

ले लिया है, और उसे बतलाने में और समय लग जायेगा इस लिये मैं उस को छोड़ता हूँ।

इस प्रकार अगर हमारी सारी कमी को मिला कर देखा जाय तो यह वृद्धि ज्यादा नहीं है साथ ही हमारे बर्कस की यूनिन की तरफ से कहा जा रहा है कि हमारे पोस्टेज का टैरिफ (प्रशुल्क) वास्तविकता के आधार पर नहीं है और वह बर्कस (कर्मचारियों) की कास्ट (हानि) पर पब्लिक को फायदा पहुंचाता है। उन की भावना यह है कि और मुल्कों में पोस्टेज रेट्स कहीं ज्यादा हैं। लेकिन इस मोके पर, जैसा मैं ने पहले कहा, हमारा यह इरादा नहीं कि हम कोई इन्फ्लैटरी (अप्रत्यक्ष) टैक्सेशन (कराधान) लगा दें। इरादा यह है कि जो तब्दीली हम करने जा रहे हैं उस के लिये वक्त पर इन्तजाम कर सकें, और वक्त पर सम्पूर्ण देश में उस को छाप कर लागू कर सकें।

मैं उम्मीद करता हूँ कि इस बात को ध्यान में रखते हुए माननीय सदस्य अपने अमेंडमेंट्स को वापस ले लेंगे।

मुल्ला अब्दुल्लाभाई : मैं यह कहना चाहता था कि अगर हम पोस्ट कार्ड और लिफाफों की कीमत कम रखेंगे तो वह और ज्यादा बिकेंगे।

श्री राज बहादुर : मैं ने कहा कि हर पोस्ट कार्ड पर १३ पाई से ऊपर खर्च पड़ता है, और अगर हम letter की कीमत साढ़े बारह नये पैसे की जगह पर १२ नये पैसे कर देंगे तो हमें और ज्यादा नुकसान होगा। हम करीब ३०-४० लाख रुपये और खोयेंगे। इस लिये इस चीज की मानना हमारे लिये सम्भव नहीं होगा।

Mr. Speaker: Need I put the amendments to vote?

Mulla Abdullahai: I may be allowed to withdraw my amendments.

The amendments were, by leave, withdrawn.

Mr. Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Raj Bahadur: I beg to move:

"That the Bill be passed".

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

ALL INDIA KHADI AND VILLAGE
INDUSTRIES COMMISSION
BILL

The Minister of Production (Shri K. C. Reddy): I beg to move:

"That the Bill to provide for the establishment of a Commission for the development of khadi and village Industries and for matters connected therewith, be taken into consideration."

I need not take much time of the House to explain the justification for introducing this Bill at the present state. The importance of Khadi and Village Industries in our national economy has been well recognised by all those who have given thought to this problem. It was Mahatma Gandhi, since 1921 or even from an earlier period, who focussed the attention of the nation on the vital importance of Khadi and Village Industries, and ever since that time, during all these three decades and more we have been trying to galvanize this sector of activity in our development programmes. It was more or less non-official effort before we secured Independence in 1947. Several non-official organisations, mainly brought into being by Mahatma Gandhi's efforts, were engaged in this field, and they

[Shri K. C. Reddy]

were carrying on their work in a missionary spirit. They were in fact preparing the way for taking up this programme on a national scale, on a much larger scale, at a future date. After we secured Independence, we have increased the tempo of our activities in regard to this particular sphere of industries. It is unnecessary for me on the present occasion to dilate at length on the various steps that we have taken unofficially, through the various Governments and through other agencies, in order to build up these Industries on a satisfactory basis.

