling the names according to the list.

Shri Harish Chandra Mathur: You want that people should give amendments in order that they may be called.

Mr. Chairman: The position is, we are going according to a list with names not only of people who have given amendments, but also on a party basis. I am sure hon. Members would like the hon. Minister to say something at the end; all the benefit will not be there, if we do not have the Minister saying something at the end of the debate. So, I am trying to reduce the time allotted for each speaker, without affecting the number of speakers.

Shri Harish Chandra Mathur: It is not at all a party question; it is a question of the development of particular regions. So, you cannot ignore a definite region which has been referred to by the hon. Members opposite. They have all talked about the Rajasthan State being under-developed; and they have given you certain facts. If you say it is a party question, then let us start from the party point of view.

Mr. Chairman: I assure the hon. Member that Rajasthan will be called.

Shri Harish Chandra Mathur: It is not a question of party, but it is a question of region.

Shri Khadilkar (Ahmednagar): May I point out one thing? We have heard on the floor of the House "that the whole of our country is under-developed". It is a question now which area is less under-developed and which area is more under-developed. That is all. There is no other question before us now.

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): I am sorry that I have to intervene at this stage. I think the Constitution is there; it is our Bible; in the Constitution, it is very clearly said who the backward people are. So, I hope you will consider that point.

Shri Khadilkar: Excuse me; it is not region-wise there; it is only race-wise or caste-wise.

Shri N. B. Maiti (Ghatal): Shri Surendranath Dwivedy has referred to Bengal; so Bengal also should be allowed to have its say.

Shri Shree Narayan Das: I am glad that this resolution has been moved by my hon. friend who has emphasised the very important aspects of the industrial developments of our country.

At the outset, I would say that the resolution as it has been framed wants that the policy of Government should be changed so as to bring about an emphasis on the location of such new units in less developed areas unless there are major disadvantages in such areas in the matter of availability of raw materials.

I would like to draw the attention of the House to para 15 of the Industrial Policy Resolution of the Government of India, which reads thus:

"In order that industrialisation may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced....It is one of the aims of national planning to ensure that these facilities are steadily made available to.....".

—that is, the facilities of ready availability of power, water supply and transport facilities etc.—

"...areas which are at present lagging behind industrially or where there is greater need for providing opportunities for employment, provided the location is otherwise suitable. Only by securing a balanced and co-ordinated development of the industrial and the agricultural economy in each region, can the entire country attain higher standards of living."

[Shri Shree Narayan Das]

So, it is clear from this that it has always been the policy of the Government of India to have in mind the development of all regions, especially of those regions which are backward. Therefore, I think there is no necessity for this resolution, because the resolution wants that there should be a change in this policy.

Shri Surendranath Dwivedy: It is just to emphasise it and to remind them of it.

Shri Shree Narayan Das: So far as I have been able to gather, the Planning Commission and the Commerce and Industry Ministry which is empowered under the Industries Development and Regulation Act have been attending to this aspect of the question very carefully. Some of the institutions that have been established during the last few years for the development of various types of industries, such as the National Industrial Development Corporation, the National Small Industries Corporation, the Indian Handicrafts Corporation and other bodies are quite conversant with the policy laid down by the Government of India. Therefore, the resolution as it stands is not necessary.

As I have said, this has brought the case of the backward area to the notice of Government and this House, and we have heard hon. Members who come from backward areas, who have had the opportunity to emphasise the development in their own regions.

Therefore, I am not speaking on behalf of any State. I think there are various regions in the country where there is much less industrial development even after independence and even after the Planning Commission has come into being. The establishment of the Planning Commission itself shows that there is one central body to look after the all round development—not only industrial development but all round development—of the country. Therefore, I think

from the very beginning the Planning Commission have been giving attention to all these aspects. From a perusal of the annual report of the Commerce and Industry Ministry—appendix II—I find that it is clearly stated how many applications for licensing were received, how many were disposed of and how many are still pending. Information is also given of the units that were established, the applications that were disposed of and so on.

Therefore, it is clear that every State is being looked after. There is no question of any State being neglected, which has not been any single industrial unit. Therefore, no one can say that any State is neglected. The hon. Mover of the Resolution laid emphasis only on the State of Kerala. I think the very spirit of the Resolution has been taken away by the argument put forward by him. He should have emphasised the need for paying more attention to backward regions as such.

Shri Vasudevan Nair: I left it to him.

Shri Shree Narayan Das: Practically, during three-fourth of the time, he was emphasising the backwardness of Kerala.

An Hon. Member: Is it wrong to do so?

Shri Shree Narayan Das: I support the spirit behind the Resolution. It is not only Kerala that is backward. There are other regions also in the country which are backward.

Therefore, we should draw the attention of the Government and the Planning Commission and all other organisations concerned with industrial development to such regions of the country as are really backward, not only a particular State or a particular area. As has already been pointed out by some hon. Members

who have spoken, we have adopted a socialist pattern of society. Parliament has accepted it. So we have not to see only to one State, town or city. We have to look round and see that the 36 crores of people in India get justice. I think that will be possible only if we shut our ideas to the question of particular States we come from. Though here in Parliament we are elected by the people of particular constituencies, sitting here we represent the whole of the country.

The spirit of the Resolution is not that only the industrial development of Kerala should be attended to or that the industrial development of Bihar should be taken up.

Shri Vasudevan Nair: I did not mean that.

Shri Harish Chandra Mathur: Kerala is part of the under-developed areas.

Shri Shree Narayan Das: Although there is a Planning Commission to look after this matter, and we have an Industrial Policy Resolution passed by Government, I would suggest that a small high-power committee be set up to look into the workings of all the concerned bodies including the Planning Commission, the Ministries responsible for the regulation and development of industries in the country and other bodies. There are so many corporations and companies which have been entrusted with the task of the all round development of the country, in the field of big industries, small industries and medium industries and cottage industries. The working of all these organisations should be scrutinised and reviewed to see whether they have paid sufficient attention to the policy as laid down in paragraph 15 of the Industrial Policy Resolution of the Government of India. That would give an overall picture to us. Then we can know which are the regions which have not been attended to and which should be given priority of development, so that the policy that has been adopted is followed in practice.

