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LOK SABHA

Thursday, 12th April, 1956

The Lok Sabha met at Half Past Ten of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-33 A.M.

* DEMANDS FOR GRANTS

Mr. Speaker : The House will now take up the Demands in respect of the Ministry of Home Affairs. I call upon the hon. Home Minister to reply.

Shri Debeswar Sarmah (Golaghat-Jorhat) : I want to submit one thing, Sir. Yesterday, the last hon. Member to speak was Shri Rishang Keishing. He made certain mis-statements of fact and he cast aspersions on unmerited quarters. May I have a little time to explain some things?

Mr. Speaker : The hon. Member slept the whole night. He may have communicated all the information to the hon. Minister so that he may reply.

Shri Debeswar Sarmah : I will bow to your ruling, Sir. The last speaker has said something which was not factually correct.

Mr. Speaker : There will always be a last person to speak. Now the Home Minister will reply.

The Minister of Home Affairs (Pandit G. B. Pant) : Mr. Speaker, Sir, I have listened to the speeches that were delivered yesterday and on the day before, on the Demands for the Ministry of Home Affairs with interest and profit. I am really thankful to the hon. Members for the kind words that some of them have said about me. The helpful and constructive way in which the Demands were handled and the affairs of the Ministry were reviewed, will hearten us in the Ministry of Home

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Affairs in the performance of our duties. I have taken note of the various suggestions that have been made. I appreciate them and may I also say that I agree with a good lot of them? I need not say more with regard to matters of detail at this stage. I may have occasion, provided I can find time, to do so later.

The Home Ministry deals with varied and manifold functions. Some of them are really delicate. But, it is a matter of gratification that our lapses and deficiencies have not overshadowed the little that we may have attempted to do with as much success as could accrue only through the co-operation of hon. Members of this House. The Home Ministry has really to assume responsibility for everything which does not come within the ambit of any other Ministry. So, it is, in a way, the 'refuse' of all Ministries—you may interpret the word in any way you like.

One of the speakers here referred to the claws and teeth of the Home Ministry. He seemed to be still living in the antediluvian age. We are living in a dynamic age and things are changing from day to day. The Home Ministry, no doubt, continues to be responsible for the maintenance of peace and order and for the enforcement of the laws passed by the representatives of the people. But, it has made up its mind to depend on them even for the maintenance of public order and tranquillity, as in a democratic country, it is only through democratic discipline and the cultivation of a proper sense of civic responsibility that the structure and fabric of peace can be maintained in its proper dignity. So, if hon. Members are pleased to look at the various Acts that were passed in the course of the last twelve months on the initiative of the Home Ministry, they will find that the energies of the Home Ministry have been directed more towards the enlargement of individual liberty than towards its restriction. In the olden days, the Home Ministry was supposed to be the fountain or source of all restrictive laws and ordinances, which were intended to curb the basic and fundamental liberties of individual

* Moved with the recommendation of the President.

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citizens. If we now consider our position in the new context, we have naturally to see to it that the vast mass of the people themselves perform this noble task of maintaining public order in the country. No Government by itself, especially if it is a democratic Government, can maintain order against the wishes or without the active co-operation of the people. We are working for the achievement of a social objective. We have decided to establish in our country a society on a social pattern in which all citizens will be equal. Such a society contemplates not only an equal sharing in the advantages and the bounties which the resources of the country can endow, but also a partnership in the performance of other duties which are precedent and essential for the enjoyment of those privileges. So, we have tried to relieve the citizen to the extent we could of any fetters which were binding him. We expect a greater and higher sense of duty to develop in him in consequence of this step taken by us.

There was a reference the other day by one hon. Member here to the Press (Objectionable Matter) Act, 1951 which no longer finds place in the statute-book. When that Act was passed there was a sharp controversy in this House. It was regarded as a sword that would hang over the press in this country. That Act no longer exists. Thus we have contributed to some extent towards the relief of those engaged in the noble profession of journalism by allowing this Act to lapse. I hope if there are still any black sheep in that fold, then the leaders of the press for whom every one of us has great regard will prove equal to the task and see that such lapses do not occur because of the lapsing of this law.

Similarly, if you look at other pieces of legislation that were adopted by the House during the last 12 or 13 months, you will find that we have throughout made an attempt to foster the growth of an atmosphere which is necessary for the development of a clean, healthy society. The Whipping Abolition Act abolished the degrading and coarse method of punishing persons who might be found guilty even by competent tribunals. Similarly, we had the Prevention of Corruption Act, which, as its very name indicates, was designed to help in the prevention and eradication of corruption. The other Acts which were passed are also known to the Members of this House. The Prize Competition Act was adopted

to put an end to a practice which had been causing loss and damage not only to the economic but also to the moral life of most of the middle class men. The other Acts which were introduced include the Young Persons (Harmful Publications) Bill, which is intended to prevent the production of what are known as horror comics in this country. I need not refer to other Bills. But all that we have done, I can humbly submit, has been directed towards the elevation of the general level of society, towards the growth of a spirit of real freedom along with that of responsibility. So, I would appeal to the Members to bear this in mind, which might in a way be considered a re-orientation of the policy of the Home Ministry, while they examine and assess its acts and omissions. I can say this much that I feel that ultimately real liberty lies in internal discipline, in the sense of regard for other people's rights, and so long as that principle is observed, no Government need interfere. But it is the function, it is the primary duty of a Government to see that the vast mass of simple citizens do not suffer on account of havoc committed by a few bullies or miscreants. If such an occasion arises, then Government has to step in in order to maintain and protect the liberties of a large section of the community. The interference is necessitated by the need of maintaining the freedom of the people, and not by any desire to curb it. I can say this much that the Government will not fail in its duty of maintaining public order under any circumstances whatsoever. It does not want to have recourse to coarse methods but the primary responsibility of maintaining internal security is that of the Government, and whatever means and methods may be necessary to ensure that end will have to be used with due regard for the sentiments and the democratic set-up in which we have to function. Some doubts were raised as to what would happen if there were any trouble on the border. I personally do not believe that anyone will venture to start a war against India. So far as I am concerned, we are determined to maintain peace not only in our country but also to the extent our humble resources and position permit us in the world too. So, with our principles of co-existence, we would not like to be aggressive, and we would do the utmost that we can to adopt those methods which are necessary, apart from other things, for the development of an underdeveloped country, for once you go to war, then you lose the opportunity for

servicing the masses constructively. We will not do that. That is our determination and our resolve. We want to be friends with everybody, and still more, with our neighbours. But if, unfortunately, anything happens, you will not find the Home Ministry napping; it will be doing its duty, and it will do its duty with humility and with prayer for the well-being of all.

In connection with this, I may also state that it is not only the legislation which was brought before the House, but also other activities which we have initiated. That will confirm what I have stated. We are going to start an institute, not for giving instruction in methods of warfare, but for giving training in the methods of affording relief in emergencies to the sufferers. Whether it be distress, or whether it be famine, or whether it be an earthquake, we will have a trained set of people who will minister to the needs of men and women in their hour of trial. Similarly, we are going to start a fire service school in which people will be trained so as to defend the houses of the poor against the ravages of fire. We are also going to set up a number of homes all over the country for the reclamation of the fallen women and for the correction, by formative and constructive methods, of delinquent children and others similarly placed. That will indicate how our mind is working, and what we propose to do.

The Home Ministry is responsible for the protection of the people against mischief-mongers and others who often indulge in unsocial activities. We have, however, only a limited scope so far as that goes. The States have their own police, and they are in charge of law and order. But hon. Members will be glad to know that on the whole, our country is more peaceful than any other civilised country in the world. If you will look at the figures of cognizable crimes in our country and in other countries, you will find that the number and the proportion in our country is the lowest.

Shri V. G. Deshpande (Guna): Faulty detection of crimes.

Shri Kamath (Hoshangabad): Detected crimes?

Pandit G. B. Pant: So far as registered cases are concerned, the question of detection does not come in.....

Shri Kamath: Convicted?

Pandit G. B. Pant: ...because they are all crimes that have been committed and recorded. How far we succeed in bringing the criminals to book is a different problem. And there too, we do not lag much behind several countries. If Shri Kamath and others reveal in believing that we are more criminal than others, they have to make their choice.

Shri Kamath: All included.

Pandit G. B. Pant: But so far as I am concerned, I would like to be guided by the figures published by the UNO. The total cognizable crimes for 100,000 of population in USA came to 1407, in UK to 980, in France to 802, in Ceylon to 235, and in our own country, it was no more than 154, about ten per cent of what it was in USA.

Similarly, the number of murders per 100,000 came in France to 3.7, in Ceylon to 5.9, in USA to 4.2, and in India to 2.7. In the matter of serious thefts, ours was 40.8 as against 364 of USA and 171 of UK.

Shri Kamath: What about the proportion of police firings?

Pandit G. B. Pant: I am sorry that because of the fomentation of trouble, sometimes by responsible persons, who will not listen to reason and will disregard the elementary duty that they owe to the unsophisticated masses in the country, occasions do arise when, in order to protect property against arson, masses of people against killing, even firing has to be resorted to. It has been my desire, and it is my wish, to see that some substitute could be found I have been looking into the matter. I have tried to discuss it with people who, I think, share this view that firing should be ostracized. I wish something could be done. I shall be glad if Shri Kamath will give his recipe.

Shri Kamath: My party, the Praja Socialist Party, has adopted a report on this subject.

Pandit G. B. Pant: I have seen that report.

Shri Kamath: I will commend it to him.

Pandit G. B. Pant: I have seen that report and that report exactly tallies with and conforms to the existing rules.

Shri Kamath : No, no. Not at all, not at all. Let him read it carefully

Pandit G. B. Pant : I have been interpreting the words of the report in the normal sense.

Shri Kamath : There is only one sense.

Pandit G. B. Pant : If there is something behind it, then the mystery will have to be cleared.

Shri Kamath : We will discuss it together.

Pandit G. B. Pant : Anyway, I would be happy if no such occasion ever arose. It is no credit to us, it is no credit to our people that we should have had recourse to such things. But when arson becomes the order of the minute and when stabblings go on, one has to see that some remedy is found. It is better to save a hundred even if it involves some injury to one than to let a hundred be killed in order to save one who is indulging in activities of a mischievous type. So far as the principle goes, I agree and I do not feel happy over it.

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In this connection, I may submit that my friend—I do not know what I should say, my respected friend or my beloved friend—Shri Gadgil again referred with all earnestness to the need for an inquiry into recent Bombay incidents. I do not want to argue or to reason with him, for these days his windows have been closed and his mind is not open to reasoning. But I submit that there can be no question of condemnation of any community; it is impossible. The Maharashtrians are a valiant race, for whom we all have nothing but respect; no community, at the same time, can claim that there are no black sheep in its fold. They are there in every community. But that does not reflect on any community as such. Otherwise, all communities will have to share the blame. But if some people did the mischief, it is also to be remembered that the police in Bombay mostly consisted of Maharashtrians and to them goes the credit of maintaining the peace of Bombay in its hour of trial. So we should not look at things except in a correct perspective and we should also appreciate the difficulties of those who have to maintain peace and order in big cities where once the fire goes out it becomes extremely difficult to extinguish it.

While referring to this subject of law and order, I may also mention what we have been doing in order to remove and eradicate corruption. The canker is there. It is a matter of deep distress to us that even after the achievement of independence, we should not have succeeded in establishing absolute purity in our services. There is no doubt progress and there is no doubt steady advance, but such abhorrent and abominable methods cannot be tolerated. So we have started a Vigilance Division in our Ministry. It is in charge of a Director of Vigilance, and we have set up Vigilance Officers in every Ministry whose duty it is to see that the wrong-doers in these respective Ministries are duly and effectively punished and the methods which may not have proved successful so far may bear adequate results.

The Special Police Establishment too is going to be further enlarged, and improved in other ways, so that we may get at the wrong-doers easily. Orders are being passed for taking disciplinary action at once and for postponing judicial trial even to a later date. Directions have also been given that all disciplinary cases should be disposed of with the utmost promptitude. The Special Police Establishment has disposed of all arrears during the last six months which had been pending for a long time. It started a number of new cases, some of them against high-placed gazetted officers also. So we are doing all we can in order to eradicate corruption. But, again, this is a sort of a colossal task and unless the hon. Members co-operate and assist in the cleansing of the Augean stables, it will not be easy to set them right.

Dr. Krishnaswami, who was the first speaker, referred to certain service matters. I appreciate all that he said. The points that he raised are all worthy of attention. Our services were organised under a different regime and with a different purpose. But our All-India services and also the State services have shown a remarkable capacity for resilience. They are carrying out their duties in the new order as efficiently as can be possible. They are adjusting themselves to the demands of the times. We owe the success of our First Five Year Plan, which has just come to an end, to a certain, if not to a large, extent, to their contribution. But there are many things which have yet to be done. The fact has not been fully realised by everyone that the services exist for the people and not the people for the services. Again, the basic fundamental fact which is essential for

the proper conduct of public affairs, that the people are the masters and the services are really meant to serve them, is not always remembered. Members of the public are not treated with the courtesy to which they are entitled, in several cases. The climate of economy has not yet been firmly established everywhere. Public money is not assessed with that scrupulous calculation of its worth, which it deserves. All these things have to be set right.

But what has been done is creditable and certainly gives an assurance of better times to come. We have, however, to remember that the activities of the State are growing very fast. It is not any longer a police State. It is not interested only in maintaining law and order and in meting out justice between rival claimants. The activities of the public sector are rapidly growing and a time may come when most of what is being done by millions outside may have to be carried out with great efficiency, profit and benefit to the State by the State itself. So, the services have to be prepared for that. Even now questions are arising which may rightly be called of a horizontal and also of a vertical character. There are also other questions, the legacy of the olden days when the emoluments and the passages etc. were determined with an eye on foreign recruits for the services and which have become altogether an anachronism, which still continue to exist. I am sure that the members of the Indian Civil Service, whose number has dwindled considerably, would really accept an arrangement which will be consistent with national dignity and the temper of the people. They would not resist any such effort. I am confident that some changes will be soon coming.

Apart from that, our services have now to cater for big industrial undertakings, for scientific work, for technical ventures and enterprises. So, they have to be remodelled to a certain extent. How to do that, how to reorganise the services, how to maintain the principle of inter-changeability, how to maintain a distinction in the matter of emoluments, all these are questions which call for scrutiny. And, I hope that a commission or a committee will be shortly appointed to look into various matters connected with these service affairs. I have a dread of commissions; and so, it may not be a commission but a committee, but the task which will be entrusted to it will be of no less importance.

For the present we have to devise some method for meeting the demands of the day. As hon. Members are aware, even now there is a shortage in the Centre as well as in the States. By the end of 1961, the States should require at least 80 more I.A.S. officers; the Centre would require many more. Having made all calculations and having provided for annual recruitment of 45 cadets each year, we will still have to recruit 386 more. We intend to do so by setting up an Emergency Recruitment Commission. The Emergency Recruitment Board will consist of either the Chairman of the U.P.S.C. or his nominee, another Member of the U.P.S.C., one high placed officer and one non-official. If suitable candidates are available, at least 100 will be recruited from the open market as it is called—not from the streets. These people may be between the ages of 25 and 40.

Shri Kamath: Between?

Pandit G. B. Pant: Between 25 and 40; no chance for you, I think.

Shri Kamath: Thank God for that.

Pandit G. B. Pant: I thought you may be thinking of the old days.

Shri Kamath: Not at all, you are sadly mistaken.

Pandit G. B. Pant: There will be promotion from the State services and the normal period of 8 years will be reduced to 6 so that even junior officers may be taken in. Besides the members of the public, all others whether in the military or in the civil services will be allowed to compete for these posts that are to be recruited from the public. The ages, as I have said, will be between 25 and 40. The persons who are so recruited by this method will have to appear in an examination. There will be two papers, one of Essay and one of General Knowledge which will be set to all and then there will be an interview. In that way. . . .

Shri Kamath: There will be?

Shri A. M. Thomas: An interview.

Pandit G. B. Pant: In that way, we hope to recruit the required number so that the deficiency may be made up. We are giving opportunities to all, though I would not like to use the expression which Dr. Krishnaswami used, when he said we must cast our net wide. We are

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not catching fish. We are allowing people to join the rank of administrators who will have the opportunity and privilege of building up this country and of seeing its progress from day to day, who will have the elation that one gets from the satisfaction one feels when one sees the growth of developmental activities regulated and guided by him from day to day.

The question of general recruitment also has been engaging our attention. I do not feel quite sure if the system of *viva voce* or the oral examination is essential to such an extent that one should necessarily qualify in that. This should be a part of the system of recruitment but all marks would be added up in order to see whether a candidate is fit. Failure in the *viva voce*, while one is otherwise qualified, should not come in the way of his entry into public service, because one cannot be too sure about the judgement formed by him about another man's capacity, personality, genius or merits, in the course of a few minutes. So, it is worth considering whether this change should not be made.

There have been certain demands by men who are not high-placed; and, it is worth while considering whether they should not get some relief. The grade IV servants are not given leave to the same extent and in the same manner as the higher and superior officers get. I see no reason why they should not be treated on a par with others.

Similarly, in the olden days, there was a system of privilege tickets for people who had to come from long distances when they came to join the services or when they went out to their homes. I think, it is desirable that this system should be introduced with such modifications as time may require. I also feel that those who have legitimate grievances should get ready redress. Some of our III Division clerks who formerly used to receive Rs. 60 were given a start of only Rs. 55 after the Pay Commission's Report. This has entered their soul. I think that all those who were recruited at Rs. 55 must get Rs. 60 so that this grievance may be removed.

There are other matters pertaining to the services, but I will not take more time over them as a number of other subjects remain to be touched.

The demands of the backward classes, especially, the Scheduled Castes and Scheduled Tribes always seem to me to

be just and fair even if to some others they may appear or look otherwise, because they have suffered for long. It is my desire and my ambition that we may succeed in raising them to the common level so that they may live as self-respecting citizens of this land on a platform of equality with the highest citizen in this country. With this object in view we have been trying to do what we can for them.

I have tried to secure a higher amount for them for the next five years than they had during the last five. The amount that they had previously, during the last five years, was about Rs. 39 crores—Rs. 20 crores in the States and Rs. 19 crores at the Centre. This amount of Rs. 39 crores has now been raised to Rs. 90 crores—Rs. 58 crores in the States and Rs. 32 crores at the Centre. I would very much like to have a detailed programme so that this money may be well used. I proposed to set up almost immediately two Boards, one for the welfare of Harijans and another for the welfare of the tribal people, so that we may have their close association and active help in seeing these plans through, in carrying a campaign for the removal of untouchability and in doing whatever may possibly be done for them in order to raise them culturally, economically and in other ways. I think it is not necessary for me to go into other matters of detail.

I would, however, refer to two small points which were mentioned in the course of the discussion.

It was said that no Scheduled Caste member had been sent in a delegation outside the country. That seems to me to be wrong.

Shri B. S. Murthy (Eluru) : May I say this? I did not say so. I only said that sufficient representation was not being given for the members of the Scheduled Castes, both official and unofficial. I did not say that nobody had been sent abroad.

Pandit G. B. Pant : You may not have said that, but that is the impression which I have got in my mind. Shri B. S. Murthy went two times to foreign countries with the I.L.O. Delegation; Shri P. S. Naskar twice to U.N.O.; Shrimati Khongmen, Scheduled Tribes Member, to U.N.O.; Shri Rameshwar Sahu with the Parliamentary Delegation to Soviet Russia; Shri Rajabhoj with the

Parliamentary Delegation to Turkey; Shri Barman with the Parliamentary Delegation outside India. I do not mean to suggest that more should not be sent, but let us have correct facts before us before we venture to make a criticism.

It was also said in the course of the discussion yesterday that in Sitapur the Bar Association had refused to admit a Member of the Scheduled Caste because he was a member of the Scheduled Caste. I asked my Ministry to telephone to the District and Sessions Judge of Sitapur and to enquire from him. I have got a reply from him. He says that the Bar Association has a rule, according to which one can be admitted when one is supported only by two-thirds of the members. Two-thirds of the members did not assemble. It is difficult for two-thirds of the members to assemble at any time. So, I think the rule has to be changed. I shall myself be writing to the Bar Association that they should not expose themselves to such criticism. It has been ascertained by telephone from the District Judge, Sitapur, that so and so could not be elected to the Bar Association because only 60 members out of the 106 exercised their votes and this did not constitute a two-thirds majority as required by the rules and the election was, therefore, declared invalid. So far as the question of untouchability is concerned, members of the Association did not believe in it.

Shri B. N. Kureel (Pratapgarh Distt.—West *cum* Rae Bareil Distt.—East—Reserved—Sch. Castes): May I know whether the member was asked to keep his *lota balti* separate?

Pandit G. B. Pant: *Lota balti* is more in one's imagination, not in the Bar Association. The Bar Association has little to do with *lota balti*.

Shri G. L. Chaudhary (Shahjahanpur Distt.—North *cum* Kheri—East—Reserved—Sch. Castes): The statement in the Press was not contradicted.

Pandit G. B. Pant: Many things go uncontradicted. That is what I have been told and I am placing it before you. If such a thing had happened, it is extremely painful. If what has been said is true, it is a matter of shame to us that educated people should behave in this manner. I shall write to the Bar Association concerned.

So far as the removal of untouchability is concerned, we should use our maximum energy for that purpose.

Some reference was made to Manipur, Tripura and the Naga hills. As to Manipur, the hon. Member from that place has spoken well of the Chief Commissioner. I have myself taken special interest in the affairs of that State, and I think my friend, Shri Rishang Keishing will admit that we have been in close touch with each other. And I have been co-operating with him to the maximum extent possible because I personally feel that we should handle the affairs of the Naga people and of the tribal people with extreme tenderness, that we should do all we can for their uplift, for their economic and other benefits, although we should protect their culture and not interfere with it in a wanton way. They are our brethren. They belong to our country. We should not do anything that would hurt their susceptibilities.

Having said that, I have a word to say about the Naga movement and the Naga National Council to which Shri Rishang Keishing referred in an impassioned way. It is a matter of real anguish to us that affairs should have taken such a turn in the Naga hills district. But, who is to blame for it? Can anyone else, except Mr. Phizo and his group, be held responsible for it? How did the present stage arise?

Sometime ago the Naga hill people refused to have their Council to which they were entitled under the Constitution. All efforts made to secure their co-operation—as Phizo had command of these people as he claimed—were checkmated. By and by, many of these people came to appreciate the position. The Government of Assam did its utmost. Phizo saw the Chief Minister twice at least. I think they assured him that they stood only for non-violence and that they would never have recourse to violence.

What followed? Sikhri, who was the leader of the liberal group and who did not stand for independence and who wanted union with India, was tied to a tree and shot by Phizo. After that, this campaign of massacre was conducted. We were interested in protecting the innocent Nagas who were being ruthlessly killed by Phizo and his gangmen. They had to be protected. Whoever was

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suspected of having sympathy with the liberal group was shot or killed or his village was set on fire and all these things were done.

In the circumstances, what could any Government do? What duty did it owe to the law-abiding section of the people? In the circumstances, to blame the Government of Assam is hardly fair. The Prime Minister himself met the Naga people more than once. You know his own feelings towards them and the views that he entertains on the subject. In spite of his efforts, no response came from that quarter.

Shri Kamath: Has the Government, at any time, made an offer of a completely autonomous State or area, within the Indian Union, to the Naga National Council?

Pandit G. B. Pant: If Shri Kamath means that, if he does not agree to set up an autonomous union in the Naga hills district, then the Nagas should be given the licence to kill anybody and everybody, I do not agree with him.

Shri Kamath: That is not it; you are misleading the House.

Pandit G. B. Pant: I am telling you to consider it. You better read the Constitution. The Constitution was framed with due regard for the needs and sentiments of these people. Autonomous districts were established and a special provision was made for that in the Constitution. In spite of that, these efforts are being made by the Naga National Council. There are Nagas in other parts, too, of Assam. They are all working according to the Constitution and developing their parts of the country. It is only Phizo's baneful influence which has stood in the way of the growth and development of the Naga hills. Sometimes, the teachers have been killed; sometimes, others have been treated in a most cruel manner.

In the circumstances, we do not know what we could do. If Phizo and his gang feel that they owe allegiance to this country or, if they are in a mood to accept that Naga hill is a part of India, it is open to them to make suitable advances. They can certainly call off their campaign of hatred and bloodshed and appeal for mercy. Those who have been guilty of murders will necessarily have to pay the penalty but the

misguided people who are doing such things will certainly be treated with consideration.

I do not know if I have exceeded my time. I have to answer many other queries and many other points which were raised in the course of the discussion. But, I should not make any inroad on your patience. I am thankful to you and to the hon. Members of the House and I will continue to count upon their sympathy, comradeship and consideration for building up the new India of our dreams.

Mr. Speaker: The House has heard the speech of the hon. Minister with great attention; there is no question of taking away the time of the House. I am sure the House has been profited by the elaborate answers that have been given.

Now, I will put all the cut motions to the vote of the House.

All the cut motions were negatived.

Mr. Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following heads of Demands entered in the second column thereof:

Demands Nos.—51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62 and 131".

The motion was adopted.

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND NO. 51—MINISTRY OF HOME AFFAIRS

"That a sum not exceeding Rs. 2,04,79,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Home Affairs'."

DEMAND NO. 52—CABINET

"That a sum not exceeding Rs. 30,29,000 be granted to the President to complete the sum necessary to defray the charges which

will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Cabinet'."

DEMAND No. 53—DELHI

"That a sum not exceeding Rs. 1,53,96,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Delhi'."

DEMAND No. 54—POLICE

"That a sum not exceeding Rs. 1,93,88,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Police'."

DEMAND No. 55—CENSUS

"That a sum not exceeding Rs. 17,91,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Census'."

DEMAND No. 56—PRIVY PURSES AND ALLOWANCES OF INDIAN RULERS

"That a sum not exceeding Rs. 2,02,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Privy Purses and Allowances of Indian Rulers'."

DEMAND No. 57—ANDAMAN AND NICOBAR ISLANDS

"That a sum not exceeding Rs. 2,21,43,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Andaman and Nicobar Islands'."

DEMAND No. 58—KUTCH

"That a sum not exceeding Rs. 1,35,36,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Kutch'."

DEMAND No. 59—MANIPUR

"That a sum not exceeding Rs. 1,17,26,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Manipur'."