Since 1947, all the State Governments in India have been trying to do their utmost in order to give a fillip to these industries, and I would like in this connection to point out that the main responsibility for these industries lies on the shoulders of the State Governments. In other words, this is a State subject primarily, and during the last ten years or so, all the State Governments in our country, either through departments of their own or through statutory boards dealing with these matters or by the aid of advisory boards, have been trying to develop these industries. But in 1951, when we were formulating our First Five Year Plan, the importance of these industries was realised more than ever, and the First Five Year Plan emphasised the dynamic role that these industries have to play in our national economy. Immediately, efforts were made to find out what, in addition to the activities of the State Governments, we could do in order to give a greater push to these industries. Several meetings were held at various levels, and ultimately it was decided, I think at the end of 1952 or in the beginning of 1953, that the efforts of the State Governments should be supplemented by some concrete action at the Central level. After a good deal of discussion it was decided that All India Boards should be established to deal with various categories of what I might call "Household and Hand

Industries". In pursuance of that decisions, the All India Khadi and Village Industries Board was established; so also the All India Handicrafts Board, and I believe, the All India Handloom Board and certain other Boards, and through those Boards the Central Government has been supplementing and supporting the activities of the State Governments during the last three or four years. It was originally the intention that this Board—let me for the present confine myself to the Khadi and Village Industries Board—should more or less be mainly an advisory body; that is to say, to consider policies and programmes and advise us as to what should be done and to exercise a sort of an overall supervisory function. At the same time, it was in the contemplation of the authorities, that took the decision to establish these Boards, to entrust them with certain executive functions also. I need not narrate now all the executive functions and within what limitations they were to discharge those functions. It is sufficient for me to state that, in addition to the advisory functions, certain executive functions also were given to them.

2 P.M.

Shri B. S. Murthy (Eluru): They may be stated in brief.

Shri K. C. Reddy: The Board was, for instance, to establish training centres. I am coming to the Bill in about five or ten minutes. I say that certain executive functions were given to them as the Board was originally constituted. Certain funds were also placed at the disposal of that Board to discharge those functions satisfactorily. Certain financial rules and regulations were also prescribed.

After two or three years' working, it was felt that there were certain handicaps which had to be removed to make the Board function more efficiently and satisfactorily. I will narrate only a few of the problems that arose in the course of the working of this Board. We took note of these problems in 1955. The Board

being an advisory one and there being no statutory status, it felt handicapped because it could not acquire, hold or dispose of property. It had also to submit all its schemes to the Government for sanction which meant that even a small scheme costing Rs. 5,000 or Rs. 10,000 had to come to the Central Government. The Central Government had to consider all these schemes in the administrative Ministry and also in the Finance Ministry and in other related Ministries too. Sometimes, it may be the Ministry of Commerce and Industry or some other Ministry. It took a lot of time for the ultimate issue of sanctions for the schemes put up to the Central Government. This work was also hampered, generally speaking, by certain procedural and financial difficulties, which resulted, more than anything else, in a great deal of delay and in the inability of the Board to fully utilise the funds made available to it to develop cottage and village industries.

I would like to refer to another important aspect at this stage. Where power is given to anybody or an authority, the corresponding responsibility should be placed on that authority. To give power without responsibility is dangerous in any sphere. Especially, to give power to deal with large funds without responsibility for the proper spending of that money is highly undesirable. We felt it necessary to do something about this. So, we thought that statutory status should be conferred on the Board without further delay so that responsibility for the large expenditure was placed squarely on those to whom it belonged. The original proposal to establish a Commission of the kind proposed in this Bill was made by the Ministry of Finance and the office of the Auditor-General, whose view was that large funds spent by the Khadi and Village Industries Board made it necessary for that body to be given legal status so that responsibility for the expenditure could be placed where it rightly belonged. It is for this important

reason also, in addition to others that I mentioned, this Bill was introduced in this House in April 1955.

I would, at this stage, like to explain why the Bill, which was introduced so long ago as April 1955, was not taken up earlier and why I am making this motion for consideration after fifteen months or so. After the introduction of the Bill in this House, the Karve Committee was appointed by the Planning Commission to go into the problem of khadi and village industries or, what may be called, the decentralised industries and to give a considered report on these industries in the context of the draft Second Plan. It went into the problem very closely and *inter alia*, it made a recommendation to the effect that, as in the Second Plan we had accelerated the developmental activities considerably in the sphere of such industries, it would be desirable to implement these plans and programmes through departmental agencies of the State and the Central Governments. It was felt by that Committee that statutory powers of the kind that were thought of, at any rate in respect of the Khadi Board, would not perhaps meet the full requirements of the situation and that what could be preferable was to have departments fully staffed. The feeling was that such departments could be established in the Centre also. So, we were placed in a dilemma when this recommendation was made by the Karve Committee. The Khadi and Village Industries Commission Bill was introduced in April and we felt it desirable to give further thought before proceeding with it. We gave further thought to it. We discussed this with the Planning Commission and at various other levels and ultimately came to the conclusion only a month or two ago, that it would be desirable to proceed with the establishment of the Khadi and Village Industries Commission, as embodied in this Bill.