I agree that there are various factors which the Government have to take into consideration while sanctioning a licence or establishing any industrial unit, either in the private sector or public sector. Here I would like to emphasise a point. When we consider the report of any such organisation concerned with industrial development or manufacture of articles, we have to see whether there is any profit. We just criticise when there is a loss—we vehemently criticise losses. But Government have to take into consideration so many factors in establishing a certain unit in a certain area, for instance, availability of raw materials, availability of power, water supply, transport and so on, to decide whether it will be profitable or not.

Therefore, we should not say that the Government have failed in this regard. Having laid down the policy in the Industrial Policy Resolution, I think the Planning Commission, the Government of India and other bodies concerned have been attending to it. I will not take much more time. I think it would satisfy hon. Members of this House if a small high-power committee is set up to look into the working of these organisations, not with a view to condemn or find fault, but with a view to see whether the Industrial Policy Resolution has been given effect to in practice. This Committee should be appointed particularly with a view to satisfy those Members who come from such areas as are industrially backward now, so that in future the Planning Commission and other bodies concerned with industrial development of the country should pay more attention to those areas.

With these words, I commend my amendment. I hope hon. Members and the Government will accept it.

Shri Mahanty (Dhenkanal): I am sure the House will join me in offering thanks to the hon. Mover of this Resolution. Once again he has sought to focus the attention of this House

[Shri Mahanty]

on the prevailing pattern of regional disparity in the economic development of this country.

Of late, much is being said, as it should be, about the emotional integration of India. In this context, linguistic irredentism and linguistic squabbles are being mentioned, but I wish to submit that it is not linguistic irredentism or squabbles that is standing in the way of the emotional integration of this country, but it is the regional disparity in development. The fact has to be admitted that the economic development of India is, by and large, a historical accident. When the British had come to this country, all their industrial activities centered round three port towns, Calcutta, Bombay and Madras. The rest of the country was being utilised as a mere hinterland. Cities had grown up around the three military ports of Fort William (Calcutta), Fort St. George (Madras) and Fort. St. David (Bombay).

What pains me is that since that time the Government of India have taken no effective steps to exert any corrective influence over the disparity which was, by and large, a historical accident. Speakers after Speakers—I do not know why—have approved of the Government's policy in this regard.

Shri Funnoose: Approved.

Shri Mahanty: Even the Mover of the Resolution had approved it.

In all humility, I would like to ask the hon. Minister to tell this House what their policy is in this regard. We of course know that the Planning Commission in their second report have mentioned about regional disparity. But like all village quacks, they have diagnosed the disease but prescribed 'no remedy. Let the fact be understood: it is essentially a question of changing the occupational pattern of this country where 80 per cent

of the people depend on agriculture. Let it also be remembered that in Europe and other highly industrialised countries, it has taken more than decades to change the occupational pattern. It has also meant an astronomical figure in investment. Therefore, while the Government, in the Planning Report, may glibly go on talking about removing regional disparities and changing the occupational pattern, I would like to know what steps they have taken since the implementation of the First Five Year Plan, to change this occupational pattern and to remove regional disparities. I would once again submit, let there be no superficial thinking on that subject. Let us try to face it with all the realities that it deserves.

If we look at the map of India what do we find? We find a very painful thing. There are some industrial States and the rest are agricultural States. Industrial States are inevitably short in food production. Take the case of West Bengal; take the case of Bombay; or take the case even of Madras. The agricultural States like Orissa and Madhya Pradesh have to supply foodgrains to these industrial States where the per capita income is much above the per capita income in the agricultural States.

Here is the root cause of the poverty of the agricultural States. The real problem is how to remove the agricultural population from land and to employ them in industries. Co-operatives have been suggested. Of course, that is beside the point. Land is never going to solve the problem of the poverty of people in this country with a per capita area of .88 acres of land. Nobody can imagine that he can solve the problem of poverty so far as the agricultural States are concerned.

When we come to the agricultural States like Orissa and Madhya Pradesh, what do we find? We find that the procurement prices of foodgrains is kept down deliberately at a

low level. For whose benefit? It is for the benefit of the consumers in the industrial States who have got a far higher level of income than the people in the agricultural States.

This brings us to the question, how we can change the occupational pattern in the agricultural States. Unless we change the occupational pattern of the agricultural States, all these talks which have been going on since the first Five Year Plan about removing the regional disparities will remain a sort of academic discussion confined to the Parliament House. In this connection, I would like to offer my suggestions for what they are worth.

It has been said that new industrial units should be set up in the industrially under-developed areas. I beg to differ from that proposition. In these days all our new industrial units those are coming up are more or less automatic or semi-automatic and have not much employment potential. If the hon. Minister now points out that in Orissa you are going to have the Rourkela steel plant, I would ask him, what is its employment potential. If he will point out to me that there is going to be an aluminium factory, I would only point out that in that huge factory only about 100 or 150 labourers will be employed. I am talking about the local people. You may recruit from Canada or from Bombay or from any other part of the world.

An Hon. Member: Do not put Canada and Bombay together.

Shri Mahanty: It is a Canadian concern.

After all, in these industrial units, what is the employment potential? If they have any substantial employment potential so far as the under-developed areas are concerned, they may be very good. Otherwise, they may serve as good show-pieces. They may satisfy regional vanity; but they are not going to solve the basic problem of regional disparity (*Interruption*). What I am saying is, they may be good show-

pieces, they may serve the regional vanity of certain people; but they are not going to solve the basic problem of the regional disparity. For that I would like to invite the attention of the House to the system of agro-industries that are prevalent in countries like Japan.

Japan is a highly industrialised country; and, even today it is competing with full force with highly industrialised countries in the world. In 90 per cent of the industries in Japan they employ not more than 30 persons. The industries in Japan have been co-ordinated with agriculture that there are numerous small units which do not require much investment or much capital. Instead of talking about cooperatives, if Government could have taken any steps in setting up such agro-industries whereby a portion of 80 per cent of the agricultural population, who are gradually increasing—the pressure on land is gradually increasing—could have been diverted, I am sure the problem would have been mitigated to a great extent. But, what do we find?