DEMAND No. 60—TRIPURA

"That a sum not exceeding Rs. 2,01,20,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Tripura'."

DEMAND No. 61—RELATIONS WITH STATES

"That a sum not exceeding Rs. 38,06,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Relations with States'."

DEMAND No. 62—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF HOME AFFAIRS

"That a sum not exceeding Rs. 4,80,09,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs'."

DEMAND No. 131—CAPITAL OUTLAY OF THE MINISTRY OF HOME AFFAIRS

"That a sum not exceeding Rs. 2,34,71,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment

[Mr. Speaker]

during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay of the Ministry of Home Affairs'."

Mr. Speaker: The House will now take up discussion of the Demands for Grants Nos. 66 and 133 relating to the Ministry of Iron and Steel. As the House is aware, three hours have been allotted for the Demands of this Ministry. Hon. Members may pass on chits relating to the cut motions which they want to move. The time-limit for speeches will be fifteen minutes and twenty minutes, if necessary, for leaders of groups.

Shri Kamath: May I make a brief request? Yesterday, you were good enough to announce that hon. Members who had given their names to speak on the Home Ministry's Demands may bring up their points during the discussion on the Finance Bill, if they could not speak now. May I also request you that the other two Ministries—Ministry of Information and Broadcasting and the Ministry of Law—may also be discussed on the Finance Bill? The Ministers may be notified to be present here.

Shri S. V. Ramaswamy (Salem): I suggest that we take up these Demands as well as the Demands of the Ministry of Commerce and Industry; if they are merged then we will have nine hours and all these relate to the same Minister.

Mr. Speaker: The Iron and Steel Ministry has been separately put down for three hours and the other Ministry has six hours—in all nine hours. I do not know what the reaction of the hon. Minister is.

The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari): I would rather say that it would not suit the Government because it is altogether a new Ministry and the identity between this Ministry and the other could not be established in spite of the fact that it accidentally happens that the Minister for both the Ministries happens to be one and the same person. But, I am prepared, if the House is willing, to accept a cut in the time allotted for the Ministry of Iron and Steel and that may be added to the Commerce and Industry Ministry.

An Hon. Member: No, Sir.

Mr. Speaker: I do not know if the desire is the other way. So, the Demands will stand as they are.

DEMAND NO. 66—MINISTRY OF IRON AND STEEL

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 8,91,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Iron and Steel'."

DEMAND NO. 133—CAPITAL OUTLAY OF THE MINISTRY OF IRON AND STEEL

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 39,09,50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay of the Ministry of Iron and Steel'."

Shri T. T. Krishnamachari: Sir, this is the first opportunity that I have of addressing this House with you as Speaker in the Chair and, though belated, I would like to say how happy we all feel that we are in a position to address you as "Mr. Speaker".

The object of my starting the debate contrary to the usual practice is because of the fact that this Ministry is a new Ministry and, in one sense, it is a departure, a new and welcome departure, from the existing practice of Government, namely, to have a separate Ministry for a subject where it can remain completely unidentified with any other subject.

The decision to constitute this Ministry was made towards the end of May, 1955 and the Ministry came into being on the 15th of June, 1955. But, that is not Sir, the beginning of the work that has now been allotted to this Ministry. My esteemed friend and colleague, the hon. Minister for Production, had taken the initiative in regard to the establishment of steel plants under Government auspices in India

almost from 1953. He had progressed negotiations with a German combine for establishment of a steel plant in Rourkela, and he had also started negotiations with a Russian team for establishment of a steel plant in Bhilai. Therefore, I am in the happy position of having taken over from him a Ministry which has more or less been set on the road. It happened, incidentally, that even before the Ministry was constituted the Commerce and Industry Ministry was doing negotiations in regard to the British plant.

It might be considered to be a bit of an anomaly in the minds of some of the hon. Members of this House, that there should be an Iron and Steel Ministry in charge of the production of iron and steel in the public sector, and that the Commerce and Industry Ministry should still be dealing with the production of iron and steel in the private sector. There is something to be said in favour of the present arrangement. There is also something to be said in favour of an alternative arrangement. But, in any event, any conflict that might arise, which will need co-ordination, except in the matter of expansion and mapping of production of steel, will not happen until 1959. Therefore, it might be quite a matter of convenience for the present position to continue until that time.

Sir, I would like, with your permission, to give the House an idea of what is being done in regard to the three Government-owned plants which have been projected. I have circulated to the hon. Members of this House a note, yesterday, in regard to some of the details of these three plants and I hope the hon. Members have got that note. But, I would like to take the position a little further. One thing that I would like hon. Members to realise is that this is the biggest venture which the Government has undertaken, and the question of erection of three steel plants almost at the same time, all of them beginning work about the same time and all of them expecting to go into production very nearly the same time, is something which is staggering when one contemplates the immensity of the task. I was reading, the other day, a communication that we received from the Minister attached to the High Commissioner in London in regard to some comments made on industrialisation in India at a meeting in London. There, my friend Sir Cyril Jones, who led the

British team to India to negotiate the establishment of a steel plant, said that India is trying to establish three steel plants with half a Minister, one Secretary, one Deputy Secretary and two Under Secretaries. He said, this would look fantastic, but, at the same time, he was kind enough to say, while he was here, the Government were negotiating the question of establishing steel plants with the Germans as well as the Russians and none of them had any reason to complain of any delays. He added: "Well, that is India today". So, what looks fantastic is something which is now being achieved. Sir, we can derive some consolation from a remark of that nature coming from an old friend who has been in the Government of India before. But it would be wrong on my part to minimise the enormity of the task before us.

The other matter that I would like to mention is this. In this new venture that we are undertaking in a set-up which is not yet geared for this type of work, all kinds of new problems arise. In all humility, I would like to say that one of the problems that the officials and Ministers have to face in this regard is the nature of parliamentary control. The other day, when one of the Deputy Prime Ministers of Russia was here, we were discussing the nature of the control exercised over the Bhilai plant. It was mentioned that there should be a great degree of decentralisation of authority, that the man on the spot must be in a position to decide on the spot whatever is necessary without any kind of central control. I think the suggestion was made in all good faith. But, at the same time, we have to remember that, while in Russia it is possible to allow the official who is in charge to take the decision, because the official is part of the party, he is part of the official machinery, in India, with a democratic set-up such as we have, the question of allocating responsibility to the man on the spot, to the Secretary of the Ministry, to the Minister and to the Parliament, provokes a certain amount of criticism and comment, which we have not yet finalised in any particular form. I am mentioning this fact to the House, because, I shall, and perhaps the man who succeeds me in this job will, need a lot of indulgence on the part of hon. Members of this House. If the House wants these three steel plants to go into production more or less on the scheduled day, in view, of the number of decisions that will

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have to be taken, the risks that will have to be taken, even sometimes the sacrifice that will have to be made in terms of money for quicker production, the mistakes, if they are made, would have to be condoned; otherwise, nobody will take any responsibility.

The first thing that we did as soon as the Ministry was constituted was to appoint a firm of consultants for the Ministry, because in the former set-up we had individual consultants for individual plants. In the Rourkela plant we had the German firm who were collaborating with us, acting as our consultants. So far as the Russian plant is concerned, the U.S.S.R. Government provided the necessary consulting technique for us, but we felt that we should have an independent consultant. The House knows that we have appointed a firm in England, the International Construction Company, as our consultants, as general consultants for the Government and also as special consultants for the purpose of the British plant. I am happy to say that the decision to appoint that firm of consultants has been amply justified, because we have had the help of this firm at a moderate fee of Rs. 6 lakhs for deciding the nature of the contour and the type of the plants that we have to instal both at Bhilai and Rourkela besides the British plant for which the consultants are primarily responsible.

Our second major decision has some bearing on the remarks made just now, namely, we had to alter our methods of placing orders for these steel plants. We had to give up the tender system and decide on the merits of the offer made and perhaps depend on our bargaining power to some extent. In the case of the Russian plant, there is no question of calling for any tenders, because it is a package deal. They are the consultants; they provide the plant and we have to pay them a lump sum, whatever it might be plus and minus whatever may be provided by way of service and by way of equipment in India and there is no getting away from it.

In regard to the British plant also, we have decided on a package deal. We have entered into a contract with the firm that has been started specially for the purpose of erecting a steel plant in India and have agreed to a package deal. So far as the German plant is concerned, we thought we could call

for world tenders. That was the original decision. We did call for tenders in regard to several items reaching up to the blast furnace stage. For the coke oven batteries, we had as many as 8 tenders. Some of them were not good; anyway, we had four to choose from. We had only one tender so far as the blast furnace was concerned. It is a question of choice—whether we accept that tender on its merits or call for further tenders. The position in regard to the supply of iron and steel plants in the world now is something different from what it was in 1953. Barring the United States, every other country in Europe is fully booked. Even the Germans who were very keen to have orders in 1953 now find that they are fairly fully booked. If we did not enter into any contract with the British combine, since they had some offers from other parts of the world, they would have switched over to many other plants, in which case probably we could not get delivery until 1962. This is a market where the buyer has very little choice. Therefore, having found that in regard to blast furnaces we got only one tender, and that we had to negotiate the price for that tender and the conditions under which the tenderer would fulfil the contract, we felt that we had to readjust our views in regard to world tenders for the Rourkela plant and we have now selected five firms in Germany to supply the balance of the plant. We expect to receive their offers in the course of about a month and a half.

Another aspect of the question why a package deal has been preferable to the tender system is this. Suppose we accept tenders from different parties for different component parts of a steel plant. One or two of them fail. We accept a tender from one man for the coke oven battery and we accept a tender from another man for steel melting converters. One of them fails and in between the blast furnace remains without its being erected for some reason or other. May be we have our claims on the tenderer, but the plant will be delayed and we cannot afford to be in that position. Therefore, we felt ultimately that the system of bargaining with the various parties and entering into more or less package deals was the best one. In this we had an advantage. It is not often—mad as it may seem to be to many people outside India—that a country gets a chance of comparing prices quoted by three different countries at the same time. That

gives a position of advantage even though we are not technically very competent and I might take the House into my confidence and tell them that the prices by and large are more or less even.

Shri Asoka Mehta (Bhandara): What was the margin of difference?

Shri T. T. Krishnamachari: I am coming to it. I would like to tell the House that the prices by and large are more or less even, of course, with such difference as there is bound to be because of the size and the nature of the plants. That is the advantage we had, because we are negotiating three plants at the same time.

I will now give a few details about these plants. I would like to tell the House, though it might not be very interesting to most of them, that the Rourkela plant will have 3 batteries of 78 coke ovens each. The Durgapur plant will have the same number of batteries with the same number of coke ovens; the Bhilai plant will have 3 batteries of 65 coke ovens each. The blast furnace capacity differs in these plants. The Rourkela plant will have 3 blast furnaces of 1,000 tons capacity each; the Durgapur plant will have 3 blast furnaces of 1250 tons capacity each and the Bhilai plant will have 3 blast furnaces of 1135 tons capacity each. Regarding the question of steel melting, both in Bhilai and Durgapur we are having what is called open hearth furnace, more or less the present conventional pattern of steel melting. Some hon. Members of the House know that at Rourkela we are trying a new technique in steel production—the L.D. process. We are coupling it with four small open hearth furnaces, so that we can use the scrap and also produce high carbon steel that is necessary for certain purposes. The rolling mills differ because in one case we are going to produce flat products and in the other we are going to produce conventional products. In Durgapur we are having a wheel, tyre and axle plant. Barring these variations, most of the other things are the same. In regard to the use of coal also, there are certain slight variations in regard to blending. But we are establishing washeries at Durgapur for the British plant. For Rourkela and Bhilai, the Production Ministry is establishing washeries at Bokaro and Kargali.

So far as production is concerned, all the three have a capacity of 1 million tons of ingot steel; but, every one of them has some spare capacity. In Bhilai and Durgapur, we can produce 300,000 tons more by adding a few coke oven batteries and two more open hearth furnaces. In Rourkela we can produce 250,000 tons more. May be the decision may be taken by the time these plants start working to increase the capacity from 1 million tons to 1.3 million tons in the case of Durgapur and Bhilai and 1.25 million tons in the case of Rourkela.

Hon. Members would like to know about the question of training of personnel. Questions have been asked about what we are doing in regard to the training of personnel. We shall need about 1200 engineers of high calibre for all the three plants and the training of these people is now being planned. Skilled technicians would be needed to the extent of 9,000 to 10,000 for the three plants. We propose to send before long to the U.S.S.R. about 500 people, partly trained engineers and partly technicians, who have had some familiarity with the iron and steel factories in this country.

1 P.M.

Arrangement is also being made for training people in Germany. ISCON, the British consortium is also undertaking training of technicians for the purpose of their plant. In fact, they have already advertised for Indian engineers to be associated with them in the erection of this plant. In the meantime, we have appointed a committee, the Chairman of which is a very distinguished mechanical engineer, to find out the facilities that we have in the country for the purpose of giving additional training both in the matter of teaching and in the matter of practical training.

Sir, with regard to the question of power supply, the Bhilai plant will get its power through the help of the Madhya Pradesh Government which will establish a power plant in Korba. In Rourkela we shall need a lot of more power than anywhere else, because the Rourkela plant will not merely be producing steel but also fertilisers, a point which I failed to mention at the outset. The L.D. process makes available to us a very large quantity of nitrogen which has to be turned into use and we will

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probably be able to produce what you call nitro chalk or ammonium nitrate to the extent of 440,000 tons by expending a few crores on the plant and other requirements for the additional amount of power. So, we shall have a fairly big stand-by power plant at Rourkela, while drawing upon the Hirakud grid of power supply. In the case of Durgapur, we are dependent on the DVC power plant for power.

So far as the expenditure side is concerned, I would like to say that the Ministry itself will remain a small one for some time to come, though we will have to add to the technical advisory staff that we now possess. But care will be taken to see that we shall not have an unduly big Ministry. In fact, we are making an experiment in running this Ministry. We have given up the system of employing clerks, lower division and upper division, and an army of assistants. We are trying to get officers to take responsibility themselves, so much so, the lowest link in the Ministry happens to be an officer analogous to the position of a superintendent.

I have to explain to the House about the money that I need. The expenditure in 1955-56—the revised budget grant—for Bhilai was Rs. 2.5 crores. We have spent Rs. 2.33 crores. We have provided for Rs. 5 crores as loan and Rs. 5 crores as grant under Hindustan Steel. The latter could not be spent in the form of share capital, because we could not get the collaborators to put in a proportionate amount of money. The entire amount was therefore surrendered after reappropriating what was necessary for Durgapur. The actual expenditure of Hindustan Steel during 1955-56 was met by the loan provision of Rs. 5 crores, that is Rs. 3.38 crores. It is expected some further payment will have to be made on the contract being placed.

In regard to the revised budget provision for Durgapur, we have spent about Rs. 1 crore and 8 lakhs. For Bhilai we have asked for Rs. 18.74 crores and that is made up of plant and machinery Rs. 10 crores. The Russians have confirmed this to be a broad estimate. Incidental expenditure (which includes freight and handling charges) Rs. 74 lakhs. Cost of works at site by Russian technicians (what is meant is at the plant site proper) Rs. 4 crores. Other expenditure Rs. 4 crores. This includes water-supply, land acquisition,

township, development of ore mines and other items as pay of technical staff, etc.

In regard to Durgapur we have asked for Rs. 10 crores, but at the time when we asked for this amount we did not know what the commitments would be. It is now clear that our expenditure will be in the region of Rs. 25 crores and unless we can make a reappropriation from one of the other heads, we will have to come to the House for a supplementary grant later on. In regard to Rourkela we have asked in effect for Rs. 30 crores. We did so in the belief that most of the main contracts would have been concluded before the end of March 1956. But we have only finalised the blast furnace tender and it will be two or three months before the rest are concluded. It may be that we would not spend as much as this amount and there may be a little saving during the current year.

That explains the amount of money that we require from this House for the purpose of expenditure on these schemes. I do not know if at this stage the House needs any further information, because I can give it all the information it wants. I thought this might be good enough for me to say by way of opening remarks and I leave it to hon. Members of the House to ask any questions they like on the basis of the facts already placed before them and the facts which I have now placed before them.

Shrimati Tarkeshwari Sinha (Patna East): I would like the Minister to make a statement on the policy about the re-rolling mill industry. We read in the papers that something is being done about it.

Shri Asoka Mehta: Sir, this is a new Ministry and it is exciting to watch a Ministry beginning its work almost from scratch. It is rarely that a clean slate is made available on which the Minister concerned as well as all of us here have an opportunity of writing what we want to write. While it is exciting to watch a new Ministry function, it also makes it difficult to offer any worthwhile comments and criticism at this stage. The difficulties are increased for two reasons.

Firstly, a large number of technical matters are involved and it will take some time before we in this House are

able to get into the stride on the technical details. Our work would have been facilitated if fuller information had been given to us at an earlier date. I find, Sir, that apart from the report that was given to us sometime ago, supplementary information was made available to us only yesterday and as far as I am concerned, I could get it only this morning. Some of the points that I wanted to raise in the course of my observations now have been cleared up by the Minister just now, in the course of his opening observations. But I would have been, and I am sure the whole House would have been, grateful to him if he had given this information earlier, if he had made this a part of the printed material that has been made available to us. I hope in future at least, on a matter of this kind where we are just trying to get into stride, the necessary information will be made available to us sufficiently in advance.

We have only one agreement before us. That is the agreement that has been entered into with the German combine. I do not know what are the details of the agreement as far as the Russian steel plant and the British plant are concerned. I do hope that the three agreements, or in whatever shape they are, would be made available to us or placed on the Table so that we would have an opportunity of going into the details of them. I had even suggested to the Minister that he should try and give us a kind of a comparative chart wherein these three agreements are discussed, because that would have enabled us to know what are the terms that we have agreed to. For instance, take the rate of interest. It varies. It is 2½ per cent. as far as the Russian plant is concerned; it may be 5½ per cent. or 6½ per cent. as far as the British plant is concerned. Then, as far as commission for consultation and expert advice is concerned, I find that we are going to give Rs. 2½ crores to the Russians. Well, the figure will be lower so far as the British plant is concerned. There are all kinds of varying factors, and they have to be brought to a common focus, and it would have been helpful if these details had been made available to us.

But all the same I am happy to have this opportunity of congratulating the Minister for being called upon to open a new chapter in the industrial development of our country. In other countries also there have been similar periods of exciting transformation, where from

small production of steel significant advances have been made within a very limited period. In the U.S.S.R. the transformation was brought about from 3½ million tons to a little over 18 million tons in thirteen years; in U.S.A. it was sixteen years; in Germany it was eighteen years. Taking the annual average rate of growth during the greatest thirteen year period in the history of steel production for each of the three countries, we find that the figure was 14 per cent. for U.S.S.R., 12·4 per cent. for U.S.A. and 10·5 per cent. for Germany. I find that in our country we are likely to develop even a higher rate of acceleration, and that adds both to the excitement as well as to the responsibility.

But I find that we have been rather slow in picking up steam. For instance, take the Rourkela plant. In 1953 an agreement between the German combine and the Government of India was first started, and in May 1954 the German combine submitted a preliminary project report for half a million tons of ingot capacity. I do not know why we asked for a half a million ton plant. Later on we changed it to a plant with a capacity of a million tons, and now we are going to build up a plant with a capacity of 1·3 million tons. This constant change shows a lack of firm purpose, a lack of clear perspective, and this hesitation was responsible for wasting more than a year as far as the Rourkela plant is concerned; because, the supplementary agreement to raise the capacity to a million tons was made only in July 1955, and the final project report was available only in November 1955, that is two years after the negotiations started.

In Bhilai the work has been done in one year, and I am happy about it. In Durgapur we may be able, if things proceed according to the schedule, to finish the work, from the beginning of the initial consultations to the acceptance of the final report, within a period of six or seven months.

Now, I would say, whatever time has been spent in the past, at least in the future our perspective should be clear enough, and if we are going to have a rapid development in the next ten years or twelve years or fifteen years or thirteen years, as other countries have done, let us have that perspective planning from now on and let us not stumble from year to year.

[Shri Asoka Mehta]

I was going to ask some questions about the global tenders and package deal, but my task has been to that extent lightened by the information that has been given, although belatedly, by the Minister.

As far as the Rourkela plant is concerned, originally when the plant was being set up under the supervision of the Ministry of Production, the Ministry had entered into an agreement with certain consultants. Now, I find that those consultants received the fees promised to them, about two crores of rupees. And we have now got an agreement with another consultant. Are these two crores to go down the drains? I do not know whether it was absolutely necessary to change the consultants, and if it was necessary to change the consultants I am sorry that the two crores are being thrown away like that.

Shri T. T. Krishnamachari: If my hon. friend will permit me to interrupt him, the consultant whom we have appointed is specifically for the Durgapur plant. But he is a general consultant, on a payment of a very small fee, that is Rs. 6 lakhs a year. But he has been good enough to go into, he has practically taken interest in, every plant that we are producing and is giving the benefit of his advice to us.

Shri Asoka Mehta: What happened to the consultants for the Rourkela plant?

Shri T. T. Krishnamachari: They produced the blue-print for that, the tender forms were drawn by them, the designs were produced by them, they are in charge of the construction. This is an overall adviser in regard to Bhilai and Rourkela, but he is specifically responsible for Durgapur.

Dr. Lanka Sundaram (Visakhapatnam): How long will this general consultant continue?

Shri T. T. Krishnamachari: For six years, on a payment of Rs. 6 lakhs a year, which I think is extraordinary cheap.

Dr. Lanka Sundaram: You are lucky!

Shri Asoka Mehta: Then, I come to the organisation of the Iron and Steel Ministry. Anticipating me the Minister has said that it has its advan-

tages and disadvantages. I feel the disadvantages are likely to outweigh the advantages. It is irrational and unwise to separate the public and private sectors in the same Ministry. It would be wise if there is one common Ministry for pursuing a common policy. In fact, it becomes difficult even to discuss the affairs of the Ministry, because there is so much of spill-over. You cannot confine your discussions merely to the three steel plants and not talk of the iron and steel industry as well and the consequences that follow. Therefore, I believe a suitable opportunity will be taken to reorganise the allocation.

Shri T. T. Krishnamachari: I should have no objection, if he wants to speak about steel policy, to answer it any time that is convenient to the House. I personally would not get up and say that it should not be raised now.

Shri Asoka Mehta: Take this question of steel plants. Not only in the public sector are we going to have these three plants, but in the private sector also there will be expansion to a similar extent. Where the Government will be getting a steel plant from Germany, Tatas are also likely to get a plant from Germany. Will they come at the same time to India, at the same port? I believe the Russian plant will go to Visakhapatnam. But are these other ones to go to Calcutta port at the same time? Are the facilities available at the port to handle all this? Are there expansion measures, is there any staggering, or is any effort going to be made to divert this plant or parts of the plant when they come? Surely, these are things where we would have linked some more information; because later on we do not want to be told that the port facilities are not adequate and things have gone wrong and the time schedule has been thrown out of order because of certain unanticipated difficulties.

Then again, we are told that the three steel plants together will require about 5.2 million tons of coking coal per annum. And if all the demand, both in the public and the private sector, is taken into consideration, the consumption will be to the extent of 10 million tons. I have no desire to repeat what I said about the coal industry on the previous occasion. But I would like to emphasise once again that here is a double harness, and you cannot have in

them a race-horse like a highly rationalised iron and steel industry and a mule like the coal industry that we are having.

Dr. Lanka Sundaram: *Tattu!*

Shri Asoka Mehta: If we are serious about running our iron and steel industry, we should have for this double harness animals that are of the same capacity. And all that I can suggest is that the Estimates Committee's suggestion for a Coal Commission should be implemented as early as possible. I must say that the coal industry, not only in this country but coal industry almost all over the world, has been in a sad plight; and unless we pay the highest attention and unless the necessary priority for its reorganisation is given to it, our iron and steel industry will ultimately be undermined for lack of adequate coal resources.

Then, I do not know if the necessary co-ordination has been established between the Ministries of Iron and Steel, Production and Railways. We would like to know on this also in what way this co-ordination is sought to be achieved in the next two or three years. But the problem of iron and steel is such that ultimately the right type of co-ordination has to be achieved. Is there a committee for ensuring this co-ordination? Is it functioning? Is it likely to anticipate all possible bottlenecks and to take all possible steps to see that they are overcome before they come and create any complications for us?

In iron and steel, integrated production is both necessary and profitable. Not only have we decided to have integrated production, combining all the processes, at one place unlike the way the industry was developed in the U.K. for instance, but we are also anxious to develop some by-products including fertilisers, as pointed out, in Rourkela. That is necessary and advantageous. Are we going to move further forward? Is there going to be forward integration? Twenty-four categories of finished steel are going to be produced. We have also planned to build heavy foundries and forges, structural-cum-machine shop at Bhilai and a structural shop at Durgapur. All this is useful and necessary. But, will it stop there? Or, are we going to go ahead both in the public sector and the private sector? Are the steel factories to be permitted to develop what is known as forward integration?

2-42 L. S.

This is an important question. For instance, take refractories. Government are also thinking of having a plant of their own and perhaps in association with the Tatas which means that refractories will also form a part of the forward integration. In this connection, I would like, with your permission, to invite the attention of the House to the dangers that are inherent in the situation. The Senate Small Business Committee has pointed out in the U.S.A.

"..... since 1939 the United States Steel Corp. has purchased three steel-drum firms, an oil well equipment company, a pump manufacturer, a wire cloth fabricator, a pre-fabricated housing company and a fabricator of structural steel, plates, bridges and so forth. During the same period, Bethlehem Steel Corp. has acquired two steel-drum firms, three concerns in the oil-well equipment field, two shipyards, a forge company.....and so on."

That is, whether it is a nationalised enterprise or a private enterprise, there is this ineluctable tendency towards forward integration which will make it impossible for small men with enterprise and initiative to come forward and do things. After all, we want industrial development to be scattered all over the country. If this kind of widespread distribution of industrial initiative and enterprise has to take place, as I have over and over again tried to emphasise before this House, it is absolutely necessary that we should prevent any kind of monopolies, whether public or private, from occupying the entire field of industrial development, particularly in the organisation of steel consuming industries.

