

[Shri Jagjivan Ram]

formation of the accident. Two officers of the Civil Aviation Department will be leaving tomorrow for the scene of the accident to make preliminary investigations.

**Shri T. K. Chandhuri** (Berhampore): May I make a submission in this connection? In view of the fact that very serious allegations have been made by the Foreign Ministry of the People's Republic of China, and the official New China News Agency, that this accident was due to sabotage, may I ask through you whether Government have any statement to make on that?

**Mr. Speaker:** I think when facts are stated in pursuance of a notice for calling attention—the suggestion which the hon. Member makes may be all right but—it will be for Government now to proceed. They have already stated that they will give the fullest co-operation and all allegations made, it may be presumed, will be taken into consideration.

#### DEMANDS FOR GRANTS FOR 1955-56

##### DEMANDS *re* MINISTRY OF COMMERCE AND INDUSTRY

**Mr. Speaker:** The House will now resume further discussion of the Demands for Grants relating to the Ministry of Commerce and Industry. Out of 6 hours allotted for the Demands of this Ministry, about one hour has already been availed of on the 7th April, 1955, and 5 hours now remain.

Now I will make one position clear—I believe it has been agreed to by all sections of the House as I understand it—that the House adjourns at 4:45 P.M. This does not take up any time out of that which the hon. Members will have for purposes of discussion, and the hon. Minister of Commerce and Industry will reply tomorrow. He will take half an hour. That is the arrangement which we have got now.

**Shri V. V. Giri** (Pathapatnam): The Industrial Policy Resolution of 1948 was good so far as it went. But unfortunately the spirit of it could not be understood or appreciated by the common man in this country. So, a new orientation of this policy was given. And the hon. Prime Minister after his return from China publicly declared that the future policy of the country or rather the future pattern of society will be the socialist pattern. That was further emphasised by the resolution passed at the Avadi session of the Congress, and later reiterated by Shri Dhebar, president of the Indian National Congress.

[PANDIT THAKUR DAS BHARGAVA *in the Chair*]

I am very glad to say that the spirit of it has been caught by the nation today. If I may say so, the nation has taken up the challenge for securing the socialist pattern of society. It behaves all sections, both inside this House as well as outside, without having mutual recriminations, to try and propagate in a sincere manner and establish the socialist pattern of society indicated by the statements of the great leaders of our country.

It may be relevant and pertinent, if I refer to a few sentences from the memorandum presented on the 4th June 1939 by our Prime Minister, who was the chairman of the All India Planning Committee which came into existence when there was provincial autonomy in the provinces. On pages 39 and 40 of that report, he stated:

"It is clear that the drawing up of a comprehensive national plan becomes clearly an academic exercise with no relation to reality unless the planning authority or those to whom it is responsible are in a position to give effect to the plan. If this authority is powerless or circumscribed or restricted and has its activities limited, it cannot plan. An essential prerequisite for plan-

ning is thus complete freedom and independence for the country and removal of all outside control. This implies that the country possesses in itself full sovereign authority to take any measures, adopt any policies, and form any relations with other countries as may seem best to its governing authority in the interests of the country and its people. National independence is thus an indispensable preliminary for taking all the steps that might be found necessary for carrying out the plan in all its various aspects. It is not even possible to draw up a plan on any other basis. At the present moment, it is clear that not only have we in India no national independence, but we are hedged in and obstructed by numerous restrictions, limitations, safeguards and reservations which block the path to planning and progress. Our plan for national development must, therefore, be drawn up for a free and independent India."

Thanks to the sacrifices made by millions of our countrymen and countrywomen under the leadership of the Father of the Nation, Mahatma Gandhi, we have today secured complete sovereign political independence at a time when the nations of the world were engaged in the bitterest struggle using all the weapons of destruction. If therefore, we have secured political independence during the period of a quarter of a century, it should not be difficult, especially when we are today masters in our own country to secure a socialist pattern of society, as has already been indicated. But it requires the assistance, the propaganda, the active work of all those who are interested in this.

My hon. friend, the Commerce and Industry Minister, is reported to have said—I hope I am correct—addressing the Provincial Congress Committee

chiefs as follows:

"The Commerce and Industry Minister, Shri T. T. Krishnamachari, is understood to have said at the conference of the PCC Presidents and Secretaries in New Delhi on Tuesday—'In order to establish a socialist pattern of society, we have to steer clear of both the capitalist pattern and the totalitarian type of economy.'"

I am sure so long as my hon. friends, the Minister, the Deputy Minister and the other Minister who represent the Commerce and Industry Ministry can give us an assurance that the capitalist pattern would be avoided, some of us who believe in a cent per cent socialist democracy give an undertaking that certainly totalitarian policy will not be introduced in this country, because we have believed all along, during the fight that we have given to the British Government, when we secured political independence, that we shall try to maintain democracy undiluted, and a socialist democracy at that. I am absolutely certain that in this country of ours, liberty of thought liberty of speech and liberty of action will be guaranteed to every citizen, to express his views in the manner he pleases. I therefore assure my hon. friend that so long as we do not, in the garb of a socialistic pattern, support a capitalist system, India will stand hundred per cent. for a socialist democracy.

Now, luckily for us, the fundamental rights of the Constitution have declared that a citizen would be assured of many of the social amenities which will give reasonable comfort from the womb to the grave. But mere enunciation, as I have said many times, will not satisfy the common man, unless the saying is put into effect. I am absolutely certain, therefore, that so long as there is a determination on the part of every section of our countrymen, surely we will be in a position to secure a socialist pattern of society. Not only a socialist pattern of society, which will lead in the long run to

[Shri V. V. Giri]

socialism and a socialist State, but what is more, our immediate objective should be to secure for this country a classless society with fundamental rights assured. Then we can probably take our place among the civilised nations of this world.

I would only like to express my views in the matter of the public and private sector. If we mean socialisation of the means of production, distribution and exchange, if we mean a socialist pattern of society, we must be clear in our own mind that the private sector will ultimately be absorbed, though gradually, into the public sector. We must be sure about this in our own mind. Mere words would not encourage or persuade people to know our determination. I am not one of those who say that the private industry should be abolished lock, stock and barrel here and now. I am for giving sufficient notice to the private industrialist when a certain item of the private industry would be absorbed in the public sector, so that the private industrialist will have time for exploitation of that, provided of course he follows certain limitations and directions issued by Government. The private industrialist must also be sure that after a time, that item in the private sector will go to the public sector and, therefore, he must be prepared really to prepare that until for getting into the public sector. If that is the genuine wish, as seems to be the case, because many of the capitalists also are swearing by this socialist pattern of society, if this is done and if the Government are sure of their own mind, then a real effective socialist pattern of society can be brought into existence. I tell my hon. friend, the Minister of Commerce and Industry, that unless good industrial relations are established in the private industrial section, it will not lead ultimately to its absorption into the public sector. Equally I tell the public sector that if they decide to get the private sector absorbed into the public sector, the public sector must set

up an ideal, an example, regarding conditions of working. I would suggest to the hon. Minister to persuade every private industrialist to realise that workers are no longer hewers of wood and drawers of water, but that they are dominant partners in the industry having a dominant responsibility. And I do expect the workers to do a good day's work for a good day's wage. I also warn them that they should show enough integrity, enough character and be disciplined workers. A worker who is not disciplined inside the workshop cannot be disciplined outside the workshop. Therefore, while I tell the duties of the industrialists, whether in the private sector or the public sector, I also tell the workers that if they want to have a voice in the control of the industry, if they want to make themselves feel that they are not merely wage-earners but are producers of wealth and that they are free men, it is highly necessary that they must improve themselves in every way, and organise trade unions in a sound manner. Therefore, with this as the basis I wish to point out to the Minister for Industry to see that in every private sector or private industry a kind of standing machinery is established which will be in a position to deal with the differences and disputes that arise from time to time so that strikes and lock-outs may be avoided.

I am one of those who believed during the last 35 years that strikes should be the very last resort in the armoury of the workers, when all other methods of settlement fail and it is an ideal that if a joint standing machinery is established in all the industries, there will be really peace in that industrial system. If all these things are accepted, I am absolutely certain that we will pave the way towards a position where we secure industrial peace, we secure production, we secure for the workers a voice in the control of the industry, and, ultimately, ideal state of existence may exist when both the private sector and the public sector may say that we have guaranteed in-

dustrial peace in this country. I am one of those who believe in the constant meetings of the tripartite and bipartite organisations representing workers and employers, who could create conventions at every stage so that it is not so much necessary that they should depend on labour laws and they should depend more on labour conventions and Tribunals. I am not one who believes in adjudication. I always thought adjudication as enemy No. 1. But, they should have a place of the kind that is envisaged in the railways and the tribunals should be charged with the responsibility that if our workers and the employers would not come to a settlement, the dispute or the matter may be referred to the tribunal whose decision may not be final, whose decision is only recommendatory. I am absolutely certain that public opinion will generally assist the decision of that tribunal and that tribunal's decision will also be respected by workers and the employers.

I do not wish to take more time but I only wish to say that unless we are active, we make the public understand that we are out to have a socialistic pattern of society, the public will not be able to appreciate. Once the public appreciates that we mean it, once the workers of this country, whether agricultural or industrial, understand not only the spirit of it but they come to feel that the Governments means to achieve it, I am absolutely certain that we can again produce an industrial truce for a few years and I am absolutely certain that every section of labour will co-operate so that we will produce an ideal state of existence which will ultimately lead to socialism. I, therefore, want that the Industries Ministry should put through their policy on the soundest lines and, I am certain, if they do so, we will have a socialistic pattern of society.

**Shri Altekar (North Satara):** Sir, while I congratulate the Minister for Commerce and Industry, I would like

all of us to remember the words of our national poet:

सकल पथ हि बाकि आसे  
से कया रय मने।

A long long path has yet to be traversed should always be borne in mind. It may be that as compared to our rather bad conditions some time before, as also the conditions in backward countries, the progress we made may be somewhat considerable. But, if we compare the state of our country to that of the advanced countries, we will see where we stand. Some statistics in this connection will shed a flood of light over this subject. I will just mention a few of them. Our national annual income in 1951 was Rs. 9,551 crores, half of which was from agricultural sources and the other half from industrial and other sources, and the agricultural population was 67 per cent. In Japan the income from other sources was 4½ times the agricultural income and the population on land was 47 per cent. In Germany the population on land was 22 per cent. and the national income was 8 times the agricultural income. In Canada, the population on land was 27 per cent. and the income 7 times the income from agriculture. In the United Kingdom the income from other sources was 17 times the income from agriculture and the population on land was only 6 per cent. In the United States of America which produces 12.47 crores of tons of food-grains as against 4.57 crore tons in our country for a population of 36 crores—and the population of United States is only 15 crores—the income from other sources is 14 times. Thus, it will be seen that unless there is a great increase in the income from industry and other sources, the poverty of the land cannot vanish and unemployment and under-employment cannot altogether be overcome.

I shall give some other figures also which are very interesting and instructive. While in the United States of America those who live on land have

[Shri Altekar]

18 acres per head, in Canada 24 acres, in Russia and U.K. 5 acres, in India it is only 1 1/8 acre. Thus, we shall find that for such a huge population the land available for cultivation is very small and as the population is being forced to live on land there is poverty in this country. It was a result of the past rule which suppressed all our industries. Formerly we were sending our fine cloth to other countries and also articles of trade and handicraft. That was all gone and 70 per cent. of the population was forced to live on agriculture. As a matter of fact, if all this poverty in the country is to be overcome, the only way for it is to industrialise. We must transfer a large number of people crowding on land to the sector of industry and allied occupations. Therefore, the stress in the Second Five Year Plan must be on industry, industry big and small and it must be properly integrated.

I would like to dwell upon the needs and potentialities of industries in the Deccan. So far as the Deccan land is concerned, it is rich in soil fitted for the sugar industry. While the land in the north produces only 18 tons of sugarcane per acre, that in the South produces 35 tons, but those agriculturists who use improved methods of agriculture produce 85 or even 110 tons per acre. Normally, if better methods are employed, an acre in the South can yield an average of 60 to 75 tons. Therefore, I would suggest that there is scope for the establishment of more sugar industries in the South. There are as many as 14 sugar factories there and 12 more are coming into existence and all possible help should be given so that they should come into operation and start production as soon as possible, and the deficiency of sugar in our country should be overcome.

So far as the improvement of the condition of agriculture is concerned as also production, fertilizer factories are necessary. The Sindri Factory is

there; but, looking to the needs of the country, the output of that is quite—of course, I may say—insufficient. From the report that has been given by the Ministry, we find that the need of fertilizers by the end of 1960-61 will be about 18,50,000 tons a year. The Sindri and other factories can hardly supply one-fourth of the need. It is but right and proper that our Government have decided to start three more factories. I would like to make out a case for such a factory near the Koyna Valley Project where hydro-electric power would be generated and which place is in the midst of sugar factories and an area producing sugarcane. It will be in the midst and therefore the question of transport will be easy. As a matter of fact, the price of fertilisers will be less than what it is now because the cost would be less. Furthermore, it will be found that the factory there is convenient from several points of view, because hydro-electric energy will be available near about Karad, which is on the Southern Railway. Karad is moreover situated on the Poona-Bangalore Highway. Besides, it is connected with several places in the Deccan by a network of metal roads, so that there will not be any bottleneck of transport. Even the fertiliser can be carried to various places in the interior by trucks. For all these reasons, it will be a very suitable position.

Also, the factory can be established at this place because the principal requirement for ammonia is synthetic gas consisting of the mixture of hydrogen and nitrogen. Hydrogen can be produced here by electrolysis of water and power for that will be available from the Koyna project. Ample pure water for processing will be available near Karad, which is on the banks of the Krishna and the Koyna. Then, it is desirable that there should be decentralisation of industries and instead of crowding them near Bombay, it will be desirable to have it in a place in the interior like Karad where workers from rural areas will be available. From all points of view

I think it will be a very suitable place. It will be also economical to establish this factory here.

I would like to point out another thing. Sometimes it is said that one lakh k.w. of hydro-electric power would be taken by this factory and power for Bombay will be diminished. I would like to suggest that if the second stage of the Koyna project is taken up immediately after the completion of the first stage, in all 5 lakhs k.w. of hydro-electric power will be produced and there will be no difficulty. This power will also be available for establishing another important factory for the manufacture of aluminium in the Deccan. So far as this factory is concerned, I may point out that Kolhapur and Ratnagiri districts contain rich deposits of bauxite and so, it will be very convenient to establish a factory at a suitable place on that side. Aluminium is of great importance and its necessity need not be stressed because of its use in the manufacture of aeroplanes both for Civil and Defence purposes. Therefore, if we establish a factory for the manufacture of aluminium in that area, that will be a very great asset to the country and so, this should be taken into consideration.

There is another factory which can be established and that is a soda-ash factory. We can produce soda-ash from salt and salt is produced on the Bombay coast line. Therefore, if a factory is situated at some suitable place like Uran in Kolaba District where the industrialists are prepared to invest Rs. 4 to Rs. 5 crores, it will be convenient. If the Government wish that they should establish a factory in the public sector, of course, that should be done. If they are not doing that, then someone in the private sector may be asked to do that with proper control on the working of the factory. I would like to point out that the industrialisation of the country cannot solely be established by the public sector at this time, because the necessary equipment is not there. Also,

the necessary technicians are not available in the public sector at this time. So, private sector must equally be permitted to play its part and from that point of view, there should be co-ordination between the public sector and the private sector. Both should go hand in hand and industrialise our country in the near future. The public sector should develop in such a way that there is no wastage during production and also low production. In the private sector the spirit of making profits should go down. The economy and efficiency in the private sector should permeate in the public sector. In the private sector the spirit of serving the great cause of the country should also permeate. Both these things should go together.

Another thing should also be remembered, viz., our skill in production should be increased. It should be remembered that in Soviet Russia the important function of the trade unions is to raise production to reduce the cost of production and to improve the skill of labour. If these things are borne in mind by our trade unions also, the industrialisation of our country would proceed effectively and at very great speed. We will overcome the unemployment problem and will be producing wealth in large quantities and thereby improving the lot of all the citizens in the country. This will lead us on the onward march towards prosperity. Our country should not only be सुफलम् and सुखम् but also सधनम् and, in order to achieve this, there should be industrialisation of the country in a large measure and at a rapid rate.

**Dr. Rama Rao (Kakinada):** Sir, I gave notice of some cut motions which I will first read and then speak. The first cut motion relates to the Textile Enquiry Committee which is also known as Shri Kanungo Committee. The second cut motion is about unemployment and the third is about sugar factories.

Taking the first, Shri Kanungo Committee has been appointed to go into the question of textiles particularly to

[Dr. Rama Rao]

help the handloom industry. That was the object, because it has to be reviewed in all its aspects. But unfortunately, this Committee over which the present Deputy Minister has the honour to preside has practically told the death-knell of the handloom industry. Criticism of this Committee has been unanimous from all sections of handloom workers. I will now quote from Pandit Sunder Lal, who is well-known:

"The Committee has shown little concerned with the unemployment aspect of the problem. Its chief concern appears to have been\* to remove a nuisance from the path of textile mill industry. The handloom appears to have some value\* only for winning some 'returns in foreign exchange'."

The Committee says that after all about 50,000 handlooms have a chance of existing, because they weave certain special varieties. The others have no chance nor no need to exist. That is practically the conclusion of the Committee. The Committee proposes that the handloom industry should commit suicide. Of course, they say that they can have powerlooms and so on. Shri Kanungo is in distinguished company, the company of the Empress of France who said: "If they have no bread, why not they eat cake?" The handloom\* weavers are starving; they cannot afford to invest anything. He wants them to invest Rs. 1,500 to Rs. 3,000. They propose certain schemes which in practice will never take place.

Now, I will quote some figures from the Report of the Committee. The textile mill industry employs 7½ lakhs of workers and certain powerlooms employ 50,000 workers whereas the handloom industry employs 15 lakhs workers. Out of these 15,00,000 workers, several lakhs will be thrown out of employment if even a part of these recommendations is put into effect. Of course, they give pious hope

that the new Five Year Plan will give more employment. But we see actually that unemployment is increasing and Government are accepting at every stage that the unemployment problem is increasing and that they are not able to solve it. Even in regard to the 15,00,000 workers in the handloom industry—which by the way is an underestimate, and even if the Sample Survey Committee's observations are not quite correct, but I will not go into those details now—how does the Committee propose to employ them? Is it just by throwing them out of employment? At one stage they say that by some calculation, if you throw out 20,000 out of employment every year, it will not cause social or economic disturbance. I do not know what it exactly means. If you throw out 20,000 people out of employment every year, you say they will not cause much demonstrations, offer much satyagraha or cause much inconvenience to the hon. Minister or the Treasury Benches. It will not matter to the Government if 20,000 people are just starving or begging or going half-employed. I do not exactly understand the meaning of this. That is a very serious underestimate. The Minister admits that ultimately the greater percentage of the handloom workers will be employed. The pious hope of finding them alternate employment is quite illusory, as all Members of the House know. Therefore, it is a thing, which is quite impossible under the present circumstances, that is, to give hope for these people and then to throw them out of employment is quite unrealistic and quite unkind, to say the least. Therefore, without going further into all the recommendations of the Committee, I will say that the Committee has been obsessed or that they were suffering from the obsession of finding the ways and means of helping the great mill industry. They have offered suggestions for finding capital and other things to the mill industry more than to the handloom industry. But even in the mill industry it has been shown that by the introduction of rationalisa-

tion there, it will throw out lakhs of workers out of employment. Therefore, I would only suggest that the first thing that the handloom industry must have is cheap yarn. The Committee admits this, but they go on to say that it is not possible under the present circumstances for the mills to supply yarn and that there is no chance of subsidising the yarn. But they do not admit that if the Government really want to supply yarn at cheap rates, which the Committee insists on, the only course is for the Government to go in for spinning mills. There is no other way. It is given in detail how the spinning mills are reluctant to supply yarn at cheap rates, or at the rates at which they supply to the weaving section. If Government are sincere in helping the handloom industry, there is no alternative to the Government except to start spinning mills on their own and help the handloom workers, who, with their families, are about one crore in number. It is admitted in the Report that there are 20 lakhs of handlooms. Of course, they say that only 12 lakhs are effective. Owing to unemployment all of them are not working. Previously, the figure was mentioned as 20 lakhs. Even taking 20 lakhs, the number of people living thereon will be about a crore—not merely the workers, but their families also. Therefore, if you are anxious to help them, you must supply them yarn at very cheap rates and the only course is to have your own spinning mills and do it as early as possible.