The main reason for that decision is this. If we had accepted the recommendation to set up a Government department to deal with this question,

[Shri K. C. Reddy]

it would have taken about a year or two, or even three years, to build up the proper administrative apparatus to deal with this problem.

I will give one instance. When the Khadi and Village Industries Board took over the responsibility for the development of khadi and village industries, there were certain organisations already in the field so far as khadi was concerned and they were functioning for a decade or two. They could make use of these organisations and go ahead in the matter of development of khadi and increasing the production. The same was not the case with regard to the village industries and it has taken two or three years to build the organisation for this specific purpose. The result has been that during the last two or three years, more than fifty per cent. of the funds which we allotted for the development of village industries had to lapse. The Board itself had not had the administrative organisation to deal with the development of the village industries of that nature. It was a Hobson's choice. Either we should accept the position and build up a new department and carry out recruitment to the new department or we should keep quiet. It will take two or three years to build up a satisfactory administrative set up and during this period of two or three years the development of khadi and village industries will be held up for want of a proper administrative organisation. So, ultimately, in view of the fact that we have to go full steam ahead with regard to these industries, it was considered that the Khadi and Village Industries Board and the organisations under that Board which have been built up, with modifications of the kind that are envisaged in the Bill and with certain powers and responsibilities embodied in the Bill, should be adopted. It was considered that we should adopt some such method in order to register a satisfactory progress concretely in the matter of khadi and village industries. That explains why they have

ultimately decided to go ahead with this Bill.

Incidentally, the various aspects that I have now mentioned explains why we have brought up this motion for consideration after more than a year after the Bill was introduced in this House. This long delay that has occurred between the stage of introduction and the stage of consideration will prove to the hon. Members that we have given considerable thought to this question before proceeding with this Bill for the establishment of a Commission for khadi and village industries.

Shri B. S. Murthy: Why not apathy?

Shri K. C. Reddy: I do not know what exactly the hon. Member means. He mentioned the word 'apathy' I believe. But I can assure him that whatever he has in mind, there has been no apathy on the part of the Central Government or State Governments to do their very best in the matter of khadi and village industries.

Now, Sir, I would like to say a few words about the general pattern of this Bill. Very briefly put, the scheme in this Bill is as follows. The Bill provides for setting up a statutory commission to be called the Khadi and Village Industries Commission consisting of not less than 3 and not more than 5 members. This Commission will be clothed with certain powers which are mentioned in the Bill. I may read out the relevant clause in order to make the hon. Members understand what exactly will be the scope of the work of this Commission.

2.13 P.M.

[MR. DEPUTY-SPEAKER in the Chair]

Clause 14 (2) of the Bill reads like this:

"(2) In particular and without prejudice to the generality of the

foregoing power, the Commission may take such steps as it may think fit—

(a) to plan and organise the training of persons engaged in the production of khadi or in village industries;”

That is the training part of the work. Then it says:

“(b) to build up a reserve of raw materials and implements and to supply them to persons engaged in the production of khadi or in village industries at such economical rates as may be suitable in the opinion of the Commission;

(c) to provide for the sale and marketing of khadi or of products of village industries;

(d) to encourage and promote research in the technique of production of khadi or in the development of village industries, or to provide facilities for a study of the problems relating to khadi or village industries;

(e) to maintain or assist in the maintenance of institutions for the development of khadi or village industries;

(f) to undertake, assist or encourage the production of khadi or the development of village industries;

(g) to promote and encourage co-operative efforts among manufacturers of khadi and persons engaged in village industries;

(h) for ensuring the genuineness of, and for granting certificates to producers of, or dealers in, khadi or the products of any village industry;

(i) to carry out any other matter which may be prescribed.”

The House will see that the extent of powers which we have given to this Commission is fairly comprehensive and will enable the Commission to work on a very satisfactory basis in the direction of planning and implementing the various schemes for khadi and village industries.

This Commission will be a body corporate having perpetual succession etc.