If anybody cares to analyse the allotments for the various States in the Second Five Year Plan, he will find that much coal was carried to Newcastle; whereas the States which deserved greater attention languished due to the indifference and negligence of Government and the others got more.

I would like to know from the hon. Minister in all humility when he talks about regional disparities—the meaning is obvious and the implication is quite clear—what positive remedies Government have in mind. Last year, I moved a similar resolution and, at that time, Government had given us many assurances, that the matter was being very actively pursued, that all steps were being taken to remove regional disparities. These talks will go on *ad infinitum*; and we have no grudge on that point. But we would like the hon. Minister, to allay our fears, to allay our misgivings because

[Shri Mahanty]

what we find is that the more the tempo of planning is progressing the more we find backward areas remaining backward and the developed areas becoming more developed.

I am now talking of the transport, because it is intimately linked up with industries. I am only analysing the Budget of the Ministry of Transport. I am pained to see that States like Orissa, Kerala and Madhya Pradesh which had remained like closed spots on the map of India are still wallowing in the mud whereas States like Bombay, Madras and Bengal are getting a majority of the share.

Regional disparity is one of the most important reasons which are hindering the emotional integration of India. It is one thing to say that we are all one and that we must all feel like the nationals of India and we should think from an all India point of view. We must feel as a nation. But the fact remains that the average per capita income of India is 285 while the average per capita income in my State is less than Rs. 100. This is a fact which has been admitted by no less a person than the Finance Minister of Orissa who has repeatedly pointed out that the per capita income of the State is less than half of the national average per capita income. What we find is that Government have their favoured areas and regions and they are all getting increased benefits of industrial development while those areas which are under-developed are wallowing in indifference and negligence.

I have nothing more to add except that I hope that when the Third Five Year Plan is being formulated, Government would devote sufficient attention to this question and try to experiment the agro-industrial method as prevailing in Japan which I have pointed out earlier.

Mr. Chairman: Shri Harish Chandra Mathur. After Shri Mathur, I will call Shri Panigrahi and then Shri Purnoose.

Shri Harish Chandra Mathur: My valued friend Shri Mahanty has, as a matter of fact, given a new orientation and has raised certain really basic issues; and I am very much in agreement with him in certain directions. But still it will have to be stated that so far as the Government's policy is concerned, the policy in this respect is unexceptionable and its intentions may be very pious and pure; but the bold fact stands out that the policy which Government have enunciated has not led to any results. Why is it so? It is obvious from the facts and figures quoted by my friend about the applications for licences granted from Bombay, Madras and Calcutta—they take away more than 80 per cent. of the lot. What Rajasthan and other places get is hardly one per cent., this State 1 per cent. and that 1·2 per cent.

Why is it so? The fact remains there in spite of Government's policy and Government's intentions. I am not quoting these figures to say that Government should not have granted the licences to these places or to these States. These figures are all indicative of one fact that in spite of Government's policy the under-developed area remains under-developed. Maybe there are no applications from those areas. But why is it so? Government must be awakened to the situation and see that they create conditions so that these areas may be stimulated to develop industries. Now what steps have been taken by the Government of India to stimulate and to create conditions in those areas which would lead to greater industrialisation and the reduction of disparities. In spite of the Government's policy the gap is becoming wider and wider.

I am quite aware of the fact that the Government has taken one or two such steps. Equalisation of the price of steel is one of them. Steel which is available at the site of production for, say, Rs. 600 a ton is available at the farthest corner of the country, be it Rajasthan or any other place, at the same rate of Rs. 600 per ton. It is a

important step which the Government had taken to help the growth of industries in these under-developed areas. We are not ignorant of this fact. But again, I want to stress the fact that in spite of the Government's policy, the situation remains the same and even worsens every day. So, Government must give their thinking to the whole matter and try to create such conditions which will lead to the development of these areas. I think my friend from Kerala should have no misgivings. When he knows the facts, he will have known that there is no discrimination against that particular State. The same applies to Rajasthan. If Kerala's percentage is 1.6 or 1.2, it is still less for a State like Rajasthan five times that of Kerala.

I raised this question regarding the State collaboration on the floor of this House. The State Government of Kerala has been asking them for this. Because of the peculiar conditions, because of the lack of stimulus from the private sector, let us go into collaboration with the private sector and start certain new industries. That is what they said. But the Planning Commission, for reasons best known to it, stands in the way. Let me remind my hon. friend that this also applies to the Rajasthan State. The Rajasthan Government wanted to do that and still the same treatment is being given. There should be no misgivings on this point; there is no discrimination against any particular State. But I do suggest that some more definite steps should be taken.

He has suggested the appointment of a committee to investigate. We know very well what the reasons are. It will serve no useful purpose. I would suggest that a corporation should be established and it should be charged with the responsibility of developing such under-developed areas. It should be provided with all the necessary funds to give assistance to such areas. So, the difficulty of the State Government going into collaboration and finding money will also be solved. The corporation should be properly equipped with all sorts of

personnel and also resources to find out what can be done in these areas.

This point has got to be taken further and it is where I agree with my hon. friend, Shri Mahanty. Even the development of an industry or a few industries does not help the State like Rajasthan; it does not help a State if there is a dot here or there. There should be a general development. We are very anxious that this development should be taken to the rural areas. How can it be done? One most important factor, which stands in the way of the development of the small industry is power. Immediately, you can get 200 sets of 500 kws and disperse them to every State. Every under-developed State should be given 20 to 50 sets of 500 kws so that power may be generated. The corporation should undertake that work. When power is there, certain types of industries could be developed. The prototypes like the German prototype at Okhla will give a sort of a training and will be able to establish people in industry and will give them the know-how. I would demand that in each of these under-developed States a similar type of prototype factory should be established and that we have a network of small power-houses. They will immediately serve as a great stimulus. He wants to give electricity at a subsidised rate to the small-scale industries. That facility is not being utilised. It cannot be utilised. If these sets of 400 kws. are distributed that would give a new life to the under-developed areas and to the entire rural population. All sorts of small-scale industries could be established. A large number of people who are living in the rural areas will benefit. It will help the cottage industries and also agricultural economy.

Mr. Chairman: You mean industrial estates?