The next thing to help this industry is reservation. Of course, there has been a lot of discussion about reservation. Once the Planning Commission mentioned the desirability of reservation and supply of yarn at cheap rates, but there is no likelihood of increasing the percentage of reservation at any rate. So, we insist that even if all the varieties of dhoties and sarees cannot be reserved for the handloom, at least a percentage of it must be reserved. Just increasing the number of the varieties is no use. Dhoties and sarees are the main items of the handloom

industry and if the Government is anxious to help these 15,00,000 workers, as he admits, and their families, they must raise the percentage of reservation.

Government must buy more handlooms. The other day, in reply to a question of mine, Government stated that they are buying 17,00,000 yards of turban cloth. I do not know of any varieties of turban cloth—fine, durable and beautiful—which the handloom cannot manufacture. I hope the Minister will see that at least turbans are supplied by the handloom industry and it can be easily done also. I have heard that even on sample orders they can produce things to any standard, excepting the thicker and rarer varieties. Therefore, if the Government think of this seriously, they should go in for spinning mills and supply yarn at cheap rates. They should also make all their purchases from the handloom industry and then reserve sarees and dhoties for handlooms. That is the only way of helping the handloom industry. Of course, I know that this is a rather backward method of production, but under the present circumstances of large scale unemployment in the country, we have no other go except to maintain the handlooms and that too for a number of years.

I then come to rationalisation. Many speeches have been made in this House about rationalisation. I would read only one news item which shows rationalisation in practice. Government gave us loud and strong hopes and assurances that alternate employment will be found for those that are thrown out of employment due to rationalisation. This news item is from the *Times of India*, dated the 6th April 1955, about the textile industry in Kanpur. I will not read the whole item, but it says:

“The statement by the U.P. Labour Minister, Mr. Jugal Kishore, in the State Legislature last week on rationalisation is being interpreted here as Govern-



[Dr. Rama Rao] ment's 'green signal' to textile mills to 'go ahead' with their re-organisation scheme."

Then it says:

"A list of active trade union leaders, it is learnt, has been compiled by the police to meet any threat to the law and order situation in the city. However, the actual plan of action by the employers remains a "closely-guarded secret". Knowledgeable circles indicated that a surplus total of 4,500 operatives, representing 10 per cent. of the existing mobilised force in textile industry of Kanpur, were to be eliminated as a result of rationalisation."

But this I consider to be rather an underestimate, because—I quote from the A.I.C.C. Economic Review and it is Shri Tripathi's article—

"The real reason has been given out in a speech by Mr. Bell of the Textile Manufacturers of Kanpur, who has said that by rationalisation the industry would profit by throwing out 9,000 labourers and making a saving of one crore in Kanpur alone."

Therefore, Sir, here is rationalisation in practice. Now, take this figure. According to the newspaper report 4,500 people are being thrown out of employment. All our promises, all our hopes and all the assurances of the Government to find alternate employment is fraud and it is meant to deceive people. Government knows very well that under the present employment situation all their promises is a fraud. To suppress these people; to prevent them from fighting for their legitimate and fundamental right to work and livelihood, they are preparing this 'police bandobust'. They are preparing to take steps for repression. This is the way that rationalisation is going to work for the benefit of the millionaires and which in fact will destroy the smaller mills. It will affect the handloom industry and throw lakhs of people out of employment. Then in order to suppress these people Gov-

ernment are going to use baton rifle and tear gas. Instead of finding employment for those who are already unemployed, you are throwing out those who are already employed. Instead of protecting them you are giving them gas bombs and bullet. saying: "We must maintain law and order".

I will not say anything more about rationalisation. I will only say one word about industrialisation. Our industrial and commercial policy has not been helpful to our agricultural produce. The Minister knows that the prices have fallen and we have also spoken about it here in the House several times. The prices of agricultural produce have no relation to the prices of semi-manufactured and manufactured goods. The prices of cotton and groundnuts are still falling. Only a few days ago I mentioned about it. Even today—the figures I give relate to the local maund—the price of cotton in Andhra has come down to Rs. 6 from Rs. 9 to Rs. 10. The price of groundnut has come down to Rs. 3 from Rs. 8 a maund. So, the prices are going down still further, but the Government have not been able to have a proper machinery to maintain the prices.

Lastly, Sir, before you ring the bell, I will say one word about cigarette manufacture. A friend of mine pointed out how a doctor can ask for more cigarette factories. It is not that I am in favour of smoking, but I only say: "If you smoke at all, why not the best cigarettes and have Andhra cigarettes?"

Shri G. H. Deshpande (Nasik Central): Sir, I rise to express my views on the working of the department under consideration. If one will have even a cursory glance at the report submitted, one will find that very good progress has been made during the year under consideration. During the year one will find that as much as 110 licences were issued for starting new concerns and 224 licences were issued for the expansion of the concerns that are already going on. This very number will show that we are making

good industrial progress. Even if one would go through the figures of production one will find that satisfactory progress is being made in the production of several essential commodities in the country.

I want to lay stress on one factor. The hon. Member from the Communist Benches who spoke last, said that the Government's Enquiry Committee about the textiles, instead of wanting to help the handloom owners, want to help the millowners. It is quite a perverted view of the report. If one would go through the report very carefully, one will find that the Committee has shown a great concern for the handloom workers and it has taken into consideration their future. I would like to restrict myself to this. Let us go into the production figures of textiles. For the present we have got three patterns of textile production. One is the handloom, the other is the power loom and the third important pattern is mills. During the year under consideration, mills have produced 5,000 million yards of cloth—in the previous year it was 4,000 million yards. The handlooms have produced 1,400 million yards of cloth whereas in the previous year it was 1,300 million yards.

**Shri Bansal (Jhajjar-Rewari):** Not, 4,000.

**Shri G. H. Deshpande:** This year it was 1,400 million yards. Power looms have produced 200 million yards. In all our production is 6,600 million yards. If we are to assess our needs during the year 1960 we must take into consideration the increase in population by that time as well as the increase in demand due to the rise in standard of living of the people in the country which is expected with our development measures, and we will find that our needs will be much more than what we produce, for the present. We will require at least 2,000 million yards of cloth more. All these 2,000 million yards of cloth more which will be required by 1960 will not be produced by handloom if we have the

handlooms in the condition in which they are today.

Somebody said that nothing is done practically for the handlooms. How can that statement be made when we have got facts before us from where one will find that during the year under consideration much progress has been made by the handlooms. During the last year, during all the twelve months, 73,000 bales of yarn were consumed by the handloom weavers, while during the current year, within ten months, they have consumed 78,000 bales of yarn on handloom. That shows what great progress is being made by the handlooms. But, even then, what is the present position of the handlooms? What wages do they get? In certain centres they do get good wages, but in most of the centres one will find that the wages they get are not at all adequate. When we take into consideration the wages that are earned by the workers in handlooms, we cannot say that only one man works on the handloom. His family helps him; his wife helps him and his children help him. He does not get work for all the twelve months of the year. For many days he has no work. If we take into consideration the present miserable plight of the handloom workers we will find that it is necessary to find out some scope for their betterment.

Sir, we are trying to make power available. I do not understand what harm is there, if when power is made available in the villages—and I expect, power will be made available in almost all villages—the handloom owners would try with the help of the State to make a change over from handloom to powerloom. What harm is there if they do that? It is said that unemployment will result. Sir, I come from a constituency where you have got 5,500 power looms working. I am referring to Malegaon in my constituency. A few years before—before the war—almost all the weavers there were using handlooms. These enterprising weavers have turned over from handlooms to powerlooms during the War period. What is the effect

[Shri C. H. Deshpande]

of that? One will find that there is more employment. It is not that it resulted in unemployment, but there is more employment and all those who are employed on these power looms are getting better wages than what they used to get when they were working with handlooms. I would like to request the Minister for Commerce and Industry to send some officials there to make enquiries about this problem. I am sure they will find that this change over from handloom to power loom has turned out very favourably so far as the employment question is concerned. Generally speaking on handloom 6 yards of cloth is woven while on power looms you will find that 30 yards of cloth is woven. In between handloom and the power loom you have got another pattern which is known as 'Improved automatic handloom'. So, the old pattern of handloom which is an age-old thing of production, cannot help the weavers in getting better wages and that cannot give us better production. As I have said, in 1960 we will require at least an additional 2,000 million yards of cloth. I do not want that mills need special help. I do not want any expansions so far as the weaving sections of our mills are concerned. Nobody has suggested that and I do not know how the hon. Member who preceded me came to the conclusion that the Textile Enquiry Committee was anxious to help the mills. If he will re-read the report of the Textile Enquiry Committee with open eyes and fair mind, I have no doubt he will find that a suggestion has been made there, that there should be no expansion of mill industry. The Committee has recommended the decentralised pattern of production for the increased production of cloth. We are in need of more cloth by 1960. If we have to resort to any pattern of production it is only the handloom and the power loom. Leave the handlooms alone. Help them to the best of your ability. But, at the same time, if there are any enterprising weavers who want to have a change over and make use of

the power that is being made available, do not come in their way. That is all that I want to say: I therefore say this.....

1 P.M.

**Shri C. R. Narasimhan** (Krishnagiri): Where there is no power.....

**Shri G. H. Deshpande**: Where there is no power let handlooms work. I do not want to say that handlooms should be stopped. Let them have more and more production. Give them rebate as you are doing today but if anywhere power is made available, why should we go and ask them not to use it. By using power they will get better wages and produce things which will be better and cheaper for the general consumer.

I would like the House to consider sympathetically the recommendations made by the Textile Enquiry Committee. One will find that these recommendations are very friendly to the handloom weavers and not inimical to their interests. Their interest lies in progress and improvement.

Another factor which I would like to be appreciated in the Report is the emphasis laid on Small Scale and Village Industries. During the last year or the year before that, no attention practically was paid to the small scale industries and village industries. Now the Ministry is coming forward to implement Government's programme as announced in the election manifesto and as recommended by several sincere workers in this field. Now the Government is serious and is coming out with a number of schemes. It is now for the workers in this field to organise small industries on a co-operative enterprising social workers would basis, especially in the villages. If come forward and help the Government in organising the schemes, I have no doubt that it will help the country in giving more and more employment.

I would like to make one or two more suggestions. One of the hon. Members referred to the sugar factories

in the Deccan. Government is helping to start sugar factories on a co-operative basis. But I would request the Government of India to take into consideration the recent fall in agricultural commodity prices. They expect the agriculturists in the Deccan to organise themselves in a co-operative society and subscribe Rs. 15 lakhs. Then they would come with a considerable sum of money and help them. But I would request the Government to take into consideration the fall in agricultural commodity prices and not expect that they should collect Rs. 15 lakhs. They should expect only a collection of about Rs. 10 lakhs. They should come forward with help. Then alone it would be possible in these hard days for the agriculturists to organise sugar factories in the Deccan.

I would make one more submission. There is in Bombay State a district known as the Dangs. It is very rich with forest wealth and a very large area is under bamboo and a paper mill could be started there. It is said by experts that even a paper mill for newsprint can be started in that district. I would request the Government of India to investigate into this proposal to start a paper mill which would produce newsprint.

In the Government of India Security Press at Nasik, very good quality paper is consumed and if a mill is started just in the vicinity, it will get good paper. People will have a new industry and it will give more employment to people. I wanted to place these suggestions before the Government. I have no doubt that good progress was made last year and that the same pace will be continued. I have also no doubt that more efforts will be made to organise small scale industries during the coming year with the help of the people and that we will be in a position to solve the question of unemployment. I have done.

**Shri Bansal:** As my friend who just preceded me has said, this Ministry

has a creditable record of achievement during the last year. Production has increased by more than seven per cent. as against about five per cent. in the previous year. The foreign trade position also seems to be better. It was better by about Rs. 31 crores in the export trade. As regards licence applications Government considered 443 as against 251 in the previous year. Those sanctioned were 371 against 182 in 1953. Production in a large number of important industries has also been increasing. All this is quite good.

But I cannot help feeling that during the last five or six months a sense of ennui and a sense of inertia seems to have come over the Ministry. I find that a number of good intentions of the Minister and the recommendations of a large number of committees yet remain unfulfilled and unimplemented. We all know the story of the National Industrial Development Corporation. It was trumpeted with a big fanfare in October. More than six months have passed and except working out some project reports of some industries, at least the public is not aware as to what has been the achievement of this Corporation.

During the year a number of important committees reported. The Textile Enquiry Committee, the Jute Enquiry Committee, the Pharmaceutical Enquiry Committee, the Trade Marks Enquiry Committee, the Engineering Capacity Committee.....

**Dr. Lanka Sundaram** (Visakhapatnam): What about an Indigestion Committee?

**Shri Bansal:** I do not know what has happened to the recommendations and the reports of these Committees. No reference has been made as to what steps Government are taking to implement the various recommendations of these Committees. With regard to the Engineering Capacity Committee, the report here mentions that technical reports have been received from this Committee from time to time and they have been under con-

[Shri Bansal]

sideration. But what effect has been given to the recommendations? Even the industry does not seem to know this. I do not think that it is a very good state of affairs. And if I have referred to the increasing production, betterment in the foreign trade position and improvement in the licences for new industries with approbation, I also have an uneasy feeling that all this may be due to the momentum which was gathered by the activities of this Ministry during the last year. If this momentum is allowed to be overtaken by the inertia which I find unmistakably in the Ministry at present, then I am afraid that all the progress that is being made will not be maintained.

Therefore, I would appeal to the Minister and to the Ministry that they should not allow themselves to be overtaken by this sense of ennui bordering on frustration.

Even as regards foreign trade, what is our position? Although it has improved by about Rs. 31 crores, and the terms of trade are slightly better than they were in 1953, but if we take the over-all picture, our foreign trade has actually declined from what it was in 1948; it has declined by about 10 per cent. while the world trade in the same period has actually improved by about forty per cent. Then again, if you compare our trade with the figures of 1937, while the international trade trebled between 1937 and 1952, India's foreign trade increased by only 150 per cent.—that is, it was only 2.5 times as much as it was in 1937.

Take also the composition of our trade. It is true that we are now becoming an exporter of manufactured goods and generally importers of machinery and raw materials. But what are the manufactured goods which we are exporting? Again, the very same traditional goods, namely, jute manufactures and cotton textiles. Other items of manufacture account for only less than 5 per cent. of our total export trade.

I have an article before me, written by one of the international authorities on economics. It is Professor Arthur Lewis, Head of the Economics Department of the Manchester University. He had paid a visit to this country and after studying the situation here he has analysed our foreign trade *vis-a-vis* the trade of the world. And he came to the conclusion that international trade in textiles and apparel has been actually on the decline from 1899 to 1950. Percentage-wise it is less than half of what it was in 1899, while on the other hand the trade in metal goods, that is in engineering items, has almost doubled. That is, while it was 30.6 per cent. in 1899, it was 56.3 per cent. in 1950.

If India wants to do well in its export trade, as it must because we will have to depend for a large number of items for our developmental programmes on foreign imports and we cannot but afford to increase our export trade, then we will have to develop the export of our various engineering items.

But what is the position here? We are exporting cutlery, hardware, implements and instruments worth only about Rs. 2.5 crores, electrical goods and apparatuses worth Rs. 30 lakhs, machines of all kinds Rs. 90 lakhs, (iron and steel manufactures Rs. 1 crore and 20 lakhs,) manufactures of other metals Rs. 1 crore and 75 lakhs, and so on. If within this category we include apparel, chemicals, glass and earthen ware, rubber manufactures, woolen yarn and manufacture, the total comes to Rs. 22.12 crores being the average of the last four years.

But what steps are Government taking to step up the exports of these commodities? Some Export Promotion Councils have been set up; one for silk and rayon yarn; one for textiles. But the one for engineering items was proposed to be set up a year back. The Ministry has been trying to persuade the engineering associations, the en-

gineering manufacturers to set up this Export Promotion Council for engineering goods. While the Indian section of the industry is not only willing but keen to co-operate with Government, I find that the European section—and, Sir, mind you, the European section is dominant in this line—has flatly refused to have to do anything with this Export Promotion Council. I am glad that in spite of that Government are going ahead with setting up this Council.

But may I know how long can we go on tolerating this attitude of non-cooperation by foreign interests in this country? Not only is it evident in this particular case, it is also evident in the case of measurement certificates issued by the Indian Chambers of Commerce. This has been the subject-matter of a large number of questions on the floor of this House, and the other day the hon. the Commerce Minister almost said with a sang-froid, "Well, it is a problem, but Government does not really know what to do with it".

Then, what is the Government's policy in regard to those foreign concerns that are completely foreign-owned and foreign-controlled? I am referring to one specific case, that of Lever Brothers. It was rumoured in the market some time back that due to the influence of the Government of India they were thinking of offering some capital to Indians. And that was, if my knowledge is correct, only in the form of debentures. I think the Government of India rightly turned down that offer. But even if they offer issue capital in this country, I would suggest that unless a substantial amount is offered Government should have nothing to do with that. Because it will not be Indianisation, it will be perpetuating their foreign hold under the garb of partial Indianisation. And I would like the Minister here and now to declare as to what is the policy of the Government in such cases. It is no longer a matter which can be confined behind the closed doors of the

Minister's room. A definite statement of policy should be made on this very important question.

On the export trade, while I am appreciative of the efforts that are made by the Ministry to augment it, and while a large number of delegations are being received in this country to have bilateral trade negotiations and some delegations have been sent out from this country as well, may I know whether the Government of India have analysed the effects of a large number of bilateral agreements which they have been having with foreign countries. Bilateral trade agreements seem to have become a fashion of the day. Any country comes forward, sends a delegation, our Government also sends delegations and signs agreements. I do not know as to what actually they result into. Recently we had a trade delegation from Western Germany. I was told that as a result of that agreement we have succeeded in exporting to that country some of the items which are on their banned lists. That may be a gain. But what I would like to know is whether these various trade agreements have been carefully analysed by Government and, if so, what is their conclusion

**Dr. Lanka Sundaram:** What is your conclusion?

**Shri Bansal:** My conclusion is that the time has come when we do not have to have bilateral trade agreements with any countries excepting some of the iron curtain countries, and that too not for our good but for their own good because unless we have a trade agreement the trade cannot flow as it is handled by one corporation or a set of corporations in these countries.

But what I would like to emphasise in this connection is that just as our foreign policy is becoming Asia and Africa minded, our trade should also become Asia and Africa minded more and more. But what is happening? We send, normally, third-rate delegations to the ECAFE and to the Trade Promotion Councils. I must admit that

[Shri Bansal]

there are honourable exceptions. The recent delegation which went to the last session of ECAFE held at Tokyo was not in that category because it was led by the hon. the Commerce Minister. But a large number of other delegations, I must admit, have been even fourth-rate (*Dr. Lanka Sundaram*: What about the leaders?) with the result that we have not been able to make any impression on the deliberations of those Conferences, what to speak of improving trade with our neighbouring countries. After all, if we want to increase our trade.....

**Shri K. K. Basu** (Diamond Harbour): What about the G.A.T.T. Delegation? Was it good?

**Shri Bansal**...We have to deal with our neighbouring countries which are going to buy our manufactured items. I know that our Ministry seems to be labouring under some misapprehension that the countries of this region are almost in the same state of economic development as we ourselves are, that they are themselves trying to develop certain industries which we are trying to develop and therefore we may not be able to export the items which we want to export. But, I do not take that view. Because, in spite of the fact that we are generally in the same level of economic development, there are a large number of items which we can very successfully export to these countries. I understand, recently, there was a trade agreement between Burma and China. We also had a trade agreement with Burma. But, that agreement was only with regard to the import of rice from Burma. But, in the agreement between Burma and China, arrived at recently, Burma has promised to import most of her requirements as regards manufactured items from China. I do not know why we cannot expand our trade with these countries.

I would say a word only with regard to one or two delegations which were sent by this country. One was

sent to Russia and another to the Middle East countries. They must have submitted their reports. I want to know how long these reports will be kept confidential. After all, when a trade delegation goes, it goes there to report on the conditions obtaining in those countries.