But, what do we find? The Tatas have already a structural factory in Bombay. In steel baling hooks, the Mysore Iron and Steel Factory has a factory. The Steel rolling mills is being run by Tatas. The J. K. Industries have two factories. Here we find on the one hand forward integration and on the other a well established giant like the J. K. Industries in possession of a new industry. There are now four factories of the Tatas, Mysore Iron and Steel Industry and J.K. Industries. Let us look at some of our big and important engineering concerns. Jessops, Richardson and Cruddas, Turner Morrison are all under the control of one single firm. This process has already started. We are just

[Shri Asoka Mehta]

going to begin production of steel on a large scale. Before we get into stride, we find that already concentration and monopoly is moving forward. In steel castings, eleven new units will be set up to increase production by 175 per cent. By whom are they going to be set up? Here again, are some of the old monopolists to come in or is the public sector also to penetrate? I am not particularly happy and I am not enamoured in any way of nationalisation of all things, big and small. Strategic nationalisation is what we want. If we want to have real industrial development in the country, we must permit people in different parts of India to develop some of these consuming industries, so far as iron and steel are concerned. One of them is steel castings. There are to be eleven units. I would like to know from the hon. Minister, who are going to control them. In the steel processing industries, I am happy to find that we shall be spending in 1955, 429,000 tons as against 382,000 tons in 1954. Not only this. This allotment must be increased and increased very fast. But, it must result in diversification of ownership and enterprise, both regional and in terms of entrepreneurs in the country. Here again, I find a lot of inconsistency.

Take the ferro-manganese industry. I am very happy that its production targets have been stepped up. I believe there is reference to the possibility of nationalising the ferro-manganese industry in Draft Outline of the Second Five Year Plan. The ferro-manganese output will all be taken up by six plants. Through bulk purchase you can control in whatever way you like the entire production of ferro-manganese. Why should we grab things physically and nationalise them? If we are going to clutter up the administration with all kinds of responsibilities, I do not know where we will end ultimately. Ferro-manganese can be allowed to remain in the private sector. By the right kind of bulk purchase system, you can exercise whatever controls on production and pricing that are necessary.

In the same way, the quota of iron and steel for small industries is only 32,000 tons a year. Imagine that when we all simultaneously contend that the future of this country lies in the development of small industries. I do not know whose responsibility it is: that of the Ministry of Iron and Steel or of

the Ministry of Commerce and Industry? What is being done to see that, while on the one hand we are going to manufacture more and more steel, the steel will ultimately go to irrigate our economy? The main problem is the development of new techniques. I have gone through all the material that has been given to us and I regret to say that there I see no effort being made to develop new techniques suited to the needs of our country.

This raises the whole question of steel prices. The price structure of steel at the ports has now been extended to the manufacturing centres also. They have only to pay the basic price. Elsewhere all places in the hunter-land have to pay in addition the transport charges. The transport charges come up to as much as Rs. 60. If we are interested in the development of fabricating industries and consuming industries everywhere, we should adopt what is known as the basic point price so that, all over the country, there is a uniform price whether it is at the port or the manufacturing centre or anywhere in the interior. Otherwise, places like the Punjab where we have a developing sewing machine industry and bicycle industry on a small scale, will find themselves at a growing disadvantage.

The last point that I would like to make is that we have raised the retention price of steel recently to Rs. 393 per ton, specifically for the purpose of providing additional finance to the Tata Iron and Steel Co., and Indian Iron and Steel Co., for expanding their production capacity. We find that in the case of the Indian Iron and Steel Co., Rs. 22 crores will be made available through Government, special advances or loans and additional finances made available by raising the retention price. Out of a total investment of Rs. 49 crores, 45 per cent. will be provided by the State directly or indirectly. Only 16 per cent. will be raised from the capital market. As far as the T.I.S. Co. is concerned, out of Rs. 102.5 crores, recommended for expansion, 24 per cent. will be provided by the State directly or indirectly. A sum of Rs. 14 crores will be provided by the rise in retention price. Only 20 per cent. is being raised in the capital market. We are making a gift to the shareholders of these two concerns. There will be substantial capital gains as far as the shareholders of

these two companies are concerned. This is a subsidy. I do not know why we are subsidising them in this manner. And if we are subsidising them in this manner I do not know whether in future when the occasion arises to nationalise these concerns, because as far as production of iron and steel is concerned at some stage we may have to nationalise the entire industry, care will be taken to see that we do not pay the shareholders for the benefits that we are showering upon them.

And this leads me to my last point. I thought the Planning Commission had come to the conclusion and the Government of India had come to the conclusion that any kind of help and assistance of this kind would be through participation in equity capital, whether the participation is by the Government directly or by the innumerable bodies that have been set up, but it would be best if such substantial assistance that is being given to private enterprise is given, especially in the case of the big and crucial enterprises, by participating in the equity capital. I make a basic distinction between those large, crucial strategic enterprises which have got to be under the control of the State, and possibly under the ownership of the State, and a large number of small enterprises which should be permitted to develop on their own because then alone we will be able to have that kind of mixed economy that we want, where the basic industries are in the hands of the Government and where at the same time there is a corresponding area for men of enterprise and initiative to come forward and do what they can for developing our economy and for bringing about the prosperity of our country. From that point of view we have to look at the working of the Iron and Steel Ministry and I hope and trust that we shall not confine our discussions merely to the technical details but also take this opportunity to map out the larger sphere wherein the Iron and Steel Ministry has to function.

Shri Bansal (Jhajjar-Rewari): I echo the sentiments of my hon. friend Shri Asoka Mehta. The steel industry is a basic industry. It is basic in our country in more than one sense and it is good that a separate Ministry has been formed to look after the production of steel in the public sector. While, therefore, I welcome the institution of a separate Ministry under a dynamic Minister like

the hon. Shri T. T. Krishnamachari, I am distressed to find that a spirit is prevailing of considering the agreements that were arrived at with the various foreign countries for the setting up of these steel plants as gift horses. I was under the impression that these negotiations and agreements with the foreign countries were business deals and that they were not like gift horses that we could not look straight into the mouth. In fact I know that the present Minister for Iron and Steel himself has been critical of our agreements with the German combine, and from his critical tone one would have gathered that he at least would have been able to secure better terms.

[MR. DEPUTY-SPEAKER *in the Chair*]

But I find that today when he comes before the House he also makes the same excuses as were trotted out, when our agreement with the German combine was made, namely that it is a sellers' market and these were the best terms we could get. It is likely that we are in the sellers' market even now, and if that is so, I should think it is not a very good thing for us.

As Shri Asoka Mehta said, we in this House labour under a lot of difficulty in dealing with a subject like this for various reasons. The subject is a technical one, but the more important reason to my mind is that the industry that is in the public sector, which we are discussing now is almost at the stage of only planning and we really do not know what is happening at the sites. The best we can do is to have a look at such of the agreements as are before us and read whatever papers are supplied to us by the Iron and Steel Ministry. For example, we do not know what progress has been made during the last three years at Rourkela. We have not the slightest idea as to what progress is being made at Bhilai or Durgapur. I had suggested to the hon. Minister that perhaps it would be a good thing if he took some Members of this House on a tour of these three centres before this debate began so that we could see what was happening, acquaint ourselves with the development and if possible make some contribution to this debate. But I understood he thought that the time had not yet come and perhaps some time later a trip would be more worthwhile.

Dr. Lanka Sundaram: There is nothing there to show yet.

Shri Bansal : The fact remains that lack of this information places us at a disadvantage in making any contribution to this debate, and therefore the only alternative I have is to fall back upon and look at whatever information we have about the Durgapur and Bhilai plants.

I found that as far as our agreement with the Germans is concerned, on pressure being exercised by them we agreed through an exchange of letters to give them some concessions in income-tax. The point arose as to whether on the consultation fee that the combine will get, Indian income-tax will be charged or not, and after some correspondence it appears the Government of India agreed that only 50 per cent. of the consultation fee will be assessed to income-tax in this country. I would like to know from the hon. Minister, although he may plead that he is not responsible for that clause in the agreement, under what law this concession has been made.

Then there are two other points in that agreement. One is that the combine will have the option to re-sell its holdings to the Government of India at the end of the ninth year reckoned from the initial investment, but in no event reckoned later than one year from the starting of this agreement, at a premium of 20 per cent. of the face value of the shares, the payment being computed on the actual investment in *Deutsch Mark*. This premium of 20 per cent. means in effect a guaranteed dividend to the German combine. It almost appears to me that the Government of India have tried to indemnify the German combine against any loss by this clause in the agreement.

Then there is also another clause where the German combine has been given an option to take this amount either in *Deutsch Marks* or in Rupees. That means we have placed them in the advantageous position of having their money in whatever currency is more valuable to them at the time. Knowing that the Minister himself has been critical of some of these clauses, may I know if there is any consideration being given to revising some of these clauses of the agreement? I say this particularly because if any clause of an agreement between two countries gives an impression that they are going to work

unfavourably against the country concerned, then a sort of rankling remains and it does not lead to harmonious relations between the two countries.

Shri T. T. Krishnamachari : Only one matter I would like to know. My hon. friend seems to be a thought reader. He says he knows my mind. Is it anything more than that?

Dr. Lanka Sundaram : You do not grumble then, do you?

Shri Bansal : I would leave my answer unsaid.

The Minister of Commerce (Shri Karmarkar) : That is mysterious.

Mr. Deputy-Speaker : The hon. Minister also can read your thought.

Shri Bansal : As far as the Durgapur steel plant is concerned, I have been seeing that ex-high-officials of the Government of India have been leading the delegations which have been coming to this country. They had been occupying very high positions in the Government. I would like to know since when they have begun taking interest in the production of iron and steel, whether they joined these various concerns after retirement, and whether this interest has developed only recently.

Shri B. Das (Jaipur—Keonjhar) : They always do that. They always join British firms.

Shri Bansal : I am asking whether they have been associated with this consortium and these consultants in the capacity of experts, or just to throw their weight about when they lead the delegations in this country.

Shri T. T. Krishnamachari : I am afraid I have to interrupt the hon. Members. The hon. Member is quite at liberty to say that the Minister should go or he is doing a wrong thing. But what relevance has this discussion got to do with somebody who leads a delegation to this country, and in one case at our invitation? I think it is a reflection on two people who have come, and who, I think, have done their very best to set up this plant in this country. I should personally protest against any insinuation, because I thought I should not be lacking in the elementary courtesy that I owe to these honourable people.

Shri Bansal: But the question has not been answered, namely whether they have been associated with this consortium and these British companies in the capacity of experts. If I get a straight answer to that question, I think I would be able to reply to the other part regarding insinuation. I do not know any of these two gentlemen. I only know that they have been high officials here.

Mr. Deputy-Speaker: Perhaps, the Minister wants to give his answer subsequently, and he only wanted to protest against an insinuation, if there were any.

Shri Kamath: A straight answer may not be given, but only an answer.

Shri V. P. Nayar (Chirayinkil): You cannot presuppose an insinuation.

Mr. Deputy-Speaker: I do not think the hon. Member has tried to make an insinuation against these persons.

Shri Nambiar (Mayuram): A very good case.

Shri Bansal: On going through the reports which have been given to us, I find little light on that point. I am still not quite clear. Nor have I been able to get any light from what the Minister has stated.

Even in the case where we have these package deals, as for example, in the case of the Durgapur plant and the Bhilai plant, we are having our managers at the site. I want to know what the relationship of these managers is with these companies. According to my way of thinking, if we have a package deal, then the country or the concern with whom we have the package deal is charged with the responsibility of setting up the plant, and until the plant has been fully set up, the Government of India do not come into the picture, excepting by way of seeing that the plant is being erected properly, and will be erected in time. I want to know what the function of the manager is, and to whom he is responsible. Is he the manager of the foreign combine or the foreign government? Or is he a manager on behalf of the Government of India? If he is the latter, then what are his functions? That has not been clear to me.

I would also like to know to whom the expenses are being debited at present, the expenses on the managing director in the case of the Rourkela

plant, and the two managers in the case of the Durgapur and the Bhilai plants. It may be that the expenses which are being incurred on the managing director and his entire staff are going to the company, that is, the Rourkela combine, or whatever it is. But what is happening to the expenses on these managers and their staff? Are they being debited to those combines, or are they being debited to the Iron and Steel Ministry? On these points, I would like the Minister to give us some clarification.

About the firm of consultants, my hon. friend Shri Asoka Mehta wanted to know what is happening to the firm of consultants, that was appointed in connection with the Rourkela plant. After that, the firm of the International Construction Company has been appointed as our consultants. From the way the Minister referred to the firm of consultants, it appeared that it was a single-man concern. I do not know whether it is an one-man concern or it is a company. If it is a company, I would like to know whether this company has anything to do with the consortium. Or, is it like the Balinese dance, in which a dancer comes and dances before you, and then he puts on a mask and dances before you again?

Shri T. T. Krishnamachari: We have not had the advantage of seeing Balinese dance.

Shri Bansal: I have had. I was there only last week.

Shri T. T. Krishnamachari: The hon. Member is refreshing his memory.

Shri Bansal: That does not dispose of my query as to what the relationship of the firm of consultants is with the consortium which would be putting up the steel plant.

In regard to the consortium, there are one or two things, on which I would seek some information from the Minister. It is mentioned in the report that:

"For financing part of the foreign exchange cost of the plant, a syndicate of British banks has agreed to give credits of £11½ millions."

I shall come to the question of the rate of interest later on. Further, we find that the Government of the United Kingdom also have offered a loan of £15 million.

[Shri Bansal]

It is not clear from this how much money is being made available by this firm of consortium, and whether it is going to put in any money at all. If this firm or consortium is not going to participate financially then what is its position *vis-a-vis* the firm of consultants? Are we going to have a firm of consultants or a consortium or both. In this case, it seems that we are having both. The consortium will also act as consultants, and the firm of consultants will also act as consultants. This position is not clear to me, and I would like to know what the exact position is.

With regard to the rate of interest, it seems that in our negotiations with the United Kingdom, we have agreed that something more than the prevailing bank rate will have to be paid to them. I should have thought that that was a very indeterminate type of contract, because we have entered into a contract without specifying the rate of interest. And it becomes particularly so, in my view, when we happen to have a huge amount by way of sterling balances in that very country, on which we get a very low rate of interest. As it is, although we have been told again and again in our Plan that we are likely to need huge sums by way of foreign exchange, if we have to see through the Five Year Plan successfully, even then every year we are accumulating some sterling. At least, we were doing this, and I think in a favourable year, we are likely to do that again. If that is so, why should we not take sterling from out of our sterling balances, rather than take this sum of £26½ million at such a high rate of interest which may work out to 5½ to 6½ per cent?

I would now like to refer to the future programme. 3 million tons is all right for the next five years. But what are we going to do for the years after that? I read a statement somewhere in which the Iron and Steel Minister is reported to have said that we must have a target of one steel plant every two years. I fully agree with it. But are we taking any steps to fabricate the machinery and the plant that will be needed for these additional plants or is it our idea to go on importing all these steel plants from foreign countries? I think he should have in his Ministry a separate 'cell' to plan out the future development of the steel industry and of the equipment that will be needed for it.

I also notice from this report that in respect of mining of iron ore and coal, again we are going to foreign concerns. Have attempts been made to see whether at least this cannot be done by indigenous people or is it also such an impossibly technical thing that but for foreign assistance and foreign companies, we will not be able to mine coal and iron ore? This is another point on which I would like the Minister to take the House into his confidence.

As regards technical personnel, I am glad he and his Ministry have given some consideration to this question and chalked out a programme of training technicians and engineers for the steel plants. All that I would like to say is that complacency should not be allowed to come in this very important matter, because the whole future of the steel plants and their running will depend on the way we train our people and on the number of trained people we have got.

I would emphasise one more point in this connection. In all these three plants, whether they are being erected by foreign combines as part of package deals or by joint companies here, we should see that our engineers go into the thing from now. Let them see the erection of the steel plant, its coming up and its development from the very beginning so that they are trained up for setting up new steel plants as and when we put them up.

I have one last point and that is about unemployment which is taking place in the D.V.C. There was a news item that in the Damodar Valley Corporation, on account of the projects being completed, unemployment is stalking that part of the country. Inasmuch as most of them are civil engineers and people who have been working at dams and perhaps building of colonies, they will be eminently suitable—quite some of them—for laying out the colonies for our three steel plants. I think there must be some integrated plan so that if unemployment is created in a sector where the works have already been completed those people can be transferred to other projects like the steel plants. I hope the hon. Minister will take the fullest advantage of the engineering and other skill that may be now available in the DVC area.

Shri Namblar : I also join the previous speakers in supporting the Ministry which has been formed anew. This

Ministry has come out of the old Production Ministry and has added on to it some more work.

I heard the speech of the hon. Minister about the details of the three plants that we are going to set up. I could find from the facts placed at our disposal that we have got bad terms of agreement with regard to certain combines. In our agreement with the German combine, we have agreed that all the money we have to pay to them is to be paid in marks or whatever foreign exchange they want. I think this would cut against our interests. If that money could be ploughed back in any way here in our industry, it would go a long way to help improve our economy. In the Russian deal, we find that all the money that we pay is not going to be taken out of India in any foreign exchange, but in Indian rupees which means that we can sell our goods to the extent of Rs. 125 crores during the course of 12 years. That is a very advantageous term to us. We must consider whether such a term cannot be obtained with regard to the other agreements.

With regard to the British consortium, as Shri Bansal has stated just now, I have also my own fear, as to whether we have got very good terms. For instance, we have to pay to the British Government a rate of interest over 5½ per cent. for the money that they lend to us, when we have got so much of sterling balances accumulated to our credit there. I would like to know whether the Government of India could not negotiate with the Government of Britain and see that this money is adjusted towards our sterling balances so that we do not have to pay such a high interest.

If at all the purpose of the Government of Britain to help us is genuine, which I think is so, then they could very well help us in that way, rather than take 5½ or more per cent. interest from us in this respect. I would, therefore, request the hon. Minister to explain the position to us.

I have also to submit that there is inordinate delay with regard to the execution of the work in the case of the German combine. The first agreement was reached in November or December 1953. The preliminary project report was made in May 1954. The final project report was made in January 1955. A supplementary agreement was signed

in July 1955. The final revised project report for one million tons was made in November 1955. The second part of the final project report was to come only in March 1956. It is spread over a period of three years and we have spent a lot of money on it, and the township is coming up. We are told that things will be hurried up, but let us know the reasons for this inordinate delay. Is it due to the fact that the Germans do not want to help us or is it due to the fact that there are other reasons behind it? We expect the hon. Minister to tell us about that.

Coming to the question of the training of the personnel, I have to submit that even after the latest information has been placed on the Table, we do not know how far Indian personnel will be trained in India. He said that the German combine had agreed to train certain Indian personnel in Germany. But I do not know whether they will be trained in India, because we require thousands of persons to be trained, about 10,000 skilled workers and 15,000 semi-skilled workers and so on and obviously we cannot send all these men abroad for training. But in the agreement with USSR, I find that they have agreed to train Indian personnel in India. Can we get such a term with the German combine? This point requires to be clarified.

Coming to the actual execution of the Rourkela project, I heard that many villagers who were displaced due to the taking over of the land from them are not yet compensated and there is a lot of complaint. Last year the Minister of Production stated that Rs. 20 lakhs were placed at the disposal of the State Government and it was up to that Government to deal with the problem. I heard many more complaints after that. I would like to know from the Minister whether the position has improved and whether compensation has been paid.

With regard to labour in Rourkela, from the report we find that 900 persons are employed by the company, whereas 5000 people are on the contractor's list.

2 P.M.

Is it not possible to utilise these men and cannot the company take them over and manage? What is the actual difficulty? I shall be much thankful to Government for enlightening us on that point.

[Shri Nambiar]

Coming to the private sector, we find that Government have got a plan to increase the productive capacity from 1.43 million to 3 million tons by the end of the Second Five Year Plan. In that, we find that TISCO and IISCO are the two concerns that are going to play a great part. Government is giving a lot of money to them in the form of loans and special advances. From the report, we find that this expansion is estimated to cost about Rs. 35 crores and the Government of India is assisting this expansion financially by the advance of interest-bearing loans to the extent of Rs. 7.9 crores and special advances of Rs. 10 crores. Over and above that, the IISCO have secured a loan from the World Bank which has been guaranteed by the Government of India. When the Government of India is investing so much, why not it consider the possibility or the feasibility of nationalising these industries during the course of the next Five Year Plan? That is a point which requires to be clarified by the hon. Minister. I have no objection if this industry can be kept in the private sector to the extent it is, if they can do well. But, now, the Government of India is giving loans and special advances to such an extent, it looks fictitious to say that this industry is kept in the private sector any more. Why not the Government consider the feasibility of taking over this industry as well. After the nationalisation of insurance, many of the subsidiary industries are already in the grips of Government and there is no reason why this should not also be considered. I submit that by nationalising a key industry like Iron and Steel, the process of industrialisation can be made faster. That would be a real contribution towards the improvement of our economy.

Coming to the question of all-round development throughout India, I have to submit that the position in the south is such that it is neglected both by the Minister of Production and the Minister for Iron and Steel. We find that the Neiveli lignite project is almost on the point of success. I understand from the speech of the hon. Minister of Production made recently, on the 7th April, in Salem, that he is prepared to consider the question of utilisation of iron ores in the Salem area to the fullest extent possible. Can I take it from him that he is prepared to start or consider the question of starting an iron and steel industry along with the Neiveli project?

We want to know that because the industries in the south are suffering from want of steel and we have no development whatsoever in the south. This lignite in Neiveli may be used to start an iron and steel industry in the Salem range, where we have got a lot of iron ores. The content of the iron ore is about 45 per cent., no doubt. But, the hon. Minister of Production has explained that in foreign countries ores with 45 per cent. of iron content have been used and, therefore, it is possible that we can also develop iron ore in the Salem range.

I am also told that Government is thinking of improving the Bhadravati Iron and Steel Works, which is now in the public sector. I am informed that a resolution was passed by the Mysore Assembly requesting the Government of India to improve the Bhadravati Iron and Steel Works so that it may survive as an economic unit. Otherwise, they say, it cannot survive. If that is so, I would request the hon. Minister to consider that aspect as well, particularly, the question of the industrialisation of the south, which will all depend upon the improvement of such projects.

I have got certain papers with me in connection with the Nahan Foundry in Himachal Pradesh; and from the report,.....

Shri T. T. Krishnamachari: That is Commerce and Industry.

Shri Nambiar: But, this comes in your report, the report on Iron and Steel.

Shri T. T. Krishnamachari: It has been transferred to the Commerce and Industry Ministry. (*Interruption.*)

Shri Nambiar: Whatever it is, it is running at a loss. It is said that it is due to labour trouble in that area. But, on going through these papers, I find that it is not exactly due to labour trouble. I find from the report that the loss is due to experimentation on the manufacture of some pumps; for instance, the sarovar pumps. This is a pump for lifting water from wells. About Rs. 1,50,000 have been spent on it without getting successful results even after two years of manufacture of this pump. If it is true, it requires consideration. They are also having other experiments, centrifugal pumps, chaff cutters,

paddy thrashers etc. These pumps were copied from some foreign made pumps in the market some three years back. More than half the sale price is due to overhead charges and the uneconomic and unplanned utilisation of labour.

Apart from this, I understand that there is a lot of complaints about malpractices or mismanagement in the foundry. Charges of corruption are there and there are reports of victimisation of workers. The workers are given not even the minimum living and working conditions. If that is so, the trouble is not much due to labour. The trouble is due to mismanagement. For eight years, this has been running on profit. Why is it that it is running at a loss now, to the extent of Rs. 95,000 a year? I submit that careful consideration is needed.

I understand that Shri Vyas, M.P., as Chairman, of a Committee along with some other officials is going into the question of labour troubles in the Nahan Foundry. I hope that this committee would certainly go into all the details and also hear the side of the labourers before they come to any conclusion. I would request the hon. Minister to explain what he means by labour trouble. It may also be explained as to how it could be avoided. That is what I would request him to do.

In the end, I would say that India has huge resources with regard to iron and steel. We have got iron ore whose content is more than 60 per cent. I can say that India is one of the first countries in the world with so much of iron ore and the other subsidiary resources required. We have got metallurgical coal for another 50 years without any difficulty. With all this, we are still backward. The question is to be considered seriously as to why it is so. I can understand that during the British period here they did not want us to develop our industry and they did not help us. But now, after Independence, we have a chance to develop our industry and we have started thinking about it. There is no dispute about it. But are we doing it in a way that will certainly take us forward, or are we following the old method of depending on the foreigners and foreign technicians? We do not have technicians, but we must develop and train our men, train our technicians. The hon. Minister just now said that that aspect is being considered, but I submit that it requires deeper consideration. Government must go into the question and help to train our own men on Indian soil and at the

same time see that our industry is allowed to progress.

I have also to add that the reports that we get from Travancore-Cochin require serious consideration. There is no industry worth the name—steel industry—in Travancore-Cochin but there are possibilities for it. At least Government can do this much. Steel rolling mills can be started in the South with the raw materials being brought from the North. I understand there is already a steel rolling mill in Negapatam in Tamil Nad, which is not fully utilised. If Government can consider the question of fuller utilisation of the Negapatam steel rolling mill and also of starting such rolling mills in the South, especially in Travancore-Cochin or the Kerala area, that will go a long way in helping the speedy industrialisation of the South. I hope that the hon. Minister will consider all these aspects.

Shri B. Das : It is a pity that all the three steel plants that are under the consideration of the Iron and Steel Ministry overlap each other. In 1953 when the first steel plant was conceived, neither the Cabinet nor the Planning Commission had ever thought that they would have to start steel plant after steel plant in India, with the advice of foreign experts and partnership more or less. The Russians came with their plant without any partnership. Then the much-abused and much-disliked British took a lead and they wanted to be partners and have a go in the steel production. I do not want to talk of Durgapur. It has come into existence, but I cannot swallow this pill, namely, that India had come to such a grief that she would appoint the British people as consulting engineers for her. Many of my old friends may still remember the British injustice to India in the matter of industrial development and in the matter of industrial production. I cannot conceive that the British consulting engineers are the best people in the field of steel manufacture. The British are not the best steel manufacturers in the world. There is America; there is Germany. Germany, of course, is the best, apart from U.S.A. and U.S.S.R. That the British people should come and give advice to Tatas is strange to me. Shri Mukerjee was there in the Martin and Company, I know. But the Britishers never wanted the steel industry here to grow quickly. However, I hear my friend telling that the consulting engineers, he has appointed, are the best.