Shri Harish Chandra Mathur: I do not mean industrial estates. What I speak of is much wider than the industrial estates. These industrial estates could serve as a good nucleus. There are many other things that could be

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done. I say that there should be an active agency charged with the responsibility of giving effect to the Government's policy; otherwise that Resolution is not going to take us any far. Whenever we speak of this, it is being flung at our faces and they say that the Government's intentions are quite clear and that it is the definite policy of the Government but that the States are not doing or that the private people are not coming. Conditions have got to be created so that small-scale industries could be started in rural areas. But what has happened here? The small-scale industry is concentrated in one place. In Delhi proper, there are about a thousand such industries. They have grown up here; they will grow up here because there are conditions favourable to the growth of the small-scale industry. How are you going to create similar conditions in under-developed areas? It is not possible for me to deal with the entire problem here and now. That is why I ask you to create a very effective agency with all the resources and other things.... (Interruptions.) I have only said that a corporation should be established. We have got corporations for various purposes. The Industrial Finance Corporation is there to dole out loans to certain medium-scale industries. I can deal with this subject at length but it will take a lot of time. How the corporation could function, what role it should play—all these are there. But I leave it at that.

I will say only a word about Rajasthan. My complaint is that in spite of the fact that certain demands have been made from that State, which is an under-developed State, those demands have not been conceded. We wanted to establish a tractor factory at Kotah where the Chambal project is in progress. I do not know why it should be refused. The private sector wanted to establish it. If there is a policy to give assistance to those under-developed areas, they should be reasonable and implement it. They

are going to have such a huge project which is going to be the pride of India. Rajasthan Canal is not only going to be the pride of India but it is one of the finest projects in the world, which will change the entire face of the country. It is not a Rajasthan project. I cannot for even one moment call it a Rajasthan project. It is a national project, an All-India project. It is going to give food to the country. It is going to send supplies of food all over the country. Rajasthan is surplus in food even today. Some of my hon friends have got very strange conceptions about the State of Rajasthan, that it is a desert, it is a dry State and so on. I might tell them that it is already surplus in food and has supplied 75 lakh maunds of food to different parts of the country in this hour of need. Rajasthan Canal is going to give much more. If you can develop that area, it will be very good.

16 hrs.

Why don't you have a fertiliser factory there? All gypsum from Rajasthan is spirited away to places hundreds of miles away. It is a place where all gypsum is found, and still you cannot have a factory there. I do not see any justification for that. They say that they have got all considerations for under-developed areas.

Again, in answer to a question, I pointed out that 35 per cent. of the entire wool in the country is produced in Rajasthan. What has the Government done to stimulate that industry? Regarding other places, they say they have difficulties about grazing grounds. Here there are lots of pasture lands where thousands of sheep can graze at a time. You can get exceedingly good rice grass. In spite of the fact that 35 per cent. of the total wool of the entire country is produced there, not a pittance of an industry, small-scale or large-scale, is there to serve that area. I do not want to go into

the deeds or misdeeds of the Rajasthan Government, but it is the duty of the Central Government to convene a meeting of all Chief Ministers and discuss the issue. I would strongly urge upon the Minister of Industry to convene a meeting of all the Chief Ministers of these three or four States, consult with them, and in consultation with them advise certain effective methods which, if followed and pursued, will give us certain practical results, instead of having these pious resolutions.

Mr. Chairman: Shri Panigrahi. I would request the hon. Member to be very brief, because Orissa has had two or three speakers.

Shri D. E. Chavan: Nobody from Maharashtra has spoken.

Mr. Chairman: I have been given a list of speakers which includes Members who have moved amendments and also speakers party-wise.

Shri Panigrahi: Sir, we get less licences and also less time to speak.

Mr. Chairman: I congratulate the Mover of the Resolution which tries to bring out a very salient feature so far as the economic development of India is concerned. The Government, rather the ruling party, have inherited power. They have also, at the same time, inherited certain patterns. The existing industrial pattern which was inherited at the time of transfer of power continues more or less in the same way. If we analyse the industrial pattern at the beginning of the First Plan, the industrial locations in different States, we will find that Bengal was first in jute, general engineering and paper, it took second position in chemicals and third in iron and steel. Bombay enjoyed first position in non-jute textiles, second position in engineering and third in glass.

An Hon. Member: Bombay City.

Shri Panigrahi: I mean Bombay City—there are regional disparities in

a district itself. Then, U.P. enjoyed first position in sugar and glass, Bihar enjoyed first position in iron and steel, Mysore enjoyed second position in iron and steel and glass and also third in chemicals. This is what the Government of India report says, this is not my report. This was the industrial pattern at the beginning of the Plan. Let us see whether during these last ten or eight years, there has been any radical change in this pattern.

Now, we find that jute industry is really concentrated in Calcutta and on the sides of river Hooghly, we find that the main woollen centres are in Kanpur, Amritsar and Bangalore; leather work industry is concentrated mostly at Kanpur and Madras; sugar industry is concentrated in U.P. and Bihar; paper in Calcutta and on the sides of river Hooghly; glass in U.P.; chemical in Calcutta and on the sides of river Hooghly; foundry trades and engineering industries centred round river Hooghly, Madras and Bombay. After all these years, Sir, this is the existing industrial pattern of India.

There is no question of giving one factory or one steel mill or one industry to one State. Some hon. friends were arguing that there is the Rourkela steel factory in Orissa and the Mahanadi River Valley Project in Orissa. But the main question is whether the industrial pattern that was existing in India is going to be changed.

Firstly, there were certain States which were only supplying raw materials to certain centres. Today there are certain States which are used to supply raw materials to certain manufacturing centres. If you look at the industrial map of India, you will find that it is really lop-sided. I can cite a few instances. Look at the automobile and allied industries. They are located in West Bengal, Bombay, Jamshedpur and Madras. Take the case of the fruit and vegetable preservation industry. It is in Bombay,

[Shri Panigrahi]

Delhi, Nagpur, Amritsar, U.P. and Bengal. Take, the case of the electric lamp industry. That is also in Bombay, Calcutta, U.P., Bihar and Delhi. Dry batteries are in West Bengal, Bombay, Mysore and Delhi. Radio industry is in Bombay, West Bengal, Punjab and one each only in Bihar, Delhi, Madras and Mysore. Similarly, in the case of sugar mill machinery, it is also located in Bombay, West Bengal and Ahmedabad. Steel processing industry is in West Bengal, Bombay, and Madras. Power driven pumps are in Bombay, Madras, West Bengal and so on. I do not want to take up all the different industries. Take the case of electric transformers, electric motors, diesel engines, electric cables, electric fans etc. You will find that all of them are localised either in Bombay or in Madras or in West Bengal. They may be in certain other places also. Therefore, if you look at the industrial map of India, you will find that the industries are located only in a few centres.