The next important aspect of the Bill is that this Commission will be assisted, or, you may say, 'advised',—whatever word you may use it does not matter—in the discharge of its functions by a Board called the All India Khadi and Village Industries Board consisting of a Chairman and such members the Government may think fit. This Advisory Board will be a fairly big one. The present Khadi and Village Industries Board has got about 15 or 16 members. The intention is to make it a somewhat bigger one. If I may recall to the minds of hon. Members the conference which we had of the Ministers of State Governments and other representatives of various Boards in June this year, there it was put forward that on these Boards representatives of State Governments should find a place. It is our intention to provide for representation of State Governments on the Board which we have in contemplation under this Bill. So, possibly, the strength of the Board will have to be increased; I cannot say the number now, perhaps it may be 20 or 25. I cannot now indicate the order of membership of the Board, but a Board of that kind will be constituted under this Bill to advise or assist the Commission in the discharge of its responsibilities. In other words, the advisory part of the work will be demarcated from the executive part of the work. For the advisory part of the work the body that will be responsible will be the Board that we have now mentioned in this Bill and for the executive part of the work the Commission will be charged with that responsibility.

[Shri K. C. Reddy]

Then, with regard to village industries which will come within the purview of this Bill, it has been mentioned in the Schedule to the Bill that about 13 or 14 industries—I do not exactly remember the number now—will be covered. It may be asked, indeed as the Board at one time had suggested, why certain other industries need not be included in the list of village industries. In order to keep the position somewhat flexible the Government have provided in this Bill for inclusion of other industries if it became necessary under clause 3 (1) of the Bill.

With regard to finances I would like to say only one word. The funds for the Commission shall be provided by Government at the commencement of the financial year; that is to say, funds that will be made available to this Commission under this Bill will be voted by this hon. House just like other allotments of funds have to be voted for other departmental activities of the Government. Every year the Government will have to come before the House to decide as to what will be order of funds that will be made available for this Commission in order to discharge its responsibilities.

In passing I may say that during the last three years, every year there has been increasing allotments for khadi and village industries in the budgets. Now it is of the order of, I think, about Rs. 5 crores or so per year—I am not quite sure of the exactness of the figure. Some 3 years ago it was much less and it is on records that in the future years, during the Second Five Year Plan, the amount that will have to be allotted to this Commission for this purpose of khadi and village industries will have to be much higher. Already we have sanctioned a scheme for the introduction of 75,000 Amber Charkhas over which an expenditure of the order of Rs. 4 crores will have to be incurred during 1956-57. If this programme which we have taken up for

1956-57 for Amber Charkha proves a success, as I indeed anticipate it to be a success, we will have to provide larger and larger amounts in the remaining years of the Second Five Year Plan. So we have to vote quite a decent bit of amount for this purpose every year. But my present point is that whatever amount we decide to allot to the Khadi and Village Industries Board and the Commission under this Bill, that will have to be discussed and voted upon by this hon. House, and this Commission can spend funds only within the limitations of the amount sanctioned by Parliament; in other words, the Commission shall be competent to spend only within the sanctioned budget.

The Bill also provides for making rules for certain purposes and the Commission shall frame regulations for certain other purposes with the prior approval of the Government.

One other aspect I would like to mention, and that is very important, is as to what is the extent of control by Government over the functioning of this Commission and the Board. A close study of the provisions of the Bill will show that certain powers necessary for efficient and smooth day to day functioning will be conferred on the Commission. But the overall control will vest in the Government. For instance, clause 13 of the Bill provides that the Commission will have power to make appointments to posts under it except that no person whose honorarium or the minimum salary exceeds Rs. 500 per month shall be appointed by the Commission except with the previous approval of the Government. Only the other day, when a particular aspect of the Life Insurance Corporation, which has come into existence from today, was raised, certain hon. Members gave expression to certain misapprehensions about these Commissions and Corporations walking away with the loaf in their mouths and doing everything according to their whims and fancies, and that the

Government were nowhere in the picture, or something like that. In order to see that such a thing does not happen, the Government have reserved these powers of appointment carrying a salary of more than Rs. 500 per month with them in the sense that such appointments should come before the Government for approval, before the appointments are finally made.