**Dr. Lanka Sundaram**: You mean the Industrial delegation?

**Shri Bansal**: To Russia, it was an Industrial delegation; to the Middle East countries, it was a trade delegation.

**Dr. Lanka Sundaram**: Reports appeared in the papers.

**Shri Bansal**: The report has not appeared. I say that the reports submitted to the Government have not appeared. At least the report of the Middle East trade delegation has not yet appeared. I would like to urge upon the Government not to treat these reports as confidential, but to publish them so that the trade may know what commercial possibilities exist in those countries.

I have only one word to say with regard to the suggestion that we must send more and more delegations to the Middle Eastern and South East Asian countries because it is these countries where we have scope for development of our trade. (*An Hon. Member*: Fifth rate.) We should also invite delegations from those countries so that our mutual trade may develop.

**Shri G. D. Somani** (Nagaur-Pali): It is gratifying to learn that our industrial production continues to make satisfactory progress, about which reference has also been made by more than one speaker in the debate today. This remarkable increase in industrial production has really paved the way for still higher and more substantial targets that are bound to be fixed in the Second Five Year Plan for the development of various industries.

There has been a lot of controversy about the economic policy towards industrial development in the country, both in the House as well as outside, and about the respective roles which the public and private sectors have to play under the present circumstances. Even just now, my hon. friend Shri V. V. Giri had tried to warn the Government to give notice to the private sector that it has to merge into the public sector, and therefore it must readjust itself in a way that it may make preparation for merging itself in the public sector within such and such a period.

**Shri K. K. Basu:** Naturally he lost his job.

**Shri G. D. Somani:** I have no intention to enter into any controversy. My only submission is that the only criterion for determining the roles of the public and the private sectors is to find out who can deliver the goods. We have to fulfil certain objectives. Our objective is to promote the economic development of the country, fight poverty and unemployment. In the present circumstances, the only issue before this country is to find out whether this controversy between the public and private sectors is doing any good or whether it will be better to just allow both the sectors to play their roles to their utmost possible capacity and to pave the way for the immediate realisation of our objectives. It has been recognised both by the Government as well as by the Planning Commission that the private sector has to continue to play a very important role during the Second Five Year Plan. That being so, I think that this controversy should cease and the Ministry of Commerce and Industry, which controls private industry should now engage itself in setting out the targets for various industries during the Second Five Year Plan and point out how these various targets have to be fulfilled by the private sector. The hon. Minister himself has got a very bold and ambitious vision of industrialisation of this country. I remem-

ber it was he who first indicated the targets of 6 million tons for steel and 10 million tons for cement. Most of us were bewildered at that statement at that time and there was a general impression in the country that these targets were simply imaginary and far beyond the scope of practical realisation. But, the country, the Planning Commission and the Government have now taken definite steps to ensure that these targets will be implemented in the Second Five Year Plan.

Taking the question of steel, I have no quarrel with the decision which the Government have taken that the establishment of new units in the steel industry will be in the public sector. I cannot however understand the vacillating policy of the Government, about which certain desquoting reports have also appeared in the press, towards the expansion of the existing steel units. It is learnt that the Tatas have already submitted their plans for the expansion of their units, but the Government are still unable to make up their mind and they have not been able to decide the matter and have left the matter to negotiation and time is being allowed to drift longer and longer, and no definite answer has been given to them. There cannot be any difference of opinion on the point that the expansion of the existing units is the most economic and is in the interests of our nation. That being so, there cannot be the slightest justification for any indecision on the part of the Government in promptly sanctioning whatever proposals the Tatas may have placed before the Government, for expansion of their capacity and in giving them the utmost possible facilities for implementing their schemes of expansion. I would therefore expect the hon. Minister to indicate in his reply the definite policy which the Government have towards the expansion of the existing steel units because there still seems to be some apprehension, as is evident from certain reports in the press, that the Government and the Cabinet have a vacillating mind on this question and



[Shri G. D. Somani]

have not been able to make up their mind as to the manner in which the existing units should be allowed to expand.

Similarly, the Government have not yet announced their decision about the new steel retention prices which have expired on the 31st March, last. I hope, in announcing their new prices, the Government of India and the Ministry of Commerce and Industry will take a realistic view as to the adequate return which should be allowed to private enterprises in the controlled industries, which might enable them to plough back their resources for their needs of expansion. I hope this time, the Ministry will take a more practical and reasonable attitude in fixing the prices of controlled commodities than what they have been able to do in the past, although recommended by such a high-powered body as the Tariff Commission.

I would like to say a few words about the textile industry. I know the hon. Minister himself takes a personal interest and is therefore fully aware of the problems with which this industry is faced. I need not go into a very detailed explanation of the various problems with which the textile industry is confronted today. Mention has been made about the Kanungo Committee's report. We have still to know what decision Government will take on the recommendations. But, I think it is wrong to suggest that the Kanungo Committee's recommendations are in any way favourable to the future development of the textile industry. They have suggested that the textile industry's production should be frozen at the present limit. In view of the fact that there is bound to be a substantial increase in consumption of cloth during the period of the Second Five Year Plan, I do not understand how this recommendation of the Kanungo Committee to freeze the production of the textile industry at the present level can in any way be re-

garded as practical, or realistic or in the best interests of the country. If our people have to get the best quality of cloth at the cheapest possible price, this very important industry should continue to be allowed to expand and to get all other facilities, so that it might be in a position to produce cloth at the most economic level.

The recent reclassification of textile varieties has again created some difficulty for promotion of exports of certain varieties. Certain *psuedo-medium* varieties have been classed under coarse, and therefore they are subjected now to a 6½ per cent. export duty, and to that extent, the small relief in the export duty that was given at the time of the last Budget has been neutralised. At a time when everything possible should be done to encourage exports, I think this step of placing certain varieties from medium under coarse, and thereby subjecting them to export duty, will adversely affect our textile exports; and therefore this step is not in the right direction.

**Shri T. T. Krishnamachari:** May I ask the hon. Member whether the *psuedo-medium* was not devised in order to get over this question of paying export duty?

**Shri G. D. Somani:** In whatever way it was devised, it helped the exports of textiles from this country and thereby add to the total quantity of exports from our country, yet to the extent there has been this reclassification, it has adversely affected exports, and thereby harmed our country's national economy.

Reference has been made in the Report of the Ministry to the fact that some enquiry is going to be instituted, which will be undertaken by both technical and economic personnel about the rehabilitation needs of the industry. I would like to know something more definite from the hon. Minister as to the nature of this enquiry, when

it is going to be started, and whether the necessary steps have already been taken to recruit the personnel which will discharge the functions that have been allotted to this enquiry committee. I need not say much about the needs of rehabilitation and modernisation and rationalisation in the textile industry because it is quite obvious that in these days of growing competition both here and abroad if the industry is to function smoothly, then these problems of rehabilitation and modernisation must be looked into. Now that the Ministry has taken some initiative in starting an enquiry, I hope no time will be lost in taking active measures to ensure that the enquiry is made, and any recommendations that follow from that enquiry are implemented in a practical manner.

Now I would like to say something about the question of small-scale industries. The Ford Foundation Team reported, I think, about a year back, and suggested many ways by which our small-scale industries could be developed. Indeed, as they themselves have pointed out in their report, there is an almost unlimited scope for the establishment and development of small-scale industries throughout the country. The Ministry has taken certain steps in this regard and established four regional institutes. But I am sorry to point out that so far as I am aware these regional institutes have been established only on paper. I had something to do recently with the regional institute established at Delhi, and I found that neither have they got an office nor have they got the technical staff which can enable them to discharge the responsibilities which have been allocated to them.

**Shri Sinhasan Singh:** They are drawing their pay?

**Dr. Lanka Sundaram:** No office at all?

**Shri G. D. Somani:** They have just been grouped into one room and in a

certain section of the Ministry whose work it was performing; and from what I could gather, they are not at all functioning properly. So, if these recommendations in regard to the development of small-scale industries have to prove really useful to our economy, it is essential that the Ministry should give the topmost priority to ensure that the necessary technical personnel is recruited, and the necessary facilities and assistance which the Ministry wants to give for the development of these industries are really made available to them.

There are various suggestions in this connection. The first thing that strikes my mind is this. So far as the big industries are concerned, they can take care of themselves and avail themselves of the facilities that are available; and an individual industrialist in a big industry can also find out the ways and the procedure which will make him entitled to those benefits. But so far as others who may be expected to interest themselves in small-scale industries are concerned, I think it is really a very difficult task for them to be able to complete the various formalities and get the full benefit of whatever facilities Government make available to them.

I would therefore make this suggestion to the hon. Minister that the various regional Chambers of Commerce which are functioning in this country should be allowed to act as liaison between Government and the small traders, so that these Chambers might be in a position to let the various sections of the small traders in their region know about these facilities and then assist those societies or those individuals who may be interested in the small-scale industries to complete those formalities. I think the Federation itself can play a useful role in this connection, and I would therefore suggest that the hon. Minister should utilise the Federation or its various member-bodies so that through them the necessary particulars and information could be made available throughout the coun-

[Shri G. D. Somani]

try, and those who may be interested in the development of these industries may really take advantage of the benefit or facilities that are made available to them.

In conclusion, I would like to say a few words about Rajasthan. I am very glad indeed that the hon. Minister could find time to pay a flying visit last week to Jaipur, when I think to some extent he has been able to understand the problems of industrialisation in Rajasthan. As you know, Rajasthan is very much backward both industrially and economically, and therefore deserves preferential treatment.

A suggestion was made about the location of the fertiliser factory in Bombay. Bombay is a highly industrialised State, but I think the best State which can be recommended for the establishment of any additional fertiliser factory is the Rajasthan State. Rajasthan has the biggest area so far as gypsum deposits are concerned, and the gypsum available there is of the best quality. Gypsum is the main raw material for these fertiliser factories. When we find hundreds of wagons of gypsum going every day from Rajasthan to Sindri, and when Rajasthan itself is suffering so much economically, I think justification demands that any further fertiliser factory that may be decided upon by Government to be established must be located in Rajasthan. On grounds of merit, on grounds of the backwardness of the economy of and also from the point of view of whatever technical or commercial standards are there to be fulfilled, I beg to submit that it deserves to be located in Rajasthan. Similarly, in regard to small-scale industries also, Rajasthan deserves special consideration, and I hope the hon. Minister will be able to do something in that matter.

Lastly, I would say a word about the Hindi magazine *Vyaapar Udyog Patrika* which is being published by this Ministry. I think it would be

better if this magazine is published originally in Hindi, because as it is there are only translations of a few articles from the English version here and there and that does not do full justice to the case. So I would suggest that this magazine is published originally in the Hindi version and then translated into English, so that full justice will be done to the case of Hindi.

**Shri Bhagwat Jha Azad** (Purnea cum Santal Parganas): The success of the Government's industrial policy can be measured by the positive achievements that we can go through in the Report of the Ministry that has been supplied to us. That the policy has been successful in the year under review is evident from the fact that there has been industrial progress in the country, that there is a general improvement in the economic condition of the country and that it has been stabilised in the year 1954.

The year 1954 is a landmark in the industrial fields, because industrial production has gone up, as compared with that in the years 1952 and 1953

In 1954, the index of industrial production had gone up to 145 as compared to 135.3 in 1953 and 128.7 in 1952. In this year, the doubt, apprehension and depression in the mind of industrialists in general and the public at large have been dispelled, and the index of prices has dropped from 399.6 in January 1954 to 367.8 in December 1954. Therefore, we can say from this that it has not only stabilised the economy, but has also created a good atmosphere for further development in the country. The climate for further development in 1954 has been favourable; though nothing spectacular is visible, yet we feel that there are signs of an increased tempo in the industrial field. By the establishment of the National Industrial Development Corporation, it is expected that there will be harmonious development of industries both in the public and private sectors.

While going through data regarding increase of development in the various industries—into the details of which I need not go—like cloth, cement and jute, we find that there are still other industries which have not caught the attention of the hon. Minister. I will not mention about the sad plight of sugar, but I will certainly draw the attention of the Ministry to the step-motherly treatment given to the mica industry. We know very well that nearly 75 per cent. of the total world's production of mica comes from India, and about 80 per cent. of the mica produced in India is from the Bihar mica belt. As such, the prospects of the industry are naturally very bright and it is reasonable for us to expect that Bihar may have a modern micanite factory installed at a suitable place in the mica belt, which will thereby serve the nation by making all sorts of micanite goods easily available at considerably cheaper prices, instead of exporting all that we have to foreign countries. In answer to a question, the other day, the Commerce Minister said that he had no information that there was a depression in the mica industry. We are simply surprised at this because we who come from that area know that it is a different story. Probably the files in this connection must have been prepared from an aerial survey and not by a survey of the mica belt that is in Bihar. If I go on describing what is being done by the Ministry regarding mica, it will take hours. But we simply appeal to the Ministry once more to see things in proper perspective and go to the mica belt and find out if the foreign interests are not interfering, whether it is not a buyer's market, whether the consignment export system is not hitting the mica industry hard, and whether the Mica Inquiry Committee of 1945 had not said that it was injurious for the industry to have the consignment export system. Therefore, it is but natural for us to expect that such an important thing, of which 75 per cent. of the world's supply is produced in India, out of which 80 per cent.

is produced from the Bihar mica belt, should be properly looked into.

As I said, the report says that there is a reduction in the price index from 399.6 to 367.8. But I am sorry to say that industrial production in the country has failed to take note of the other price system in the country. We know very well that it has been agitating the mind of the country at large that there has been a 25 to 30 per cent fall in the prices of food-stuffs, whereas the fall in the price of manufactured goods, as indicated in the report itself, is very small—I may say, negligible. On the other hand, we feel that it is either static—the same where it was—or there is a slight increase of 2 per cent. Therefore, the industrial production that we are having is at a great cost. Whereas prices of foodstuffs have gone down by 25 to 30 per cent., the industrial sector has failed to take note of this difficulty of the population, and therefore, whatever fall in the price index is shown by this report though taken apart may be very good, taken in the context of the country's economy is not heartening, rather it is discouraging.

Coming to the industrial policy of the Government of India, we know that the first policy in this regard was laid down in 1948, and it was but natural that this country was cast on the pattern of a mixed economy. We still adhere to the policy that this country to progress industrially will have the private and public sectors side by side. The Five Year Plan has given due consideration and allotted a certain quota to be invested by the private sector. If we go through the *Progress Report of the Five Year Plan*, we find that out of Rs. 333 crores allotted only Rs. 96 crores were invested by the private sector, and that also with all possible encouragement given by Government in the form of stoppage of labour legislation. Still complaints have been registered in Chambers of Commerce, federation meetings and at other places that industrial tribunals are coming in the way of employers and employees. They

[Shri Bhagwat Jha Azad]

are complaining that sufficient encouragement is not being given. With all this encouragement and sufficient field left to the private sector, it is most discouraging that out of Rs. 333 crores, only Rs. 96 crores have been invested. Therefore, we naturally feel that though we are committed to the policy of a mixed economy in which the private sector and the public sector will go side by side, from what we have seen of the achievements, we are not satisfied. Therefore, we feel that there is a case for a change in the industrial policy of the Government enunciated in 1948.

Very often in this House, the question of foreign capital has been referred to by our friends in the Opposition. On this question, it has been stated more than once by the Commerce and Industry Minister, and more so by the Prime Minister, that they cannot understand what is the basis of the demand for confiscation or driving out of foreign capital from this country. Only the other day, our Prime Minister said that not even one country in this world exists—be it communist, totalitarian, socialist or any other system with a different type of economy—which can drive out foreign capital from its soil. I personally feel that it will be to the discredit of the country to drive out foreign capital. It is but natural for us, for a country with a backward economy, to encourage the inflow of foreign capital, surely with all possible control over it. We do not allow foreign capital coming into this country to have a predominance over our indigenous capital and to come in its way. But certainly we want to know whether as a result of foreign investments in the country, any huge sums of money are being remitted from this country. We would like to know whether Government have told these foreign investors that they should reinvest a part of their profits in the country's economy. Now that we are entering into trade with China, Hungary, Poland, East Germany, USSR, Czechoslovakia, and Bulgaria—and we

are expecting a steel plant also from an 'Iron curtain' country—I hope our friends will keep their mouths shut and will not henceforth say that there should be confiscation of foreign capital, because it will go against their interests.

Speaking a word about small-scale and large-scale industries, a large number of cut motions have been tabled on this subject. Whereas we neither challenge nor disbelieve the intentions of the hon. Minister about encouragement to be given to the cottage industry, let us see what has practically happened. Up to 1953, Rs. 50 lakhs were given. In 1953-54, Rs. 584 lakhs were allotted for it and in 1954-55 a provision of Rs. 972 lakhs has been made which will be disbursed through the All India Khadi and Village Industries Board, the Handloom Board, the Handicrafts Board and the Small Scale Industries Board. We appreciate all the actions taken by the Government but we certainly would like to know what has been the result of this expenditure with regard to unemployment in the country. We know in Japan they weave the thread if their nation's wealth in the cottages and still they are competing in the world market. But, in India with all its industrial improvement, large-scale and small-scale we cannot solve our unemployment problem. My argument is that even though the intention is there and we profess it and stand by it there is something wrong either in the approach or in the policy,—I won't say the intention,—which is not bearing fruit in employing a large number of unemployed in this country in the cottage industries. And, I can quote Shri Shriman Narayan Agarwal when he says that wherever he goes he finds the cottage industry being starved. We find that an Emporium has been opened in Delhi and that another Emporium has also been opened in Bombay. But let us not forget the actual facts by what we see in Delhi. In Delhi people

revel in drink and they are clad in silk. In one word, the Delhi culture is drink and silk culture and I do not think it is a measure of what is in the country. Let us not measure it by what we see in Delhi but let us decide it by what we see outside. We, therefore, feel that there is a case for putting the cottage and large-scale industry on proper footing.

**Shri Achuthan (Crangannur):** Mr. Chairman, while I was coming into the House, Mr. Bansal was referring to second rate trade delegations and councils. I do not know the context in which he was referring to that. But, it was unbecoming of a Member who was himself a member of the regular trade delegations to an important centre in Europe. We know that Government might have occasionally had to select and to send a number of delegations to different parts of the world and as such as much care as is required might not have been bestowed in the selection. But to say that might have its own implications. It may imply that there was some wire-pulling and Government was not as careful as it ought to have been. According to me, at this stage, when we are expanding and when we want to have a world market and industrial and commercial expansion, to say plainly that second-rate people are included in delegations and committees is not fair. That is by the way.

**Shri Bansal:** May I say a word of explanation? What I intended to convey was that Government were not attaching adequate importance to those conferences which were being held in this region for trade promotion with the result that the delegations were not well chosen.

**Shri Achuthan:** Coming to my subject, Commerce and Industry, in an agricultural country like India, according to me, commerce and industry play a very important part and occupy

a key position. According to the Planning Commission, economic experts, Members of Parliament and others, industrialisation is the need of the hour. Moreover, we find from statistics also in calculating the national income, we find that the income from commerce and industry taken together comes to about 20 per cent.—15 to 20 per cent. So, it has got its own advantages and importance. Everybody knows that the Second Five Year Plan attaches more importance to industrialisation—to large-scale and small-scale industries—to see that our unemployment problem is reduced to the minimum as far as possible. *(Interruption)*. Moreover, we understand from the reports that during last year there was improvement in the industrial production. It has got its own causes. It is not a question that there was not sufficient increase. But, I would say, compared to our neighbouring countries, we were in a far better position. The second cause may be our financial position the first being stable Government. After the Korean War and the Armistice and the peace which has come to stay, our financial position is sound and stable. We can have sufficient assurance for further schemes. Thirdly, there was our satisfactory balance of payment position. Moreover, we are trying to have amity and co-operation between the public sector and the Somani-Kilachand sector—I mean the private sector—so that all these have to be taken together. Apart from all these things, even though the communist party may, in season and out of season, criticise the Commonwealth Membership and the policy of taking financial and technical assistance, I have to say that it has played its due part in the last three years in regard to financial assistance, in bringing forth the necessary industrial development to an under-developed country like India.

**An Hon. Member:** What sort of assistance?

**Shri Achuthan:** Financial assistance, technical assistance, capital goods etc.

**Dr. Rama Rao:** What capital goods?

**Shri Achuthan:** Without knowing these things you need not say anything. Have we not got basic machines and goods from foreign countries?