16.08 hrs.

[SHRI MOHAMMED IMAM *in the Chair*]

In the census of 1951 also, it has been pointed out that out of more than 500 tons having a population of more than 20,000 only 28 cities are absolutely industrial and those cities are in Calcutta, Kanpur, Ahmedabad, Jamshedpur, Bombay, Madras etc. Recently, when this question of regional disparity in distribution of industrial licences came up for discussion by the U.P. Chief Minister, he brought out a very salient point. I do not know whether there is a conflict of interest between the Bombay group in the ruling party and the U.P. group. It becomes very clear and gradually this conflict is being expressed so far as this question of industry is concerned. Of course, the hon. Prime Minister took exception to the remarks made by the Chief Minister of U.P., and he has tried to say that U.P. is getting its share. But I am sure the U.P. Chief Minister has taken a

different stand. The Uttar Pradesh Chief Minister has brought out to light a very important development which is troubling the minds of most of the Chief Ministers whose States have been neglected. I would just like to impress upon the hon. Minister that when issuing licenses for starting industries in different States, these factors should be taken into consideration. The Government always advance one argument when this question is raised. They say that the capacity of the State Government to bear the strain and stress of the developmental economy should be taken into consideration. That was the aim which has been accepted by the Minister of Planning also. They have told us very often that so far as the location of industries is concerned, the capacity of the State Governments should be taken into consideration. But, when we take into consideration the problems of the undeveloped parts of India, then the capacity of the State Governments to bear the expenditure should not come in the way. So, for the coming third Five Year Plan, there must be some other standard. The capacity of the State Governments to have should not be the criterion. Those State Governments which have got their raw materials, which have really got the power potential and which have got scope for expansion of industries should be given top priority so far as the issue of licences for starting new industries is concerned.

In this connection, I may only suggest one thing. The Planning Commission may constitute an Industrial Location Committee which may go into regional planning of the different States and may also go into the resources position, the raw materials position and the electric power potential available in the States. Let them then lay out a plan for the third Five Year Plan so as to distribute the different industries in the different States which are really undeveloped.

Mr. Chairman: How much time does the hon. Minister require for his reply?

Shri Manubhai Shah: Half an hour or so; perhaps less than that.

Mr. Chairman: I shall call upon the Minister now. The discussion on the resolution has to end at 4-30 P.M.

Shri Punnoose: My name was announced already.

Mr. Chairman: But please do not take much time.

Shri Punnoose: If I do not get at least an opportunity to speak, the disappointment will be not only at the lack of industries but at not speaking on it also!

This is a resolution on which I feel that the Minister need not much worry about. But then the whole House is interested not so much in his speech by way of reply, in speaking something but in his doing something. For, after all, there is no dispute or difference of opinion with regard to the principle. It is very sound in principle and should be accepted. But that is observed more by its breach than by implementation. How to get out of that? How to begin to implement it is the question.

It is sometimes doubted that those of us who speak for this region or that region are regional or provincial and all that. It is not so. Naturally when I speak, more of Kerala will come in for the simple reason that I know a little more about Kerala than about other parts of India. I experience the difficulties there, and naturally its echo will come in when I talk. But when we speak about doing away with regional disparity, we believe that it is for the ultimate good of India.

One thing is clear to my mind. The great India of which we boast, the free and united India of which we are proud, cannot last too long if the regional disparity is not tackled here and now. To ask people to look at and be inspired by Bhakra-Nangal,

Bhilai steel plant and the other great steel plants is all right, but any amount of noble thought about these great plants will not solve our problems. Areas which have very dense population and areas which have got the acutest form of unemployment have to be given help. They have to be helped out of the jungle.

Looking at the implementation of this policy, I do not believe that the Minister would claim that they have done well. He might say that there are so many obstacles, and that they are slowly tackling them. But let me say that he has not succeeded in that.

In the case of Kerala, for example, we have got certain strong points. It is on these strong points that we must build. We produce a series of commercial crops. The industries must be developed first in that sector, utilizing those raw materials where they are found. One suggestion was just now made, and that was about lemon grass oil. If that lemon grass oil can be converted into vitamins, I think that industry can be started, and it should be started. Maybe it may not give so much of employment potential immediately, but what about other industries there? Take rubber; Kerala produces 95 per cent. of rubber in India, and there should be no difficulty in finding a party with whose help we can start a tyre or rubber factory or industry there. I do not know what principles stand in the way of the Government in having a factory opened in the public sector for the manufacture of tyres, etc. It is one of our basic requirements. A licence to a party in Kerala or starting this industry was perhaps strongly recommended by some of our friends. But keeping it there useless does not help Kerala at all.

Similarly, in the matter of the rubber cultivation or plantation itself, I have to point my finger at the Minister because we are investing Rs. 12 crores on synthetic rubber. An investment of Rs. 3 to 4 crores would be enough to develop natural rubber and

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the Rubber Board themselves have submitted a plan. Even that has not attracted the attention of the Minister.

When Shri C. D. Deshmukh was the Minister of Finance, a proposal came up for opening a glass factory in Shertallai in the coastal area of Kerala. I came across a lecturer who said that that area has got the best sand in the world and that sand was fit for glass manufacture. I also wrote about it to the Finance Minister. He said, "Just now we cannot take it up. We will give it due consideration in course of time". I do not know what happened. The other day I went to see the exhibition of glassware. It was a wonderful sight. I wonder why our Government cannot think about it and have a glass industry started in Kerala.