[Shri B. Das]

How is it then that up to 1953 and even in 1954 the Britishers never thought of helping India in the matter of steel manufacture? However, that is perfidious. How far it will be successful we do not know. It is for the Minister of Iron and Steel to worry his head, not for me. I have not changed my mind. I have 34 years' experience here and I have not changed my mind about this.

Shri Kamath : The hon. Member is the Father of this House.

Shri B. Das : I do not see any chance of a good intention on the part of the British trade people and commercial people to co-operate with us.

I wish to point out that when the Rourkela plant was started, Government were in difficulties. There is the Perambur factory. We want steel. We are manufacturing steel coaches. Anyhow, the Railway Ministry entered into contract with a Swiss firm. In Perambur everything is there, but not steel. When Rourkela was to manufacture sheet steel, that at least gave me some hope that Government were trying to make up for their wrong method of planning. At that time there was no conception of manufacturing steel in Bhilai or Durgapur. These came up afterwards.

Although India is going to have steel production to the tune of 3 million tons, I have read statements made by my friend that India will produce 11 or even 12 million tons. That is all right provided funds are coming forth. When somebody talks of having iron and steel factories for Madras or Travancore, he must realise from where the money is going to come. Even our railway expansion is struck up because there is no money forthcoming. But here we are considering whether these three steel factories will be successful according to the time schedule that is laid down in the report of the Ministry.

There was no all-India conception originally. Today, our conception is an all-India one. When Rourkela was first conceived by the Orissa Government, their people and experts, it was conceived not in an all-India way. We thought of the steel plant as Orissa plant. Shri Mazumdar, who is still the managing director of the Hindustan Steel Company, told us at that time that Oriyas would be given every chance, whether in employment or foreign training. Somehow what I find in the Orissa Press is that nothing is very tempting to them. I have never

spoken to the Ministry personally about this, but today the Rourkela steel plant is an all-India conception and the Minister will go to the Public Service Commission for recruiting the best men required for certain jobs. I say that in that case regional development will not come at all. We are hearing about a Travancore steel plant or a Madras steel plant these days. Why are you hearing these? It is because people of the locality want to be employed there and they expect to benefit by it. I would like to know from my friend, the Minister, what his conception is and whether in the Rourkela plant they will be giving preference to the Oriyas in the matter of employment. They would produce iron and other ores there. If it is thought to be an all India show, then, the Oriyas have no particular claim.

I saw a little while ago the agreement Bansal referred to. I saw the terms. But I do not know whether the money will be in their currency or in the Indian currency. I have studied the Rourkela scheme since its inception. If the Germans want to invest money in rupees, there is nothing wrong. I do not know whether it is in rupees or marks.

An Hon. Member : Marks.

Shri V. P. Nayar : Or American dollars.

Mr. Deputy-Speaker : The hon. Member may express his own views.

Shri B. Das : Anyway, at that time there were no agreements with the Russians or with the British; they came later on. The Britishers have gone to the extent of inducing the Ministry to have a British firm as consulting engineers for the Durgapur plant. The German agreement was arrived at in 1953 and then Government was not in a mood to have more steel plants. One was thought to be enough in 1953. The Government has not got enough funds to start any more steel plants. I saw the German agreement; it was entered into when there were no other agreements. It is better to continue that agreement. In Rourkela, with the assistance of the German experts, we want to produce sheet steel which will particularly help the manufacture of steel coaches and ships.

I was saying that we entered into that agreement when we had no idea of two or more plants. The British are time-servers; they always come to have some gains. He said that I am the father of

the House. I have been here for so long. We should be careful about their policies. My friend, Shri T. T. Krishnamachari might have imbibed their commercial tactics but I may say that they should be watched.

Finally, I may say that I welcome these steel plants. We welcome the idea of having more steel plants. But with our finances, I do not think many new plants can be taken up immediately or in the near future. I do hope that the people of Orissa will be given a chance; I hope that the Rourkela plant will give them every chance to work. To a certain extent, technically fit people should be absorbed. Till now, there have been very few recruitments to these technical posts from the people of Orissa. They have not been taken except, perhaps, as labourers because the land is theirs and so the labourers are to be Oriyas. More technical men should be taken from Oriyas.

श्री जांगडे (बिलासपुर—रक्षित—अनुसूचित जातियाँ): इस मंत्रालय ने निर्भीकतापूर्वक, बुद्धिमानी और समय को देखते हुए, देश की आवश्यकता और देश की माँग को पूरी करने के लिये पब्लिक सेक्टर में जो तीन लोहे और इस्पात के कारखाने खोलने का निश्चय किया है, उस के लिये मैं उस को धन्यवाद देता हूँ। यद्यपि इस बात की आवश्यकता थी कि प्रथम पंचवर्षीय योजना में ही उन के कार्य शुरू हो जाने चाहिये थे, फिर भी कहा जा सकता है कि देर आयद दुरूस्त आयद। अभी द्वितीय पंचवर्षीय योजना में ४५ लाख टन लोहे की आवश्यकता है। मैं जानना चाहूँगा कि यह जो ४५ लाख टन लोहे की आवश्यकता है वह केवल पब्लिक सेक्टर के लिये है या इसमें प्राइवेट सेक्टर को भी शामिल किया गया है, क्या इस का कैलकुलेशन करते समय मंत्रालय ने यह अनुमान लगाया है कि सरकारी क्षेत्र और अर्ध-सरकारी क्षेत्रों के सिवा जनता की, व्यापारियों की या दूसरे लोगों की आवश्यकतायें कितनी होंगी? मैं इस को इस लिये जानना चाहता हूँ कि द्वितीय पंच वर्षीय योजना में न जाने कितने मकान बनेंगे और कितने ही उन्नति के कार्य खुलेंगे, इन उन्नति के कार्यों के लिये कितने लोहे की आवश्यकता होगी, इस के जानने का भी हमें अधिकार है।

अभी मेरी काँस्ट्रूट्रुएँसी से केवल दस मील की दूरी पर भिलाई का लोहे का कारखाना खुला है और वहाँ पर काम बढ़ रहा है। मैंने दो एक

प्रश्न पूछे और माननीय मंत्री महोदय से उन के उत्तर दिये, परन्तु उन उत्तरों से मुझे संतोष नहीं हुआ। यद्यपि माननीय मंत्री महोदय वहाँ कई बार पहुँच चुके हैं पर मैं तो मजदूरों और किसानों के दृष्टिकोण को रखते हुए ही हमेशा बलता हूँ। वहाँ पर अभी करीब पाँच हजार मजदूर काम करते हैं, मैं जानना चाहूँगा कि भविष्य में यह मध्य प्रदेश का इलाका जो अभी तक उद्योग रहित था, मध्य प्रदेश का यह हिस्सा, जहाँ पर राजनीति में कहिये या उद्योग में कहिये या किसी भी प्रकार के उन्नति के कार्यों में कहिये, वहाँ के स्थानिय लोगों का बोल बाला नहीं है, वे सब तरह से सताये गये हैं उन लोगों की क्या हालत होने वाली है? उन को इस भिलाई स्टील प्लैंट में प्रोत्साहन मिलने वाला है या नहीं, इसे मैं जानना चाहूँगा। वहाँ के लोगों को प्रोत्साहन देने के लिये मैं चाहूँगा कि कारखानों के अंदर, प्रशिक्षण देने के लिये या उन को किसी भी प्रकार से उपयोगी बनाने के लिये, प्रशिक्षण केंद्र अथवा ट्रेनिंग सेंटर, मेटलर्जिकल कालेज और माईनिंग कालेज खोले जायें। ताकि स्थानिय लोगों की उन कारखानों में काम मिल सके। मैं नहीं कहता कि उन में बाहर के लोग न आयें, पर यदि हम को देश में समानता की भावना लानी है और सब की उन्नति करनी है तो क्या यह अच्छा नहीं होगा कि उन क्षेत्रों के पिछड़े हुये लोगों की, उन क्षेत्रों के लोगों को जो गरीब हैं, बेकस हैं, सताये गये हैं, उन को भी आगे आन का भ्रवसर मिले? जब छत्तीसगढ़ के इलाके में भी जहाँ पर कि जो इन्डस्ट्रीज हैं, जो उद्योग है उन में उन का हाथ नहीं है, बाहर जाने की बात तो दूर रही, तो क्या उन को प्रोत्साहन देने की आवश्यकता सरकार महसूस नहीं करती? आप को भिलाई के कारखाने के लिए ७५,००० एकड़ जमीन की आवश्यकता होगी और उस को हासिल करने के लिए आपको ६०,००० किसानों और मजदूरों को वहाँ से निकालना होगा। इन किसानों और मजदूरों को आज नहीं तो कल, कल नहीं तो परसों, एक साल में नहीं तो दो सालों में निकालना पड़ेगा। मैं जानना चाहता हूँ कि इन ६०,००० किसानों और मजदूरों में से आप कितनों को यहाँ पर मजदूरी देने का विचार कर रहे हैं। क्या सरकार ने इस के बारे में कोई योजना बनाई है?

वहाँ पर जो कम्पेंसेशन या मुगतान किसानों को किया जा रहा है या मजदूरों को दिया जा

(श्री जांगड़े)

रहा है, आप को शायद मालूम नहीं कि वह बहुत कम है। यदि आप रिजिस्ट्रेशन आफिस में जायें या किसी भी किसान से पूछें तो आप को मालूम होगा कि जहाँ वहाँ आज ज़मीन की कीमत १२०० से १५०० रूपया फी एकड़ है, वहाँ उनको २०० और ३०० फी एकड़ के हिसाब से कम्पेंसेशन दिया जा रही है। हमने संविधान में संशोधन किया तो क्या इस का यह मतलब है कि हम गरीब लोगों को सतायें? बड़े बड़े लोगों को काफी कम्पेंसेशन दिया जाता है, लेकिन गरीब किसानों को, गरीब मजदूरों को जो आपनी आवाज नहीं उठा सकते हैं, जो आज तक संगठित नहीं हो सके हैं, जो आपको मेमोरेंडम पेश नहीं कर सकते हैं, जिन की आवाज आप तक नहीं पहुँचती है, क्या यह उचित है कि हम इतना कम कम्पेंसेशन दें। यह चीज गलत है। आप यहाँ जो ज़मीन है उसको रूरखेला की जो ज़मीन है उससे कम्पेयर करते हैं। क्या आपको यह भी मालूम है कि इन दोनों जगहों की ज़मीनों की उपज में कितना अन्तर है? रूरखेला में १०० या १५० आदमी प्रति वर्ग मील में रहते हैं जब कि यहाँ पर प्रति वर्ग मील आबादी ३०० और ४०० है। और जहाँ तक उपज का सबाल है यहाँ पर रूरखेला से तिगुनी और चौगुनी उपज प्रति एकड़ ज़मीन में होती है। यहाँ की जो भूमि है वह बहुत उर्वर है। अगर आप भिलाई में भी उसी हिसाब से कम्पेंसेशन देंते हैं, तो मैं यह कहे बगैर नहीं रह सकता कि आप उन लोगों के प्रति अन्याय करते हैं। आप उनको अब उठा कर कहीं दूर के स्थानों से फेंक देंगे और वहाँ पर उन के लिए हट्स और भौपड़ियाँ बना देंगे, लेकिन इस तरह करने से जो ज़मीन की समस्या है उसका समाधान तो नहीं होगा। मैं यह भी पुछना चाहता हूँ कि मंत्री महोदय बतायें कि आप उन लोगों को कहाँ पर बसाने की व्यवस्था करने जा रहे हैं। यदि आप टाऊनशिप बनाने जा रहे हैं तो क्या जो इन ६०,००० किसानों और मजदूरों को उन टाऊनशिप्स में बसायेंगे, इसकी आपने रूपरेखा तैयार की है।

अब वहाँ पर जो ठेके की प्रथा चल रही है उसके बारे में कुछ कहना चाहता हूँ। ठेके पर काम करवाने के मैं एकदम विरुद्ध हूँ, यह बिल्कुल गलत चीज है। मैं ने हीराकुंड में तथा दूसरी जगहों पर जा कर देखा है। मैं ने देखा है कि वहाँ जो ठेकेदार हैं वे मजदूरों के तीन तीन चार

चार महीनों की तनख्वाह को रोके रखते हैं। ये लोग पहले तो उनको लालच दे कर फुसला कर ले जाते हैं, लेकिन बाद में उनको सताना शुरू कर देते हैं। पहले तो उनको ख्यादा तनख्वाह देने का लालच दिया जाता है लेकिन बाद में उन के साथ धोखा किया जाता है। उनको इस के लिये मजबूर किया जाता है कि वे नौकरी छोड़ कर चले जायें। मैं यह चाहूँगा कि रिक्स्ट-मेंट का जितना भी काम है वह शासन अपने जिम्मे लें और ठेकेदारों के जरिये काम करवाने की जो प्रथा चल रही है उसे जल्दी से जल्दी समाप्त कर दे। जितनी भी योजनायें इस समय हमारे देश में चल रही हैं, जितनी भी सिंचाई या दूसरी प्रकार की योजनायें हैं, उनमें से किसी में भी ठेकेदारों की माफत काम न करवाया जाए। ये ठेकेदार मजदूरों का शोषण करते हैं। और हम यह भी जानते हैं जो हमारी सरकार है वह शोषण नहीं करती है। ये जो ठेकेदार हैं ये सरकार को भी और मजदूरों को भी धोखा देते हैं।

अब जो मजदूरी इन मजदूरों को ज़मीन खोदने के लिए दी जाती है वह पुराने पी० डब्ल्यू० डी० के जो रूल्स हैं उनके अनुसार दी जाती है। आज महंगाई का ज़माना है और सब चीजों की कीमतें चढ़ गई हैं। अगर आज आप १९३५ या १९३६ में जो मजदूरी दी जाती थी वही मजदूरी दें तो मजदूरों का काम नहीं चलता है। इस मजदूरी से उनका पेट भी नहीं भरता है। मैं चाहूँगा कि जो शेड्युल्ड रेट्स हैं, उनमें परिवर्तन किया जाए और इन लोगों को कम से कम लिविंग वेज तो दी जाए। मैंने देखा है कि रूरखेला में और भिलाई में भी इसी हिसाब से मजदूरी दी जाती है। यह दोनों योजनायें मेरी कांस्टिट्यूयेंसी से कोई १०० मील के फामले पर हैं और इसलिये मैं इन चीजों को अच्छी तरह जानता हूँ। मैं ने यह भी देखा है कि छत्तिसगढ़ के लोग हज़ारों और लाखों की तादाद में बिहार और आसाम में, टी गार्डनस में और कोयले की खदानों में काम करते हैं। उनको पहले लालच देकर लोग ले जाते हैं लेकिन बाद में तंग करते हैं जिसके कारण कि उनको वहाँ से भागना पड़ता है। मैं चाहूँगा कि मंत्रालय इस सम्बन्ध में कठोर और कड़ी कार्रवाई करें ताकि मजदूरों में असंतोष न फैले, क्योंकि जब असंतोष फैलता है तो काम अच्छा नहीं हो सकता है।

आपने यह कहा है कि आपको ४५ लाख टन लोहे की आवश्यकता होगी। क्या आपने इस

अनुमान में रेलवे की जो जरूरतें हैं उनको भी शामिल किया है। हमारे देश में अभी तक यातायात का प्रसार होना है और हमारे रेलवे की जो जरूरतें हैं उनके लिए जितने लोहे की आवश्यकता होती है वह बाहर से मंगाया जा रहा है। अगर आपने रेलवे की मांगों का ध्यान न रखा तो जो मार्ग हैं वह कुंठित हो जायेंगे और जो रेलवे का विस्तार हो रहा है वह रुक जाएगा। मैं जानना चाहता हूँ कि रेलों को कितने लोहे की आवश्यकता होगी? क्या इसके बारे में भी गवर्नमेंट ने विचार किया है? मैं यह भी चाहूँगा कि रेलवे की जो आवश्यकतायें हैं उनको पहले पूरा किया जाए और दूसरी आवश्यकताओं को बाद में।

यह भी आज देखने में आया है कि एग्रीकल्चरल इम्प्लेमेंट्स के लिए हमें जिस लोहे की आवश्यकता होती है या मकान बनाने के लिए जिस लोहे की आवश्यकता होती है या बाँध बनाने के लिए जिस लोहे की आवश्यकता होती है वह हमें ब्लकमार्केट में से खरीदना पड़ता है.....

उपाध्यक्ष महोदय : आज लोहा देने के बजाय लोहा पैदा करने की बात चल रही है।

श्री जांगड़े : मैं आपको धन्यवाद देता हूँ कि आपने मेरी हिन्दी की दुरुस्त किया।

उपाध्यक्ष महोदय : मैं ने आपकी हिन्दी की दुरुस्त नहीं किया, मैंने आपका ध्यान उस मजदूर की तरफ खींचा है जिस की चर्चा आज यहाँ हो रही है।

श्री जांगड़े : तो मैं यह चाहूँगा कि भविष्य में किसानों को एग्रीकल्चरल इम्प्लेमेंट्स के लिए कितने लोहे की आवश्यकता होगी क्या इसका अनुमान भी आपने लगा लिया है। यदि आप हमें इस चीज की बता दें तो हमें संतोष होगा कि द्वितीय पंचवर्षीय योजना में हमारी जितनी भी आवश्यकतायें हैं वे सारी की सारी हम देश के भीतर ही पूरी करने के काबिल हो गए हैं।

आज हम विदेशों से लोहा मंगा रहे हैं। आपने यह कहा है कि १९५८ में हम थोड़ा सा उत्पादन करने लगेंगे और १९५९ में हमारे तीनों कारखाने अपनी पूरी शक्ति से उत्पादन

करने लग जायेंगे। मैं यह समझता हूँ कि १९५९ तक हमें जितने लोहे की आवश्यकता होगी उसे मंत्रालय बाहर से मंगा करके पूरी करेगा। मेरा ख्याल है यह जो मैं ने कहा है यह ठीक है। यदि ऐसी बात है तो मैं यह पूछना चाहता हूँ कि क्या दूसरे देशों से भी हमारा मंत्रालय लोहा मंगाने की तैयारी है सिवाय उनके जिन से अब मंगाया जा रहा है जैसे जर्मनी से या यू० एस० ए० से या यू० के० से और क्या यह पता लगाने की कोशिश की गई है कि और कोई देश भी कम कीमत पर लोहा हमें सप्लाई कर सकता है। यदि इस चीज का स्पष्टीकरण भी मंत्री महोदय अपने उत्तर में कर दें, तो इससे हमें संतोष होगा।

अब मैं श्री स्थानीय लोग हैं जहाँ पर कि यह लोहे के कारखाने स्थापित किए जा रहे हैं, उनके बारे में कुछ कहना चाहता हूँ। मैं चाहता हूँ कि जो स्थानीय लोग हैं उनको इन कारखानों में काम करने के लिए प्रोत्साहित किया जाए। अक्षी दास साहब ने कहा कि रूरखेला में उड़िया लोगों को ही ज्यादा से ज्यादा तादाद में काम मिलना चाहिए। इस चीज को मैं दुरुस्त मानता हूँ। वहाँ पर बहुत गरीबी है और जो लोग हैं वे साथ ही साथ बहुत परिश्रमी भी हैं। तो मैं यह उचित ही समझता हूँ कि उड़िया लोगों को पहले प्रधानता मिलनी चाहिए और यहाँ पर मैं चाहता हूँ कि छत्तीसगढ़ी लोगों को प्रधानता दी जाए। मैं यह भी चाहता हूँ कि दुर्गापुर में बंगाली लोगों को पहले नौकरी मिलनी चाहिए। अभी आप ने कहा कि भिलाई में आपको ५०,००० मजदूरों की आवश्यकता होगी। यदि इन ५०,००० में से कम से कम ४०,००० मजदूर छत्तीसगढ़ के होते हैं तभी हमें संतोष हो सकता है। यदि आपने दस बारह हजार छत्तीसगढ़ वाले रखे और बाकी बाहर वाले रखे तो परिणाम यह होगा कि छत्तीसगढ़ वाले, जिनकी जमीनें और मकान गये हैं, वे गरीब रह जायेंगे और दूसरे जोग लाभ उठायेंगे। यदि ऐसा हुआ तो यह अच्छा नहीं होगा। इसी के साथ मैं यह भी कहना चाहता हूँ कि आप उन लोगों को केवल मजदूर बनाकर ही न रखें, उनको यंत्रों काम भी सिखाया जाए ताकि वे भी बड़ी नौकरियों पर जा सकें और बड़े बड़े उद्योग धंधों में काम कर सकें। ऐसा न हो कि स्थानीय लोग तो केवल मजदूर और दास बने रहें और दूसरे लोग आकर कुर्सियों पर बैठें और अफसरी करें। यह चीज मैं पसन्द नहीं करूँगा।

Shri Sarangadhar Das (Dhenkanal-West Cuttack): Mr. Deputy-Speaker, I am very glad about this new Ministry and I am happy that three new steel mills are under construction. But, I wish to point out one thing which Mr. Bansal also had mentioned. I do not believe that the Government is taking advantage of the huge expenditure incurred by it in foreign countries to get machinery for different needs, as it should. This Ministry has the best opportunity of not only establishing steel mills and subsidiaries, but also of manufacturing machinery and plant required for steel mills. I am reminded of what Russia did. In the early days of their industrialisation after the Russian Revolution, whenever they ordered machinery and equipment from Germany or America, they stipulated that those manufacturers must put up plants in Russia itself. For instance, when they ordered thousands of tractors from the Holt Caterpillar Tractor company in the United States, they stipulated that the company should put up a plant in Russia, which they did. Since then the Russians have utilised in their collective farms thousands of tractors which have been manufactured in that plant. In the beginning that plant was a failure, but they rebuilt it and now they are not dependent on America or any other country for tractors. I believe they are supplying tractors to India now. Therefore, when we are entering the market to buy some special machinery—blast furnaces, rolling mills and so on—it should be stipulated that the suppliers of this machinery should put up plants here with our co-operation and manufacture at least parts of a steel mill which will be required in future. I understand the Ministry proposes to put up one steel mill every two years. This is a point that has never been appreciated in our country.

The other day I had asked a question about sugar machinery. Since 1931-32 the number of sugar plants went up and there are about 150 of them; but, as far as I know, there is not a single manufacturing plant here manufacturing heavy sugarcane crushing mills, evaporators, vacuum pans and so on. I find fault with the private sector and the capitalists who put up these plants. They never thought of encouraging the establishment of machinery—manufacturing plants here. Now that the Government is handling the construction of these three steel plants, they must remember this point.

I find it mentioned in the report that once the three steel mills are set up, about 80 per cent. of the requirements of steel will be manufactured and fabricated here. I have my doubts about it, but if that is true, that is a good beginning.

Then there is the question of personnel. Steel mills where hundreds of crores of rupees are invested should be maintained in a very first class conditions. It is stated that the life of the steel plants is 30 years. If they are maintained well, the life should go beyond 30 years. As it is, at present personnel are very scarce. Whatever personnel we have are employed in the three existing mills. Therefore, it should be the objective of this Ministry to have personnel trained in the different branches of engineering as much as possible in India and have them sent abroad wherever specialised knowledge is available. In the meantime, we should also equip our engineering colleges and establish more engineering colleges to turn out efficient personnel who will run the steel mills and maintain them in the first class condition that is necessary, inasmuch as a large sum of money is being invested in them.

I have to say a few words about the Rourkela steel plant and the Hindustan Steel Limited. I was also disillusioned when people were employed in the plant and contracts also were given. I was very enthusiastic when the negotiations were going on for the establishment of the plant at Rourkela and one of my friends and myself had publicly stated that we could give all our co-operation. But, unfortunately, there is a difficulty of land acquisition. At one time I was blamed for the difficulty of land acquisition, because my party was carrying on an agitation there for proper compensation. It is all right to sit down here and say that people are making trouble. I do not see why when there is some manufacturing concern to be acquired by the Government, whatever compensation is asked for, practically all of that is paid. There is the Indian Airlines Corporation, for instance.

Some parts which are mostly duds, have been loaded on the Government. No one ever objected to the compensation to be paid. But when it comes to the poor peasants having one or two or

five acres of land which has to be occupied by the steel company—and unless they are paid they do not want to give up their land—, then there is a lot of shouting here that the people are not co-operating. I may tell the Minister that in Orissa I know of cases where land has been acquired for certain public purposes and compensation has not been paid for ten or fifteen years. Seeing this situation, who would be willing to part with his land unless he was promptly compensated for? In the Orissa Public Works Department there have been cases where for twenty years compensation has not been paid. Therefore, in order to get the co-operation and goodwill of the local people, it is very necessary that by the application of the existing Land Acquisition Act, whatever the price is, the average price plus 15 per cent. as is provided for in that Act, should be paid immediately. And then it is for the Orissa Government, as I understand, to give them alternative place somewhere where they can live or for the company to take them as employees. This has not been properly done.

Besides land acquisition, as far as employment is concerned, the people of Orissa are nowhere. While it may be, I will say, that as far as engineers with steel experience are concerned there is hardly any one in Orissa who is qualified in that direction, there are other jobs that the Orissa people are competent to do. For instance, take the small contractors. I remember there was the brick contract which was given to some big firm from Bombay. If this is the way things will go on, Bombay and Calcutta are industrially advanced and if we have an industry in Salem and if we take Bengalis and Bombay-walas to run it, what is the use of having it in Salem? You may as well put it up in Calcutta and Bombay. When you disperse the industries and put them in localities where it is most suitable because of the raw materials being nearer, then it stands to reason that to relieve unemployment, to give training to local people and to give them all the opportunity, local people should be employed as far as possible. But I understand that is not being done. And the brick contracts went to big people from Bombay, while the local people know how to make bricks. But they cannot make crores of bricks; they do not have that capacity, the financial resources to go in for crores of bricks. But the contracts could be broken up into small bits and given to local people. This is

where the Hindustan Steel Company has failed in accommodating the local people.

I do not have much else to say. These are some of the points that I bring to the notice of the Minister and I hope the Ministry will look into these matters.

Also, I would mention about interest charge. I heard from Shri Bansal—I have not studied these reports thoroughly—but I heard from Shri Bansal that the interest is to be a little over the bank rate at a particular time. I do not see what kind of a contract it is. Suppose the bank rate is 8 per cent. at one time. Is it going to be 8½ per cent. or 9 per cent. or 10 per cent? In this indefinite way it is never put into a contract. Also, inasmuch as we have our sterling balances there, instead of utilising that money, why it should be borrowed at such a rate of interest I cannot make out.