But one disturbing factor in my mind is that there has been a sudden fall in the prices of agricultural commodities. I know that Government is taking adequate steps either by purchasing surplus stocks or by resorting to control of prices. But unless the agriculturists are in a position to have more purchasing power to employ their surpluses in our schemes of industrial development either in the private sector or the public sector—large-scale or small-scale—we will not profit. I know our Commerce and Industry Minister is also aware of it and is taking steps. But the utmost care must be taken in formulating the policies in this Ministry in regard to the import and export of goods. It plays an important part. If there is a slight mistake or slight carelessness or want of foresight it will tell upon our people to a very large extent. And, we are experiencing them already.

There is the role of the private industry. Consistent with our socialistic pattern of society, we want to give full scope and latitude to the private sector. There is nothing to argue out in it. There is nothing to fight between the private sector and the public sector. The Government has stated it more than once in all platforms, in this House and outside also that the private sector has got its own part to play. In the Second Five Year Plan, according to me, there will be their due share to be

fulfilled. We have got our Industrial Finance Corporation, our National Industrial Development Corporation, the Industrial Credit and Investment Corporation etc. all these for financing them. It is mainly for encouraging the private sector that these bodies have been established. From the pamphlet you will see that these Corporations will give even equity capital to the Somani-Kilachand in dustries and more money to invest, so that what is wanted in this country is rapid industrialisation and there may not be any set-back to it for want of capital. I think that in the Second Five Year Plan the Kilachandian sector which will surely benefit will take care of the situation and deliver the goods that is expected of them. I am sure it will be so before the Plan is out. According to me, large-scale industries alone will not solve the problem. Unless we see that small-scale and village industries like handicrafts, khadi, handloom etc. are well developed throughout our country and sufficient financial and technical assistance is given to them, our unemployment problem is not going to be solved. I am glad that the Commerce and Industry Minister is also alive to the situation. I have gone through the amounts given to the States and I find no fault with the Central Government. There can be no charge against the Central Government and only a very weak charge against the State Governments. For example, in my State the amount is granted, but they have no scheme on hand and they are not spending the money. So, I have nothing to say in regard to the Central Government. It has been well-planned and the plans are working well. As regards sale of khadi handlooms and handicrafts, the position is improving and really the Commerce and Industry Minister deserves credit.

2 P.M.

There was much talk about this foreign capital and people are asking, "Is there any place for foreign cap-

tal?" Everybody knows that India is an under-developed country without sufficient capital and our financial resources are not very much. Practically I do not find anything wrong in having foreign capital coming over here and aiding to the prosperity of the country. We know a number of basic industries are coming from all blocks—Eastern Bloc and Western Bloc. So also, our country as a whole must welcome foreign capital and we must have the confidence to say that if they come over here and establish industries, they will not be the losers.

Before coming to my State, I would like to say something about the coir industry. The Coir Board was inaugurated last August and I attended the last meeting. Excepting for a few large-scale manufacturing concerns, it is run on a cottage industry basis. This industry has to be organised on a co-operative basis and for this purpose, money has to be advanced by the Central Government or the State Government concerned. We have appointed a number of *ad hoc* Committees with experts to study all the aspects of the industry as a whole and suggest measures which can be put into practice. For the time being, we are going to open a number of showrooms in Bombay, Calcutta and other places. But my point is that we are handicapped by some other minor factors like sales-tax. We should see that as far as the State Government is concerned, sales-tax is not collected. There is one other point. For the time being there is only a temporary Chairman for the Board. After the death of the previous Chairman, only a temporary Chairman was appointed. It is very necessary that a permanent Chairman should be appointed.

Coming to my State, the most important problem is that of tapioca. Recently after decontrol, a good number of middleclass persons have taken to this industry; but, prices have

fallen down to a very very deplorable level. I do not know how the industry is going to survive unless the Government of India comes to our aid. Lakhs of people are depending on this industry and according to the statistics collected by a committee appointed by the Travancore-Cochin Government, its worth per year comes to Rs. 20 to Rs. 25 crores. This is not a small industry. The Travancore-Cochin Government is going to constitute a Tapioca Board to study this problem and suggest measures by which it would be possible to manufacture so many products like sago starch etc. The Central Government must come to our aid by giving us a loan or grant and some foreign markets should also be found for this sago. Moreover, in India itself, the Government must use its good offices to see that this thing is used by our Textile Mills.

Another problem is with regard to cashew-nuts. It is high time that the Government consider constituting a Cashew-nut Board, like the Coir Board, so that the problem can be studied thoroughly and suitable measures taken. You know it is a very serious problem and we are getting more than 50 per cent. of raw cashew-nuts from Africa. It has been cornered by some Bombay merchants. Moreover, fresh plantations quality control, labour, welfare etc. are all important factors in this matter. So, just like the Coir Board, there should also be a Cashew-nut Board.

**Mr. Chairman:** I have rung the bell thrice. The record has been broken for today so far as ringing the bell is concerned in the hon. Member's case.

**Shri Achuthan:** I have got only one more point and that is about copra. As we all know, this is a serious problem and prices have been falling. I think the Commerce and Industry Ministry must be very careful in this



[Shri Achuthan]

regard. Unless there is some restriction with regard to the import of copra from Ceylon and by raising the import duty in our country, I think the prices will fall still further and not only the State Governments, but also the Central Government, will suffer. I hope proper steps will be taken to remedy all these defects.

**Shri N. R. Muniswamy** (Wandiwash): Sir, along with the other Members, I have to congratulate the Commerce and Industry Ministry for the achievements so far made with its administrative set-up. I have to congratulate the Ministry for this reason that I am convinced of their achievements; but the thing which concerns me is, what they ought to have achieved by this time with this set-up and not what they have achieved. The country's progress and its prosperity can be very well gauged by the import and export business that it does. I should say that with regard to the import and export business, they have been following very carefully the policy as regards the removal of certain restrictions, thereby improving imports and also exports, and they have been getting a good deal of sterling balance in our favour. To that extent they deserve our congratulations.

But, I wish to concentrate my attention only with regard to one aspect and that is about the leather industry of South India. The leather industry consists of four or five sections; I shall deal with only one aspect of it; what is called in trade 'Country tanning' or E. I. Kips and E. I. tanned skins. We are all aware that in South India there are five hundred to six hundred tanneries which deal with this tanning process. But unfortunately, after the last war, and especially in the last two or three years there has been a steady fall in prices. So far as the exports of hides and skins are concerned, I find from a statement which is with me that in 1954 there has been consider-

able increase as compared to 1948. The export of tanned hides and skins in 1948 was about 9,361 tons, but it gradually rose up to 18,187 tons in 1954. So far as skins are concerned, I find that there has been an increase from 5,240 tons to 8,419 tons. The foreign exchange that we earned from this business was about Rs. 13 crores to Rs. 14 crores.

The South Indian tanneries have not been able to make much profit, because the export trade happens to be somewhat of an unsteady type. There are some big merchants who purchase the tanned hides and skins and dressed hides and skins from the small businessmen and they export them mostly to the United Kingdom and America. But unfortunately these dressed skins are not able to fulfil the specifications expected by the foreign markets. What happens to be our finished product happens to be the raw material for the U.K. and American markets. With a view to seeing that these small tanners get a fair and reasonable price for their labours, we should see that there is some marketing organisation at London and Washington, as we have in the case of our textile products. If these organisations in London and America purchase the dressed hides and skins from co-operative organisations here and market them at reasonable prices, the tanners can be assured of a fair price. I understand that about 80 per cent. of the 500 tanneries working in South India have already been wiped out because of unsteady prices and their business has gone into the hands of the other 20 per cent. of big business, which has made some headway. These small businessmen have been ruined because of their not getting proper prices in other countries. I, therefore, suggest that Government should establish some co-operative marketing organisation in London and Washington, which should obtain

the specifications and standards required in the foreign markets, so that the small tanners may dress the skins accordingly. Thereby the tanned and dressed hides and skins will be in consonance with the specifications expected in the foreign markets, and Indian tanners, especially the small businessmen, can be assured of a good market abroad. The hides and skins industry is a good foreign exchange earner and I know that not less than Rs. 25 crores worth of tanned hides and skins are being exported. If they are not able to get a fair price, the small business has to close down. These businessmen have to be at the mercy of the big dealers in Madras.

I am sure the Commerce and Industry Minister is aware that this was one of the flourishing industries of Madras but in recent years the industry has received a set back. I would, therefore, suggest the establishment of a statutory board to control the prices of hides and skins. The Board will see that organisations are set up in big cities like Calcutta where hides and skins are sold at a fair price. At present the disparity between the price of raw skin and finished skin is very great. Government should see to it that at least a good part of it goes to the small tanner. The main centre of this industry in South India is the districts of North Arcot, South Arcot, Salem and Chengleput. Government should establish a training school in this area, so that the tanners may be taught improved methods of processing. Scholarships in tanning should also be instituted, so that the tanners may go to other countries and study the advanced processes in tanning. Again, the venue of the auctions which are at present held in London should be shifted to India. This will ensure a fair price for the Indian tanners.

I find that panels and development councils have been established for many industries, but so far as this industry is concerned, up till now

not even an enquiry committee has been appointed with a view to seeing why this business is not able to thrive. It is therefore time that an enquiry committee is appointed to go into the problems which confront this vital industry. In the meanwhile, the hon. Minister should—as he assured us in 1953 or 1954—set up a Board to see that the leather industry gets a fair deal. Government have started—I am speaking subject to correction—four or five Regional Institutes of Technology for small scale industries. I would urge upon the Minister to start at least one technological institute for the tanning industry in South India, which should preferably be located in North Arcot or South Arcot, which has no scientific or industrial institute.

Along with the tanning industry, the ancillary and auxiliary industries should also receive encouragement. I would therefore suggest the starting of a wool processing factory near about Walajaho Town in North Arcot because there are about three hundred or four hundred tanneries in that area. This will provide employment for about ten thousand persons. I understand that there was a proposal to start a wool processing factory in South Arcot, but it was shelved. I would request the hon. Minister to reopen this question and establish the factory.

So far as the encouragement of cottage industry is concerned, I was told that recently they have introduced an *Ambar Charka*. The *Ambar Charka* seems to be of a different type. A wheel is attached to the handloom and it draws threads with evenness as well as durability. If the *Ambar Charka* is introduced, to some extent it may work havoc with regard to the khadi industry and khadi production, but in spite of that, I assure this House that if the *Ambar Charka*, which has been recently introduced in Orissa, is introduced throughout India, it will certainly,

[Shri N. R. Muniswamy]

though to some extent displace the present khadi industry, supplement the mill industry and be in consonance with it, for this reason that whatever thread is produced out of it, it is on equal footing with the mill thread so far as evenness and durability go. I hope the Ministry will take steps to introduce this all over the country.

**Shri Damodara Menon** (Kozhikode): This morning, Shri V. V. Giri, who opened the debate, spoke of the industrial policy of the Government and of the socialistic pattern of society which is now the aim of the Government. He also spoke of the private sector and the public sector of our economy. I do not want to go into the question of public sector and private sector in our industry, but I would say a few words on our trade as to whether it is not time for us, in view of our declared policy of having a socialistic pattern of society, to think of having a big sector of our trade nationalised. I have always been of the view that our foreign trade must be nationalised. There was a committee appointed in 1952-53 which submitted its report. The recommendations of that committee have not been implemented so far. That committee itself had its deliberations at a time when the Government had not declared its aim as the creation of a socialistic pattern of society. Now, I think if a committee is appointed to go into the question of foreign trade and the possibility of nationalising foreign trade, we would have a recommendation which will be wider in its scope. There is a short paragraph in the Report of the Commerce and Industry Ministry about State trading. In that it is said that there is no more any necessity to nationalise or have a corporation for foreign trade in respect of the handloom industry, because the Handloom Board is undertaking that work. Government say that they are considering the advisability of having

a State-owned corporation in respect of small-scale and cottage industries and their trade abroad. I am sorry to point out that this matter, which has been before the Government for the last two years, has not yet materialised. It is not enough for us to confine our attention to these small items of our foreign trade, I mean the small-scale and cottage industries or even handloom industry. We must expand the scope of Government control in respect of other items of our foreign trade, and there are many which should, if undertaken by Government, bring a lot of income to the State. I find that the products of our plantation industry and jute and other items of our foreign trade, are mostly in foreign hands. There is no harm—I am speaking of foreign trade in the case of some of the products of the plantation industry, which are mostly in foreign hands—in our trying to nationalise it. Since we are having the public sector and the private sector in industry, it is time that we think of the public sector and the private sector in trade also. To begin with, let us have a public sector in the foreign trade. I hope the hon. Commerce Minister will give this matter his sympathetic consideration.

I wish to say a few words about small-scale and cottage industries. I do not endorse the view expressed by a hon. Member over here that nothing has been done so far in the matter of handloom industry. I find from the Report and I also find from experience in my own district that a good deal has been done by the Government in the matter of encouragement to the handloom industry and I congratulate the hon. Minister for that. There was a view expressed here by some hon. Member that the concessions now given by way of rebate and also freight reduction should go not only to co-operative societies but also to private individuals.

**Shri A. M. Thomas (Ernakulam):** That is extended now.

**Shri Damodara Menon:** I have no objection. I think this extension may be given to ordinary weavers also, but I have strong views in this matters that so far as possible, we must encourage co-operative enterprise and co-operative functioning of all these handloom weavers. It is good for them and also for the economy of the country if by way of showing some concessions to co-operative societies, we bring all the weavers into co-operative societies. That step is welcome also from the aspect of the wider interest of the nation. Not only in respect of the handloom industry but also in respect of other small-scale and cottage industries, it should be our endeavour to see that they function on the basis of co-operative societies.

I am also glad that a lot has been done by the Khadi Board, and as a result of their work, more khadi has been produced. I was amused to read in the Report of the Commerce and Industry Ministry on cottage industry—I am referring to page 33; the hon. Minister has a copy of it and I would request him to refer to it—a sentence like this. I am sure it is a mistake, but it is rather amusing to read it.

“This, it may be presumed, will make substantial additions in the number of sinners.....”

**Shri A. M. Thomas.** That is spinners

**Shri Damodara Menon:** I hope the Commerce and Industry Ministry do not consider spinners as sinners. In any case, it may not be a deliberate mistake, but, I mention it because it was amusing to read. I do not know whether the number of sinners has also increased. Any way, it is not our concern

Some of the suggestions made by the Khadi Board are good, especially

the suggestion that spinning must be introduced in jails. I hope this will receive the attention of Government.

One of the most important aspects of small-scale and cottage industries is that of solving our unemployment problem. When we view this problem from that aspect, I would request the Minister to consider whether it is not necessary for us to see that small-scale industries and cottage industries are started in places where the unemployment problem is acute—I am referring to Malabar and the West Coast. So far as Malabar is concerned, very little has been done.

**Shri A. M. Thomas:** Travancore Cochin State also.

**Shri Damodara Menon:** Yes. Very little has been done in respect of cottage industries though in Malabar the density of population is very high and the pressure on land is also unbearable. There is also the necessity of relieving some of the pressure by introducing a number of cottage industries there. In this connection I would like to mention here that there is scope for a great deal of expansion of the cottage industry of mats that are made in the coasts. These mats are used for packing also. There is also scope for increasing the production of umbrella handles which is also a cottage industry. I can say about several other things and if the Director who is now appointed at Madura to look into these things, would conduct a survey in that area, I am sure several new industries can be started there.

I want to make special mention of one industry and that is the manufacture of country craft at Bepur. Bepur is an ancient port and that has been neglected now. Country craft making is an ancient industry and a number of craftsmen are employed there. But, now that industry is

[Shri Damodara Menon]

more or less dead. I hope it will be possible for the Minister to enquire into the State of that industry and see that if it is revived so that a number of craftsmen who are there even now can continue their job.

I do not want to take much time of the House but I would like to add a word or two to what has already been stated by my hon. friend Shri Achuthan about the export of prawns from Malabar and Travancore-Cochin.

**The Deputy Minister of Commerce and Industry (Shri Kanungo):** Eat more prawns.

**Shri K. K. Basu:** Let us be entertained first.

**Shri Damodara Menon:** The difficulty is that in North India and some other parts of India people do not eat prawns in sufficient quantities. If the hon. Minister would.....

**Shri Meghnad Saha** (Calcutta North-West): Does it suit all?

**Shri Damodara Menon:** It does suit my stomach. I do not know about other hon. friends. I find prawns to be very delicious.

Anyway, prawns was exported to Burma for a long time. Burma has been our chief customer and today, as has been pointed out here there are restrictions on the import of prawns in Burma and as a result of that a number of merchants are suffering in Travancore-Cochin State and Malabar. I hope it will be possible for the Government to carry on negotiations with the Government of Burma and see that this restriction is lifted.

Finally I would say a word about the Coir Board that has been functioning for some time. I must say that there has been a lot of complaint in Malabar that the representation of Malabar District on the Coir Board is

inadequate. I do not know whether there is yet time to remedy the mistake, but, when opportunities come, I hope the hon. Minister will see that more Members from Malabar are put on the Coir Board because Malabar also is a coir producing part of India.

**Dr. Lanka Sundaram:** Sir, I am glad my hon. friend the Minister has been in charge of this debate on the Demands for Grants in respect of the Ministry of Commerce and Industry, with the result, I do sincerely trust that the ennui, lassitude, confusion, and the lack of work or progress which my hon. friend Shri Bansal has referred to earlier as having characterised this Ministry for the past few months, will no longer be there. I do hope, Sir, again, that this controversy of the sectors to which I had made a reference with reference to the Demands for Grants for the Production Ministry will not be revived again, for the reason that the greatest amount of damage has been done to the credit of this country, particularly as a result of lack of what you call conclusive evidence as to the manner in which our industrial and commercial policy is being shaped or is being sought to be shaped. Shri G. D. Somani made a reference to the lack of decision with reference to the steel question in the private sector, and I do hope that at the end of the debate when the Minister intervenes—perhaps tomorrow—he will make a categorical statement giving the final decisions of the Government on this very important question.

I am sorry my friend Shri T. T. Krishnamachari is not here at the moment, but I would like to draw the attention of the House to what might eventually develop into another controversy of equal significance to the controversy relating to the public and private sectors which has rocked this country for the past few months. The other day Shri T. T. Krishna-

machari was in Jaipur and made a reference to the Finance Corporation of Rajasthan. In fact he was inaugurating the Corporation there, and he said—I am sure I am not making any violence to the statement as appeared in the papers—that the taxation policy of the Government of India is responsible for the non-development of industry in this country. That will be a fair summary of what he said, because I do not want to quote the whole speech. In other words, he found fault with the tax structure of this land, and I hope, Mr. Chairman, that the hon. Minister will not start another controversy of equal measure to the one we had seen earlier in this land during the past few months. I am saying this, because, if there are any, what you call, differences of opinion between one Ministry and another Ministry, they must be sorted out in the Cabinet and not heralded or paraded in Public, for the reason that a statement made by a Cabinet Minister touching the activities or policy of another Ministry is bound.....

**Shri Meghnad Saha:** Principle of co-existence.

**Dr. Lanka Sundaram:** But the principle of co-existence must depend on existence. Here is a question of contradiction.

**Sardar Hukam Singh (Kapurthala—Bhatinda):** Principle of non-interference also.

**Shri Mohiuddin (Hyderabad City):** The hon. Member has given only the summary of what the Minister said. Will he kindly quote the full sentence?

**Dr. Lanka Sundaram:** It appeared in the papers a few days ago. My hon. friend's memory will be fresh on that. I have got so many things to say. I am only trying to draw the attention of the House to the likelihood of another controversy arising about the taxation policy. It may be said that the Finance Ministry is sought to be criticised by the Com-

merce and Industry Minister at Jaipur the other day while inaugurating the Rajasthan Finance Corporation.

Having said this, I would like to make one or two particular observations on the report of the activities of the Ministry. I wish this report gave us a sort of a balance-sheet or a sort of audit performance, so to speak, of the manner in which the Ministry has fostered the sector of industry and commerce in this country with which it is entrusted, in the sense, the manner in which the planning for private sector has been carried out, the finance made available for the planning of private sector in the past twelve months for example, the progress made, the results achieved and the actual quantum of additional production which has been brought about by the activities of the Ministry. I do hope that at least in the coming years the Ministry would try to assess and tabulate information of this character without which it is rather difficult to assess the working of the Ministry in terms of the report presented to us so far.