Reference was made to the rare earths. They are now being taken to Bombay. A number of industries could be started in Kerala. Recently, a proposal was made for starting an industry by State trading in certain articles in Kerala. We have got pepper, cardamom and other commodities which can fetch a good price from outside India. It seems, however, that the Government of India says that State trading by Kerala should be confined to the four corners or the area of India alone and that our State trading should not extend to foreign countries. I would like to submit that within the limits of the Constitution, any private citizen has got a right to trade and any private firm has got the right to trade. If that is so, why not a State like Kerala, which has got cashew, cardamom, pepper and other commodities which can fetch a good price and profit for our people, have that trade? Therefore, it is not only an economic question but a political question of the utmost importance. It is for the future of India and the unity of India that this disparity should be overcome. The sooner the steps are taken, the better.

Shri Manubhai Shah: I am very grateful to the House for the very enlightening suggestions of several hon. Members. As the House is aware, this particular resolution has been engaging the attention of the House practically once every year since Independence and it is as it should be because the subject-matter of this resolution is one of the most vital parts of the development of the national economy. I can assure hon. Members that when they are saying something pertaining to their particular States, as far as the Government and myself are concerned, it is far from our feeling that any regional claims, parochial or provincial claims were being put forward to the exclusion of the over-all national interests.

I would not reiterate the various policy statements and the Planning Commission's observations on the very vital need to remove the regional disparities in development as early as possible by all methods of fiscal and economic discipline that are available in our democratic country. These are well-known to the House—the statements contained in the second Five Year Plan, section 15 of the Industrial Development (Control and Regulation) Act and the policy statement of the Prime Minister laid on the Table of the House in 1956, which was more or less a reiteration and amplification of the industrial policy statement of 1949.

When we discuss this matter, the first point always to be remembered is the historical background of the development of the economy of this country. From a colonial and dependent country, at the time of the advent of industrial revolution in the whole world right in the middle of the 18th century, we for 200 years, were left without the wherewithal of having the destinies of our own country in our own hands. So, in the great race of economic development which science and technology brought to the entire mankind in free countries, we were left almost high and dry for a

long period of two centuries, without those instruments in our hands. The phenomenal progress that has taken place in scientific and technological fields has made the task of the under-developed countries of the world and the under-developed regions within the under-developed economy all the more difficult to catch up with the over-all fast industrial and technological progress of the world.

In this context, it will not be right or easy to decide which part of India, of this great sub-continent, is under-developed and which is more developed. Excepting a few, half a dozen or ten cities like Bombay, Calcutta, Madras, Bangalore, Ahmedabad, Coimbatore, Kanpur, Delhi and a few others, the other areas are under-developed. Even in the three States which are being mentioned as being more developed, if one goes to Maharashtra or Kathiawar and Gujerat in Bombay State, or to the 24 Parganas or Kalyani or any rural area of West Bengal or to areas in the southern region except the Madras city and the town of Coimbatore, the pattern of under-development is almost uniform in all parts of the country.

So, as Mr. Jain rightly pointed out, it is not as if a few regions could be described as over-developed and many more regions as under-developed. As a matter of fact, I have been repeatedly saying in this House that the entire country industrially is extremely backward. The over-all national production from industries is almost less than 1 per cent of the industrial production of the whole world, for a population which is almost one-fifth of mankind. So, the main thing is to change the occupational pattern of this country as much and as fast as possible by all methods of economic development. In the past also, I have been urging that it is a question of taking certain steps at three levels: the Central Government level, the State Government level and the entrepreneurs or private sector level. I will deal with the public sector a little later.

In this matter, we in the Centre have been trying to follow and implement this policy as much as possible. Whenever, for instance, a licence is to be issued in the textile industry, according to the policy laid down by both Houses of Parliament, we do not give licence to any textile unit either in the Bombay or Madras region, where we have already got the cotton textile industry well-established. Similarly, a Member from Punjab mentioned his grievance about rolling mills. We do not license any rolling mill in that region and we are convinced that two or three regions in India, viz., West Bengal, some parts of U.P., Punjab, Bombay and Madras are having a fairly large number of rolling mills and no further development in these places should be allowed. That is why only the States of Assam, Kerala, North Bihar and some parts of U.P. were considered for licensing one more unit each so far as rolling mills are concerned. Orissa also is included in that. Rajasthan has quite a large number of rolling mills.

Regarding sugar, for instance, the States of U. P. and Bihar are well-developed and so, new units have been more or less going to Andhra, Maharashtra, Karnatak and those areas where the soil is good for cane cultivation, but where in the past the development of the sugar industry did not take place. The cement industry has been very developed in Bihar, parts of Saurashtra, parts of Andhra and Madras. That is why, whenever a fresh application for licence comes, we give it as far as possible to those regions where the cement industry is not developed.

But there is a limit to the regional regulation which can be done in a federal country like ours, because if the Centre tries to direct the location of individual units, nothing can be more disastrous to the unity of India than such a step. If one unit of tyre industry is to be installed, to suggest that it should be in a particular place and not in another place, to suggest

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one out of 12 or 13 States where there may not be units, is very difficult. But still, my hon. friend knows that as far as a tyre factory for Kerala is concerned, we went out of our way to help the State Government to find an entrepreneur. But we can only take the horse to the water trough, we cannot make it drink. So, many more sides and types of approaches will be necessary before an industrial scheme really takes root and flourishes. So, as far as the Central Government are concerned, we are deliberately taking the line that even though the capacity might have already been touched or the target exceeded, whenever a proposal comes for a new unit, we give preference to those areas where such industries do not exist.

I want to urge in a friendly way that four steps to my mind can well be taken by some of our State Governments to energise and activate the industrial development in their areas. The first step, which most of the States are now taking, is to undertake a techno-economic survey of every region. Every State should undertake, through various agencies in this country, economic and technical, to survey not merely the general potentialities, but what is called project report potentialities regarding the type, size, etc. of the unit to be established, taking into consideration the various things available there, in the earliest possible time. I am glad that Bihar has already got such a thing done; they are going into greater details now. Kerala also recently asked for our advice and we recommended them to the National Council of Applied Economics to undertake such a survey. That is the first step. Then, it should be followed up by the detailed project reports.