Shri Jhunjunwala (Bhagalpur Central): I have great pleasure in addressing you as Mr. Deputy-Speaker.

Well begun is half done. For the expeditious way in which the hon. Minister of Steel—he is really a Minister of steel (*An Hon. Member*: Very tough!) has arrived at an agreement with three countries for importing three plants for manufacturing steel in India which is so indispensable for the industrial development of the country and for making machinery here so that we can be self-sufficient, he really deserves our congratulations.

It is very difficult for us to say as to what the real terms of the government are. We entirely depend upon our hon. Minister. We had the very sad experience of the Sindri Fertilizer Factory where an agreement was entered into with some firm, and then there were so many people coming in, some as individual firms, some as consultants, and so many things came in that it was very difficult to follow as to who is responsible for what and who is responsible for the completion of the work in time. It does not matter if we have to pay something more for getting these plants ready and having production in time. But then I have my suspicions, and I wish that those suspicions might come untrue and the Minister might not come afterwards before the House and say that because of certain difficulties these

[Shri Jhunjunwala]

contracting parties had not been able to fulfil their contracts and we had to extend the time, and further that the remuneration and the price of the plant which was agreed upon does not appear to be sufficient now. I think in view of the past experience that we have of several other agreements in respect of big projects, the Minister has taken all these points into consideration before arriving at an agreement with them. I think, if contract for delivery and construction is not kept up to the time required after damages have been provided in the agreement.

As Mr. Bansal has pointed out, we do not know whether the consultants who have come are a firm or individuals and what are their exact duties. Those things are not clear. And as the agreements are not before us, we are not in a position to say as to what the real terms of the agreement are, what will be their different duties, and what kind of help and assistance they will give to us.

It has been said that production will start in 1959. I want to stress this point that in the agreements, the copy of which we have not got before us, I hope the hon. Minister has made it definitely clear that in respect of the contracts which have been given to the different consultants or contractors they might not come afterwards and say "this is not possible to be done."

3 P.M.

Secondly, as Shri Asoka Mehta pointed out, we do not know whether all the difficulties have been taken into consideration: whether all the plants from different parts of the world—one is coming from Russia, another from Germany. . .

Shri Asoka Mehta: Two from Germany.

Shri Jhunjunwala: . . . another from the U. K.—will be coming simultaneously, etc. Several must be coming in the private sector also. We do not know whether there is proper space for landing and taking delivery of these things in time and whether these will come on the site in time so that construction may be started. As I have said, I have great faith in the hon. Minister. The hon. Minister gives first preference to speed. Being in business himself, he knows what time means to

any industry. If all these steel plants begin to go in production by 1959, we would have gone a long way. I have nothing much to say. Almost all the points have been covered by others. As has been pointed out, I cannot understand why this rate of interest has been kept uncertain. When we have got so much of sterling balance in England lying at a very low rate, why should we now approach the British Government and say that we require money for this purpose? Why should not this money be allotted to us? If that is not possible, I think we should fix the interest now. To say that it will be something higher than the existing bank rate. . . .

Shri Asoka Mehta: The then prevalent bank rate.

Mr. Deputy-Speaker: The hon. Member may be allowed to say what he knows himself.

Shri Asoka Mehta: It is part of the agreement.

Shri Jhunjunwala: . . . yes—higher than the then prevailing rate will not be right. We do not know; the rate may go high. We do not know to what extent it might go up. Then, it might not pay us to run this industry. We do not know what will be the cost of production. In working out the cost of production, we have to take into consideration the interest also. I think, while entering into agreement with consultants, with advisers and with technicians, costs have got to be worked out. I expect that the hon. Minister will see that our hopes that the steel plants will go into production in 1959 and that the cost of production will not be higher than what has been arrived at are fulfilled. I also hope that the capital cost will not go up, as it had gone up in many other cases, in the D.V.C., in the Sindri Fertiliser Factory and other big projects. I hope that the Minister will not come again and tell us, "Give us so much more money for this."

Mr. Deputy-Speaker: The following are the selected cut motions relating to the Demands under the Ministry of Iron and Steel, which have been indicated by the Members to be moved.

Demand No.

66	..	Cut motion No. 1181
133	..	Cut motion No. 1162

Rehabilitation of persons to be evicted for the establishment of a Steel Plant at Durgapur

Shri N. B. Chowdhury : (Ghatal) : I beg to move:

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

Failure to establish a Steel Plant at Virdhachalam in Tamil Nad to make use of iron ore available there and at Salem

Shri Boovaraghasamy (Perambalur) : I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Iron and Steel' be reduced by Rs. 100."

Mr. Deputy-Speaker : Cut motions moved:

"That the demand under the head 'Ministry of Iron and Steel' be reduced by Rs. 100."

"That the demand under the head 'Capital Outlay of the Ministry of Iron and Steel' be reduced by Rs. 100."

There are only 5 minutes more. I propose to call the hon. Minister at 3-10.

Shri V. P. Nayar : I shall finish in five minutes.

Shri N. Rachiah (Mysore—Reserved—Sch. Castes) : Will you please arrange, Sir...

Mr. Deputy-Speaker : The hon. Member can speak on the next Ministry.

Shri N. Rachiah : The Speaker also said the same thing. Will you please arrange to give a chance to the back-benches?

Mr. Deputy-Speaker : I think the hon. Speaker has said that all these who do not get a chance will be given an opportunity when the Finance Bill comes.

Shri N. Rachiah : What about this? Only the front benches have spoken.

3—42 L. S.

Mr. Deputy-Speaker : This cannot be settled just now.

Shri N. Rachiah : Will you please make arrangements to give the back-benches seats in the front benches?

Mr. Deputy-Speaker : I would give him a chance.

Shri N. Rachiah : Will.....

Mr. Deputy-Speaker : Order, order; this is not the way.

Shri V. P. Nayar : Mr. Deputy-Speaker, we are aware of the very painful pre-natal period of this Ministry and we are also aware of its present pre-parlour afflictions. There are many problems which the Ministry by itself, in this context, cannot tackle. As I went through the report, I found that the Iron and Steel Ministry functions only for the production of iron and steel. It is very unfortunate that the other aspects of the iron and steel industry are not incorporated in this Ministry. For example, there is the Iron and Steel Controller's office. I do not know whether it comes under this Ministry, because there is no report about it. It probably comes under the Ministry of Commerce and Industry. But, I should feel that now that we have an Iron and Steel Ministry, which is looking after the production of iron and steel, this matter of distribution should also be taken up in this Ministry.

I am not very much enamoured when I find that India has set for itself a target of 6 million tons. From where we are, it is certainly progress. But, what is 6 million tons to a nation with so many people? What is the actual *per capita* consumption of steel and *per capita* production of steel today? We know that from the point of view of certain requirements for the development of the iron and steel industry, the position of India is supreme. For example, the iron content in our ore is one of the very best in the world. We have many locations where metallurgical coal and coking coal and iron ore are available within a radius of 100 or 200 miles. It is not like Japan, for example, which has to import all its iron ore and coal and send out the manufactured steel to India. Yet, they are able to sell it at lesser prices. In other countries, for example in the U.S.A., in Wisconsin, I am told that iron ore and coal have to be taken hundreds of

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miles. Fortunately, in India, we have, for example, the Singhbhum belt, Manbhum and other areas where you get not only iron ore and coal within 100 or 200 miles, but you also get manganese and ever so many articles which are required. I want particularly to draw the attention of the Minister to the fact that the entire south has been almost neglected. We know that a plant like that at Jamshedpur or Bhilai cannot be had in the south. I understand the difficulties. There is no coking coal; there is no metallurgical coal. It may not be possible to start one. At least in another 20 or 30 or 50 years, India will have to change over the processing of steel to factories other than the ones which we are now building. What are we doing about it? We have got in the south plenty of electric power at very cheap rates. Can't we do anything about it? We will necessarily have to import billets for some years to come. Can't we have some plant for that? This is an important matter, because, you know, although Jamshedpur was started in the beginning of this century the first steel plant in India came into existence in the south. In 1835 there were two places in the south where steel was manufactured using charcoal. After that, it has not been possible for us to develop that industry. There are natural difficulties. But, in the present context, is it not possible to give some of the new units to the south? For instance, there is the question of scrap rolling. Can't we have one there? There has been a demand from the south. In the Bhadravathi project, I find the expansion programme is very limited. We should not be carried away by the impression that 6 million tons of steel will be our target, because one-third of it will be controlled by the Tatas. Even after six million tons, our *per capita* consumption will remain far, far below that of some backward countries, I do not mean as compared to advanced countries like the U.S.A. or U. K. I can say that with this six million tons, our *per capita* production as well as consumption of steel will be very much less than that of some of the backward countries like Mexico, Argentina or China. The world facts and figures published by the U.N.O. reveal even today the *per capita* consumption of India may be only less than half of these countries, let alone the question of the U.S.A., U.S.S.R., or the U.K. which are

several hundred times. Even in this context have we done everything?

There are other materials in which the control should necessarily vest in the Ministry, for instance manganese which is mostly used for processing steel. We do not have any plan for processing special types of steel. Ordinary, crude steel will be there, but we want ever so many other types of steel. I would like to know whether we have any special programme for the development of other varieties of steel. We are not wanting in vanadium oxide. There it lies waste in my State but nobody takes it. Do we have an integrated plan for it?

One word about training. I find that only about 100 persons will be trained in Jamshedpur. This is ridiculously low. When the Minister himself says 1,300 technicians will be required, cannot the factory of the giant size of Tatas which claims to be the biggest in the East train a few thousands? Government is helping them in every way, giving them money on the easiest possible terms. Why not get more technical personnel trained in the factories at Jamshedpur and Burnpur, so that they may be useful at the time we start our new projects.

Shri T. T. Krishnamachari: Sir, I must at the outset express my gratitude to the hon. Members who have by and large given their support to this new Ministry and to the ambitious plans that the Ministry has before it. Certainly the Minister and the officers of the Ministry ought to be grateful to this hon. House that they carry their good wishes with them in this rather difficult endeavour.

I will take up first this question of planning for steel which was raised by the last speaker. It is not often that I find myself in agreement with my hon. friend Shri V. P. Nayar, but in this particular instance we happen to agree. He feels dissatisfied with the target of six million tons of steel ingots. I am also dissatisfied with it.

Shri V. P. Nayar: When you agree, I doubt whether I am correct.

Shri T. T. Krishnamachari: My hon. friend cannot altogether divorce himself from the philosophic doubts that engulf any Hindu. He might next doubt whether he is really on the *terra firma* or he is just floating on the horizon.

Anyway, it is a fact that our targets will be found in actual practice to be far short of our demands, because the demand for steel in the current quarter is roughly about 3.6 million tons on a very restricted basis after pruning it very heavily. So, I do expect by about 1961 the demand for steel will be much higher than 45 million tons of finished steel, and that is why, as I have said at the outset, I have tried to see if within the four corners of the three plants I cannot augment production. Our collaborators in each of these plants have been good enough to suggest to us the ways and means by which we can augment production. So, there is a provision of 250,000 tons of ingot steel to be produced in Rourkela by the addition of a few coke oven batteries and perhaps a couple of open hearth furnaces. A similar addition both at Bhilai and Durgapur will produce in each case about 300,000 tons of ingot steel.

The other thing that we have done—I do not know if I mentioned it at the outset—was the provision of water service, electricity and all other ancillary services on the basis of a production of 2.5 million tons of ingot steel in each plant, so much so these three plants when they are carried to their logical strength would produce altogether about 7.5 million tons of ingot steel. Even that I feel is not adequate because there is no point in our trying to fix a target for consumption of steel for a period of five years. I propose to take up with the Plannig Commission and with my colleagues this question of trying to fix a target for ten years so that you can plan more freely. It is just anybody's guess, but my own guess is that we ought to be in a position to produce about 15 million tons of finished steel or 18 million tons of ingots by the end of third Five-Year Plan. That shows the limit of our ambitions though the limit of our capacity may be far short, but I am emboldened by the encouragement that I have received in this House to think aloud and to share with the hon. Members of this House my own views with regard to what this country ought to be between now and the next ten years.

One particular matter with which I would like to deal is the question of placing these agreements on the Table of the House. I should very much like to take the House into confidence at

the earliest possible moment. I hope to be able within a very short period of time to place the final agreement with the U.S.S.R. Government on the Table of the House. So far as the British Plant is concerned, I am afraid we will have to wait for some time because all that we have agreed to is only the broad heads of agreement. The details have to be filled up and until the details are filled up it would not be in the interests of the State and this House which really owns the State to make that information public.

In regard to the agreement with the consultants, I must apologise to the hon. House for not having placed the agreement on the Table of the House, and if you would permit me I would like to place the two agreements with the consultants on the Table of the House now. [*Placed in Library.* See No. S—131/56.]

In regard to the agreement with the consultants, I would also like to apologise for a small error that has crept into the statement I made when I was perhaps interrupting or intervening when my hon. friend Shri Asoka Mehta was speaking. The fee that we are paying to the consultants in regard to general advice is £ 400,000 spread over a period of six years which means about Rs. 53 and odd lakhs, which comes nearer Rs. 9 than Rs. 6 lakhs per year. I am very sorry for the mistake I made and I hope the House will accept my apology.

I will deal also with this question of the consultants. I thought I was making a great point when I mentioned to the House at the outset that one of the first departures that we made was to have a firm of consultants attached to the Ministry which would be in a position to give us correct advice. I hardly realised at that time that I was raising a hornet's nest round my head. My hon. friend Shri Bansal who is fresh from Bandung and with all the houries of Bali floating before him was, instead of being charitable. . .

Shri Kamath: Houries of iron and steel, or flesh and blood?

Shri T. T. Krishnamachari: They are certainly not hirsute.

It was a little, if it is parliamentary to use the word, almost savage for him, but that is all right. I like my friends of

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this sort to let off steam, for if they cannot let off now, they will probably let off on the Commerce and Industry Demands and if they do it on Iron and Steel it is better because it can take it more easily than Commerce and Industry.

Shri Kamath: Better harness the steam.

Shri T. T. Krishnamachari: He asks what connection this firm of consultants has with the consortium. None whatever. Even section 6 of the Companies Act which defines "relative" and says "relative legitimate or illegitimate" can be applied in the case of the people who control the International Construction Co. Ltd., to find out if they have anything to do with the members of the steel consortium with whom we have made an agreement.

Secondly, this is a firm of fairly international reputation. It is not a firm which is run by an individual, though an individual who heads the firm, a Swede who is considered to be a very big authority on steel matters does carry a lot of prestige with him, which he imparts to the firm. I personally feel that I was lucky to be able to get the services of a firm of this repute, and particularly when it has at the head a man of such high integrity as Mr. Bengtson. And I am prepared for any kind of scrutiny to be made in regard to this action of mine and of the Ministry; and I am perfectly sure that we shall come through the fire unscathed. That is so far as Shri Bansal is concerned.

Shri Kamath: Ordeal by fire and steel.

Shri T. T. Krishnamachari: The terms are extremely good. Even in regard to the British steel plant, what we are paying to our consultants will stand favourable comparison with whatever we are paying to the consultants in regard to Rourkela and Bhilai. I think what I am paying to the consultant is nothing compared to the services that he has already rendered us.

The report of the Russian steel delegation was in thirty-five volumes, and barring two volumes, everything else contains statistical and designs data. It is very difficult to decipher them. But this firm had gone into everything and

had given us not merely the benefit of their advice, but it was present here in our discussions with the Russians and helped us right through.

I may mention one point in this connection on the question of how we fixed these three contracts, or rather fixed them very nearly. It is a matter of perhaps accident rather than design that we decided on three plants from three different sources, and the discussions in the process of finalisation of the contracts took place more or less at the same time. It gave Government which is certainly not an expert body, and our officers—and the secretariat that we have is not an expert—an opportunity to compare the costs, and the methods of production, and add the plus and deduct the minus from the various plants, and ultimately satisfy ourselves that we were not being given a raw deal. In our coming to that conclusion, the services of the International Construction Co. have been invaluable. Far from casting any aspersions on their *bona fides* I think I, at any rate ought to feel thankful that they have saved not merely the Ministry but also the exchequer from a great deal of money, by being able to present to us a comparative statement of costs and a comparative idea of production, and giving us correct advice so that we can come to this decision.

In regard to the speech made by Shri Asoka Mehta, if hon. Members will not consider that I am being invidious, I would like particularly to express my gratitude to him for whatever he has said. It may be that we do not agree. It may even be that what he has suggested runs counter to the policy of this Government. But I take the advice that he has given us in the spirit in which it has been offered, and I think it has been altogether a very valuable piece of advice.

It was right on his part to have pointed out to us, or rather to have pin-pointed the fact that it is exciting to be in an age when a comparatively backward country like ourselves could plan something so big as to put up these steel plants on our own to augment the production in regard to the two private steel plants, in which I am proud to say that Government have taken a lead, and to be in a position now to step up our production from 1.2 million tons to about 4.5 million tons with further capacity for increase. This is certainly

something to be excited about. If we have no other satisfaction that we are living in these days, I think that alone should give us some satisfaction.

Pandit Thakur Das Bhargava (Gurgaon) : Provided it is successful.

Shri T. T. Krishnamachari : The other fact that he has also pointed out to us on the question of cycles in regard to steel production is very interesting and very valuable. We are trying to cut short the period of the cycle, thirteen or fourteen or twelve years as the case may be. We are thinking in terms of ten years, and that is why I was emboldened to say that I would visualise a target of 18 million tons of steel ingots by the end of the third Five Year Plan, so that we should plan almost immediately for a total production of 18 million tons of steel, which means that everything else that goes with steel production, namely the utilisation of the steel, the ancillary articles that will have to be produced for the purpose of steel production, including the question of production of as much machinery as is possible will have to be planned and provided for, which means an enormous amount of work and a very big step forward in industrialisation.

I am very glad that he told us what it is, from the point of view of a person who looks at Government with a critical eye, and I think we on this side and the people at large have to be grateful to him for having more or less opened our eyes to the big issues at stake before us in our embarking upon this adventure in steel.

Of course, all compliments and all good advice must be seasoned with a bit of acidity, because otherwise digestion becomes difficult. He asked us why we had started with half a million tons of steel in the Rourkela project. But my hon. friend Shri Bansal said that he knew that I was a critic. Yes, in one sense, I am a critic. I am a critic not merely of my Government's action, but I am a critic of my own action, because I am terribly dissatisfied with the rate of progress that we are making. If I was not dissatisfied with the rate of progress that we are making, then I would not be doing anything in order to help to progress it. From that point of view, if my hon. friend thinks that I was dissatisfied with the idea of a starting a steel plant with just 500,000

tons of production, perhaps he is probably right; but I do not remember to have taken him into confidence anything further than that.

Shri Kamath : You might do it later on.

Shri T. T. Krishnamachari : A point was made by Shri Asoka Mehta as to why we started with half a million tons, and why thereafter we went ahead. Yes, it is true. I could say today—it is easy to be wise after the event—that if we had only planned all this that we are doing and that we have done during these four years, right in 1952, we would have gone very far. It is not that we did not know about it. Some of us who have been here for a long time, my hon. friend Shri Mohanlal Saksena, though he is a little angry with me now and again, my hon. friend Pandit Thakur Das Bhargava, my hon. friend Shri Santhanam, and my hon. friend Shri Ananthasayanam Ayyangar, were speaking of the nationalisation of the Imperial Bank in 1948. We were speaking about greater control of insurance in 1949. We were speaking about steel projects in 1949. Yes; it is not that we were not aware of it; it is not that we did not want it. But many things intervened in between, and these things generally got postponed because of a combination of other events. We had the refugee problem, we had a terrific bout of inflation, and many other problems came in. And even when we met here in 1952, we did not start with our schemes. It took us about two years to find our feet.

I agree that these things could be avoided, and should be avoided in the future. But I am afraid that there is no use crying over spilt milk. It is perfectly right for my hon. friend Shri Asoka Mehta to have asked, "What did you do all these years?", because that is one argument, and he has got to get an argument against his Government. And he is perfectly right in putting out that argument. But so far as we people who have been working here before are concerned we were deeply conscious of the fact that all these had to be done. But they were not done, not because we were not powerful enough to exert our views and make Government go on, but because there was a combination of other circumstances that prevented Government from moving ahead.

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I will recall to my hon. friend, Shri Mohanlal Saksena, that he, Shri M. Ananthasayanam Ayyangar and myself tabled a short notice question to the then Finance Minister asking for the nationalisation of the Imperial Bank, in 1948. And we got an assurance that steps would be taken to do so. It has happened in 1955. There are explanations for the delay.

Shri Asoka Mehta told us about the need for perspective planning. I am making an attempt and I am very happy that I have his support. The other thing that he mentioned was about the private and public sector in steel. So far as we are concerned there are advantages and disadvantages either way. But the time to press home this question of unified control over steel would be when these three plants start production. Then perhaps there would be something in it, because, may be, we will have a Steel Ministry which will control both the private and public sector;—rolling and the distribution of steel and all that sort of thing can be done. But until we can actually produce steel, there is no point in our trying to anticipate all these troubles.

The other point made by Shri Asoka Mehta, namely, coal, has to be dealt with by hon. colleague, the Minister of Production. But I am perfectly sure that he would himself agree that we have to step up our production of coal and modernise its methods. And it is not merely that. We must have a planned method of using coal. Here even in these three steel plants, we are trying to blend coal, we are trying to use some amount of non-coking coal, some amount of high volatile coal, so that ultimately we will not use up all our metallurgical coal. That attempt is being made even here to make our reserves go as far as is possible. I am perfectly sure that my hon. colleague will take in hand this question of modernisation of the coal industry before long. At any rate, what we do in the public sector will certainly be modernised.

Another point raised by him is a very interesting one, though at the present moment it is somewhat academic, namely, this question of the forward integration of industries. He quoted from an American example of forward integration or vertical combination, one factory producing it, whether it is in the private

sector or in the public sector. Well, it is a matter of opinion if he holds that view, that even public monopoly should not exist. I am perfectly sure that the check against any public monopoly happens to be this House and the ballot box which ultimately controls this House.

Shri Kamath : Provided the ballot box is safe.

Shri T. T. Krishnamachari : If the monopoly is misused, then the ballot box will indicate its displeasure.

But this question of insistence on mixed economy is something which is new coming from that quarter. So far as I am concerned, I am open and receptive to all ideas. I have no prejudice against any particular idea, because a Minister who is in government today cannot afford to ride a hobby-horse of ideologies. I will certainly bring to the notice of the concerned authorities this view that Shri Asoka Mehta holds.

Shri Kamath : What about your own view?

Shri T. T. Krishnamachari : I have not got much time, but I cannot afford to ignore my hon. friend, Shri Bansal. Shri Bansal started off with a broadside. It is a broadside aimed at nobody, but it is one of those ineffectual attempts at shooting in the air. And he wanted some ultimate target so that this broadside might reach that target. And not being able to invent a target, he found a convenient handle in these British delegations that came. They are ex-officers of Government. They have come here, and surely they must have come with a very nefarious purpose of doing something to India and gaining an advantage! I am afraid I did protest, because I think it was my duty to protest. I still protest against any insinuation, because it is an insinuation which has not got a vestige of truth in it.

Sir Eric Coates came here with a fact-finding commission under the Colombo Plan. He is not interested in steel. In fact, he was so disinterested that he refused to serve even on the consortium which has got together. He said, 'I have done my duty. I have given my report to the Indian Government and I am not interested in the business aspect of it'. I did not know Sir Eric very well when he was here. I

was very glad that I met him. But I think the lines on which he drew up the report were done in an exceptionally able manner with an eye to discharging a duty which he had undertaken and I think I would not be doing him justice if I allowed a remark such as the one made by my hon. friend, Shri Bansal, to go unchallenged, because it has absolutely no truth in it.

In regard to Sir Cyril Jones, the consortium had to find a Chairman. He became the Chairman. What has it got to do with his having been in India before, I cannot understand. If my hon. friend, Shri Bansal, thinks that by his coming over here, Sir Cyril Jones could pull wool over our eyes and I can become a party to an agreement which is completely against India, then he has very poor confidence in his countrymen and poor confidence in the Government, leave alone the confidence that he has or does not have in an important individual like myself.

Shri Bansal: What have my remarks got to do with confidence in him, I cannot understand. I think he is unnecessarily getting himself worked up.

Shri Kamath: Mixed up.

Shri T. T. Krishnamachari: Sometimes you have to recapture the atmosphere of Bandung.

The trouble about it is this. Shri Bansal is one of our competent critics. But unfortunately, a trip abroad sometimes sets people out of the way, and he started asking, what is the function of the managers of these plants? Will they be functioning under these consulting engineers? No, they won't be. They will function under me. The people whom they employ will function under me. If they try to exercise any independence for the benefit of anybody else, they will function no longer. I cannot understand a very intelligent and competent person, besides being a very good Member of Parliament and also holding such a responsible position as Secretary-General of the Federation of Indian Chambers of Commerce and Industry asking a question as to how these managers will function and what their functions will be. Surely he does not propose to ask me to spend my time in explaining what the duties of the managers will be. If the managers do not function properly, the managers

will go. I have no hesitation in sending away people who are incompetent or who do not carry out orders.

The next question is about the rate of interest. It is extremely nice to raise a red herring across the trail, that we have sterling balances. Then it was asked: Why do you make an arrangement in which you agree to pay one per cent above the bank rate, when we have got a poor rate of interest on the sterling balances? We are not getting a poor rate of interest on the sterling balances now. We get a fairly good rate of interest on the sterling balances.

An Hon. Member: How much?

Shri T. T. Krishnamachari: It is between 3½ and 4 per cent. depending on the type of investment. But the fact is that neither my hon. colleague, the Finance Minister, nor myself happen to be such complete mugs as some hon. Members think. . . .

Shri Kamath: Not yet.

Shri T. T. Krishnamachari: My hon. friend, Shri Kamath, has shown the way to go to a place. We do not yet propose to follow him to that place.

Shri Kamath: You showed it first. You are the pioneer.

Shri T. T. Krishnamachari: The fact happens to be that we are aware of the fact that paying one per cent above the bank rate will at any time be more than the interest that we get for our sterling balances.