I had said some more than two and a half years ago in this House, while opening the debate on the report of the Planning Commission, that the private sector is the Achilles' heel of the First Plan. Only targets have been laid down but nothing has been done towards enabling the country to reach those targets. If the policy is to abolish the private sector completely, I am with it. Since that was not supposed to be the case—even as the Prime Minister said two days ago in this House while replying to the debate on the Constitution Amendment Bill—and because the private sector is existing, what is exactly the manner in which the Ministry is fostering it, or looking after its interests? I would go a step further and say: has the Ministry been in a position to lift the crisis of confidence in the private sector? That is a matter of a great importance to this country, if I am not mistaken. I regret to say

[Dr. Lanka Sundaram]

that this House has no information as to the manner in which the Ministry has actively assisted, in a manner which is capable of measurement for demonstration to the country and to the outside world, the private sector, the extent to which it is fostered and protected. I do hope the Minister would have something to say on this matter.

Since the private sector was the Achilles' heel of the First Five Year Plan, the crisis of confidence, which I repeat again was in evidence for the past two years, will repeat in the Second Five Year Plan unless it makes adequate provision not only for targets but for the manner in which those targets are to be reached. Otherwise there is no need for shouting from house-tops that the Plan will have 5,600 crores and so on. What does it mean? It means mere statements which have no substance at all behind it.

A number of claims has been made in this report about the manner in which the trade of this country has been fostered, both import and export. I do not have the time to go into the actual details of each individual country with which we are trading, or of each individual commodity in which our trade is done, both import and export. But, I would like to put a few questions to the Minister and I hope he will be able to clarify them when the time comes tomorrow morning while replying to the debate. Today the basic trade treaty of India is the Indo-British Trade Treaty of 1936. We are still working in that framework of 1936. The House will remember that on a number of occasions I had adverted to the question of the operation of the Imperial Preference. You would also recall, Sir, I got an assurance from the hon. Minister that an enquiry would be ordered. An enquiry was ordered into the operation of the

Imperial Preference and a report was obtained. The report was submitted to the Government, if I am not mistaken, more than one and a half years ago. He said that after examining the report, he would make it available to this House. I repeat the demand I made earlier a year and a half ago that this House is entitled to get the report of the expert enquiry committee which had been instituted in response to a number of demands made in this House during the past three years to find out whether Imperial Preference is operating to our benefit or is not operating to our benefit. I think this is a very important question to which this House should address itself in this debate. Otherwise, it will not be possible for us to know as to the manner in which additional, further and subsequent obligations were taken, for example, GATT. In fact, I am quite sure that the House will have an opportunity, as I am given to understand, that it can not only discuss the GATT but the Imperial Preference also in a full-dress debate. But in this debate this point has got to be answered and the report made available to the House by the Ministry so that the claims made in this annual report that everything has been done to foster India's external trade—both import and export—are justified or substantiated.

Having said this, because I know that I will not have much time to deal with the multitude of questions entrusted to the care of the Ministry, I would straightway go to the problem of tea. Here is a statement made by Sir John Kotelawala, the Prime Minister of Ceylon at the time of the Commonwealth Prime Minister's Conference in London in February this year. He said that the British tea prices were 'damn ridiculous'. I am sorry for the word; I hope the House will accept my apology for using it by quoting it, which, you, in your discretion, Mr. Chairman, would not permit me to use in this debate—

the point being the unconscionably high price charged for Indian and Ceylon tea in the London market and the manner in which India is deprived of its legitimate lawful profits. I have worked out the figures here showing the behaviour of tea prices. I will only give two samples for the sake of argument. In January 1954, the tea auction prices at Calcutta was Rs. 2-5-0; in Cochin it was Rs. 2-9-6 and in London it was Rs. 4-1-1. In June last year, at Calcutta, it was Rs. 2-9-10; at Cochin Rs. 2-7-11 and at London Rs. 5-8-0. This is per lb. Where is this margin going? The margin is going into the coffers of the monopoly tea industry which is predominantly controlled by the British.

Here at page 59, there is a very amusing statement made by the Ministry:—

“A Committee was set up during 1951 to consider the question of gradually shifting tea auctions from London to India in order to ensure that, within a reasonable time, the bulk of the Indian tea crop is auctioned in the country. The Committee has completed its enquiry and has submitted its report.”

You will see that the Committee was appointed in 1951. It submitted its report. I would like to know from the hon. Minister when the report will be published and what action Government will take to ensure that the tea auctions are removed back to Calcutta. This is a very important question because from the report itself—from the figures given at page 12 of the report—it is evident that the quantum of tea exports have declined by about 51 million tons last year.

I now come to the cut motion which you were good enough to permit me to move the other day about the very extra-ordinary business of *Rauwolfia serpentina*. Here is a letter and I

crave your indulgence to read it. It is from the Deputy Secretary of the Cabinet Secretariat, New Delhi. It is addressed to the Delhi Chamber of Commerce. I crave the indulgence of the House to quote small excerpts—the original is here; it is a public document and I shall lay it on the Table if necessary. It is written on 15th March. It reads:

“The whole question regarding the circulation of objectionable picture post-cards by the German affiliate of CIBA Ltd. was discussed with the Company and the German Embassy, soon after it came to the notice of the Government of India. The Company have explained that the circulation of these picture post-cards was not a deliberate attempt on the part of their German affiliate to lower the prestige of India or to bring into disrepute the Indian medical profession. They have, however, stopped all further mailings of these post-cards and have also offered their regrets for having unwittingly given entirely unintentional offence to the Indian medical profession and to Indian sentiments. The Government have, on consideration of their explanation, decided to treat the matter as closed.”

Then this letter goes on to make an amusing statement.

I am quoting again:

“The post-cards were meant for circulation to the German medical profession only and not outside the country. It appears that some of them found their way to India.....”

I cannot understand how this question which has injured our national sentiments, honour and self-respect could be disposed of in this manner. I would also ask the hon. Minister particularly, because I am unable to understand the sequence of it, as to why this Press Note was issued by



[Dr. Lanka Sundaram]

the Government of India, Ministry of Commerce and Industry, Export Trade Control Policy—Public Notice, dated December 16th. It says:

"Several representations have been made to the Government that consequent upon the ban on export of *Rauwolfia serpentina* and other species of *Rauwolfia* there has been accumulation of these roots in the country and Government should therefore relax the ban on exports."

It wanted the stockists of this particular raw material to inform the Government about the quantity of the stocks so that they can decide on the policy whether to permit export or not. I think this is a matter in which a total ban on export is completely justified. I would go a step further and ask after having been through this mire—I think most hon. Members know and most of the picture post-cards are here—how could we legitimately do this? I would even suggest not only stopping of exports but ask them to start a factory in India for the manufacture of the necessary drugs which are likely to be produced from this raw material. I quote the extract from the letter of the Cabinet Secretariat only to show that simply because they said those cards were intended for circulation in Germany and not outside, the decision has been taken to drop the matter. That is a supercilious attitude, not in conformity with the self-respect of this country.

**श्री एस० सी० सिंघल (जिला अलीगढ़):**  
समापति जी, मैं अलीगढ़ से चुन कर आया हूँ। मैं अपना कर्तव्य समझता हूँ कि अलीगढ़ के लोगों के दुखों को आप के सामने रखूँ। अलीगढ़ में लाक और मँटन इन्डस्ट्री बहुत दिनों से चल रही है। उस के सही आंकड़ें तो मेरे पास नहीं हैं लेकिन कहा जाता है कि उस में ५०,००० आदमी काम कर रहे हैं। यह उद्योग देहात में भी है और शहर में भी है।

देहात के लोग ताले और धातु के दूसरे सामान बना कर शहर में लाते हैं और बच जाते हैं, लेकिन अफसोस की बात है कि तीन चार साल से इस रोजगार में बहुत गिरावट आ गई है, कारीगरों की एक बड़ी संख्या बेरोजगार हो गई है। उन का रोजगार चल नहीं रहा है। हमारे जिले की माली हालत इस रोजगार पर निर्भर करती है। अगर यह रोजगार अच्छा चलता है तो लोगों की खरीदने की शक्ति बढ़ जाती है और इस के साथ साथ और रोजगार भी तरक्की करते हैं। जब कभी हम प्रान्तीय सरकार से इस के बारे में कहते हैं तो वह यह जवाब देती है कि इस के लिये केन्द्रीय सरकार कार्रवाई करेगी, लेकिन जब केन्द्रीय सरकार के पास जाते हैं तो वहाँ भी कोई सुनवाई नहीं होती है। मैं अपने मंत्री महोदय से प्रार्थना करूँगा कि अलीगढ़ बहुत दूर नहीं है। यहाँ से करीब ८० मील है। अगर वह एक दिन वहाँ पर जाकर वहाँ के लोगों को बुला कर उन के दुःख की बातें सुन लें और उन के लिये कुछ करें तो इस से मैं समझता हूँ, न केवल एक जिले का ही फायदा होगा बल्कि सारे देश का फायदा होगा। यहाँ के ताले और धातु का सामान हिन्दुस्तान में ही नहीं बिकता है बल्कि बाहर भी जाता है, जैसे मलाया में, सिंगापुर में, सीलोन में, परशिया में और अफ्रीका में। मैं तो कहता हूँ कि जिस तरह से आप और इंडस्ट्रीज का प्रोडक्शन बढ़ाने के लिये और उन का एक्सपोर्ट बढ़ाने के लिये कोशिश कर रहे हैं उसी तरह से इस इंडस्ट्री के लिये भी करें। मुझे उम्मीद है कि हमारे माननीय मंत्री इस पर ध्यान देंगे।

दूसरे हमारे यहाँ हाथरस एक बड़ा कच्चा है। वहाँ पर तीन स्पिनिंग मिल्स काम करती थीं और उन में से हर एक में दो दो हजार आदमी काम करते थे। लेकिन आज दो दो साल से वहाँ की दो मिलें बन्द हैं और चार हजार आदमी बेरोजगार फिर रहे हैं, जिस से वहाँ पर

काइम्स बढ़ रहे हैं। प्रांतीय सरकार से कहते हैं तो वह कहते हैं कि केन्द्रीय सरकार ठीक करेगी। यहां पर आते हैं तो कह दिया जाता है कि वह इकानामिक यूनिट नहीं है। लेकिन आपको यह तो देखना चाहिये कि इन मिलों के न चलने की वजह से चार हजार आदमी बेकार मारे मारे फिर रहे हैं और इस वजह से जिले में काइम्स बढ़ रहे हैं। उनके लिये आपने क्या सोचा है: मेरा कहना है कि अगर मिलें खराब हो गई हैं उन के खराब होने का कारण यह है कि मिलों के मालिकों में आपस में झगड़ा है और उन्होंने तमाम रुपया बिगाड़ दिया है और उन के पास अब मिल चलाने को रुपया नहीं है। मैं तो चाहता हूँ कि सरकार कोई कमेटी मुकरें करे या कोई साहब वहां जायें और हालत को देखें। अगर वह मिलें चल सकती हैं तो उन को चलाने की कोशिश की जाय और अगर वह न चल सकें तो वहां पर दूसरी मिलें चलाई जायें ताकि जो लोग मारे मारे फिर रहे हैं वह काम पर लग सकें।

दो तीन दिन हुए जिस वक्त कि इंडस्ट्रीज के मसले पर बहस हुई थी तो इस विषय पर हमारे मोहन लाल जी सक्सेना बोले थे। उन्होंने काटेज इंडस्ट्रीज पर बहुत जोर दिया था और मैं समझता हूँ कि हम सब को उन पर जोर देना चाहिये। ग्रंडर डेवेलपड कंट्रीज में, जहां रोजगार ज्यादा नहीं है, पूंजी की कमी है, वहां पर काटेज इंडस्ट्रीज काम दे सकती हैं। लेकिन मेरा कहना यह है कि इस में देखभाल कर आगे कदम बढ़ाना चाहिये। जो इंडस्ट्रीज आगे डेवेलप हो सकती हैं, जिन में काम करने वालों की आगे तरक्की हो सकती है और उन की माली हालत सुधर सकती हो, उन को बढ़ाने की तो कोशिश करनी चाहिये, लेकिन जो काटेज इंडस्ट्रीज ऐसी हैं जिस से कार्यकर्ता की माली हालत नहीं सुधर सके उन पर ज्यादा जोर नहीं देना चाहिये। मैंने हैडलूम इंडस्ट्री

की रिपोर्ट पढ़ी है। उस से मालूम होता है कि हैडलूम पर एक आदमी एक दिन में ६ गज कपड़ा बुन सकता है जब कि वह पावर लूम पर ६० गज कपड़ा बुन सकता है। मैं समझता हूँ कि अगर कोई मजदूर ६ गज कपड़ा बनाता है तो वह हमेशा गरीब रहेगा। ६ गज कपड़ा बुनकर कोई आदमी अपने रहन सहन के स्तर को ऊंचा नहीं कर सकता है। जब देश का उद्योगीकरण होगा रोजगार बढ़ेगा तो हाथ के लूम से हटा कर यह लोग पावरलूम पर काम से लगाने पड़ेंगे जिस से कार्यकर्ता अपनी आमदनी बढ़ाये और अपने रहन सहन को ऊंचा करें।

एक बात के लिये मैं मिनिस्ट्री को घन्यवाद देता हूँ। जब से हमारी पंचवर्षीय योजना शुरू हुई है उन्होंने इंडस्ट्रियल डेवेलपमेंट अच्छा किया है। उन्होंने न करीब ३५ परसेंट प्रोडक्शन बढ़ा दिया है। लेकिन साथ साथ मुझे इस बात का अफसोस है कि हमारे यहां के लोगों की परचेजिंग पावर वह नहीं बढ़ा सके। आप ने जो प्रोडक्शन बढ़ाया है वह ज्यादातर बाहर जाता है। जैसे कपड़े का प्रोडक्शन बढ़ा है। लेकिन हमारे यहां कपड़े की खपत बहुत कम है। लड़ाई से पहले, सन् १९३९ में हमारे यहां फी आदमी औसतन १६ गज कपड़ा इस्तेमाल करता था। और उस समय हम कपड़ा विलातय से मंगाते थे लेकिन आज जब हम अपने घर पर ही कपड़ा तैयार करते हैं तो भी हमारी कपड़े का औसतन खर्च पीने १५ गज फी आदमी है: बारीक कपड़ा ज्यादातर बाहर जाता है। तो मुझे गवर्नमेंट से यह कहना है कि वह एक और जहां पर प्रोडक्शन बढ़ाती है वहां पर दूसरी और जनता की परचेजिंग पावर भी बढ़ावे ताकि यहां का ज्यादातर माल यहां की जनता इस्तेमाल कर सके। अगर आपने प्रोडक्शन बढ़ाया और उसे बाहर भेज दिया तो वह जनता के क्या काम का रहा।

[ श्री एस० सी० सिंघल ]

दूसरे में यह भी चाहता हूँ कि इस सोशललिस्टिक इकानामी में हमारा प्रोडक्शन हमारी जरूरत के मुताबिक बढ़े, मांग के अनुसार नहीं ।

में तो कहता हूँ कि आपने जो प्रोडक्शन बढ़ाया है तो आप एक ऐसी योजना भी बनावें कि वह हिन्दुस्तान में खप सके । लेकिन आप सोचते हैं कि हम को एक्सचेंज के लिये चीजें बाहर भेजनी चाहिये । में भी समझता हूँ कि ऐसा करना ठीक है । लेकिन जो चीजें यहां इस्तेमाल हो सकती हैं, जिन की यहां पर कमी है, उन के लिये तो यह कं रिब हं नी. चांियि वि वे यहां बिकें, और जिन चीजों की हम को जरूरत नहीं है, जैसे टी है, काफी है, जिन को यहां पीने की इतनी आवश्यकता नहीं है उन को आप जितना चाहें एक्सपोर्ट कर सकते और उन के द्वारा एक्सचेंज कमा सकते हैं ।

दूसरे जो सरकार की एक्सपोर्ट और इम्पोर्ट की नीति है उस का में समर्थन नहीं कर सकता । पहले तो सरकार ने केवल पुराने लोगों को ही कोटा दिया था । अब सरकार ने कुछ सहूलियतें दूसरों को भी दी हैं । लेकिन ज्यादातर सहूलियत उन लोगों को ही मिली हैं जो पुराने जमाने से काम कर रहे हैं । आगे नये आदमियों के लिये कोई सहूलियत नहीं है । मैं मिनिस्टर साहब से प्रार्थना करूंगा कि इस सोशललिस्टिक पैटर्न का सोसाइटी में तो गवर्नमेंट को चाहिये कि वह एक्सपोर्ट और इम्पोर्ट का काम अपने हाथ में ले ले और अपनी तरफ से इम्पोर्ट भी करे और एक्सपोर्ट भी करे ।

तीसरे में यह कहना चाहता हूँ कि अगर आप सोशललिस्टिक पैटर्न की सोसाइटी बनाना चाहते हैं तो कम से कम एक काम करे। वह यह कि बैंक और इन्शोरेंस कम्पनीज को नेशनलाइज कर दें । इनका नेशनलाइज होना निहायत

जरूरी है । ये बैंक जो चल रहे हैं वह अपने फायदे की नीयत से चल रहे हैं, अगर इनकी नेशनलाइज कर के जनता की भलाई के लिये काम में लाया जाय तो मैं समझता हूँ कि इस से देश की बहुत भलाई हो सकती है । ऐसा करने से देश आगे बहुत तरक्की करेगा ।

इन शब्दों के साथ मैं उम्मीद करता हूँ कि मिनिस्टर साहब मेरी बातों पर ध्यान देंगे, और कम से कम अलीगढ़ के लिये जरूर कुछ न कुछ करेंगे ताकि वहां की माली हालत जो गिरी हुई है वह ठीक हो सके ।

**Shri Kanungo:** Judging from the number of Cut Motions tabled and comparing the same with the number in the previous years, it is clear that the interest of the House in small-scale and cottage industries has increased considerably. Many speakers have referred to this matter, and perhaps the most severe criticism was made by one of the early speakers, Shri Mohanlal Saksena. I only wish that the speaker had cared to read some of the reports which have been supplied to the Members of the House. There was strong rhetoric no doubt, but facts belie it. It has to be realised and realised clearly that the subject of small-scale and cottage industries is under our Constitution the special responsibility of the State Governments. The Central Government can only aid and help, but all the aid and help has got to be channelled through the State Governments, and the actual administration and the actual work connected with it has to be done by the States. This explains why some States have made remarkable progress while others may be lagging behind somewhat.

3 P.M.

Since 1953, the Central Government have launched upon a programme of extensive and intensive development of small-scale and cottage industries. Government have set up several spe-

cialised Boards to initiate programme of development and in some cases, to implement the same in co-ordination with the States. Such Boards take care of the handloom industry, the khadi industry, village industries, silk industry, handicrafts. Very recently, a Board has been set up to look after coir and small-scale industries. It is yet too early to assess the results of the programmes which have been put into operation only a short time ago. Only in the sphere of handloom and khadi have we got some assessment, and that assessment, I humbly beg to submit, is certainly creditable. Production of handloom has gone up from 1,100 million yards in 1952 to 1,330 million yards in 1954. Sales have improved. In the Madras Assembly, it was recently stated that the sale of handloom cloth by co-operatives alone has gone up from an average of Rs. 21 lakhs per month to Rs. 27 lakhs a month. Progress has been even better in the mean time. This indicates that the total sales of handloom cloth must have been increased considerably throughout the country because today, a large number of the weavers are still out of the co-operative fold.

Incidentally, some remarks were made earlier in this debate as to what has been done by the Government for the weavers who are outside the co-operative fold. Shri Damodara Menon has made it clear that the small producers must be organised into co-operatives for their own benefit. Therefore, the Government's declared and consistent policy has been to give them facilities and inducements so that the largest number of weavers may come into co-operative societies. To bridge the gap between the time when the bulk of them come into the co-operative fold and now, a revision of the policy has been made that fair price shops and consumers co-operatives can give a rebate of one anna in the rupee on handloom cloth which they sell which means that when they purchase the cloth from anybody, whether it be co-operatives or indepen-

dent weavers, the rebate which is offered to the consumer results in larger sales which are procured from independent weavers also.