The House may also note that this is what we have done in the various articles of association of various companies which we have brought into existence in our country during the last four or five years. Under the Companies registered under the Companies Act, it has been mentioned that for appointments with salaries over a particular amount specified in the articles of association, the proposal should go to Government and the Government's sanction and approval must be obtained before the appointment is made.

Then, under clauses 18 and 19, the Commission will have full power to spend within the sanctioned budget so long as the expenditure is covered by a specific provision in the budget approved by the Central Government. But the Commission will have no powers to make reappropriation from the head 'Loan' to any other head or from the khadi budget to the village industries budget or vice versa, except with the previous approval of the Central Government. So, the Government have retained the overall power and control. For example, clause 15 of the Bill runs as follows:

"In the discharge of its functions under this Act, the Commission shall be bound by such directions as the Central Government may give to it."

So, the Government have reserved this general power to themselves, under which the Government may at any time issue directions to the Commission in order to carry out certain things. The existence of this provision does not mean that the Government will go on continuously exercising these powers and interfere in

the day-to-day administration and the work of the Commission or the Board.

Shri D. C. Sharma (Hoshiarpur): The idea is that they will never exercise that power.

Shri K. C. Reddy: I do not know. Possibly, if the hon. Member had been entrusted with that power, he would not exercise it at all. But the Government, which knows its responsibilities, will certainly be on the watch and look-out and exercise that power of interfering or giving directions only when it becomes absolutely necessary. They will not exercise the power in such a way as to create an impression that Government are always treading on the toes of the autonomous bodies which they have brought into existence in order to cut red-tape, in order to avoid delay and thus give certain amount of freedom for the Corporations and Commissions so as to achieve results. I think if the hon. Members would read Mr. Appleby's report, they would appreciate this point. I hope they would have read it, but I would invite them to read it over and over again. Though the hon. Members may not be in full agreement with all that Mr. Appleby has said in the report, the spirit or the approach of the report is that we must resort more and more to the delegation of powers and see that the powers are exercised at various levels. After delegating those powers, we should not be too ready or too willing to exercise too much of control over the authorities who exercise the delegated powers. Thus, we will achieve better and quicker results in all our activities. That is the spirit and the approach that we should follow towards this problem.

I would like to say—I have already said it in a way—that by the establishment of this statutory Commission, the responsibility of Government to Parliament will not cease altogether. It will certainly, however, be shared adequately by the Commission which will have the executive power.

[Shri K. C. Reddy]

Then, I would like to mention some other features of this Bill. Under clause 22, the Commission shall maintain the accounts in such manner as may be prescribed by Government. The accounts shall be subject to audit by the Indian Audit Department, and the accounts shall be certified by the Comptroller and Auditor-General. The accounts, as certified by the Auditor-General, together with the Audit Report thereon, shall be laid on before each House of Parliament. That means that the activities of the Commission and of the Board will be made known to Parliament through their reports every year. The accounts part of their work will also be placed before Parliament every year. The Commission will have to present its report to the Government and the Government in their turn will place the report on the working of the Board and of the Commission before Parliament every year. It means that every year this House will be seized of the main lines on which this Commission has functioned during the year under report, how it has been able to spend the amounts, what results have been achieved and what amounts, if any have lapsed and so on. The report will make clear as to what activities of the Commission have been handicapped for want of sufficient funds. All these aspects, along with the Audit Report of the Comptroller and Auditor-General, will be placed before each House of Parliament at about the time, I hope, when the Parliament will be called upon to sanction the amount necessary for the Commission. So, it is apparent that the overall control of this House—the Parliamentary control—will be assured and it will be exercised.

Another important thing I would like to refer to in this connection is this. The Members should have noticed that I have given notice of certain amendments to this Bill. Most of them are only verbal amendments of which I need not say anything. But there is one important amendment to which I would invite

the attention of the hon. Members. It is to the effect that a Financial Adviser should be appointed in order to keep in touch with the activities of the Commission and to see that the funds are dealt with in a proper manner according to the financial rules and procedures, etc. The amendment is as follows:

Page 2—

after line 32, insert:

“5A. Financial Adviser of the Commission.—

The Central Government shall appoint a person, not being a member, to be the Financial Adviser to the Commission.”