Shri D. C. Sharma (Hoshiarpur): He is replying to Shri Bansal. How do other hon. Members come in?

Shri T. T. Krishnamachari: My hon. friend is a professor of English. I suppose he knows the language.

We are aware of the fact that we have sterling balances. We are also aware of the fact that even if the bank rate in England came down from 5½ per cent. to 4½ per cent. or 3½ per cent, we shall be getting for our sterling balances an amount less than what we shall be paying, that is, one per cent above the bank rate, whatever it is. But we have entered into this agreement merely because we feel that at the time when we will need the money,

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we shall not have enough reserves in our hands by way of the sterling balances. That is the reason why we have made it. The advance that would come from them would not be attracted till 1958. By 1958, we hope to spend a substantial portion of our sterling balances, and my hon. friend will be able to find out, when he is discussing the Plan, that we have a foreign exchange gap of Rs. 1,000 crores. Where is it to come from? Some portion must come from the sterling balances. We cannot plan with a foreign exchange gap of Rs. 1,000 crores and say: "Well, sterling balances are there; do not make any provision." We are only getting 25½ millions from them and the balance we are paying from the sterling balances. Therefore it has been a saving of a crore a year and a saving of a million pounds somewhere else. We only wish that we do not add to that Rs. 1,000 crores. It is a task which my hon. colleague has undertaken, which is beyond human capacity, namely, to find money to fill up the foreign exchange gap for the Plan period. I cannot understand a very competent critic like Shri Bansal saying: "You are doing something wrong with the sterling balances." The sterling balances are there. We know that; we are conscious of that fact that sterling balances are there. Nonetheless, it is there, intended for a particular purpose, and we want some money. That is the reason why we have done it.

So far as the fixing of the rate of interest is concerned, I think, the most equitable and the most sensible way of fixing it is the way which we have fixed it by tying it with the bank rate. As we expect, if the bank rate goes down, it is an advantage; if it does not go down, we will not probably take the entire amount; we will take only a small portion. The option is left to you. We need not take the £ 15 million from the British Government. They will give you according to the rate at which they will get from the bank. They do not say you must take it. We may pay them. We have to make this provision because of a very large gap of Rs. 1,000 crores which we have in the Plan period so far as foreign exchange is concerned.

My hon. friend said, 'complacency' in the matter of training. Somebody else said, "We are training only 100 people in Jamshedpur". I am not being

complacent. I may have many faults—I am sure I have quite a lot of faults—but complacency is not one of those faults. We realise that we are doing everything that is necessary to guard against this shortage of man-power ultimately, because all the training schemes which we can fortunately undertake we are undertaking and, perhaps, Jamshedpur will have to train far more than these 100 men for whom we have now made provision. It has got to be increased.

Shri Jangde and the two Das's from Orissa asked about compensation. We have paid to the Orissa Government Rs. 20 lakhs so far; and we are prepared to pay them anything more. The compensation will be round about Rs. 90 lakhs; the money is available. I have not yet got the exact amount they have paid up. So far as Bhilai is concerned, the compensation will be about Rs. 69 lakhs or thereabouts and they have paid about Rs. 33 lakhs, so far.

Shri Jangde : What will be the rate of compensation per acre ?

Shri T. T. Krishnamachari : I believe my hon. friend is a lawyer.

An Hon. Member : He is not a lawyer.

Shri T. T. Krishnamachari : Anyway he knows the Land Acquisition Act.

Shri Jangde : I am a lawyer.

Shri T. T. Krishnamachari : He knows the Land Acquisition Act. He knows the rate; what is the use of asking me? It will be done according to the Land Acquisition Act rates.

There is something said about fixing bricks and tiles. The only good thing is that there is no brickbat here or, otherwise, he would have thrown them here. A certain, particular type of bricks is needed and the country bricks are not used. I had a letter from somebody from Bhilai saying, "Why not you have country tiles and country bricks?" When a modern steel plant is being built up, it should have a certain amount of strength and its roof must have costly tiles. It is a question of reconciling yourself to the fact that a modern building has got to be modern. If the Orissa people do not know how to burn bricks, the Bombay contractor comes. So far as employment is concerned, out of

1182 regular employees in Rourkela, 517 are Oriyas; out of 562 work charged employees, 402 are Oriyas and the rest are contract labour. Somebody said: "You should not employ contractors." You cannot have a plant within 1959 and not use all the available means for getting the work through. If I have got to employ everybody departmentally, I can go on with it until 1965 and I can do what hon. Members have suggested. But, if it is a question of doing the thing in a hurry, every available source from which we can get assistance has got to be tapped.

Shri Jangde : One must curb the mischief of the contractor.

Shri T. T. Krishnamachari : Ask the local Government to do that. They can do that.

I do not want to take more of the time of the House. That, in sum, is what I have to say to the debate that has been raised. I should once again express my gratitude to the Members for the general support they have given.

Mr. Deputy-Speaker : I shall now put the cut motions to the vote of the House.

The cut motions were negatived.

Mr. Deputy-Speaker : The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following heads of Demands entered in the second column thereof:

Demands Nos. 66 and 133."

The motion was adopted.

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below.—Ed.]

DEMAND NO. 66—MINISTRY OF IRON AND STEEL

"That a sum not exceeding Rs. 8,91,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Iron and Steel'."

DEMAND NO. 133—CAPITAL OUTLAY OF THE MINISTRY OF IRON AND STEEL

"That a sum not exceeding Rs. 39,09,50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay of the Ministry of Iron and Steel'."

Mr. Deputy-Speaker : The House will now take up discussion of the Demands for Grants Nos. 1,2,3,4 and 113 relating to the Ministry of Commerce and Industry. As the House is aware, 6 hours have been allotted for the Demands of this Ministry.

There are a number of cut motions to these various Demands. Hon. Members may hand over the numbers of the selected cut motions which they propose to move, at the Table, within 15 minutes. I shall treat them as moved, if the Members in whose names those cut motions stand are present in the House and the motions are otherwise in order.

The time-limit for speeches will, as usual, be 15 minutes for the Members including movers of cut motions, and 20 minutes, if necessary, for leaders of Groups.

DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker : Motion moved :

"That a sum not exceeding Rs. 32,81,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Commerce and Industry'."

DEMAND NO. 2—INDUSTRIES

Mr. Deputy-Speaker : Motion moved :

"That a sum not exceeding Rs. 11,90,02,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Industries'."

DEMAND NO. 3—COMMERCIAL INTELLIGENCE AND STATISTICS

Mr. Deputy-Speaker : Motion moved :

"That a sum not exceeding Rs. 63,36,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Commercial Intelligence and Statistics'."

DEMAND NO. 4—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker : Motion moved :

"That a sum not exceeding Rs. 1,50,38,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

DEMAND NO. 113—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker : Motion moved :

"That a sum not exceeding Rs. 21,53,99,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'."

Shri A. M. Thomas (Ernakulam): Mr. Deputy-Speaker, I am rather hesitant to pay any compliment to the Ministry, not because that it does not deserve it but

because, coming in quick succession, the Ministers who manage this Ministry may forget themselves and get themselves lost.

Shri Karmarkar: We are always alert.

Shri A. M. Thomas: I am glad, Shri Karmarkar, the Minister of Commerce says that he is always alert.

Shri Karmarkar: We are always alert.

Shri A. M. Thomas: We want them to be alert.

This Ministry can legitimately feel proud of the progress achieved in the different sectors with which it deals. It is a good thing, that we discuss this Ministry after a discussion on the Iron and Steel Ministry because, as has been said in the pamphlet, that has been distributed to us on steel, the amount of steel produced by us or used by us is the measure of our industrial progress. The discussion that we had just now has given us great cheer and hope in the direction of the industrial development of this country. There have been a number of institutions working under the Commerce and Industry Ministry, various development councils, export promotion councils, various boards and other committees. I would have liked the Commerce and Industry Ministry to come forward, at this juncture, with the restatement of the industrial policy which this Government intends to follow in view of the statements in the Draft Second Five Year Plan. There have been reports appearing in the Press about decisions taken on a review of the Industrial Policy of 1948, but, we are not yet told or the House is not taken into confidence—about the lines on which Government wants to work. It still holds, I think, to the Industrial Policy Statement of 1948. At the same time, it is freely stated that a re-statement is necessary in view of the socialistic pattern of society that this House and the country have adopted. While speaking on the Production Ministry, I had occasion to state that what that Ministry requires is to draw up a master plan with regard to the industries that it will undertake and the location of those industries. While discussing the Commerce and Industry Ministry also, I would like to put forward the very same suggestion. This Ministry also should have a master plan. That plan need not be a plan for the next five years. It may be a plan for a sufficiently long period, and that

must give us a clear idea of the industrial programme of the Ministry. It was heartening to note that the other day the Commerce and Industry Minister said that the development programme that he envisages may perhaps add to the target of employment potential that has been drawn up for the Second Five Year Plan. That is really a heartening feature. In that case, it is all the more necessary that this Ministry should give us a clear idea of its programmes.

The National Industrial Development Corporation has been constituted with a view also to draw up such a programme. I gather from page 115 of the Draft Second Five Year Plan that the National Industrial Development Corporation has a very ambitious programme both with regard to the public sector and with regard to the private sector. When I went through the report of the National Industrial Development Corporation, I was a little disappointed. It is a very high powered committee that goes into the constitution of this Corporation presided over by no less a person than the Commerce and Industry Minister himself. From the scope and functions detailed in the pamphlet that has been distributed to us, it is seen that its object is to serve as an agency for securing the balanced and integrated development of industries both in the private sector and in the public sector. It is also expected to formulate and, where necessary, execute projects for industrial production, but I find there is a qualification attached to it—only with the prior approval of Government. It is also further stated in the report—

“Although the Corporation was set up in October 1954, it was not until a year later that it received the approval of Government to the following projects being processed by it:”

So, it has taken nearly a year for the Government to examine and give its sanction for the projects which this very powerful body has formulated. Although it is too early to judge the achievement of the National Industrial Development Corporation, if this is the way in which it is going to work—for the examination by the Government, it may take a year or more—that is not a happy state of affairs. I should sound a note of warning to the Ministry that the Corporation should not work in this way at all.

Before I go to some of the specific points, I would like to mention certain

industries which, according to me, must receive very careful attention at the hands of the Ministry. According to the Industrial Policy Resolution of 1948, certain industries, such as automobiles, and cement, have been taken under Central regulation and control. With regard to the progress achieved in the automobile sector, the report of the Commerce and Industry Ministry gives a rather glorifying picture, but I do not know whether the public shares that belief. Of course, there has been some expansion in the various sectors of the automobile industry prices are still very high. Although it is stated that the demand is on the upward trend, I do not think that the Ministry itself is satisfied with the quantum of demand for these automobiles. This industry has a great role to play especially in regard to the road transport policy which the Central Government has in view—the Railways may not be in a position to meet the needs of the country with regard to transport—and there must be an integrated approach; shipping has to be developed; motor transport also has to be developed.

Let alone that aspect. There is a disturbing news which is very current. Specific mention has been made with regard to the manufacture of the ‘Hindustan Landmaster’ in this report. It is better that the Minister, in his reply, clarifies the position about the report that it breaks down after running for a few thousands of miles and also it gives frequent engine trouble. I am told that the Hindustan-manufactured car, before the latest model, is a better one and it is better to have that second-hand car rather than a new Hindustan Landmaster. That is why I said that it is really a disturbing news. I should think that the House would be interested in knowing what exactly the position is and the reason why the Landmaster has not come up to the standard. Is it because that we used indigenous spare parts or that in our haste to attain self-sufficiency we committed some mistake in some section or other? That has got to be explained.

Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareli Distt.—East) : Whether it belongs to the private sector.

Shri A. M. Thomas: Yes, whether it belongs to the private sector or not, the position has to be explained to us. I understand that the Ministry has taken very close interest in the manufacture of automobiles.

[Shri A. M. Thomas]

Coming to another item, namely, cement, some two days back you might remember the great anxiety that was shown by this House when a simple question appeared with regard to the supply of cement. I remember to have asked the hon. Minister whether Government was rather unwilling to give sanction to set up new units, and I was glad to find that the Minister gave a categorical denial. But from the figures supplied by the Ministry itself—whether the Commerce and Industry Ministry is at fault or the Planning Commission is at fault—I have to say that when we drew up the First Five Year Plan, we underestimated our demand. In the matter of iron and steel, Shri Nayar pointed out our target with regard to steel production and the Minister was pleased to say that we must certainly plan ahead. I must say that the very same spirit and approach should be applied in the case of industries like cement, which are vital industries, which are absolutely necessary for our development.

The first target that had been fixed for the Second Five Year Plan was 10 million tons, and it has been increased to 12 million tons. I think that that figure also has to be reviewed, and I would be happy if a target of 15 to 20 million tons is drawn up and programmes adopted by the Ministry in that respect.

4 P.M.

In this connection, I want to mention this. Even though we are in short supply of cement, it is available in any quantity in the black market. If so, the only remedy is that which we have adopted in the case of sugar. Even at the risk of paying a little higher price, we may import as much quantity as we can afford. Let there be some normalcy so that these black market operations may be discouraged. Cement may also be taken within the ambit of the operations of the State trading corporation which the Ministry has in view.

I will touch another industry before I go to the small-scale industries. It is seen from the report that the offtake of cloth was more than satisfactory; towards the closing months of the year the demand was out-running the supply. If so, we can never afford to have any more cloth shortage. Whatever be the programmes, we must plan ahead the allotment to the village industries sector and also the allotment to the mill sector.

Having said so much, I would come to something nearer home, as far as I am concerned. With regard to the working of the small-scale industries, I must say that it does not give an encouraging picture at all; the working has not been satisfactory. For the uniform and overall development of the country, setting up of heavy and basic industries alone will not be sufficient. For keeping the regional balance too, it is necessary to devote more attention to the small-scale industries. The same arguments that were there for the setting up of another Ministry for iron and steel exist for setting a separate Ministry for small-scale industries having regard to their importance. From the report on the small-scale industries, I find there are several progresses of technical assistance—investigation programme, industrial extension service, national small industries corporation, etc. I do not at all think there has been any impact in the country by these schemes, especially in my part of the country. I find that there have been State Government service schemes. When I went through appendix III to find where these schemes have been useful, some States are mentioned: Andhra, West Bengal, U.P., Orissa, Bombay, Madras, Rajasthan, Hyderabad, Jammu and Kashmir, Madhya Bharat, Mysore, Saurashtra, Delhi, Coorg and Bhopal. The part which is mostly in need of such a scheme is Travancore-Cochin.

Shri Karmarkar: The States Governments are not utilising the amounts granted.

Shri A. M. Thomas: It is no excuse. I would humbly submit that, if the Central Government wants each and every part of the country to develop, they must devote a little more attention to see that the grant is utilised. A machinery will have to be devised by the Commerce and Industry Ministry so that it will not remain unutilised. The key for that is in the report itself—establishment of industrial estates. In States where there is lack of organisation or for want of proper co-operation from the State Governments the small-scale industries are not developing, the only remedy is to have a net work of industrial estates, small and large. The Central Government may, in such cases, take a more dynamic role.

I want to specifically mention the coir industry. It is unfortunate that a board which was constituted with very high hopes has not been able to function properly, due to several reasons.

Shri Achuthan (Cranganur): Who says so?

Shri A. M. Thomas: In the report it is stated that the Coir Board had a very busy time. I think, apart from constituting certain *ad hoc* committees and getting some schemes, nothing has been done and at the rate at which it makes progress, I do not think it will utilise the Rs. 7.5 lakhs which has been set apart for 1956-57.

Only one word more about this. Although the Commerce and Industry Minister has got special knowledge of these problems, when it comes to a question of actual implementation, we do not find any enthusiasm. The Karve Committee, in its report—paragraph 160—says that the development programme proposed by the Coir Board was generally acceptable and they proposed an allocation of two crores of rupees for the Second Plan period. When it came to the drawing up of the Second Plan, when the Karve Committee's total allotment of Rs. 260 crores came to Rs. 200 crores, the Coir Board's allocation came down from Rs. 2 crores to Rs. 1 crore.

This industry earns every year foreign exchange of Rs. 7.5 crores to Rs. 9 crores even at the prevailing low prices. If this is the type of solicitude that this Ministry shows to such an industry, it is regrettable.

A scheme has been formulated by the Central Coir Board for the licensing of exporters. I have no quarrel with that scheme except with regard to one feature. In the draft scheme, I find a condition that the exporter should possess at least a factory. I do not know the purpose it would serve. With regard to ensuring of quality, grading of standards, etc. I am one with the Board. But to prescribe such a qualification is not desirable. There are so many small-scale exporters and it is reported that they come to thirty per cent. of the total. I think it would be very hard to ask them to put up factories and to say that only then they would be allowed to do export business.

Dr. Rama Rao (Kakinada): As my friend, Shri Thomas, just now said, the industrial policy of the Government is under review by the Government and they may have to restate it. In any case, I want to refer to it because the first industrial policy statement of April 1948 is sufficiently broad but we have to view it in certain changed circumstances.

In the first place, the objective of the Government has been very definitely mentioned as a socialist State. International market as well as politics and the international situation are much more favourable to us now than in 1948. The economic conditions in 1948 were altogether difficult for industrial development, as far as our country was concerned. At present, conditions have changed. We have high ideologies. We have very high and good aims for our country. Our relations with other countries are much more favourable now than they were in 1948. In this connection, I want to examine our achievements and our present position in the industrial field.

First of all, I want to refer to foreign capital. In the industrial policy statement we come across some of these passages: "should be carefully regulated in the national interest", "provided that as a rule the major interest in ownership and effective control should always be in Indian hands" and "main tariff policy of the Government will be designed to prevent unfair foreign competition". These are with reference to foreign capital investment in the country. Of course, all these are said in the industrial policy statement, but in practice these things have not been put into effect.

Sir, I want to point out the danger of foreign investments in India. The Government, in the peculiar circumstances of 1948 and in the following years, were compelled, probably, to welcome foreign capital as a sort of benefit for the country. But, I consider it very dangerous. Even the limitations placed by the industrial policy statement have not been followed.

Now I refer to the Reserve Bank of India Report. Today there was a reference to it in the morning. From that you will see that the total foreign investments in India as on 31st December, 1953 is more than Rs. 419 crores. As far as the British investments are concerned, there has been an increase from 1948 to 1953 to the tune of Rs. 137 crores. Next comes United States with about Rs. 13 crores. This increase in the investments of foreign countries in India is, I consider, very harmful to the Indian industries.

I want to point out two more facts before I proceed further. In the statement showing business investments trade-wise, we come across two items. In respect of cigarettes and tobacco there is an

[Dr. Rama Rao]

increase of nearly Rs. 19.5 crores and in respect of plantations there is an increase of Rs. 20.5 crores.

[PANDIT THAKUR DAS BHARGAVA
in the Chair]

These investments, to my mind, are dangerous because they affect our Indian industries. I hope my friends, the industrialists, will support me at least on this viewpoint. For instance, now we have to by-pass the tariff regulations or tariff laws. If foreign companies start, not only independent concerns but, their branches, they increase their investment and production goes up. To give only one example, take the question of soaps. I understand, whereas our soap companies have a lot of unutilised capacity, Messrs. Lever Brothers are using more than 97 per cent. of their capacity. The production by Messrs. Lever Brothers is 200 per cent. over the production of organised soap industry in India, excluding the Cottage soap industry which is a very small factor. These foreign concerns, with their huge reserves their incomes amounting to nearly Rs. 2000 crores—that is, all the world over—are beating down our Indian industries. I think we must follow what Sir Visweswarayya has advised, to limit the production of foreign combines to about 20,000 tons. They are now producing nearly 58,000 tons and Sir Visweswarayya has advised that it must be limited to 20,000 tons. I am citing only one instance to show how the huge powerful foreign combines can compete our industries. Sometime back I read a speech of Shri Naval Tata complaining that this production by foreign companies is putting our Indian industries in a handicap. When a man like Shri Naval Tata—who is by no means a helpless industrialist in India—says like that, we must view it with grave concern. The idle capacity of Indian soap industry is staggering. Therefore, we must take steps to restrict the activities of these foreign investors in India and see that foreign investments do not come. Of course, Government want to welcome them, but I want that they should stop these foreign investments.

Now I hear that there are some negotiations going on with the American Investment Guarantee Programme. I consider this even worse. Here a mighty government is going to guarantee the investments of capitalists. We are not dealing with the capitalists as such, who themselves are very rich and powerful, but here we have to deal with a mighty

government, who might, probably, at a moment of difference of opinion, have their warships off Bombay, and talk to us. What happened in the Iranian Oil Company struggle? The British did bring their warships there. But, because there were other complications like the Soviet in the north and other things, they could not carry on with their plan. The Iranian Oil Company was nationalised with very great difficulty. The latest story is still very unfortunate. Some other combine has succeeded in taking its hold again there. All the same, we have learned a lesson from that. The Iranian Oil Company gave very great trouble to the country. Take the case of Guatemala. What has happened there? Therefore, I say, these foreign investments are a great danger.

I welcome foreign loans. Let them be at a fantastic rate of interest, even 6½ per cent. which we are going to pay for the Durgapur thing. This was said in a reply to a question regarding the steel plants. Even that I accept. I prefer that to foreign investments so that we can get rid of these foreign capitalists. Just like the old man in the story of Sindbad, the Sailor, they will sit on our neck and it will not be easy for us to get rid of them.

In connection with these foreign concerns, the other day I asked a question and I got a reply that Hindustan Vanaspathi manufactures 26 per cent. of the total production in India. Hindustan Vanaspathi is anything but Hindustani. As a certain cinema actor in Madras once said about certain Indian motor companies that there is nothing Indian in them except the air in the tyres, this Hindustan Vanaspathi has nothing Indian. It is not even the proverbial, sugar-coated thing. It is practically a concern of the Lever Brothers, one of the biggest, most formidable octopuses of the world combines.

Therefore, it is high time we revise our policy and our attitude toward foreign investments in India. The other day I was speaking to one of our Members of Parliament. She asked me, half in joke and half not understanding the situation: "So, you have no objection to the Soviet steel plant and you are objecting only to foreign investments?" I do not think the hon. Members here require any explanation to point out the difference between the Soviet steel plant and the foreign investments. They come here, build it for us and then go away

from the country. We pay a very reasonable rate of interest—2½ per cent. Just now I said that I do not even mind paying 6½ per cent. provided the foreign concerns do not have any control over us.

Then, our newspapers say that the Government are discussing, or at least there is a difference of opinion, about taking certain lines of drug manufacture into the public sector. I strongly appeal to the Government to take this into the public sector due to various reasons. In drugs we are paying about Rs. 14 crores to Rs. 15 crores for import of foreign drugs. Secondly we have large sources of herbs from which we can manufacture drugs. It is not enough if we start one factory at Pimpri for manufacturing penicillin and proceeded with Streptomycin. There are very costly drugs which require not so much of investment for their manufacture as the 'know-how'. Fortunately, our position in the world today brings us technical know-how from many countries. We are not as helpless as we used to be before when we had no choice except the United Kingdom or America. We have many scientists and technicians who are ready to assist us. Therefore, it is time Government takes up the manufacture of drugs and saves Rs. 14 crores. There is another aspect also. You want to supply effective and cheap medicines to the people of the country, who receive unsatisfactory medical aid now. Therefore, we must manufacture the drugs here itself. There are preventive drugs like the D.D.T. and Gamaxin. We have to wage large-scale wars against the insects and it cannot be done by importing the preventive drugs. Of course, we are manufacturing a little, but that is not sufficient. Therefore, I request the Government to take up the manufacture of these drugs also.

Next I want to draw the attention of the Government to leather goods. We are exporting tanned hides and skins worth about Rs. 25 crores and raw hides and skins worth about Rs. 7 crores. I want the Government to manufacture footwear and other leather goods for export. I am coming to State trading; I do not want the State to compete with the present manufacturers. There is a huge market in East European democracies, Soviet Union and other countries. Why should not the State manufacture leather goods exclusively for export? There is big money in leather and I hope the Government will be able to earn more money

by exporting leather goods. There is another consideration also. The people engaged in the leather industry belong to the lowest strata of society; they are suppressed and kept in subhuman conditions. Therefore, Government will be doing an indirect service to those people by taking up at least a part of the leather industry.

The previous policy statement about coal was that, in ten years, nationalisation of coal must be re-examined. I want that coal must be completely nationalised immediately, because the private sector has not done satisfactorily. Look at the accident reports. Several judicial enquiries show that the owners were negligent about the conditions in the coal mines and that was responsible for the accidents. Last year there were 305 deaths and 2834 persons injured in coal mines. Most of the accidents were in private collieries. Also, in our expanding economy, we require more and more coal for various purposes. Therefore, the Government must take over the coal industry. They made a mention about it in the previous statement, but I hope they will go one step forward, nationalise the coal mines entirely and develop them. As far as Visalandhra is concerned, there are huge resources, but only a little of it is being tapped. Of course, they say that there is wagon shortage and all sorts of things, but if we want to progress, the Government must take up the coal industry. There is a second consideration also. From coal, we can manufacture so many other chemicals and medicines. Therefore, for all these reasons I request the Government to take over coal.

About cement, Shri Thomas has already said something. In one of my previous speeches, I pointed out to the Government that Visalandhra is rich in these materials.

The Minister of Industries (Shri Kanungo): Wait for Visalandhra.

Dr. Rama Rao: It is not for off; it is only a question of a few days or months. I was saying that raw materials are abundant in Visalandhra. There is a great demand for cement and as Mr. Thomas said, the present estimate will have to be revised. Therefore, I request the Government to start some of their own factories. The fact that a particular item has been put in the private sector does not mean that Government should keep their hands tied for ever.

You need not say, "Mr. Private Sector, May I move?" The private sector has failed so far as cement is concerned. Everywhere, especially in Andhra, cement has gone into the black market and it is practically impossible to get cement. Therefore, it is high time that Government start some of their own cement factories.

An Hon. Member : There is no quorum in the House.

Mr. Chairman : The bell is being rung.—Now there is quorum. The hon. Member, Dr. Rama Rao, may continue.