**Shri S. V. Ramaswamy (Salem):**  
How much?

**Shri Kanungo:** It is only the consumers co-operatives and fair price shops. The rebate goes to the consumer and by implication, because there is a larger turn-over, the independent weaver is also able to sell a larger amount of his production.

In the khadi industry, production has gone up to goods worth Rs. 3 crores in 1954 as compared to Rs. 1.4 crores in 1953. That, I claim, is also considerable progress. These figures indicate increased employment following Central Government assistance. It has not been possible to evaluate such figures in a wide range of other cottage industries. But, an attempt is being made by carrying out sample surveys.

The policy of the Government is at present to help cottage industries to improve the technique of production, supply them with better equipment and encourage them to use power to organise such industries into co-operative as far as possible, and provide them with a suitable marketing organisation. The pamphlet on cottage industries gives an idea of the assistance given in all these directions to the various types of industries. Since 1954 the Central Government have disbursed Rs. 70 lakhs by way of loans to small scale industries through the State Governments. The State Governments have been asked to give these loans on liberal terms. The Central Government have promised to meet a portion of any loss on this outlay. In this matter even, some of the States have gone ahead more quickly than other States depending upon their organisation and capacity. To expand this aspect of financing, small industries, a Corporation has been set up early this year which will also provide technical assistance for production methods. Government will shortly set up a marketing ser-

[Shri Kanungo]

vice corporation for small industries according to the recommendations of the Ford Foundation team. I may mention that for the handloom industry, a marketing organisation with nearly 190 sales depots and 16 mobile vans on roads has been working. A net work of chain stores supplemented by mobile sale vans is being planned for other cottage industries. Our experience in running these 190 depots for handlooms will come in useful to organise sales of other commodities as well.

Groups of small industrial units will be assisted by a central organisation which would do the bulk purchase of raw materials, set up a central workshop for certain processes and organise marketing of the finished products. In Howrah, such a programme has taken shape and the Central Government have given financial assistance to the extent of Rs. 14 lakhs. Similar organisations have been given funds in the Punjab for the cycle parts industry, in Agra for the footwear industry. This principle will be extended further.

Another interesting project is to set up industrial co-operatives, where the workers would be members of the co-operatives and share in the profits. Three such experimental industrial co-operatives have been started in Madras recently for the handloom industry. Here, I must submit that all these three are in Malabar. Certain comments were made that special attention must be paid to Malabar and Travancore-Cochin in the matter of cottage industries. We hope that the present pilot plan of these three co-operatives will succeed and it will encourage the State Governments to go in for more such co-operatives.

In Hyderabad, the Central Government have sanctioned a sum of Rs. 5 lakhs for the starting of various industrial co-operatives. A similar scheme has been put in operation in Travancore-Cochin. An industrial co-

operative to run a match factory has recently been set up in Delhi and it has gone into production. A special feature of this co-operative is that a portion of the work is done in homes while there is a central factory for a certain process. This is an interesting experiment and when it succeeds, I hope it will be multiplied in other industries and in other parts of the country as well.

The Small Industries Board have programmed for five Industrial estates in 1955-56. These will be organised either by the State Governments departmentally or through co-operatives which would collect suitable land, construct buildings, lay out roads, provide water supply and power etc., and rent out the buildings for small industries. The Saurashtra Government have already planned such industrial estates costing more than Rs. 20 lakhs. Similar industrial estates are planned by the State Governments like the Punjab and Madras. With the success of the venture in Saurashtra, Punjab and Madras, it is natural that they will be multiplied in other parts of the country.

A remark has been made that ample progress has not been made in the organisation of the small industries institutes about which information was given to the House. I might mention that it is not easy to recruit suitable staff to man the institutes. Fortunately we have been able to get the Directors of the four institutes and some subordinate staff. As soon as suitable housing and land are available, the institutes will be set in motion, and when the branch institutes like the one which is planned in Travancore goes into operation, I believe the momentum of progress in this sector of industry will be better and more pronounced.

Where industrial groups are brought together, the Central Government propose to give assistance for suitable housing colonies. A beginning has

already been made in the handloom industry, where the Centre are proposing to give 25 per cent. of the cost of each house as an outright grant and 50 per cent. as long term loan. This is a significant project, because once it succeeds, as it has succeeded in the one place where we are planning to help, it will solve a great deal of the difficulties in regard to the colonies where the artisans live. Though this is not a small progress to report within the short period of two years, yet considering the size of our country and the number of people engaged in cottage crafts and its proportion to the total population, efforts have to be increased by hundred times to register any impact on the lives of the craftsmen or the economy of the nation.

We have to realise that the survival of a craft will depend upon its capacity to satisfy the demands of the consumer both in quality and in price; and the craftsman can survive only if he is able to earn enough to provide for himself not only the bare necessities of life but also have the prospects of a better earning for a fuller life. This he can achieve only if he is able to improve his technique of production, by using better tools, better processes of manufacture, cheaper raw materials, and on the whole by reducing the cost of his product. During the past half a century and more, enterprising craftsmen in different parts of the country have been making efforts in these directions with more or less success. For example, the weavers of Madanpura in the State of Bombay, the metal workers of Howrah, the cycle parts and sewing machine parts manufacturers of Punjab and PEPSU have been able to face successfully fierce competition in their own lines.

Here, I would like to refer to certain criticisms of the Textile Enquiry Committee with which I had the honour to be associated. I wish Dr. Rama Rao had taken the trouble to read the report more carefully, and

also waited to see the appendices. I would ask the House to make up its mind whether it wants the bulk of the population who are engaged in the handloom industry to be satisfied with a pittance of wages of about 12 annas a day or to improve their condition.

I was talking about the weavers of Madanpura. It is a splendid sight to see these men. They have improved their technique out of their own intelligence. They have developed something like what you call today the automatic loom, or the take-up-motion loom as we call it. And they are able to work in the city of Bombay in competition with the most advanced mills of the country.

When we talk of handlooms, let us not forget that the handloom is not a standardised tool. There are looms which can produce three yards a day; there are looms which can produce ten yards a day. There are also fly-shuttle looms and there are various other kinds of good tools, some very primitive, and some a little advanced. All these advancements have been made by the craftsmen themselves.

If the intention of the House is that the man behind the loom should improve himself, you must give him an efficient tool. You must give him facilities for producing more and cheaply too. To tie him down to an inefficient total is to tie him down to perpetual slavery. When the Committee recommends that the powerloom should be substituted where power is available—and power is not going to be available all over the country—it is not saying anything new.

My hon. friend Shri G. H. Deshpande has told you what has happened in Malegaon and in many other parts of the Bombay State. There the weaver himself has gone in for the powerloom. The trouble about powerloom is this, namely whether Government are going to help the weaver to own the tool himself and operate it, or whether an organisation is going to be set up where there will be a

[Shri Kanungo]

factory and he will be merely a wage-earner there. The Committee has recommended that to prevent the type of development where the self-employed labourer will not degenerate into a wage-slave, he must be given facilities to provide himself with better tools which he is doing by himself.

When you talk of unemployment, as my hon. friend Shri G. H. Deshpande has said, the visual proof is there. In Malegaon, in Jalgaon, near Nasik and various other places where the weaver has taken to better looms, fly-shuttle or take-up-motion looms or powerlooms, their production has increased. Their earnings have increased. And employment has increased by leaps and bounds. This is a visual demonstration. It does not require figures. It does not require arithmetic; it does not require paper.

Instead of this operation going on in an unplanned way, the Committee has recommended that it should be done in a planned way and with adequate help, so that the weaver can better his lot and shall not be condemned to live a poor life with 12 annas a day.

**Dr. Rama Rao:** May I point out to the hon. Minister that the Report itself says that about 1,25,000 people would be unemployed in the first five years?

**Shri Kanungo:** Yes, exactly. This is of course a guess, but assuming that 1,25,000 people will be unemployed—and the Committee has put the worst case—it has merely calculated arithmetically on the basis of a production of 1,300 million yards that you are having the present number of people engaged for only 200 days in a year. Now, the Committee recommends.....

**Shri S. V. Ramaswamy:** This is wrong. People are not finding work even for ten days in a month, and you have calculated 200 days.

**Shri Kanungo:** That is on an average; ten days is worse, and there are many who are without work even for ten days. But the general average of the Committee is that no one has got work for more than 200 days. And the Committee has suggested that steady work should be provided for 300 days and with a reasonable living wage. And when you see the other recommendation of the Committee that the entire expansion of the textile production should be reserved to decentralised units, ultimately for the additional production which is required over and above the present production, i.e. 1,600 million yards, not only will those displaced 1,25,000 people will be employed but double that number will be required to produce that, apart from the question of employment in the other sectors, or other aspects of trading, transport and cotton growing. That is a point which can be discussed. I would like to discuss it in another opportunity if I get it but I wish that Dr. Rama Rao will read the report carefully and work out the arithmetic.

**Shri S. V. Ramaswamy:** Have a two hours' debate on that.

**Shri Meghnad Saha:** You are talking of the use of modern tools by the weavers. May I know whether you have organised a hire purchase system for giving the weaver modern machinery?

**Shri Kanungo:** That is one of the suggestions of the hon. Member. If the House adopts the suggestions of the Committee, then certainly that is a way by which it can be accelerated.

Now, I just digressed into it only because I did not want to discuss the details of the report of the Committee as such. But the basic fact I wanted to point out is this, that not only in weaving, but in all other industries, unless the workman is provided with better tools, unless he acquires better

tools and better methods of production, he cannot progress. During the past half a century and more, enterprising craftsmen in different parts of the country have been making efforts in this direction with, more or less, success. It is curious to find in the weaving sector how many improvements have been made in the course of the last half a century. Unfortunately, such achievements are few and far between, which only proves that if adequate facilities are available in all parts of the country, the craftsmen and the small producers can hold their own under any circumstances. And that is exactly what the Government want to provide.

The Ford Foundation team in their report have said:

"The challenge for rationalisation must be met as a part of a forward-looking industrial programme that will encourage and accelerate evolutionary growth. Without rationalisation, the natural talents of the Indian workers and craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor living standards can be raised. To prevent rationalisation, to stop the process of modernisation is not only illogical but it will force stagnation and retrogression of small industry."

Products of cottage crafts and small industries not only face competition from the products of capital-intensive factories using methods of mass production but also competition *inter se*. For example, the weaver of Orissa complains against the weaver of Andhra who is able to offer better quality at cheaper rates. The lock-maker in Bihar complains about competition from the lock-maker in Aligarh. And yet, it has been demonstrated that with improvements in the methods of management and produc-

tion, it has been possible for a co-operative society in South India to sell grey goods in competition with textile mills during a period of recession in early 1953. By judicious management over years, the society has been able to provide not only steady earnings to its members but such amenities as water-supply, education and substantial stone-built houses for some of its members.

Examples can be quoted for other industries. But it has to be frankly admitted that such instances are rare. Here I would like to digress a bit and refer to the lock manufacture of Aligarh, which the hon. Member from Aligarh mentioned. Aligarh today enjoys a pre-eminent reputation in the manufacture of locks, and the U.P. Government is doing the best it can to stabilise and improve production and sale. The trouble, however, with the industry is that it is run by very small men who cannot afford to buy raw materials at the cheapest price and have not got holding power. And worst of all, there are unscrupulous producers who pass off inferior goods labelled as superior. These aspects are being taken care of by a scheme of voluntary quality marking organised by the U.P. Government, and once it gathers momentum, I believe the lock industry of Aligarh will find its place, as it did before.

This again proves that by adopting efficient methods of management and production, it is possible for cottage and small-scale industry products to face any competition. The nature of such improvements will vary from industry to industry and from area to area, according to the needs of each case, and will be governed largely by the existing economic and sociological conditions. In the search for right methods, there may be mistakes and errors, but if we continue our efforts with determination and purpose, we are sure to achieve success. We have



[Shri Kanungo]

to realise that ultimately no method of production can survive if it does not offer the consumer competitive quality and price. The common consumer is interested in the product and not in the method of its production. To him, it is immaterial whether a match box is produced in a factory or in a cottage, unless he has developed a particular social and economic outlook and attitude—which in any case will be uncommon.

**Shri Meghnad Saha:** Are these maxims agreed to by the Congress, because they believe in vedic instrumente?

**Shri Kanungo:** As long as Shri Saha agrees, I am happy.

**Acharya Kripalani** (Bhagalpur *cum* Purnea): He is speaking in the House. It is not a Congress meeting.

**Shri Kanungo:** To reach a stage where the products of small industries and crafts can hold their own against any competition, in other words, when the individual and cottage craftsman and the small producer have attained that degree of efficient management in production, much support and many props have to be provided and the consumer has to accept a certain amount of self-denial in the interest of national economy and well being of a large number of the population. Some of the devices for providing this support are the positive steps which I have enumerated earlier, like help to cottage industries to improve their technique and production, supply to them of better equipment, encouragement to them to use power and to organise such industries into co-operatives as far as possible and provision of suitable marketing facilities. There are steps of another nature like reservation of certain varieties of textiles, prevention of installation of new looms in mills, refusal of permission to open new large-scale leather tanning establishments or units for the manufacture of footwear without assessing their

effects on the cottage industry, refusal of permission for opening new large-scale manufacturing establishments and establishments for the manufacture of agricultural implements of certain types. Differential excise duties have also given an advantage to handloom cloth, soap, footwear, matches and paper manufactured in cottages and small establishments. Personally, I believe that if we can adapt the fundamentals of technological advance to the methods of production in decentralised units of self-employed craftsmen or small establishments for different process and evolve methods of efficient management, we will not only be able to do without the props and supports in course of time, ultimately, but our production can expand without limit with less intensive investment and they will then provide the base for a better life to the bulk of our population. In the process, there will be certain changes or shifts in the pattern of employment, but on the whole, the prospect of larger and still larger employment will always be there only if we resolutely turn our face against stagnation, which will mean certain retrogression.

Finally, I would submit that during the last two years the efforts of the Government have been intensified many-fold. I can say that while upto 1953, the total expenditure incurred in these matters was only Rs. 50 lakhs, the expenditure incurred in 1953-54 and 1954-55 has been Rs. 584 lakhs and Rs. 972 lakhs respectively. The expenditure by the Central Government since 1953 is more than Rs. 15 crores, which is appreciably more than the total expenditure by all the States put together since the commencement of the first Five Year Plan, viz., Rs. 6.3 crores. Therefore, I submit that the Central Government has played more than its part.....

**Dr. Lanka Sundaram:** More than its part! You put yourself on your back!

**Shri Kanungo:** .....because as I have said earlier, the State Govern-

ments are primarily responsible for these items and their total expenditure is less than half of that of the Government of India in the last two years.

**Kumari Annie Mascarene** (Trivandrum): I have been listening with great care to the arguments put forward by the hon. Deputy Minister in support of the Government's policy regarding industrial progress. I appreciate the sentiments as regards improvement done by this Government, but at the same time, I wish to put the overall picture of trade and commerce during the last 8 years as managed by the Ministry of Commerce and Industry on behalf of the nation. There may be—in fact, there are—many industries started. I am not now interested in the nature of the principle we follow, whether it is mixed economy, whether the private sector overwhelming the public sector, whether the public sector is working efficiently, all these, I am not concerned with now. What I am concerned with is whether our industry and commerce policy followed during the last 8 years has been in any way helping to increase the treasure resources of the country or whether industry and commerce have bled the country white in spite of the foreign aids we are getting. To understand the picture correctly with facts and figures presented by the Government, I wish to recall the accounts given by the Government in this book of 1955 on *Foreign Trade and navigation* in India to point out to the Government that the export and import trade followed by the government is not in favour of increasing the wealth of the country. The figures given in that book tell us that we have been on the decrease in exports from 1953 to 1954 by Rs. 1,947 lakhs and in 1955 by Rs. 1,114 lakhs. This shows that we are on the decrease in exports. The account shows that there is more of import than of export which is detrimental to the national wealth of the country. Page 11 shows that the ultimate result of our industry and commerce is this. It is

for this Ministry to scrutinise the factors that have brought about these results which, in the long run, would react with dangerous consequences on our economic structure, financial stability and in maintaining the economic resources of the country.

Let us have a cursory glance at the foreign aids we are receiving. The nature of the foreign aid as reflected by the import and export of treasure is detrimental to our treasure resources. Whatever be the nature of the loans, notwithstanding the fact that we have received technical aid, notwithstanding the fact that our industrial resources are developed and that our food problems are getting settled, I wish to remind the Government that foreign aid, the more we get, works in a vicious circle of bleeding the country white of our resources.

At this juncture I wish to recall to memory the reaction that this country has been showing during the last few years, in fact for ages from the Moghal period onwards, to the British period, when the treasure of our country was exploited and has continued in a more settled measure by the so-called foreign aid as proved by the accounts given in *Foreign Trade* page 11, introduction. I, therefore, request Government that proper measures should be envisaged to direct the channels of trade and commerce in such a manner as to prevent the flow of our treasures through subterranean channels into the coffers of international funds.

The next is with regard to foreign aid as we envisage it. What is the balance of foreign aid so generously given, balance of the import and export in the international field of trade and commerce? In other words, do the countries that help us with technical advice, patronise us by encouraging export into their countries? That is the question. The figures given in this book show that they do not.

[Kumari Annie Mascarene]

The imports from Commonwealth countries do give us some encouragement. At page 18, the accounts show that imports are in no way decreased. It is congratulatory to think today that our relationship with the Commonwealth countries has given us sufficient export to enter into the trade and commerce of those countries. On page 20, the account shows that during the last few years the imports from U.S.A. has been on the increase. I wish to ask the Government why measures have not been taken to equalise the balance of trade relations so as to find a market for our goods in the Commonwealth and U.S.A. countries which are trying to keep up the best of relations with their aids and plans. Nor are we wiser in our export with other countries.

I am now coming to exports. Hitherto it was imports. With regard to exports, the account given on page 24 shows that the total export to the Commonwealth countries has given us encouragement no doubt. But the same page shows that the U.S.A. which is showing generosity with so many aids does not show the sincerity of its aid by encouraging or patronising our exports. On page 26, the results show that in 1952 we had 93 crores as exports to U.S.A. but in the end of 1954 it has fallen to 11 crores of dollars. Page 23 of the account shows that the Asian African countries have taken to encourage our export steadily during the last 3 years. From the above figures, the Government would do well to open their eyes to scrutinise who are our real well-wishers and try to encourage and concentrate our trade relations with them and also other relations and enrich not only our trade and commerce but also our international wealth.

Then, coming to my own State, Travancore-Cochin, we contribute Rs. 50 crores to the treasury, and that is, as the account shows here. Fifty crores of rupees are contributed by

Travancore-Cochin. What do we get? We get absolutely nothing except unemployment and that is increasing almost every day.

With regard to the prawn fisheries, the hon. Deputy Minister said consume more within the country. Here is a trade that has been bringing into the country Rs 3½ crores from Burma. Simply because the foreign exchange rate is not settled, the Burma Government have suspended the trade relation for an indefinite period. It is left to the Ministry of Commerce and Industry, it is left to the Ministry of Finance and it is left to the Foreign Minister to settle that as soon as possible so that we may have this question settled, which will be giving employment to more than 12 lakhs of people. Otherwise, 12 lakhs of people are going to be confronted with unemployment and the Government has to reckon with that fact very seriously.

The hon. Minister has been referring to other cottage industries supported in our country. I wish to tell the hon. Minister that the balance of payment has been decreasing on account of encouraging foreign imports like paint and the policy of importing deliberately these things which can be made in this country. Similarly, we have in Travancore-Cochin a number of industries which are being run as losing concerns. There are so many industries like that a list of which I have given to the Planning Minister and asked him to include these in our next Five Year Plan. The reply I got was that it did not come from the Sarkar. I have come here as the accredited representative of the people and their voice does not count for including those industries in the next Five Year Plan. It must come from the Government which is not steady in Travancore-Cochin and which falls from one pinnacle to another!

Therefore, I have not much to say except that they should take up seriously the question of developing the

industries in Travancore-Cochin State, because that State is a deficit area with a growing population contributing Rs. 50 crores and demanding their rights; and if ignored, we shall see that in our turn we throw the Government overboard.