The next step is to strengthen the directorate of industries with technical officers, as we have got the Development Wing at the Centre. We thought at one stage that we might appoint some zonal officers in the Ministry here. But we realised on

second thoughts that it would give rise to more internal pulls and jealousies rather than an objective approach to be taken, and we would be again involved in regional approaches. But, as far as the State Governments are concerned, it should be completely correct, proper and necessary for them to appoint 3 or 4 technical officers—some States have already done it—to see that these technical officers help the entrepreneurs both in the private and public sectors in the States to develop the industries faster.

Then I come to the third factor. My hon. friend, Shri Mathur was mentioning why the Planning Commission is taking objection to the financial participation by States. The reasons are obvious. I have repeated them several times in the House. My hon. friend, Shri S. N. Mishra has also repeated them. In that situation there will be a race for giving better and better terms in order to attract a particular unit. If I can speak with any authority or personal experience, that is the most detrimental way of approaching the industrial development, because the entrepreneur...

Shri Harish Chandra Mathur: That is why I suggested a common corporation.

Shri Manubhai Shah: Then the best way to make the unit come to that particular area is to give it an attraction; somebody else gives a higher bid; a third man gives a little more incentive or a little less interest or better terms so that the unit will go to him. We have experience of three or four units being shifted by the entrepreneurs from one part of India to another, from one State to a neighbouring State and that has led to great acrimony and bad feeling.

So, what I would urge is this. We have got State financial corporations and State Industries Acts in every State. It should be possible for the State Governments to take a more

liberal approach to the industrial expansion, loans and other things from the State finance corporations, because Rs. 10 lakhs is the limit per unit and up to that, as you know, financial assistance can be given to each unit. It is not desirable to have one corporation for the whole of India, as suggested by Shri Harish Chandra Mathur, because such a corporation will be totally unwieldy. Then, in a sense one can say that the Planning Commission is a sort of corporation for the whole country. One cannot expect a corporation to be established which will industrially develop the whole of India *minus* which will try to bring about a proper homogeneous or healthy type of development in any sense of the term. So, what could be done is that every State Government, through their own statutory corporations and institutions, of which now there are large numbers, and through the Central institutions, through the agencies of the State finance corporations, they can loan out all these types of assistance that are necessary.

The fourth point which I would urge is—and to me the most important point—the provision of electric power for industrialisation. It is true that the Planning Commission and the Central Ministry of Irrigation and Power have been laying great emphasis on this. I have also been urging on the State Governments that wherever possible for industrial purposes every district should be provided with adequate power and it should form part of an integral plan. My hon. friends in the House should help the State Governments to give greater priority and greater allocation within the limited allocation of the State to industrial power even at the cost of.....

Shrimati Ila Palchoudhuri (Nabad-wip): May I seek a clarification about industrial power? The hon. Minister was saying that very often industries cannot be established for want of power. But some people are put to a

lot of difficulties because there is no licence for transformers and things like that.

Shri Manubhai Shah: That, I can assure you, is a difficulty of a small nature. Now we are self-sufficient in transformers and perhaps a little more than self-sufficient, because we are exporting some transformers. But if there is any difficulty for any particular unit and if the hon. lady Member brings it to my notice, we will try to provide them from India or, if necessary, give them import licence. That is a small point which can be easily met. But what I was stressing was the massive phenomenon, the snow-ball phenomenon which should take place in industrial development, and this cannot take place unless the wherewithal of electric locomotion is provided to supply energy for industrial development.

I do not want to take too much time of the House. I only want to touch a few points of individual industries which were mentioned here. Mention was made of lemon grass oil in Kerala. About this problem, whenever proposals came we tried to urge on the industrialists to seek the co-operation of the State Governments there to see that such units are established. But I must confess disappointment that the response both from the State Government and the industrialists was not so encouraging as to say that the project is finalized there. I am not here to advise any particular State Government, but I must re-emphasize that the climate for industrial development, where every gentleman can feel very welcome and happy and almost induced to start some industries in every area should be created by both the people as well as the local government so that the entrepreneurs are not either shied away or feel hesitant to come forward for such projects. Thereby, I do not mean to suggest that anywhere such kinds of conditions or things like that exist, but things have come to our notice where entrepreneurs do not feel as much encouragement as in

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other places; sometimes, personal attention, sometimes, a general atmosphere, and sometimes a broad approach to those problems do help, and I have no doubt that my hon. friends who have mentioned all these problems with great intensity would see that a better and better atmosphere is created all over the country.

Before I conclude, I would refer to the public sector projects. All the projects so far established, like the steel plants, or the heavy engineering industries or the heavy electrical project, as most of the hon. Members have rightly emphasised, had to be located from the purely economic angle. (An Hon. Member: Question) We cannot locate heavy industries as a primary prop to remove the disparities or regional backwardness. Regional backwardness has to be removed by many other methods that I have stated earlier. But heavy industries are not vulnerable to that kind of approach. Even then, as the House is aware, in the drugs project, for instance, where the raw material is not so much of an intensive base or of an extremely necessary bulky base, we have appointed a technical committee in the Planning Commission to see that all the claims of the regions are properly assessed, and from economic angles if we can give a better preference to those areas where heavy industries have not so far been located, we will see, and I can assure the House, that we shall give them the maximum consideration.

Shri P. R. Ramakrishnan (Follachi): On a point of clarification. How can the hon. Minister justify locating the heavy electricals project at Bhopal?

Shri Manubhai Shah: This particular aspect has been debated upon on the floor of the House. I would not like to take the case of every project and discuss it here. The heavy electricals project required certain types of rocky lands; and the teams which came.....

Shri T. B. Vittal Rao: Climate also.

Shri Manubhai Shah:went found the several places and considered the various aspects. It was not so much the climate as the centre of India; we had to see that the big units and machines produced from there are sent out to all the parts. All the factors were taken into consideration. I would not go over all the grounds. But I can assure the House that wherever in the heavy industries location, raw material availability or the availability of transport is not the primary consideration, certainly the Government and the Planning Commission will give all the possible attention and care to decentralise and diffuse or disperse them in as many places as possible.