Dr. Rama Rao : I now come to State trading. This is not a new idea. As early as 1950 there was a committee, in which our friends Mr. Kamath and Mr. Jhunjhunwala were members, which advocated State trading. There is some little difference now. At that time the chief necessity for State trading was the scarcity of goods. Now we want State trading for several other reasons as well. In order to set up a socialistic pattern of society, we have to expand our activities in various directions and State trading is one of the most essential needs. By State trading, we can earn a lot of money. Secondly, there are countries with which we have entered into barter agreements for trade. Our trade is mostly directed on one side. We must expand and diversify our trade, so that we can have better and better opportunities. We should not put all our eggs in the same basket. Our relation with China and the Soviet Union and other East European countries has improved, but our trade has not improved. We must take all steps to see that State trading is established particularly in some of the items like jute, tea, shellac, mica, manganese, oilseeds etc. to begin with. This will help us to diversify our trade and earn money.

Lastly, I want to say one or two things about Andhra and Visalandhra. The hon. Minister knows very well that Andhra grows one of the best varieties of tobacco in the world and it grows the largest quantity in India. We have been asking for cigarette factories. The private investors are hesitant to come forward; in such cases, Government must come forward. Government should not think that it is a small item left to the private sector. There are huge opportunities there which should not be missed. Andhra is very poorly industrialised

and Government must pay special attention to it. Only a few days ago, we have received a report that in some districts of Telengana iron ore of a very high grade has been found in very large quantities. In the near future, we have to think of new iron and steel factories. I request the Government to consider even now the building up of an iron and steel factory there in Andhra in order to utilise the iron ore. We have been asking for a fertiliser factory. We are the biggest consumers of ammonium sulphate.

We thought that either Telengana or Andhra would get it. But unfortunately it was not so. People are using more and more fertilizers. If the present factories are able to meet the present demand, it does not mean that the demand in the future will be limited only to the present demand. It is a growing demand. I therefore request the Government to start a fertilizer factory in Andhra.

In regard to paints, the hon. Minister knows that the raw materials for paint are available in huge quantities in Andhra, and I hope he will give some assistance to Andhra in this matter.

श्री सिंहासन सिंह (जिला गोरखपुर-दक्षिण) : सभापति महोदय, इसके पहले कि मैं और कुछ कहूँ मैं माननीय मंत्री जी का ध्यान अपने प्रान्त की ओर आकषित करना चाहता हूँ। यू० पी० की आबादी सारे भारत की आबादी का छठा भाग है। लेकिन अफसोस की बात है कि आज एक भी हैवी इंडस्ट्री वहाँ पर नहीं खोली गई है। आज आपने भारत में बड़े बड़े कल कारखाने स्थापित किए हैं। लेकिन यू० पी० सरकार की तरफ से पुरे जोर से मांग करने पर भी वहाँ पर कोई हैवी इंडस्ट्री कायम नहीं की गई है। मैं नहीं जानता कि इसका क्या कारण है और क्यों यू० पी० की इस मामले में उपेक्षा की जा रही है। आज आप इन कारखानों को स्थापित करने में इतना अधिक व्यय कर रहे हैं लेकिन पता नहीं आप यू० पी० को क्यों अछुता रख रहे हैं। वहाँ पर इस समय केवल दो प्रकार की इंडस्ट्रीज हैं। एक तो चीनी मिलें हैं और दुसरे कपड़े के कारखाने हैं। हां कहीं कहीं ज्यूट की मिले भी हैं।

श्री० रजवीर सिंह (रोहतक) : और आप क्या चाहते हैं ?

श्री सिंहासन सिंह: यह मिलें वहाँ आज स्थापित नहीं हुई हैं ये बहुत पुरानी हैं। यह उस समय बनी थीं जिस समय कि इन को वहाँ स्थापित होने से आप रोक नहीं सकते थे। आपको खाने भी वहाँ पर मिलेंगी और और प्रकार की सब चीजें मिलेंगी। लेकिन यह मेरी समझ में नहीं आता कि क्यों भारत की १६ आबादी की उपेक्षा, हेवी इंडस्ट्री वहाँ न स्थापित करके, की जा रही है।

इतना कहने के बाद मैं इस भवन का ध्यान छोटे छोटे उद्योग-घंटों की ओर दिलाना चाहता हूँ। मैं मानता हूँ कि जो प्रगति इनको बढ़ावा देने में हुई है वह संतोष जनक है लेकिन इसके साथ ही साथ मैं यह भी कहना चाहता हूँ कि अभी और प्रगति की भी गुंजाइश है। प्लानिंग कमिशन ने प्रथम पंच वर्षीय योजना काल में यह सिफारिश की थी कि खादी को, घानी तेल उद्योग को और चावल की जो कुटाई होती है उस उद्योग को प्रोत्साहन दिया जाए और धीरे धीरे बड़े बड़े कारखानों को बन्द कर दिया जायें। तेल उद्योग के बारे से एक कसिटी भी बनाई गई थी लेकिन उसकी रिपोर्ट आज तक हमारे सामने नहीं आई है। प्रथम पंच वर्षीय योजना खत्म हो गई है लेकिन इस समिति की रिपोर्ट अभी तक भी प्राप्त नहीं हुई है। चावल के सम्बन्ध से रिपोर्ट आई है और कमिटी ने भ्रूणको सुझाव दिए हैं लेकिन उन पर अम्ल नहीं हो रहा है। मैं कहना चाहता हूँ कि चावल की कुटाई बहुत अधिक लोगों को काम दे सकती है। इससे हमारे जो देहाती क्षेत्र हैं उनको विशेष लाभ हो सकता है। आज कल यह होता है कि जो बड़ी बड़ी मिलें हैं वे राक्षस की तरह से सारा चावल खरीद लेती हैं और जो लोग चावल कूटने के उद्योग म लगे हुए हैं उनको चावल नहीं मिलता है। मैं आपको यह भी बतलाना चाहता हूँ कि भूदान में जो लोग कार्य करते हैं उन्होंने प्रतिज्ञा कर रखी है कि हाथ का कूटा हुआ चावल ही खायेंगे। एक बार की बात है कि एक कार्यकर्ता मेरे साथ एक गांव में गए। वहाँ पर खानेके समय उन्होंने पूछा कि क्या यह जो चावल पकाया गया है, यह हाथ का कूटा हुआ है। जबाब में उनको बताया गया कि नहीं। फिर उन्होंने पूछा कि यह जो आटा है यह हाथ का पीसा हुआ है? इसके जबाब में भी यही कहा गया कि नहीं यह मशीन का पिसा हुआ है। इसी तरह से उन्होंने पूछा कि क्या यह दाल हाथ की कुटी हुई है, तब उसके जबाब में भी

यही कहा गया कि नहीं यह मशीन की कुटी हुई है। इसका नतीजा यह हुआ कि उन्होंने केवल तरकारी के साथ ही अपना पेट भरा.....।

श्री फीरोज गांधी (जिला प्रतापगढ़-पश्चिम व जिला रायबरली-पूर्व): क्या वह टडन जी तो नहीं थ?

श्री सिंहासन सिंह : टडन जी नहीं थे, बल्कि एक भूदान कार्यकर्ता थे।

तो मैं बतलाना चाहता हूँ कि आज गांवों में भी यह हालत हो गई है कि लोग मशीन की कुटी हुई और मशीन की पिसी हुई चीजों का इस्तमाल करने लग गए हैं। आज गांवों में भी मशीनें दौड़ गई हैं। आज एक छोटे से छोटा आदमी भी मशीन का इस्तमाल करने लग गया है।

चावल के सम्बन्ध में जिस कमिटी का निर्माण किया गया था उसने जो सिफारिशें कीं हैं उनमें से कुछ यह भी हैं कि चावल कूटने के उद्योग को और अधिक सहूलियतें दी जाए, सब-सिडी दी जाए तथा बड़ी बड़ी मिलों को बन्द कर दिया जाए। कपड़े वाली जो कमिटी है उसको रिपोर्ट के बार में यह कह गया है कि इस की सिफारिशों पर विचार किया जा रहा है। अभी तक जो फेसला नहीं किया गया है इसका कारण मैं समझता हूँ यह है कि जो बड़ी बड़ी मिलें हैं उनपर इसका बुरा असर पड़ेगा और उनको घाटे पड़ेंगे। यह जो पालिसी है यह ठीक पालिसी नहीं है। इससे जो बेकारी है वह बढ़ती जा रही है। मैं यह कहना चाहता हूँ कि हमारी सरकार का यह परम कर्तव्य होना चाहिए कि वह यह देवे कि जिस तरह से भी हो बेकारी न बढ़ने पावे, फिर चाहे बड़ी बड़ी मिलों को ही क्यों न बन्द करना पड़े। सरकार ने जो यह खादी बोर्ड बनाया है इस ने जो रिपोर्ट दी है उसको पढ़ने से पता चलता है कि जहां १९५३-५४ में २,८२,००० लोग खादी तैयार करते थे आज उनका संख्या बढ़कर ४,७३,९६६ हो गई है। इसका मतलब यह हुआ कि दुगने आदमी इस काम में लगे हुए हैं। इसी तरह से यदि ग्रामोद्योगों को बढ़ावा दिया जायेगा तो बे-रोजगारों की जो तादाद है वह घटती चली जाएगी।

[श्री. सिंहासन सिंह]

जिस तरह से यह खादी, धान और घानी के व्यवसाय बहुत प्रचलित हैं उसी तरह से चीनी और गुड़ के जो व्यवसाय हैं वे भी बड़े प्रचलित हैं। जब मिलें नहीं थीं तो गांव गांव में कारखाने लगे हुए थे जहाँपर चीनी तैयार की जाती थी जो कि खाने में स्वादिष्ट और टिकाऊ होती थी। लेकिन आज बड़ी बड़ी मिलों के लग जाने के कारण इन छोटे छोटे कारखानों को बहुत भारी धक्का लगा है और ये बन्द हो गये हैं। आपने खांडसारी और गुड़ उद्योग को तरक्की देने के लिये एक डिवलपमेंट बोर्ड की स्थापना भी की है लेकिन इस बोर्ड का भी क्या लाभ हो रहा है यह मेरी समझ में नहीं आता है। एक तरफ तो मिलें चालू हैं जोकि सस्ता माल प्रोड्यूस करती हैं और दूसरी ओर यह खांडसारी उद्योग है जोकि कम्पिट नहीं कर सकता है। जब तक खांडसारी तथा गुड़ उद्योग के लिए कोई प्रोटेक्शन नहीं दिया जाता तब तक कोई फायदा नहीं हो सकता। आपने कुछ देर पहले विदेशों से चीनी के आयात पर रोक लगा दी थी और मैं समझता हूँ कि वह रोक आज भी है लेकिन इससे छोटे छोटे पैमाने पर जो चीनी तैयार करते हैं उनको क्या फायदा हुआ है? आपने स्कीमें बनाई हैं कि बिजली का उत्पादन बढ़ रहा है और द्वितीय पंचवर्षीय योजना के सफल हो जाने के बाद शायद आपका विचार यह है कि गांव गांव में और घर घर में बिजली पहुंचा दी जाए लेकिन किस तरह से वे लोग इस बिजलीका उपयोग कर पायेंगे यह मेरी समझमें नहीं आता। यह जो अम्बर चरखा बना है इसके बारे में भी यह कहा गया है कि इसको भी बिजली से चलाया जा सकेगा और सरकार की यह योजना है कि अगले पांच सालों में २५ लाख अम्बर चरखें चलें। पहले आप ने २० लाख टन चीनी का बाहर से आयात किया था। इसका कारण यह था कि हमारे यहां चीनी खाने वालों की संख्या बढ़ गई है जब कि उत्पादन उस हिसाब से नहीं बढ़ा है। चीनी खाने वालों की संख्या के साथ साथ यदि उत्पादन भी बढ़े तो बेकारी कम हो सकती है। मैं आपको बतलाना चाहता हूँ कि यू० पी० के पूर्वी जिलों में जैसे गोरखपुर है, देवरिया है, बलिया इत्यादि हैं वहां पर तकरीबन २७ चीनी की मिलें हैं। वहां पर किसी काश्तकार को इजाजत नहीं है कि वह सेंटीप्यूगल या क्रशर लगा सके। मिलों के जोस बने हुए और उन जोस में कोई भी सेंटी-

प्यूगल या क्रशर नहीं लग सकता है। यह एक प्रकार से उन लोगों पर रोक लगा दी गयी है जो कि नहीं होनी चाहिए। अगर कोई छोटे छोटे कल-कारखाने लगाना चाहता है तो उसको ऐसा करने की इजाजत होनी चाहिए। यदि इस चीज की इजाजत दे दी जाए तो अधिक मात्रा में चीनी तैयार होने लग जाएगी और बेकारी जो उन लोगों में फैली हुई है वह भी कुछ हद तक कम हो जाएगी। लेकिन डर यह है कि बड़ी बड़ी मिलें जो हैं कहीं वे बंद न हो जायें। यह डर निराधार है और हमारी कोशिश यह होनी चाहिए कि हम वही काम करें जिस से कि अधिक से अधिक संख्या में लोगों को रोजगार मिले और इस चीज की परवा न करें कि इससे एक आध मिल बंद हो जाती है। इस वास्ते मैं प्रार्थना करता हूँ कि जहां पर यह कारखाने बने हुए हैं वहां पर इस रोक को हटा दिया जाए कि उन स्थानों पर कोई दूसरे कारखाने नहीं लगाए जा सकते हैं।

कुछ दिन पहले गवर्नमेंट ने गुड़ पर भी बैन लगा दिया था कि जहां चीनी की मिलें हों वहां पर गुड़ न बनाया जाये। लेकिन जब बहुत हल्सा मचाया गया तो इस बैन को तो हटा लिया गया। आप समझ सकते हैं कि इस तरह का बैन लगाना ज्यादाती की बात है। अब यह बैन लगाया गया है कि जहां चीनी मिल हो उस एरिया में क्रशर न लगाया जाए। कोल्हू लगाया जा सकता है। मगर कोल्हू से क्रशर जितना काम नहीं हो सकता।

अब इस मई के महिने में जो क्राशिंग मिलों में होगा उसमें जितना सुक्रोज रिटर्न होगा उसके हिसाब से किसानों को गन्ने का दाम मिलेगा। पिछले साल ३० एप्रिल को सुक्रोज कंटेंट ६ था। पर मई में ८ ही रह गया और बाद में उससे भी कम हो गया और किसानों को उसी हिसाब से कम पैसा मिला। अगर किसानों को अपने क्रशर और सेंटीप्यूगल मशीने लगाने की इजाजत हो तो उनकी यह दिक्कत दूर हो सकती है। मंत्री महोदय इस ओर ध्यान दें। मौजूदा व्यवस्था में किसानों को बहुत नुकसान होता है।

रिपोर्ट में सुझाव दिया गया है कि को-ऑपरेटिव के जरिए से ग्राम उद्योगों की उन्नति की जाये। लेकिन मेरा नम्र निवेदन है कि आज को-ऑपरेटिव विभाग जिस तरह से काम कर रहा है उससे लोगों का उस पर से विश्वास हट

गया है। इसका कारण यह है कि आज कोआपरेटिव अफसरों की चीज हो गयी है। कोआपरेटिव के पुराने जो नियम बने हुए हैं उनमें परिवर्तन होना चाहिए जिसमें शोर होल्डर्स यह समझे कि यह उनकी चीज है और उसे वे अपने लाभ के लिए किस प्रकार उपयोग में ला सकते हैं। हमारे मंत्रीमहोदय के प्रवेश में कोआपरेटिव बहुत सफल हुआ है, वहाँ पर कोआपरेटिव मिलें यार्न बगैरह तैयार कर रही हैं। न मालूम वहाँ पर कौनसा कानून लागू है। लेकिन हमारे यह तो लोग कोआपरेटिव के नाम से धरते हैं। गांवों के लोग हिसाब किताब नहीं जानते और कभी कभी यह होता है कि रूपया तो कोई ले जाता है और प्रेसिडेंट को सजा हो जाती है। इसलिए मैं चाहता हूँ कि कोआपरेटिव के मौजूदा कानून में ऐसा परिवर्तन करना चाहिए ताकि लोक समझ सके कि यह हमारी चीज है, इसके मामले में हम फंसला कर सकते हैं। जब ऐसा होगा सभी तरक्की हो सकेगी। इस काम के लिए जो रूपया आप देते हैं वह इधर से उधर चला जाता है जैसे कि आपके बड़े बड़े डैम्स में होता है और उससे लोग पूरा फायदा नहीं उठा पाते।

इस में छोटे छोटे कारखानों के लिए कर्ज की व्यवस्था की गई है। इस में छोटे कामों के लिए ५० हजार तक की व्यवस्था है मेरा विचार है कि जो वास्तव में छोटे पैमाने पर काम करते हैं न तो उनको इतने रूपये की आवश्यकता होगी और न वे इसको ले सकेंगे। इससे तो कुछ बड़े बड़े आदमी लाभ उठा लेंगे। छोटे आदमियों के लिए इसमें यह व्यवस्था है कि उसको परसनल बांड पर एक हजार और दो जमानतें देने पर पांच हजार तक कर्ज मिल सकता है। इतना तो छोटा आदमी कर सकता है और उससे लाभ उठा सकता है। लेकिन ५० हजार तो केवल बड़े बड़े आदमियों के ही काम आवेगा। इसलिए मेरा सुझाव है कि यह ५० हजार की व्यवस्था न रखी जाये बल्कि इसके बजाये छोटे कारखानों के लिए पांच हजार से दस हजार तक कर्ज देने की व्यवस्था की जाये। हम ऐसी व्यवस्था करें कि जिनके पास रूपया पहुंचना चाहिए उन्हीं के पास पहुंचे। अगर आप हिसाब लगावें तो आपको मालूम होगा कि जितना रूपया आपने छोटे उद्योगों के लिए दिया है उस में से बहुत कम रूपया असली आदमियों को पहुंचा है। मैं यहाँ गोरखपुर में एक आदमी था जो कि हैबलूम का काम करता था। उसका जमाना बिगडा।

उसने पांच हजार रुपये के कर्ज के लिए दर-खास्त दी लेकिन उसको रूपया नहीं मिला जब कि बड़े बड़े लोग बीस बीस हजार रूपया ले गये। जो वर्तमान व्यवस्था है उससे छोटे आदमियों को लाभ नहीं हो रहा है। उनकी तरक्की तभी हो सकती है जब कि उनको ठीक प्रकार से यह सहायित मिले।

म एक बात फिर कहना चाहता हूँ कि जो हमारे यहाँ बिजली पैदा हो रही है वह छोटे व्यवसायों के लिए दी जाये। इसके अतिरिक्त लोगों को दूसरे प्रकार की भी सहायित दी जायें। कोआपरेटिव के अलावा अगर कोई तिनहा आदमी आर्थिक सहायता मागे तो उसको भी छोटे काम के लिए सहायता दी जाये बशर्ते कि वह काम करने वाला हो। अगर आप ऐसी व्यवस्था नहीं करेंगे तो बड़े लोग रूपया लें जायेंगे और छोटे लोगों को कोई लाभ नहीं होगा।

Shri V. B. Gandhi: (Bombay City-North) : Mr. Chairman, I shall begin by saying a few words about the import trade control organisation. In 1955, our imports were of the value of Rs. 644 crores. To control an import trade of this magnitude is a big job. It is big by any standards. In 1955, something like 248,000 applications were disposed of by this organisation. Those that remained to be disposed of were hardly about 500. I think that is a mighty fine record. Controls are not regarded as normal features of a community's life. We have removed other controls one after another for one reason or another. But, this import control is going to stay with us. At least in the foreseeable future, we do not see any chance of our being able to do away with import trade control. This is as it should be. It seems the import trade control machinery has settled in its saddle and is running smoothly and efficiently. In the experience of some of us, it is no longer the mess it used to be only a few years ago. I hope it is the experience of some other Members of the House also. Our import trade control machinery is perhaps the largest of its kind in the world, a machinery that is controlling such a large trade. This is so because countries like the U.S.A. or the U.K. do not have similar controls over their trade.

Our policy of import trade control is not aimed just at arranging that we shall have a smaller import than our

[Shri V. B. Gandhi]
 exports. A smaller import is not necessarily a desideratum. In terms of economic well being of the community, the larger the imports, the greater the benefit, of course, if you can afford these larger imports. Import trade control has a vital role to play in the success of our plan. It is impossible to conceive of any kind of planning without there being some kind of an effective import control.

We are contemplating enormously larger imports in the years to come in respect of the needs of our planning. There are various estimates of these future imports. One of the estimates is Rs. 1,500 crores of additional imports in the next five years and to try to achieve any such addition to our imports without an efficient control machinery is obviously to try the impossible.

There is another function that import trade control has to perform and it is that it has to decide its policies of control always with a view to integrate them with a policy of expansion of production in the country, with a policy of promoting progress of industrialisation in the country. Finally, there is one other function that this import trade control has to achieve and that is in respect of inflation. Import trade control has to keep an eye always on any signs of inflation that may arise in the country. It has to regulate the flow of consumer goods, it has to enlarge or reduce the flow in accordance as the signs of inflation may indicate.

Now I shall go to export trade. As in the case of other countries, so also in the case of India, our exports are the chief source of our foreign exchange earnings and if we expect to have to import Rs. 1500 crores of additional imports in the next few years, then we have to have a larger amount of foreign exchange earnings. Of course, by no stretch of imagination can we produce this larger foreign exchange just by increasing our exports. It is not so easy to increase the volume of exports as it looks. One can reduce the quantity of imports at will, but one cannot increase the volume of exports at will. If you want to increase your exports, you have to have other countries willing to buy your larger exports, and therefore in the case of exports it has to be a policy of promotion and not just of control.

Exports can be increased. There are certain ways of doing it. You can make your traditional items of export more

attractive to your customer countries. You can add new items to your list of exports and you can also go out in search of new markets and work in those markets. I am glad to say all these things are actually being attempted today in the Commerce Ministry. I will only say that something in the direction of inter-regional trade was being discussed and has been planned in the last session of the ECAFE conference. One of the decisions of the Bandung conference is also in favour of promoting inter-regional trade.

Then, of course, we have these instances of the recent trade agreements that the Ministry has made with various East European countries, countries which have not so far entered into any trade relations with our country. These are all instances of our trying to go out into the new markets.

Having said all this, there are still a number of difficulties that an exporter has to face. I will just mention a few. The exporter has to sell very often on credit and he would like to have some arrangement by which this credit is guaranteed to him. Then, an exporter has to have shipping space. He has to worry about freight rates. His usual experience is that there are all kinds of discriminatory practices current in the shipping trade. Then he has to contend with possible tariff restrictions or quantitative restrictions imposed by the customer countries where he wants to sell his goods. We shall see what exactly is being done in order to help our export trade in these difficulties.

Firstly, an export credit guarantee scheme is already being prepared and an expert, we are informed, has arrived from the United Kingdom and his work has so far progressed that we might almost expect his report next month. The scheme contemplates the provision of a policy which would be fairly comprehensive, which would cover about 80 per cent. of the goods.

Mr. Chairman : The hon. Member should conclude now.

Shri V. B. Gandhi : May I have five minutes?

Mr. Chairman : Two minutes more. The hon. Member has already taken 13 minutes. He can have two minutes more.

Shri V. B. Gandhi : Very well, Sir.

In all these ways efforts are being made. I know of the shipping and freight difficulties. At the last year's session at Tokyo of the ECAFE this question was raised and as was to be expected the representatives of the United Kingdom and the United States of course put up a very stiff opposition, and it may be said to the credit of the Indian delegation that a great battle was fought and won. A very able Joint Secretary of the Commerce Ministry won the battle for India. I do not know how soon anything tangible will come out of this effort of the ECAFE. It will perhaps take time, but we might as well live in hope.

Finally about the various tariff restrictions and quantitative restrictions to be imposed by other countries, our delegation has taken part with conspicuous success in the GATT and has supported the GATT's principles of elimination of discrimination and of abolishing all unfair practices. But what is more important from the point of view of India and countries situated like India—I mean countries, with a low standard of living countries, which are in the early stage of development and which have a long term economic programme of development before them—is that our delegation has succeeded in achieving or in getting the right for such countries to certain concessions in respect of withdrawal of tariffs agreed to and also in respect of imposing certain restrictions which are not necessarily the result of our balance of payment difficulties. These are achievements which I hope are fairly creditable and which are intended to help our export trade. These are a few of the functions and problems that our import and export trade have to face and I have briefly indicated the manner in which the functions have been performed and problems solved. It is on the whole a creditable record for the Ministry.

Mr. Chairman : The following are the selected cut motions relating to the various Demands under the Ministry of Commerce and Industry which have been indicated by the Members to be moved :

Demand No.	No. of cut motions.
1	850, 951, 912, 914, 916, 932, 1016, 1017, 165, 1172, 1173, 1174, 1176, 1178, 1179, 1180.

Demand No.	No. of cut motions.
2	533 to 557, 858 to 885, 933, 934, 935, 1166, 1168, 1169, 1171.
4	936.
113	882.