**Shri Jhunjhunwala (Bhagalpur Central):** Sir, it would be unfair to our Commerce and Industry Minister if I do not say that he has literally followed and carried out successfully the industrial policy of the Government so far as the private sector is concerned. But only some of the private—the so-called private—sectors who can be numbered have been attended to and evidently there has been more production; while other private sectors where millions and millions are working have been ignored. When I heard the Deputy Commerce Minister, I was simply amazed when he gave the explanation about the responsibility of the Central Government to the State Government. I shall invite his attention to Constitution (Third Amendment) Act. If he had mind to do anything in the matter he could have done a lot in the matter. I wanted to speak on the Report, but the Deputy Commerce Minister has provoked me to dilate on the small sectors who have been working in villages and who have been thrown out of employment by the big industries. The Deputy Commerce Minister reminds us of the school-boy economic theory that it is the cheap and quality goods which will find market in the country. It is in the interests of the consumers that there shall be cheap and quality goods. We have heard of this theory and have been hearing of this theory since we read in schools and colleges, but this theory is unrealistic so far as the condition of India is concerned. It was exploded so far back as in 1920. I had hoped that our Government had realised by now that this theory does not apply to Indian conditions. It is to be regretted that even now our Ministry should be sticking to that theory.

I shall give you an example. The Report of the Commerce Ministry has shown wonderful results—increased production and Rs. 31 crores more export. How does it affect the millions of the people in our country? I have not been able to understand this. Increased production by itself is no solution to remove the poverty of our people. It has been admitted on all hands—even by our Finance Minister—that though there has been greater production, there has not been a simultaneous and corresponding flow of purchasing power in the country. Not only has there been no simultaneous and corresponding flow of purchasing power among the people, but whatever little purchasing power these poor people had has been exploited by the overflow of these mill-made and foreign goods in our villages. I had an occasion to go to the villages and remaining there for about a week in January during which period I studied the conditions there. I hear the Government taking sample surveys of unemployment. I shall ask them not to take sample surveys among a few workers here and there, but to go to the villages and find out how much unemployment is there, what is their daily earning, whether they are going to bed in the night even without taking food or with full bellies leaving aside overloaded bellies as we are doing here.

We say that our standard of living should be increased and they take pride in saying that it has increased. I also feel that it has increased. In our quarters I find that our latrines and bathrooms have been changed with marble-stone flooring. This way we feel that our standard of living has increased. Sitting here in Delhi we feel that our standard of living has increased. It is not a matter to be taken so lightly. It is a very serious thing and I shall invite the attention of Government that they should think over the matter more seriously. We used to say that the British Government was ruling from Delhi but we are still ruling from Delhi. I thought

[Shri Jhunjhunwala]

it had an allegorical sense, but it has a literal sense. If the Planning Commission wants to make out a good plan for the amelioration of the poverty of the people, they should not sit here in an air-conditioned room, but go to the villages and sit there day in and day out. Only then they will be able to make out a good plan. Only then they will be able to see the truth or otherwise of the theory which has been propounded that it is the cheap and quality goods which will go in the market.

We are always reminded of foreign countries. We are told again and again that they have developed because of big industries; and we should follow in their footsteps. Comparison is made with foreign countries. This is most misleading. I was going through the Economic Report of the President of the U.S.A. and I have found that there is unemployment even in certain well-developed countries like the U.S.A. My hon. friends will put forward an argument and say, when there is unemployment in such a developed country like America, why should there not be unemployment here? If there is so much unemployment there, proportionately according to population if there is so much more unemployment here, we are to be excused. The other day our Home Minister was quoting the figure regarding crimes here in India and in other countries. But as I have said, such figures are most misleading. How many crimes our policemen register here in India? What is the efficiency that our policemen have here in India? It is quite good to argue in the Parliament and to tell us "Well, there are so many less crimes here". This can console people who do not look at the actualities of the thing, but critic like Acharya Kripalani, find that the crimes are not enlisted. Acharya Kripalani will be able to contradict it but perhaps he has not got machinery whereby he can gather the figure and contradict: the Home Minister "Well, the

figures given by you are most misleading".

**Acharya Kripalani:** And mislead the public.

**Shri Jhunjhunwala:** Similarly, I would say about the figures and the hopes given by the Government that the big industry will solve our problem. Shri Sakseena, the other day, said that it is a question of faith with him. There is no question of faith or no faith. It is a hard fact that this pattern of economy is not going to solve the problem of India. When you talk of the U.S.A., when you talk of the U.S.S.R., look at the population per square mile there. In the U.S.A., the figure is 52 per square mile, in Canada 2.6, in China 124.8, in the U.S.S.R. 23.4 and in India 292. They will say "Look at the figure of the U.K. which is 532". I shall tell them that U.K. undoubtedly is a small island, but let them look at its other colonies where they are sending their goods.

**Mr. Chairman:** There are quite a number of speakers yet and I would request the hon. Member not to take any more time.

**Shri Jhunjhunwala:** I wanted to say something more, but, as per your order, Madam, and as Acharya Kripalani tells me that I have spoken enough, I shall sit down.

**Dr. Krishnaswami (Kancheepuram):** I listened with interest to my hon. friend, the Deputy Minister expounding his theory of how small-scale industries should be developed. I do not have on this occasion time to enter into the arguments that he has propounded or to rebut the case that he has put forward and shall reserve my remarks for a subsequent occasion. I should like to deal with two facts which have been mentioned frequently in the press and which come up for debate. I refer to the National Industrial De-

velopment Corporation, which after a prolonged period of gestation has come into being but of which we know precious little. I believe that the House will agree that we should have as many of these agencies as possible provided we know what their functions are, provided we know that their functions do not overlap and provided we know that they would be in a position to translate their objectives into practice. The I.F.C., the I.C.F.C. and the National Industrial Development Corporation are three bodies meant to channel savings into investment. How do their functions harmonise with one another? Do they overlap one another and what is to be their objective? In these days of high taxation of personal incomes, it is elementary to suggest that savings from individuals are bound to diminish. Public savings have necessarily to be channelled into investment and this is important from the angle of development. The economic need today is to have more venture capital flowing into industries. I hope it will be possible for the National Industrial Development Corporation to fulfil a positive role. The National Industrial Development Corporation can fulfil a more positive role, not only by taking account of commercial considerations but also by recognising welfare considerations, such as regional industrial development of our country. It is sometimes said by my hon. friends that it is not necessary to consider these problems of regional industrial development, but I venture to place.....

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** Which hon. friend, may I ask?

**Dr. Krishnaswami:** I think some of my hon. friends from the Treasury Benches themselves have sometimes tended to pay lip homage to regional industrial development, but when it comes to the translation of policies into practice, they have been inclined to adopt a different attitude. I should like, therefore, to refer to the basic issues involved in this question so that I may have a clear enuncia-

tion of policy from my hon. friend over there.

At present, our ken of economic vision is fettered by considering only Bengal, Bihar and Orissa, where material resources exist in abundance. The principle governing the location of industries and townships should be gone into much more thoroughly than in the past. My hon. friend, the Commerce Minister, once broached the idea of 50 to 60 industrial townships in this country. But how can 50 to 60 industrial townships come into being unless we revise our ideas where an industry should be located. It is well known and it is a fact which is recognised that the distribution of material resources is always bound to be uneven. There has been unevenness as between different parts of the world but has not prevented this dispersal of economic development. Japan, for instance, without iron ore and coal, fabricates steel and competes with many countries more richly endowed by nature. Dundee, for instance, produces jute goods without the necessary raw material being close to it. What I would like to point out to my hon. friend is that in considering the location of industries, he should not only take account of material resources but human resources as well, which are as important if not more important from the view-point of economic development. It is said that India is one economic unit. I agree, but at the same time we have to take account of the limitations of and qualifications to this argument. We have to remember that the size of this country is as great as Europe excluding Russia; it is about 1900 miles in length 1800 miles, in breadth and distances that separate one region from another have to be reckoned with. By all means let us be proud of Bhakra-Nangal or the Damodar Valley Project or the new industrial townships that may spring up around Rourekela. No one denies that such development indirectly helps the whole country. But this does not imply that our task is merely to look for material

[Dr. Krishnaswami]

resources and then to gravitate our industries near them as in the case of private entrepreneur. What is the function of planning if it does not take into account the basic principle of economic statesmanship, namely, that the material resources should not be allowed, as far as possible, to create great disparities in human welfare? It will be recognised I hope that the human resources in the South, in Maharashtra and in Eastern Uttar Pradesh are no worse than in regions where these new industries will be started, and it is, therefore, best to encourage the development of industries in these backward areas. From another point of view, this would lead to a levelling up of economic opportunities. Indeed, in one instance, the Government of India has made a reluctant concession to this principle. Thus it has been laid down that new textile mills should be situated outside Bombay and Ahmedabad as far as possible, so that there might be a greater dispersal of economic development. Why should not this principle be extended further? Since we are endowed more equally in human resources, the location of industries by the public sector through the National Industrial Development Corporation has to take greater account of the great economic opportunities that would be created by location of new units. I cannot understand why a steel fabrication industry, for instance, cannot be started in the south. Undoubtedly the argument against starting all industries is that simpler, processing industries can be started near the places where raw materials are located. But there is no reason to prevent the establishment of more complex processing industries in places far removed from material resources. The sound rule to follow would be that where the value added in the process is much greater than the raw material and the other incidental costs, industries should be located in distant areas. What is the problem of economic statesmanship if it is not to ensure that material disparities are not fully reflected in differences in

welfare? No, one disagrees with the proposition that we should exploit our resources to the full. No one for a moment suggests that this should not be done but I should like to point out that this problem of human resources cannot be ignored and we must realise that, if other countries have progressed satisfactorily without the bulk of the raw materials in their countries. We in this country can also progress by adjusting our economic vision by equalising the economic opportunities in different parts of the country. This problem cannot be approached only by the Ministry of Commerce and Industry and that other departments notably the Planning Department has to adjust its vision. I hope that the Minister for Commerce and Industry will educate himself and convince his colleagues in the Cabinet, the Planning Commission and the other bodies who up till now have not given sufficient thought to this aspect of the question.

4 P.M.

Sometimes hon. Members suggest that it is parochial to think of the advances that have to be made in backward areas. But may I affirm strongly that when we are considering the development of a big country like ours, where we have wide disparities existing in different regions, we cannot have the unity of India established on a solid and durable foundation unless we have a positive policy for rectifying the economic inequalities of different regions. I realise that public savings channelled through the National Development Corporation while playing a positive role would at best be a minor role. In more senses than one, it is bound to be a marginal role. As far as the growth of private sector is concerned, the limitation to this argument is that today personal incomes are taxed so heavily that it might be difficult to find enough resources for large amounts being diverted into industries. I trust that the Minister of Commerce and Industry

when he considers some of these aspects, when he is more definite on the role which the National Industrial Development Corporation should perform will take into account the economic needs of the regionally backward areas and sponsor such measures as will lead to a progressive increase in welfare. What the advocates of regional development affirm is that while, there may be diversity let there be diversity of economic development on the same plane instead of diversity on different planes, as is the case now.

**Shri S. C. Deb** (Cachar-Lushai Hills): I thank you for giving me this opportunity of taking part in this debate. I offer my thanks to our hon. Minister for the favourable balance of trade and for the steady increase in production in 1954. Just as the Industrial Development Corporation is contemplated to step up production both in the private and public sectors, may I draw the attention of the hon. Minister to the small scale industries and suggest that some specific assignment should be made for them so that they could be developed in such a way that they could not be competed with by the bigger industries.

I would like to draw the pointed attention of the hon. Minister to tea estates in Assam. I would like to speak on the plantation industry in my State of Assam—that is, tea. Though Government is getting a sizeable income from tea, the actual position is not good in my State. The actual position is this. The foreign companies are selling tea gardens to our Indians, who are unaware of the true position, at exorbitant prices. I would like to draw the special attention of the hon. Minister to my district of Cachar. There the position is still worse. I am giving some figures which are subject to correction. In my district, the tea plantation area covers about 75,000 acres of land; out of this, 15 thousand are already dying out—that is, giving no yield. Of the remaining 60 thousand acres, 45 thousand acres of plantation area is of 60 years old. That

is the state of affairs. It requires special replacements and rehabilitation and other improvements in that direction. But the planters who are running the show are indifferent and that way the whole industry is fast deteriorating. Out of 75 thousand acres, only 15 thousand acres are economical; four-fifths of the whole plantation had become un-economical. If this position is allowed to continue, the industry will have a very bad shock. I am giving a warning to our Government if their special attention is not drawn to this industry, the position will not last long.

Another thing is this. Europeans are very much busy selling their tea estates at 25 times their share value in the markets. In that way, they earn 25 times more money than their real share value. That is a loss to the country and that should be borne in mind. The Indian buyers who purchase the gardens at such exorbitant price will suffer when there is a fall of price in the tea market. After some time, the prices will normally come down and then the tea industry will face a very unhappy situation. We know of the crisis of 1952. In my district alone, 15,000 labourers are already surplus. There are 160 thousand labourers and if these things continue, most of this labour force will become surplus and there will be an unemployment crisis. That thing should be borne in mind. So, the industry should be controlled. What I suggest is this. Government should control the price; when a tea estate is going to be sold, the reasonable price should be the market price according to the share value.

What I would like to suggest is that Government may purchase all the share capital. They may purchase it at a very low price, and in that way that industry can be saved.

**Mr. Chairman:** His time is up.

**Shri S. C. Deb:** I have very many things to mention.

**Mr. Chairman:** I would ask him to finish now.



**Shri S. C. Deb:** But I am drawing the special attention of the Government to this, and if the industry is to be saved some special care and attention should be given to that industry.

**Shri A. M. Thomas:** At this late hour I do not want to indulge in any superlatives. But it is only fair to join with those persons who have paid a tribute to the work of the Ministry, and it has to be fairly admitted that the Ministry has done good work during the current year.

In the matter of production there has been a marked advance in the utilisation of idle capacity in the country's manufacturing plants. There is a reference to the low volume of motor car demand which stunts the industry's growth. Greater mobility can introduce new forces in our economy, and a narrow approach to the protection of a few people should not blind the Government to the need for an expanding motor car industry with an increasing number of users.

It has to be admitted that real dynamism has been exhibited in the matter of promotion of exports from our country. I want to know from the hon. the Commerce Minister what has happened to the Export Credit Guarantee Scheme that the Ministry had in view for some time. Fears have been expressed, while welcoming this measure of the Export Credit Guarantee Scheme, that the draft framed by the Commerce Ministry has not been so helpful to the Indian exporter as it is to the foreign importer. I would ask the Commerce Ministry to devote its attention to the many aspects of the scheme, and it would be worthwhile to copy the Export Credit Guarantee Scheme that has been adopted by the United Kingdom in this respect. That, I think, will dispel many of the doubts that have been entertained on the score of this Export Credit Guarantee Scheme.

Small-scale and village industries have received special attention. Diversification of the pattern of industry has been given due emphasis

in the year with which we are dealing. A little over Rs. 8 crores have been given by way of loans and grants for the development of small-scale and village industries. I do not want to detail the various schemes that have been taken up by the Government in the matter of the development of small-scale and village industries. Many Members have referred to it, and the Deputy Minister of Commerce also has referred to it. When going into the catalogue of the creditable record of the Handloom Board, some reservations have been made for which the explanations given in the report have not been satisfactory. It has been stated that so far there have not been any accurate statistics in the matter of handloom. I do not understand what exactly is the difficulty to have accurate statistics concerning handloom. There is also the admission that the handloom goods that we export are not of the standard quality. I do not understand why the scheme of carrying out of research in designing of fabrics, loom parts and other implements has not been pushed through by the Ministry. I also want to know why standardisation has not been made compulsory in the matter of the handloom products that we are exporting. The hon. Minister himself, while addressing a meeting of the Handloom Board, has laid due emphasis on the possibilities of providing financial assistance from the Cess Fund that we collect, to weavers' co-operative societies if they propose to have housing colonies. I do not think that scheme has been taken up as yet by the Handloom Board. It is an urgent problem. Next to food and clothing, housing is the most immediate problem that we have to tackle. In this connection I would also remind the hon. the Commerce Minister that the Commerce Ministry in charge of the industrial sector of our country should also devote itself to the industrial housing scheme that has been promulgated by the Works, Housing and Supply Ministry. I grant that this is not within the direct res

possibility of the Commerce and Industry Ministry. But all the same, as the Ministry has succeeded in having gradual Indianisation of the services with regard to private firms and other concerns by a great deal of persuasion, that course may be adopted in the matter of the industrial housing scheme which has been taken up by the Central Government in the Works, Housing and Supply Ministry. Only some pressure on the employers will enable the Government to push through the scheme. Although it has been stated that 25 per cent. of the amount that would be necessary for the industrial housing scheme will be given by the Central Government by way of grants, even then, that scheme has not been taken advantage of by the employers in the various sectors of our industry.

I wish to mention one more point. When we consider the reports that have been placed before us about the working of the various Boards, the working of the Handloom Board is really very creditable. But I cannot say so with regard to the working of the Village Industries Board. The All India Khadi and Village Industries Board has done good work with substantial government help as far as the development of the khadi industry is concerned. But as far as the other village industries are concerned, I must say that the activities of the Board concerning them have not been satisfactory at all. There has been the constitution of a Khadi and Village Industries Economics Committee. That Committee consists of very eminent persons in the industrial field. But I do not think any substantial work has been done by the Khadi and Village Industries Economic Committee in the matter of the development of village industries at all. It need not be stated that having regard to our unemployment problem of our diversification of the pattern of our industries is absolutely necessary and due emphasis has to be given to the

development of small-scale and village industries.

Then I would like to refer to one fact contained in this report, and that is that these various Boards that the Commerce and Industry Ministry has constituted have programmes for wide publicity in the matter of external marketing as well as in the matter of the development of our internal markets. But I would from my personal experience wish to point out that some of these emporia which we have opened within this country are not working on satisfactory lines. I would refer to one emporium which has been mentioned in this report, namely the Gram Udyog Bhavan which has been opened in Bombay and which is intended to serve as an attraction for tourists. I must submit that the talent, salesmanship and energy that are necessary for efficiently running these emporia on purely businesslike and commercial lines are lacking in the personnel who are employed in these various emporia. We must inject a little more spirit and energy, and they are not to do mere mechanical work. They should take real interest in their work and promote our various industries. I have done.

श्री कजरौलकर (बम्बई नगर-उत्तर-रक्षित-अनुसूचित जातियाँ) : सभानेत्री जी, आप ने मुझे जो टाइम दिया है इस के लिये मैं आप का आभारी हूँ ।

आज हमारी जो इन्डस्ट्रियल पालिसी है और उस के अन्तर्गत हमारे हरिजनों की चमड़े की इन्डस्ट्री है उस के बारे में कुछ में बोलना चाहता हूँ । इस मिनिस्ट्री ने बहुत से बोर्ड्स और कमेटियाँ बनाई हैं, उन का नम्बर कम से कम ३५ है, लेकिन हमारी लेदर इन्डस्ट्री के लिये अभी तक उस ने कोई कमेटी या बोर्ड नहीं बनाया है । मुझे ऐसा लगता है कि इस इन्डस्ट्री को बहुत कम महत्वपूर्ण समझा जाता है । मैं कहना चाहता हूँ कि

[श्री कजरोल्कर]

यह लेदर इन्डस्ट्री बड़ी भारी इन्डस्ट्री है और जहां तक मैं समझता हूँ काटन इन्डस्ट्री के बाद ही इस का स्थान है, लेकिन इस के ऊपर सरकार का जैसा ध्यान जाना चाहिये वह नहीं जाता है। जैसे हूंडलूम इन्डस्ट्री है और जिसके लिये खादी ऐंड विलेज इन्डस्ट्रीज बोर्ड है, उसी तरह एक लैदर इन्डस्ट्रीज बोर्ड भी बनना चाहिये। और उस बोर्ड के सामने जो हमारी कठिनाइयाँ हैं और जो स्माल-स्केल लैदर इन्डस्ट्रीज की कठिनाइयाँ हैं उन को रचना चाहिये।

दूसरी बात मैं यह कहना चाहता हूँ कि आजकल चमड़े के घन का बहुत वेस्ट हो रहा है। आप जानते हैं कि यदि किसी के यहाँ भैंसें मर जाती हैं तो उन को उठाने के लिये हरिजनों और चमारों को बुलाया जाता है। उन लोगों से कहा जाता है कि तुम इस को घसीट कर ले जाओ और चमड़ा निकालो। इस से बहुत से हरिजन भाइयों ने समझा कि चूँकि हम लोग इस धंधे को करते हैं इसलिये हम को अछत समझा जाता है और उन्होंने चमड़ा निकालना छोड़ दिया। इस कारण से हमारा बहुत सा घन वेस्ट हो जाता है। बहुत से लोग जो गाय को माता कहते हैं, देवी कहते हैं, वह उस के मरने के बाद उस का काम करने के लिये तैयार नहीं होते हैं। वह कहते हैं यह हमारा काम नहीं है, यह तो चमार का काम है, भंगी का काम है। इसलिये मैं कहना चाहता हूँ कि आप इस के लिये एक कमेटी बनाइये जो कि यह देखे कि हमारा घन वेस्ट न होने पाये।

इस के अलावा मैं यह कहना चाहता हूँ कि जो स्माल-लेदर वर्क्स हैं उन को सुविधायें मिलनी चाहियें। उन के पास पैसा नहीं है, आज़कल जो धंधे हैं वह बड़े-बड़े लोगों, कैपिटलिस्टों के हाथ में हैं। मैं प्रार्थना करता हूँ

कि जो कुछ मैं ने स्माल लेदर इन्डस्ट्री के बारे में कहा है, उस पर सरकार ध्यान दे और उन की कुछ मदद करे। अभी बम्बई गवर्नमेंट और यू० पी० और मद्रास गवर्नमेंटों ने भी इस के बारे में कुछ प्रगति की है, लेकिन बहुत सी और जगह भी हैं, जहाँ पर लेदर इन्डस्ट्री है और उन की ओर ध्यान दिया जाना आवश्यक है। इसलिये मैं प्रार्थना करूँगा कि सरकार लेदर इन्डस्ट्री बोर्ड जरूर नियुक्त करे।

**Shri Tulsidas (Mehsana West):** I thank you for giving me an opportunity to say a few words. I have been listening to the debate on these Demands for Grants for the Commerce and Industry Ministry, with attention.