This is a very important amendment, and this amendment has been given notice of after a good deal of discussion with the Ministry of Finance. When it was realised that this Commission will have to deal with the funds to extent of crores and crores of rupees during the years of the second Five Year Plan, it was considered very essential, apart from the other safeguards which we have already incorporated in the Bill, that there should be an additional safeguard of the kind that has now been suggested by this amendment. The amount that has been set apart for khadi and village industries during the second Five Year Plan is, I think, to the extent of about Rs. 70 crores. It is about Rs. 15 crores or so for khadi and about Rs. 48 crores for village industries. If the Amber Charkha programme of the order of rupees that we have in view and if it is ultimately sanctioned, during the Five Year Plan, the total amount that will be involved would come to the order of Rs. 200 crores. So if this Commission which we are now going to create will have to deal with this much amount, it is absolutely essential not only for Parliament to retain the ultimate control over the affairs of this body, but it is essential that the Ministry which is responsible for the proper functioning of this Commission should have within its structure, and the Commission itself, within its own organisation, should have

enough financial checks and counter-checks in order to ensure that the amounts which are allotted by Parliament for the development of the khadi and village industries are spent in the proper manner according to the well-known financial rules and regulations. That is why we have decided to appoint a Financial Adviser who will be in constant touch with the activities of this Commission and whose responsibility it will be to guide the Commission in regard to the financial aspects of their working.

I do not think I need take the time of the House more at this stage. I have got several other points to which I have to invite the attention of the hon. Members. I shall watch the lines on which the debate proceeds and the points raised by the hon. Members. Then, it will be my endeavour to cover those points in the course of my reply. For example, I could have indicated—I need not anticipate; I shall await the comments of the hon. Members and then try to cover those points. If I begin to anticipate, I may take more time than I myself intend to take. I will resist that temptation.

Finally, I would say that it is very necessary to set up an apparatus or organisation which would be of a nature that could produce results in the sphere of village and cottage industries. As I have already indicated, a statutory body of the kind that we have contemplated in this Bill is the only means by which we can galvanise our development programme in regard to these industries. It has been borne out by experience during the last few years, that in respect of industries, whether major industries or smaller industries, the setting up of corporations or the setting up of companies under the Companies Act or the setting up of a Commission of the nature that we have contemplated in this Bill, with a certain amount of autonomy, not merely autonomy on paper, but really autonomy in their functions, with a sort of overall supervision and control by the Government and, of course, overall

control of Parliament, within certain well known limits established by convention or otherwise, is the best way of achieving some results. If I may speak from my experience of the administration of various companies registered under the Companies Act in the last 4 or 5 years, I can say without hesitation that the establishment of companies under the Companies Act for the management of the Sindri Fertilisers or for the management of the Shipyard or the D.D.T. factory or the Penicillin factory or other factories which are under the control of the Ministry of Production, the system that we have adopted, by and large, has been successful and has yielded good results. The autonomy that we have given to these bodies has not been of an illusory nature. I can tell hon. Members that during the last four or five hours, in the course of the administration of these various companies under the Ministry of Production, there have been very rare cases in which—of course, my hon. friend Shri D. C. Sharma may say that it has been a case of not discharging one's duty properly or satisfactorily or I am perhaps importing more into his remarks

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Shri B. S. Murthy: That is only a professorial way of saying.

Shri K. C. Eddy: We have impinged on the autonomy that we have deliberately given to these companies, that by working on those lines they can produce worth while results. But, at the same time, I wish to say that the Government will keenly watch the working of these companies. I do not want to say how we are watching because it will take time. We get copies of the agenda, minutes of the Board meetings, one of our officials will be on the Board, either the Secretary or the Joint Secretary is the Chairman, the managing directors are appointed by the Government and directly or indirectly we are keeping in close touch with the working of the companies. I can assure hon. Members that in cases where it really mattered, where policies were involved, either production policy or financial policy

[Shri K. C. Reddy]

or marketing policy or recruitment policy, Government have not hesitated to come into the picture, not necessarily by giving directives under article number so and so of the Articles of Association, but by gentle pressure or persuasion, by saying the right word at the right moment, and make themselves felt wherever it demanded. This is how we are functioning. I referred to the broad aspect because the main principle behind this Bill is the one that I have been enunciating these few minutes. The main principle is, create a commission, create a body, give it the maximum autonomy, at the same time, safeguard your powers of overall control and see that the moneys are spent in the proper manner according to the financial rules and regulations. We have made this provision in this Bill. Give them the maximum autonomy in order to achieve results and leave them to themselves. This, in brief, is the main principle underlying this Bill.