Lastly, there was the question of small scale and cottage industries. Great interest has been taken by hon. Members of this House in small scale industries, handicrafts, handloom and cottage industries. As the House is aware, Rs. 200 crores have been provided by the Planning Commission in the Second Plan. When this provision was being made, as the House is aware, misgivings were expressed by many, and many doubts were expressed whether Government would be competent to spend the whole allotment, because in the First Plan, hardly Rs. 20 or 25 crores were spent. But as the House is aware, and the House will be glad to know, we have consumed all this provision at a much faster rate than than one-fifth of the Rs 200 crores provided for each year.

Shri Panigrahi: Can the hon. Minister give us a break-up of the State-wise distribution?

Shri Manubhai Shah: The State-wise break-up has been laid on the Table of the House before. If the hon. Member wants for any particular place, that break-up also can be laid on the Table. The provisions are also known in the Second Plan for each State.

We have taken further steps also in this direction for each State. Instead of having only four regional Service Institutes, small-industries service institute is being established during the current year, at the rate of one in each State, so that four or five States need not have to be clubbed together for this purpose; after all, the small industries cannot afford to go long distances for consultation. So, we have decided to decentralise it and one full-fledged service institute for small industries development is being established during the current year in each State.

In some of the small industries, the production which is not reflected in the national index, which is not given in the figures for the production of the various units, has been going up at a fast rate from year to year. We have not been able to collect the overall national statistics. But the production has gone up by two hundred to three hundred per cent more in the last three years in several small scale industries. In khadi, for instance we know how much of increase of production has taken place. This year, we have been able to employ 15 lakhs of people through the Ambar Charkha and the traditional charkha programme. Similarly, in handicrafts and also coir, the production has risen. In coir Rs 1 crore to almost Rs 3 crores have been provided during the Second Five Year Plan. In this connection, I would like to mention that the occupational pattern on which my hon friends Shri Mahanty and Shri Harish Chandra Mathur and others have laid stress would be achieved not only through large scale industries but primarily through the dispersal of the small scale and medium scale industries, I would, therefore, invite the co-operation of all the hon Members to see that in their areas, whatever medium and small scale industries potential exists is encouraged, and as far as the Central Government are concerned, we can assure the House that all possible help in those directions will be readily forthcoming.

Ch. Ranbir Singh (Rohtak): What about quotas of steel?

Shri Manubhai Shah: Rourkela and Bhilai will go into production in another year or so. More steel will be available; in 1960, we expect 2.2 million tons, in 1961 we expect 3.1 million tons and by 1962, almost 4½ million tons.

Ch. Ranbir Singh: What about the interim period?

Shri Manubhai Shah: That interim period has to be passed as we have passed these two years. But there will be better availability from day to day. Pig iron difficulty is almost over.

As the spirit behind the Resolution is contained and is being implemented in the policy approved by the House, I do hope the hon Mover will withdraw the Resolution.

Shri D. E. Chavan: May I know from the Minister what is the attitude of the Government with regard to the demand of the people for the establishment of an aluminium plant at Kolhapur?

Shri Manubhai Shah: I thought that region was considered to be a developed region. In the Second Plan, two aluminium plants were provided for, one at Rihand and another at Salem. This is as far as the priority of national allocation was concerned. No other aluminium plant was provided for and, therefore, for the present, we do not see much prospects or resources for this purpose, but if any proposal comes from any individual who can utilise power and show us that he has arranged for the foreign exchange we will consider it. We have said the same thing about fertiliser in which my hon. friend, Shri Ranga, has been taking very much interest. We do not want to limit or retard anything in the case of all these projects. Wherever there are possibilities, we shall give them the utmost support.

Shri Vasudevan Nair: I have to confess that I am left thoroughly disappointed by the reply given by the hon Minister. I expected something more concrete from him. But his

[Shri Vasudevan Nair]

speech was couched in very general terms. This kind of speech he could make anywhere at any time. I am sorry he did not even refer to many of the important instances to which I referred. For example, Kerala is a State which produces 97 per cent of rubber....

Shri Manubhai Shah: I had mentioned about the tyre factory. He was not probably here then. I had said that almost everything is complete. We have given a licence and I hope that with all their efforts, the efforts of the State Government and of the Central Government, perhaps the plant will come up.

Shri Vasudevan Nair: I am speaking of the very same thing. Three licences have been issued, two going outside the State. (*Interruptions*).

Shri Manubhai Shah: All licences cannot be given to only one State.

Shri Vasudevan Nair: And who can definitely start the industry? My question is: what is the difficulty in the way of the Government insisting upon the party when they give a licence that at least such industries should be started in those areas where they produce 97 per cent or cent per cent of the raw materials?

Then he did not refer to the Security Press and many other instances to which I referred. They are all, of course, inconvenient instances as far as the Government are concerned. That may be the reason why he has left them all out.

He just hinted at the atmosphere. I know what was in his mind. I am surprised to find that in areas where the atmosphere, according to him, may be very good—in Kerala, the atmosphere, according to him, may not be very good—there also the same difficulty is there. There also industries are not coming up. Take, for example, Rajasthan, Madhya Pradesh or any other area. There the situation is worse than that of Kerala. What is the trouble?

Therefore, the Government should take some more pains to analyse the difficulties and find out the real reasons and should not try to hide behind a shadow or bogey of this atmosphere. I hope the Government will move away from such kind of arguments.

I hope at least in the formulation of the Third Five Year Plan, the Government will take more care in considering the claims of these undeveloped States. I am sorry I am not satisfied with the reply given by the Hon. Minister and I regret I cannot withdraw my Resolution.

Mr. Chairman: There are amendments. Are the hon. Members pressing the amendments or shall I take them as having been withdrawn?

Shri Vasudevan Nair: Sir, I am willing to accept the amendment of Mr. Punnoose. With that amendment my resolution may be taken up.

Mr. Chairman: The question is:

That in the resolution,—

after "industrial units" insert

"and starting of industries in the Public sector."

The motion was negatived.

The other amendments were, by leave, withdrawn.

Mr. Chairman: I shall now put the resolution to the vote.

The question is:

"This House is of the opinion that the policy of licensing new industrial units be changed so as to bring about an emphasis on the location of such new units in less developed areas unless there are major disadvantages in such areas in the matter of availability of raw materials."

The motion was negatived.

Mr. Chairman: We will now take up the next resolution.