As you know, this Ministry is in charge of more or less the entire private sector and it is a tremendous responsibility to see that the progress in the private sector is maintained. When we see the index of industrial production, it is a commendable figure that the Ministry has achieved, particularly when we see that in December, 1954, the industrial production was 162.3, whereas it was 144.7 in December, 1953.

This morning, I heard an hon. Member say that the Ministry has been doing excellent work during the last year, but since December, it is not found that the Ministry is as active as before. There is something in what the hon. Member said. I do not know what the reasons are.

**Shri K. K. Basu:** The Minister was not there.

**Shri Tulsidas:** After all, the Commerce and Industry Ministry has to function in co-ordination with other Ministries. It cannot function as a separate body. It must function together, Government as a whole. When the entire policy of the Government is on a particular basis, the Ministry has to function on those lines.

**Acharya Kripalani:** They do not know the basis.

**Shri Tulsidas:** I do not know. I personally believe that the basis has been there. The reason why I am saying so is this. During the last year, there had been a certain atmosphere created. There was confidence growing in the country. There were certain people who were thinking in terms of increasing production, putting of new industries and expanding production. There was also an atmosphere of foreigners trying to interest themselves in this country. Somehow or other, it may be due to the following of the pattern of society of our hon. friend Acharya Kripalani or anybody else, but the unfortunate thing is since December, the whole atmosphere has changed. The atmosphere has so badly changed that everybody is feeling frustrated,—not only the Ministry, but everybody,—as to what is to be done in these circumstances, as to what is going to be the policy in the future. I am sure no Ministry can function in this atmosphere. That is what I want to say.

I want to make one or two constructive suggestions. When I was speaking at the time of the Budget, I told the Finance Minister that since the agricultural prices have gone down, our industrial prices must also come down. I would like the hon. Minister to go into this and particularly find out why these industrial prices are not coming down. As he knows very well, of the total price of industrial articles, 50 per cent. consists of the price of agricultural commodities, raw materials, 25 or 30 per cent. consists of labour costs and the other 30 per cent. is made up of taxation, margin of profit, etc. If we have to bring down the cost of production, if we have to bring down the prices of industrial manufactured goods, the only way is to see what are the other factors which are included in the price which have to be adjusted. Whenever any suggestion comes up for rationalisation, some hon. Members here shout and say, no, no, we cannot have rationalisa-

tion. If there is any question of any adjustment with regard to labour charges, there again we shout. We also want the prices to come down. How is it possible? I do not understand it.

**Acharya Kripalani:** You have not mentioned about the income-tax.

**Shri Tulsidas:** I am not talking as a politician. I would like you really to understand these aspects of the cost position.

**Shri B. S. Murthy (Eluru):** He is talking as a sun-dried capitalist.

**Shri Tulsidas:** Whether it is capitalist or not, you understand something of what it is, and then you can say something about it.

I was saying that just as the agricultural prices have gone down we want to bring down the prices of manufactured goods also. Everyone here has a good word to say about the agriculturists, and I do feel that he must get the industrial products at lower prices. But how are you going to achieve it? If the cost structure is going up all the time how are you going to find out any time when the agriculturist will realise his income at a lower price, and possibly also get the goods at a lower price?

**Shri S. S. More (Sholapur):** Could we not cut down profits?

**Shri Tulsidas:** I think so. I have already stated that out of the 100 per cent., 50 per cent. is raw materials, 30 per cent. is labour, and 20 per cent. consists of manufacturing cost, a profit margin and the impost of taxation. If you understand that, then you will be able to know where it should be cut down.

**Dr. Krishnaswami:** You must cut down taxes.

**Shri Tulsidas:** The next point which I would like to make is with regard to the export market. I am sure the hon. Minister must be fully

[Shri Tulsidas]

aware as to how important it is to keep up our export market in order to keep up our industrial production, and in order to see that our economy is properly kept. I find that unless our cost of production is cut down, and unless our goods are sold at a competitive price, it will not be possible for us to maintain the present balance of payments position. The articles that we export to our export markets in the largest quantities are tea, jute goods and cotton textiles. In cotton textiles, as the hon. Minister knows fully well, the advantage so far has been on account of the low price of cotton. That advantage is not going to remain for a long time, and I do not know whether our textiles will hold a competitive position in the world market in the future. I would like the hon. Minister to consider what steps should be taken to see that our commodities retain their competitive position in the export market.

I have a number of other points to make, but as my time is up, I shall conclude.

श्री एस० एन० शंकर (दरभंगा-मध्य) :

सभानेत्री जी, आज उद्योग और वाणिज्य मंत्रालय की रिपोर्ट पढ़ने से एक बात तो साफ जाहिर होती है कि अब केन्द्रीय सरकार की जो सोचने की पद्धति थी, उद्योग के बारे में, उस में परिवर्तन हुआ है। इस परिवर्तन का मैं स्वागत करता हूँ। लेकिन साथ ही साथ मैं यह कहना चाहूँगा कि हिन्दुस्तान की जो दशा है उस दशा को ध्यान में रख कर, जहाँ तक भेरा स्थल है, न तो योजना आयोग ने और न ही केन्द्रीय उद्योग और वाणिज्य मंत्रालय ने अपनी नीति को निर्धारित किया है। हिन्दुस्तान का सवाल जैसे कि और भी दूसरे पिछड़े हुए दूसरे देश हैं उन के सवाल जैसा है। लेकिन हिन्दुस्तान में जहाँ औद्योगिक विकास का उद्देश्य यह होना चाहिये कि हम अपने देश को जो हमारी भूमि के अन्दर या भूमि से उत्पन्न होने वाले साधन हैं उन साधनों का अच्छे से

अच्छा और अधिक से अधिक उपयोग करें वहाँ हमारे लिये यह भी जरूरी है कि हम यह देखें कि हमारी औद्योगिक नीति ऐसी हो जिससे हमारे जो करोड़ों की संख्या में लोग बेकार बैठे हैं उन को काम दिया जा सके। बहुत दिनों की बहस मुबाहिसे के बाद हिन्दुस्तान में जो बेकारी की समस्या है उस की तरफ विशेष रूप से हमारे वित्त मंत्रालय का ध्यान गया है और कुछ कुछ ध्यान उद्योग और वाणिज्य मंत्रालय का भी गया है, यह स्वागत करने की चीज है। लेकिन, सभानेत्री जी, सवाल यह उठता है कि हमारे यहाँ जो उद्योग व्यवसाय चलते हैं उनके चलने से जो धन पैदा होता है उस धन का कौन सा हिस्सा समाज के अन्दर जाता है और कौन सा हिस्सा व्यक्ति विशेष के पास जाता है या एक समूह विशेष के पास जाता है। इस बात पर विचार करने की जरूरत है। इस बात से किसी को इन्कार नहीं कि आजकल के जमाने में कोई भी देश बिना उद्योगों की तरक्की और विकास की आर्थिक उन्नति नहीं कर सकता है। यह मानी हुई बात है। लेकिन यह आर्थिक उन्नति केवल बड़े बड़े पैमाने पर बड़े-उद्योगों के चलाने से ही हो सकती है, यह विचार विवादास्पद है, विशेषकर हिन्दुस्तान जैसे देश के लिये। जैसे कि हमारे भाई डा० रामा राव ने कहा कि हिन्दुस्तान के अन्दर जो कपड़ा उद्योग है और जिसके जरिये सु हिन्दुस्तान की कपड़े की जो मांग है उसका बड़ा हिस्सा पूरा हो गया है और हम कपड़ा बाहर भी भेजने लगे हैं फिर भी उसमें केवल पांच या सात लाख व्यक्ति ही लगे हुए हैं और उसके मुकामिले में हमारे देश के अन्दर जो करघा उद्योग चलता है, चर्खा व्यवसाय चलता है, या ऐसे दूसरे काम चलते हैं उनमें करोड़ों आदमी काम कर के किसी न किसी तरह से जीवन निर्वाह करते हैं। इस लिये जब हिन्दुस्तान में उद्योग सम्बन्धी

नीति का निर्धारण किया जाये उस समय इस बात का ख्याल रखना पड़ेगा कि जहाँ हम बड़े बड़े उद्योगों को बड़े बड़े पैमाने पर चलाते हैं हमें यह भी ध्यान रखना चाहिये कि हमारे जो कपड़ा और भोजन सम्बन्धी दूसरे छोटे छोटे व्ययमाय हैं और जो बहुत छोटे पैमाने पर चला जाते हैं, जो गृह उद्योगों के जरिये से या ग्रामोद्योगों के जरिये से चल सकते हैं उनका क्षेत्र निर्धारित कर देना चाहिये। यह बात समझ में नहीं आती है कि जब उपमंत्री ने भाषण दिया और कहा कि उनको मंतोष है कि केन्द्रीय सरकार को जितना काम करना चाहिये था गृह उद्योगों के विकास के लिये उस में ज्यादा केन्द्रीय सरकार कर रही है इस के साथ ही साथ उन्होंने कहा कि यह जो क्षेत्र है यह राज्य सरकारों के अर्न्तगत आता है और केन्द्रीय सरकार के अन्दर नहीं आता है। मैं इस बात को नहीं मानता। जो विधान हमने बनाया है उसमें हमने इस बात को स्वीकार किया है कि यह हमारा फर्ज है कि हम यह देखें कि हिन्दुस्तान का एक एक आदमी ऐसे काम में लग जाये कि जिस में वह अपना जीवन निर्वाह कर सके। यही निर्देशक सिद्धान्त हमारा है कि जिस को सामने रखकर ही हमें अपनी राजनीतिक या सामाजिक या औद्योगिक नीति निर्धारित करनी चाहिये। आज जब हम अपने निर्वाचन क्षेत्र में जाते हैं और हम जो सभायें करते हैं और जा लोग उन सभायों में आते हैं वे हम से पूछते हैं कि साहब देश को इतनी तरबकी हो रही है लेकिन हमारे लिये क्या हुआ है? हम उनके सामने पंचवर्षीय योजना, अनुसंधान कार्य जो हो रहे हैं, सिंचाई की जो सुविधायें दी जा रही हैं, उनका वर्णन करते हैं लेकिन इन का वर्णन करने के बाद भी उन के मुंह में कुछ अन्न नहीं पड़ता और उन के हाथ में कुछ काम नहीं आ जाता। इस लिये जो भी नीति हम निर्धारित करें हमें अपनी ३६ करोड़

जो जनता है उनके ७२ करोड़ हाथों को कुछ काम मिले इस बात का ख्याल रखना चाहिये। क्योंकि समय बहुत कम है इसलिये मैं केवल यह कहना चाहता हूँ कि जब तक हिन्दुस्तान में करोड़ों की संख्या में जो जनता है उन की शक्ति नहीं बढ़ती हम तरबकी नहीं कर सकते, और जो बड़े बड़े कारखाने हम चलाना चाहते हैं वे चल नहीं सकते। आजकल का जमाना बड़ा प्रतियोगिता का जमाना है। कपड़े के व्यवसाय ने पिछले दो तीन सालों में बड़ी तरबकी की है। हम अपने देश की आवश्यकताओं को पूरा करने के साथ ही साथ बाहर भी भेजने लग गये हैं। लेकिन भविष्य का जरा अन्दाजा लगाइये। इस व्यवसाय के सामने कई कठिनाइयाँ आने वाली हैं। यह जो कठिनाइयाँ आने वाली हैं, इन का मुकाबिला हम कर सकेंगे—इसमें हमें शक है। जापान आज बड़ी तेजी के साथ संसार के व्यापार के क्षेत्र में आ रहा है। और आप जानते हैं कि जापान में कपड़ा बनाने पर जो खर्च आता है वह बहुत ही कम पड़ता है। जापान के कपड़े के मुकाबले में हमारा कपड़ा नहीं ठहर सकेगा क्योंकि जापान के कपड़े का मूल्य बहुत कम होगा। इसकी तरफ हमें विशेष ध्यान देना होगा।

जो हमारे गृह उद्योग हैं या ग्रामोद्योग हैं उन की तरफ जो अब सरकार की नीति है वह वैसी ही है जैसे कि एक चूहे को जब वह मरने लगता है उस को गोबर संधा दिया जाता है। इस नीति से काम चलने वाला नहीं है। सरकार को साहस और हिम्मत के साथ इस ओर अपनी नीति निर्धारित करनी चाहिये। हिन्दुस्तान के गांवों में रहने वाले जो करोड़ों लोग हैं और अपने हाथों से या किसी छोटे छोटे यंत्रों को उपयोग कर के सामान बनाते हैं उन उद्योगों को किसी बड़े पैमाने पर खोलने की आवश्यकता नहीं है। इसलिये मैं उपमंत्री महोदय से कहूंगा कि वह जो सन्तोष करके बैठ गये हैं, ऐसा करने की आवश्यकता नहीं है।

[श्री एस० एन० दास]

में समझता हूँ कि यह सन्तोष बहुत खतरनाक है। मैं मानता हूँ कि देश में बहुत सा काम हो रहा है। लेकिन आज केन्द्रीय सरकार को और राज्य सरकारों को यह देखना है कि समूचे देश का सामूहिक विकास और अधिक पैमाने पर और ज्यादा तेजी से हो। इसी तरह से इस मंत्रालय को यह चाहिये कि जब औद्योगिक और व्यावसायिक नीति निर्धारित करे तो इस बात का स्थल रखे कि बड़े पैमाने के उद्योगों में से केवल उन्हीं को प्रथम दे जिन के लिये बाहर भी बाजार है, और देश में उपभोक्ता का सामान छोटे उद्योगों के द्वारा बनवाये। और जो बड़े उद्योग इस प्रकार के सामान को तैयार कर रहे हों उनको बन्द कर दे।

इन शब्दों के साथ मैं इस मंत्रालय की मांग का समर्थन करता हूँ और उम्मीद करता हूँ कि सरकार इस दिशा में और तेजी से कदम उठायेगी।

**Mr. Chairman:** Shri S. V. Ramaswamy. He should conclude by 4.45. There are only four minutes left.

**Shri S. V. Ramaswamy:** Can I continue tomorrow?

**Mr. Chairman:** No, no. We have to finish the debate today and the Minister will reply tomorrow.

**Shri S. V. Ramaswamy:** In four minutes, it is difficult for me to speak.

**Shri K. K. Basu:** Then he will forfeit his right to speak.

**Shri S. V. Ramaswamy:** Can I have three minutes to-morrow?

**Mr. Chairman:** I do not think so.

**Shri S. V. Ramaswamy:** I am glad the Deputy Minister has spoken. He seems to be in a doubt about his own Report. He was not as confident as

one would expect him to be, because he was saying 'if the Report is accepted, such and such consequences would follow'. I put it to him—what is the meaning of saying, 'if the House accepts it or not accepts it?' I put it to the Ministry, let the whole report be placed before the House, because there is no report submitted to the Government which has met with such universal opposition as the Kanungo Committee Report, a Report which, instead of sustaining and maintaining an industry, seeks the annihilation of that industry.

The Committee was appointed, as you know, when there was a grave crisis in the industry. Thousands and thousands of weavers were turned out of work. People from the south could be found as beggars in places as remote as Rishikesh. They were spread all over the country. There was an uproar and cry all over. It was under these circumstances that this Committee was appointed. The terms of reference of the Committee said that the inquiry was to be into the three sections of the industry. It was under those peculiar circumstances—difficult circumstances—that this Committee was appointed, and it stands to reason that what was expected was a Report which would help the handloom industry to survive and to live. But the Report aims at wiping it out over a period of 15 years.

The Minister of Commerce and Industry in writing his foreword to a booklet on the all-India handloom week said like this:

"The Kanungo Committee Report, which has been criticised in some quarters, largely because of a lack of realistic appreciation of its recommendations, has suggested the stabilisation of the handloom industry by recommending that the bulk of the increased loomage in the country resulting from the increase in the consumption of cloth should be reserved to the

handloom-cum-power loom weaver. This is the most important recommendation of the Kanungo Committee and this will ensure that the handloom weaver will not in future face the acute competition that he has had from the mill industry in the past."

This is very misleading. It is not as if the hon. Minister does not know what the Kanungo Report contains. Rumour has it that he is the real author of the Report.

**Shri T. T. Krishnamachari:** I must take strong exception to an insinuation of that character.

**Shri S. V. Ramaswamy:** Let me read from paragraph 79 of the Committee's Report.

**Mr. Chairman:** I do not think there is time to read. He has to finish in two minutes.

**Shri S. V. Ramaswamy:** I am just developing an argument.

**Shri T. T. Krishnamachari:** It is an undeveloped argument.

**Shri S. V. Ramaswamy:** Five minutes will do.

**Mr. Chairman:** No. It must be finished today. The Speaker has already announced that.

**Shri K. K. Basu:** Let the speech be guillotined.

**Shri S. V. Ramaswamy:** Very well. In paragraph 91, they say:

"The ultimate idea is that at the end of 15 to 20 years, barring, say, 50,000 looms of the throw-shuttle or fly-shuttle type manufacturing special fabrics with an intricate body design, the entire handloom sector will have been converted into the improved (semi-automatic) handloom or the decentralised power-loom industry."

This is in marked contrast to what the Minister himself has said, that it is meant to stabilise the industry. On the other hand, the Report is intended to annihilate it in 15 or 20 years. I find that in pursuance of this Report, in the Explanatory Memorandum on the General Budget, at page 154, the following occurs:—

"The provision"—the provision of Rs. 5,00,000—"is intended to defray expenses in connection with the conversion of handlooms into power-looms with a view to establishing economic efficiency of the handloom industry in pursuance of the recommendations of the Textile Enquiry Committee."

I do not know whether the Government have already committed themselves to accepting this Committee's Report. I do hope that this does not mean that the Government have committed themselves. I am given some assurance that the Government have not come to a decision on this matter, that it will be duly considered and then the matter will be placed before the House. But if that is so, I do not know why this provision has been made because it is specifically stated that it is in pursuance of the recommendations of the Textile Enquiry Committee that, the provision is made for the conversion of handloom into power-loom. If I had the time, I would very severely criticise this Report and I would ask the House to reject the Kanungo Committee Report. I would have persuaded the House to tell the Government not to accept it but to throw it out. As I have not the time, I will take my seat. If the hon. Minister will be pleased to agree to a two-hour discussion on it, we shall be glad.

**Mr. Chairman:** The hon. Minister will reply tomorrow.

*The Lok Sabha then adjourned at Eleven of the Clock on Friday, the 15th April, 1955.*