Inefficiency in implementing effectively the various industrial schemes in the country

Shri Gadlingana Gowd : (Kurnool) : I beg to move :

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

Textile licensing policy of the Government

Shri Gadlingana Gowd : I beg to move :

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

Need for giving protection to indigenous Belting Industry against competition from foreign firms

Shri Tushar Chatterjea (Serampore) : I beg to move :

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

Need for taking steps to increase export of shellac

Shri Tushar Chatterjea : I beg to move :

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

Need for revision of the rationalisation policy in Jute Industry

Shri Tushar Chatterjea : I beg to move :

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

Danger to national economy on account of increased investment of foreign capital in Indian Industries

Dr. Rama Rao : I beg to move :

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

Unsatisfactory working of the Nahan Foundry

Shri Gadilingana Gowd: I beg to move:

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

Procedure of sale of articles manufactured in Nahan Foundry and all other Government concerns under the Ministry

Shri Gadilingana Gowd: I beg to move:

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

Failure of the Government to take necessary action against the concerned authorities responsible for overpayment of Rs. 15 lakhs in connection with the purchase of $\frac{1}{2}$ share of Raja of Sirmur in the Nahan Foundry

Shri Gadilingana Gowd: I beg to move:

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

Problem of horn goods industry

Shri N. B. Chowdhury: I beg to move:

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

Need of taking more effective steps to enable the actual handloom weavers to get the benefit of the Cess Fund

Shri N. B. Chowdhury: I beg to move:

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

Need of assistance to the brass metal industry

Shri N. B. Chowdhury: I beg to move:

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

Price of raw jute

Shri N. B. Chowdhury: I beg to move:

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

Need of imposing certain conditions on the owners of jute mills while granting loans for modernisation

Shri N. B. Chowdhury: I beg to move:

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

Need of greater assistance to smaller engineering industries in West Bengal

Shri N. B. Chowdhury: I beg to move:

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

Need of ensuring supply of 'shankhs' to persons engaged in the conch industry

Shri N. B. Chowdhury: I beg to move:

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

Need for establishing a steel plant in the Sindri and Mahuda areas of the Dhanbad sub-district

Shri Deogam (Chaibassa—Reserved—Sch. Tribes): I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Need to establish an industry for manufacturing raw film and film paper in Hinoo near Ranchi in Bihar

Shri Deogam: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Need to set up a factory for manufacture of porcelain utensils

Shri Deogam: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Need to set up a factory for manufacturing Hydraulic turbines, generators and heavy electrical equipment in Chotanagpur

Shri Deogam: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Need to set up a factory for manufacture of micanite and mica insulators in Chotanagpur

Shri Deogam: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure of the Government to open schools for textile technology for training weavers in Andhra State

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure of the Government to encourage small scale industries in Andhra State

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure to give assistance to weavers impartially

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure of the Government to permit the Andhra State Government to start cement factories

Shri Gadilingana Gowd: I beg to move :

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure to set up or assist setting up one or more modern Cigarette factories in Andhra and utilise its famous Virginia Tobacco

Dr. Rama Rao: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure to take effective steps to produce yarn on their own to supply it for the Handlooms at reasonably low rates

Dr. Rama Rao: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure to set up or assist setting up enough cement plants to meet the growing demand of this essential commodity

Dr. Rama Rao: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Export of Iron scraps

Shri N. B. Chowdhury: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Recent enhancement of the prices of iron and steel

Shri N. B. Chowdhury: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Policy of distributing steel

Shri N. B. Chowdhury: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

High prices of iron and steel needed for agricultural purposes

Shri N. B. Chowdhury: I beg to move:

"That the demand under the head 'Industries' be reduced by Rs. 100."

Failure of the Government to take up foreign trade in some important-commodities, both of Import and Export

Dr. Rama Rao: I beg to move:

"That the demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure of the Government to advance sufficient amount of loans and subsidies to the Handloom Industry

Shri Gadilingana Gowd: I beg to move:

"That the demand under the head 'Capital Outlay of the Ministry of Commerce and Industry' be reduced by Rs. 100."

Mr. Chairman: All these cut motions are now before the House.

Shri S. V. Ramaswamy: I must congratulate the Minister on his able stewardship of the Ministry of Commerce and Industry, which is really one of the most difficult in the Government of India. I had originally intended to speak somewhat strongly on the non-inclusion of heavy industries so far as the South is concerned. But the thunder has somewhat been stolen away from me by two important announcements made by Shri K. C. Reddy, the Minister of Production, while at Salem on the 7th instant, bearing on that issue. I am glad that he made those statements on behalf of the Government of India, and he prefaced his remarks by saying that he was making a forthright policy statement instead of the usual diplomatic statements.

The first one referred to the setting up of an aluminium factory in the south in the district of Salem, based upon the bauxite deposits there. He said :

“Government are committed to the setting up of a 10,000 ton plant, provided the Madras Government is able to supply power to the tune of 35,000 k.w.”.

And he also said that if the mineral estimates go higher, they might step up this plant to one of 20,000 tons, and he assured us that it would be set up in the immediate future. That is good, so far as it goes.

In regard to the iron and steel plant based upon the iron ore of that district and of the Tiruchirappali district, he said that that could also be set up provided the Neiveli project is a success. I am glad I was with the Minister at Neiveli, and I am in a position to say that it will a success.

The draw-down of the under-water-pressure is to the tune of 110 feet. The pressure comes normally at about 60 feet below the land surface. As a result of 16 pumps working, it has gone down to somewhere about 173 feet. The top surface of the lignite is at about 160 feet below the land surface; and the thickness of the seam is about 65 feet or 70 feet. It is hoped that if the under-water-pressure could be lowered still further by about 100 feet, it would be a complete success.

What I am worried about is the slowness with which it is being done. At present, only 16 pumps are working. If some more could be added, then we

could quicken the pace of work. I suggest to the Ministry that it should be put on a war footing. If pumps are not available in this country, cables should be sent abroad, and if necessary, I would suggest, that those pumps should be brought to Neiveli by plane, because this is a matter of urgent importance for the south.

In all the reports that we go through, Neiveli is the thing which is often repeated page after page. Everything depends upon Neiveli. The fertiliser plant and other plants like the dye-stuffs factory, and even the synthetic oil factory etc. depend upon Neiveli. If that is the position, then why is there this delay in getting at the pumps to draw down the under-water-pressure? It really passes my understanding. I would repeat that the whole thing must be taken up on a war footing, and more pumps must be ordered for and urgently set up there. If they are set up, they will greatly help in the progress of the work. If 16 pumps could take down the pressure to about 110 feet below the land surface, then I suggest that if another 16 pumps could be set up, the pressure will go down still further, and the project will become a workable proposition.

So far as the steel plant is concerned, I do not think it should be linked up with the success of the Neiveli project. There is plenty of iron ore available there. All that is required is to start a pilot plant with 300 tons capacity. The experts say that a wagon of coke per day is enough to produce about 300 tons of pig iron. This would go a long way to relieve the urgent need for pig iron in the southern region. I would urge the Minister to consider this proposition and not to link it up with the Neiveli project, but to proceed immediately with the pilot plant for the manufacture of pig iron with a low-shaft furnace costing not more than one or two crores of rupees, I believe. The pig iron that is produced as a result of this will, of course, be useful to several industries in the south.

The snag really is about the transport of coal and coke from the north to the south. I do not think it is such an impossible thing, and such an impassable barrier. One wagon of coke a day is not a very big demand, and I am sure the Minister can arrange with the Ministry of Transport and see that there is a regular supply of coke.

To say that I am satisfied with this is not a correct picture. One swallow does not make a summer. If you promise only an aluminium factory and a steel plant, I do not think I shall be wholly satisfied with that, because there is infinite scope for other factories, as for instance, the factory for the manufacture of pulp needed for rayon and paper out of the wattle and eucalyptus barks in the Nilgiri Hills. There are so many other factories which could be started, such as the synthetic oil plant and so on. I would suggest that blue-prints may be drawn up for that even now, because on all counts, Neiveli is going to be a success. I would suggest that blue-prints may be prepared also for a dye-stuffs factory. It is high time that the Ministry give their attention to these preliminaries right from now onwards, and not wait till the lignite of Neiveli is drawn from underground and placed over-ground.

Passing on to the small-scale industries, I am surprised when I read the Karve Committee's report that the experts who sat on that committee could not think of anything else than the hand-pounding of rice, making *chappals*, *ghanis* and so on. Could they not have thought of something more? They must have had before them—I do not know whether they had before them—the book on small-scale industries in Japan written by Diwan Chaman Lal. I am not referring to Diwan Chaman Lal, Member of Rajya Sabha, but to some other Diwan Chaman Lal. There is also the four volume report of the Bombay Government, which was written by the committee which was sent to Japan to study the small-scale industries there. The book that I have referred to is a very valuable one. It makes very interesting reading, and it is a very practical book also. There is also the four-volume report written in 1951 or so. I do not know whether the Karve Committee had all this material before them. Even if they did not have these things before them, I am placing certain materials before the House, and I make a present to the Minister and his colleagues of two catalogues which are published. I happened to bring some of them with me from Japan. These catalogues relate to the year 1953. The catalogues which are available with the Japanese Embassy are bulkier than these, and they contain more material. Yet for the benefit of the Ministry, I might just read a few passages from them, which will go to show that the

small scale industries are almost infinite in number, and all the machines required can easily be got at, because the addresses etc. are all given. For instance there are a number of commodity/goods manufacturing machines, brush making machines, shoe-making machines etc. etc. All these things are given here. Then there are paper goods manufacturing machines, book binding machines, carpet making machines and so on and so forth. All these are in the category of small-scale industries. The wonder of it is that the Ministry has not diverted its attention to all these things; nor even the Karve Committee ever thought of these things. I am simply amazed. I am not an expert. But I keep my eyes and ears open. I see things and I hear things. I can place this literature on the Table of the House so that hon. Members may read them. Why has the Ministry not diverted its attention to these things?

Now, this is divided into several sections. There are wood processing machines, bamboo processing machines. All these are almost infinite in number—polishing machines, bamboo splitting machines, egg slicing machines etc. All these are small-scale machines. The most important of such machines that I saw in Japan was the hand knitting machine. It is just fixed on a table. It is about a yard long. Any adult person can sit and work on it and earn a decent living at least Rs. 2 per day. One sweater can be knit in a day and the wage will be about Re. 1 or Rs. 1-8-0 or even Rs. 2, depending upon the design. These are sold for Rs. 60, converting yen into rupees.

With your kind permission, I will place this book on the Table of the House. The Ministry must divert its attention to getting these machines. Everything is mentioned here.

Mr. Chairman : He need not place it on the Table. He may present it to the hon. Minister, if he wants.

Shri S. V. Ramaswamy : Some hon. Members wanted to see it. They asked whether I was an expert. They might as well see this.

Mr. Chairman : If such things are placed on the Table, there will be a large collection of them on the Table.

Shri S. V. Ramaswamy : I take your order.

Shri Gadlingana Gowd : Some of us are willing to go through it.

Shri S. V. Ramaswamy : Let such of those hon. Members who want go through it.

Mr. Chairman : It may be placed in the library.

Shri S. V. Ramaswamy : That is a matter of detail. In fact, I do not want that it should go to the library and lie idle there. I want that hon. Members should read it, and for that purpose I would like to place it on the Table of the House.

The hon. Minister of industries has struck upon a wonderful idea of having mobile workshop vans. This idea has caught the imagination of village workers. I would go one step further. The exhibition that was in the small-scale industries category in the Indian Industries Fair was wonderful, and remarkable. I would suggest that all those exhibits may be put on an exhibition train and sent round the country. We had a Railway Centenary exhibition and other exhibitions. Similarly we may have an exhibition train containing all these exhibits which many travel throughout the length and breadth of the country. Let all those who want see them. Let the Government give them pamphlets and tell them where the machines are available, how much they cost and what can be earned out of them. If they only do that, instead of harping every time upon major industries, I am positive they can transform the face of this country and revolutionise the economy of this country by spreading far and wide these small-scale industries about which so much is being talked but so little is done.

The Minister of Commerce may take these two illustrated catalogues which I mentioned earlier.

Shri Karmarkar : What shall I do with these publications, Sir ?

The Chairman : The hon. Member may put them in that suggested train and see that they go round the country.

Shri Karmarkar : Have I to return them to the hon. Member ?

Shri S. V. Ramaswamy : I presented them to the hon. Minister. Presents are not returned.

श्री विश्व नाथ राय : (जिला देवरिया पश्चिम) : वाणिज्य और उद्योग मंत्रालय की सफलता के सम्बन्ध में यदि आप चार दृष्टिकोणों से विचार करें तो हमें स्थिति की अच्छी जानकारी हो सकती है। पहली बात तो यह है कि इस विभाग के शासन में उत्पादन कितना बढ़ा है और उत्पादन केवल एक ही तरफ नहीं बल्कि विभिन्न प्रकार के जो सामान हैं, उनके बारे में है। जहाँ तक इस मंत्रालय की रिपोर्ट का ताल्लुक है, उसमें तो बहुतेरी चीजों जैसे सीमेंट है, कपड़ा है और जूट का माल है,—उन सारी चीजों के बारे में उत्पादन बढ़ने की बात बतलाई गई है। गत वर्ष सन् १९५५ में बहुत ही अधिक उत्पादन बढ़ा और जितना प्रथम पंचवर्षीय योजना का टारगेट (लक्ष्य) था, उससे भी अधिक उत्पादन हुआ। यह देख कर हमें संतोष हुआ है। लेकिन उसके साथ ही जब हम दूसरी तरफ यह देखते हैं कि उस उत्पादन से हम को बाहर से धन मिलने में या हमारे निर्यात में कितनी सहायता मिली, तब उत्पादन के दृष्टिकोण से विचार करने पर उसके मुकाबले में निर्यात कम मालूम होता है। हमारा निर्यात हिन्दुस्तान के बाहर उस हिसाब से नहीं बढ़ा है जिस हिसाब से हमारा उत्पादन बढ़ा है। यह हो सकता है कि विदेश में जो उद्योग-धंधे बहुत पहले से बड़े हुए हैं, उनका मुकाबला करने में कठिनाई हो रही हो और साथ ही बहुत से उद्योग-धंधे जो बड़े पैमाने पर दूसरे देशों में चलते हैं, उनके मुकाबले में हम पीछे हों। लेकिन साथ ही यह तो देखना ही होगा कि हमने दुनिया में कोई नया मार्केट, नया बाजार पैदा किया या नहीं किया। यदि नहीं किया तो उन देशों के मुकाबले में, जैसे अमरीका, रूस आदि जहाँ उत्पादन बहुत बढ़ रहा है, अगर हम अपना निर्यात नहीं बढ़ायेंगे तो हम और पीछे रह जायेंगे। जो अंतर्राष्ट्रीय उद्योग-धंधे की बात है, या बाजार की बात है, हम उसमें काफ़ी पीछे पड़ जायेंगे।

इस रिपोर्ट में खास तौर से यह बतलाया गया है कि जूट का माल, कच्चा चमड़ा और रूई की वजह से हमको बाहर से ज्यादा रुपया मिलता है। यहाँ पर यह कहना है कि कच्ची रूई हो या चमड़ा हो, वैसा कच्चा माल हमारे देश द्वारा बाहर भेज देने पर वह हमारे देश में किसी और रूप में फिर वापस आता है और इस तरह हमारा काफ़ी पैसा बाहर विदेशों में चला जाता है। कच्चा माल बाहर भेजने या इस तरह का एक्सपोर्ट बढ़ाने का प्रयत्न करने के

बदले अगर हम उसी कच्चे माल को आपने देश के कारखानों में तरह-तरह के सामान बनाने में इस्तेमाल कर सकें तो हम काफी रुपये की बचत कर सकते हैं। इसके साथ ही, अपने देश के गृह-उद्योगों को किसी तरह प्रोत्साहन भी दे सकते हैं। कच्चा माल बाहर भेजने के बदले हम अपने यहां से मैनुफैक्चर्ड गुड्स (निर्मित माल) बाहर भेज सकते हैं। मैं समझता हूँ कि कच्चा माल बाहर भेजने से हमें कोई विशेष लाभ नहीं है, बल्कि मैं तो यह समझता हूँ कि व्यर्थ में हमारा पैसा दूसरे देशों में इस तरह चला जाता है।

ग्रोरस (कच्ची धातुओं) के बारे में भी यही बात है। यह ठीक है कि ग्रोरस को जो कई तरह के हैं हम बाहर के देशों में भेज कर अपने देश के लिये रुपया कमा सकते हैं, लेकिन ग्रोरस को विदेशों में भेज कर हम आगे के लिये अपने लिये खतरा भी मोल ले सकते हैं। हो सकता है कि हम जो लोहा बाहर भेजें वह कभी आगे चल कर हमारे लिये संकट का कारण सिद्ध हो और हमारे खिलाफ कभी इस्तेमाल हो। इसलिये हमें इस विषय में काफी सावधानी बतनी होगी। जहां तक हमारे निर्यात का सम्बन्ध है निर्यात हमारा उतना नहीं बढ़ा है जितना कि हमारा उत्पादन बढ़ा है। हम यह मानते हैं कि हमारी दूसरी पंच वर्षीय योजना में हमारे यहां आधिक उत्पादन की संभावना है। लेकिन आखिर निर्यात का मार्केट तो हमें खोना नहीं है, क्योंकि हमें अपने उत्पादित माल को बाहर के देशों में भेजना है। जहां तक हमारे गृह-उद्योगों में या हैडलूम (हाथ करघा) द्वारा तैयार किये जाने वाले सामान का संबन्ध है उस की खपत एशिया के कई देशों में जैसे बर्मा या हमारे पड़ोसी देश नेपाल या साउथ ईस्ट एशिया में काफी मात्रा में हो सकती है। निर्यात बढ़ाने के सम्बन्ध में आपकी रिपोर्ट में कहा गया है कि ऐसी कौंसिल्स (परीषदे) बन रही हैं जो कि देश के निर्यात को बढ़ाने का प्रयत्न करेंगी। यह स्वागत योग्य बात है कि सरकारी स्तर पर इस दिशा में प्रयत्न किया जायेगा। मैं कहूंगा कि इसके अतिरिक्त हिन्दुस्तान के आदिमियों से जो कि बाहर के देशों में लेबरर्स (मजदूरों) के रूप में हैं या आपके जो देश बासी बर्मा, मलाया, सिंगापुर, बंकाक आदी स्थानों में छोटे मोटे रोजगार कर रहे हैं और जिन लोगों की संख्या बाहर काफी है, उनसे भी हमारे निर्यात विभाग को सम्पर्क स्थापित करना चाहिये बाहर से यहां पर जो

भारतीय नागरिक आते हैं, या जो यहां से बाहर जाते हैं, उनसे भी सम्पर्क स्थापित करना चाहिये और अपनी नियति बढ़ाने का प्रयत्न करना चाहिये। हम अपने देश में तैयार माल की बाहरी खपत के लिये गैर सरकारी ढंग का भी प्रचार कर सकते हैं। सरकार को इस पर ध्यान देना चाहिये। सिंगापुर एक ऐसा स्थान है जहां पर चारों तरफ के लोग आते हैं। वहां पर भारतीय सामान को दिखाने के लिये शायद किसी प्रदर्शनी के रूप में कोई प्रयत्न होने वाला है। वह ठीक कदम है। हमें सरकारी और गैर सरकारी ढंग पर निर्यात बढ़ाने के लिये प्रचार करना चाहिये। आप का जो वाणिज्य विभाग है और उस की जो कमेटी है उस से विदेश में रहने वाले भारतीय लोगों का सम्बन्ध स्थापित करने के लिये तथा गैरसरकारी ढंग से जो सामान बाहर जाता है उस के अधिक निर्यात के लिये विशेष ध्यान देना चाहिये। जो साउथ ईस्ट एशिया का मार्केट (बाजार) हैं, उस के ऊपर भी आप का विशेष रूप से ध्यान जाना चाहिये।

आज हिन्दुस्तान में माल की कितनी खपत बढ़ गई है इस दृष्टिकोण से देखने पर तो मैं जरूर सरकार को बधाई देता हूँ। माल जो हमारे देश में बना है उस की खपत काफी बढ़ गई है और उस का असर हमारे गांवों में भी है। मैं देखता हूँ कि आज कूपडा ज्यादा मिल सकता है और जो चीजें हमारे यहां बनती हैं उन का उपयोग भी ज्यादा हो रहा है। साथ ही साथ मैं यह देखना चाहता हूँ कि उद्योग धंधों के विकास से हमारे वहां की बेकारी कितनी कम हुई है या बढ़ी है। हम देखते हैं कि इस सम्बन्ध में हमारा मंत्रालय कामयाब नहीं हुआ है। हमारी बेकारी आज काफी है। हो सकता है कि इस का कारण यह हो कि हमारा देश की आबादी काफी घनी है। लेकिन तब भी उद्योग धंधों से बेकारी जितनी कम होनी चाहिये, उस की ओर हमारा कदम आगे नहीं गया है। इस के लिये मैं सरकार को बतलाना चाहता हूँ कि गृह उद्योगों तथा अन्य छोटे मोटे उद्योगों के लिये कई कमेटियां बनी हैं। अभी-अभी हमारी कॉन्स्टिट्यूएन्सी (निर्वाचन-क्षेत्र) के नजदीक रहने वाले सदस्य ने इस पर काफी जोर दिया है। उन की ही बात ले ली जाये मैं गुड़ की ओर सरकार का ध्यान आकर्षित करना चाहता हूँ। अगर गुड़ अपने घर में खाने के लिये बनाया जाता है तब तो ठीक है, लेकिन जिस समय वह बिक्री के लिये बनाया जाता है तब वह अधिक लाभदायक नहीं पड़ता है। इसमें

[श्री विश्व नाथ राय]

राष्ट्रीय सम्पत्ति की हानी भी होती है और गुड़ बनाने वालों का नुकसान होता है। इस का कारण मैं आपको बतलाता हूँ। मिलों में शुगर कैन (गन्ना) जाने पर वहाँ जो पेराई होती है, उस से अधिक से अधिक रस निकलता है, लेकिन देहातों में जो मशीनें आज कल चलती हैं उन के जरिये से गन्ने का रस उतना नहीं निकलता जितना कि फॅक्ट्रीज में निकलता है। इस लिये छोटे पैमाने पर गुड़ का व्यवसाय चलाने पर या गूह-उद्योग के नाम पर गुड़ का व्यवसाय चलाने से हानी होती है और राष्ट्रीय सम्पत्ति का भी नुकसान होता है। इस गुड़ या खंडमारी की बात को सरकार को उसी हद तक बढ़ाना चाहिये जिस हद तक गन्ना बोनो वालों को स्वयं गुड़ या शक्कर की जरूरत हो। रह गई बात कपड़े की। इस में हैंडलूम की बात आती है। यह जरूर है की जहाँ पर लोगों को कष्ट है, जैसे बाढ़ ग्रस्त इलाके हैं, वहाँ पर इन कामों को चलाने से वहाँ के आदमियों को इस से आमदनी होती है। यह आमदनी वहाँ पर ज्यादा होगी जहाँ पर लेबर अधिक है, जहाँ पर श्रम ज्यादा है और आबादी ज्यादा है। जहाँ पर उद्योग बंद है, जहाँ से कानपुर ऐसे शहरों से लेबर जा सकता है और वहाँ पर कपड़े की इंडस्ट्री हैं वहाँ हैंडलूम का कपड़ा या उद्योग सफल नहीं हो सकता है। हैंडलूम या चर्खा वहाँ टैक्स्टाइल इंडस्ट्री को सप्लिमेंट (अनपूरक) कर सकता है जहाँ पर बड़े बड़े शहर नहीं हैं। जिस जगह के आस पास लेबर अधिक है। और उस की बहुतायत है, वहाँ पर इस उद्योग को कुछ सफलता मिल सकती है। लेकिन और जगहों पर मैं समझता हूँ कि आप इस तरह हैंडलूम के काम को आगे नहीं बढ़ा सकेंगे जहाँ पर हमारी घनी आबादी है, जहाँ पर लोग काम नहीं पाते हैं जहाँ के लोग बड़े शहरों में जा कर अपनी रोजी नहीं कमा सकते हैं, वहाँ के लिये चरखा और हैंडलूम का काम बहुत उपयोगी सिद्ध हुआ है। पूर्वी उत्तर प्रदेश में जहाँ बाढ़ हर साल आती है और जहाँ की आबादी भी घनी है, वहाँ पर इस काम में बहुत सफलता मिली है और इससे सरकार के प्रति लोगों की सद्भावना बहुत बढ़ गई है। वहाँ के लोग दूर जाने में असमर्थ हैं। पास बड़े बड़े शहर नहीं हैं। कोई दूसरा काम नहीं मिलता है। इससे इस काम के कारण अगर कोई बूढ़ा और गरीब आदमी है तो वह भी आठ आना १२ आना रोज

पैदा कर लेता है। यद्यपि यह बड़ी रकम नहीं है, पर इससे वह किसी न किसी तरह अपनी जीविका चला लेता है। इसलिये सरकार को इस और विशेष ध्यान देना चाहिये कि जहाँ घनी आबादी है, जहाँ के लोग बड़े बड़े शहरों में जा कर जीविका नहीं कमा सकते हैं और जहाँ प्राकृतिक विपत्तियाँ आती रहती हैं, वहाँ पर इस तरह के उद्योग चालू हों। वहाँ पर यह काम जल्दी आगे बढ़ सकता है और इससे लोगों को भी लाभ हो सकता है।

जहाँ सरकार ने छोटे उद्योगों को बढ़ाने के लिये इतना काम किया है वहाँ पर हमें एक विषय में एक शिकायत भी है। और वह यह है कि सरकार ने उत्तर प्रदेश में कोई बड़ा उद्योग-धंधा नहीं चालू किया। इसका कारण मैं नहीं जानता। लेकिन उत्तर प्रदेश में उद्योग बहुत बढ़ा हुआ नहीं है। वहाँ पर सिर्फ चीनी मिले हैं जिनमें कि साल में तीन-साठे तीन महीने काम होता है। कानपुर को छोड़ कर और किसी शहर में बड़े उद्योग-धंधे नहीं हैं। प्रथम पंच-वर्षीय योजना से वहाँ पर कोई बड़ा उद्योग-धंधा नहीं खोला गया। इतने बड़े प्रदेश में जहाँ ६ करोड़ की आबादी है बड़े उद्योग का होना बहुत आवश्यक है। लेकिन वहाँ पर अब तक कोई बड़ा उद्योग-धंधा नहीं चलाया गया। हम आशा करते हैं कि दूसरी पंचवर्षीय योजना में सरकार इस बात का ध्यान रखेगी।

यह कहा जा सकता है कि वहाँ पर इसलिये बड़े उद्योग नहीं चालू किये गये कि वहाँ पर पावर (विद्युतयुक्त) नहीं है। लेकिन इस कमी के लिये हमारी दिल्ली की कन्द्रीय सरकार जिम्मेदार है। वहाँ पर इतनी बड़ी-बड़ी नदियाँ हैं। अगर वहाँ पर कोई बड़ा प्रोजेक्ट चलाया जाता तो वहाँ पावर पैदा हो सकती थी। अगर सरकार इस और ध्यान दे तो दो साल में उत्तर प्रदेश में पावर पैदा हो सकती है और बड़े बड़े उद्योग चलाये जा सकते हैं। सरकार से हमारा अनुरोध है कि वह पावर ब होने के कारण उत्तर प्रदेश को बड़े उद्योगों से वंचित न करे। उत्तर प्रदेश की सरकार पावर मुहय्या करने के लिए तैयार है जिससे बड़े उद्योग चलाये जा सकते हैं। इस और सरकार को विशेष रूप से ध्यान देना चाहिये।

The Lok Sabha then adjourned till Half Past Ten of the Clock on Saturday, the 14th April, 1956.