I hope I have carried conviction to the mind of hon. Members, even if any one of them had any doubt about this matter. It is time that we make this experiment. We may treat this as an experiment. We shall see how this works. Nothing is final in these matters. We consider all these as experiments. This is an experiment which is worthy. If we succeed in this, we can take it as the model for other industries. If we do not succeed, if we find shortcomings or if we notice certain aspects which require to be rectified or corrected, we shall take note of them and do the proper thing at the proper time. I commend this Bill not only to the attention of hon. Members, but also for their acceptance, I hope, unanimously. I find that no amendment has been given notice of by hon. Members. That means, I suppose, that they find it almost perfect.

Some Hon. Members: No, no.

Shri K. C. Reddy: I do not know. If there are any amendments, if, after hearing the Members, we find that

they are of a nature which would improve the Bill, I shall welcome them. If they are not of such a nature, I shall submit, at the proper time, that the amendment is not acceptable. I do not think I need take more of the time of the House. I move that the Bill be taken into consideration.

Shri Jhunjhunwala (Bhagalpur Central): May I put a question for clarification? Apart from the object that Mahatma Gandhi had with regard to this Khadi Board, what is the particular object of this Commission: whether to give employment to the people and if so whether it would be successful and whether the products of these village industries and khadi will ever be able to compete with the mill industry or handloom industry or any such product of the kind, and if not so, what, after all, is the object of this and how these products will be disposed off?

Mr Deputy-Speaker: Perhaps, the hon. Minister has already said that he has reserved certain things to be answered later. If the hon. Member makes his point, he will answer them.

Motion moved:

"That the Bill to provide for the establishment of a Commission for the development of khadi and village Industries and for matters connected therewith, be taken into consideration."

Shri B. S. Murthy: What is the time allotted?

Mr. Deputy-Speaker: As we proceed with the discussion we shall see.

Shri D. C. Sharma: I welcome this Bill. I welcome also the very detailed and convincing exposition of this Bill which the hon. Minister of Production has given, but I cannot understand one thing, and it is this, that the Government of India has developed a new craze, and that is the craze for creating any number of commissions.....

Shri B. S. Murthy: Corporations.

Shri D. C. Sharma:.....and corporations of all kinds and for all purposes.

Shri Dabhi (Kaira North): That is your support?

Dr. Suresh Chandra (Aurangabad): That is why he is welcoming it!

Shri D. C. Sharma: This is a new fad and of course like all fads it has to be tried and after trial we shall find out whether this is working well or not. But I want to know why we are going at this break-neck speed so far as the formation of these commissions and corporations is concerned. I do not want to sit in judgment upon the commissions and corporations which are run by this Ministry or that Ministry. As a Member of the Estimates Committee at one time and as a Member of the Public Accounts Committee now I have a lot of things to say about the working of these commissions and corporations, but I do not want to go into those details, because whatever you may say, for village industries and for a thing which is meant for the consumption of the common man the best method is not a corporation or a commission. The best method for that is decentralisation as it has been advocated by the Father of the Nation, as it is being advocated by Acharya Vinoba Bhave and as it is being advocated by so many persons who are very intimately connected with this. But instead of introducing the principle of decentralisation, we are practising over-centralisation, with a vengeance, and I know that the problems the solution of which we have at heart and the solution of which is as dear to the hon. Minister as to any one of us, will not be solved in this way.

Again I would have thought that the Minister should have set up an organisation which should have begun with the village Panchayat, led up to the district level, then led up to the State level and then led up if possible to the Central level. I would say that in a matter like this the Centre should not have anything to do. This should be done at the State level. This is my honest and considered opinion. The Centre

should not have all the things to itself, but it should leave certain things to the States, and I think a thing of this kind should have been left to the States. The Centre should not set up a commission of this kind. Therefore, my first point is this, that for the development of the Khadi industry and for the development of the village industries we do not need the Centre so much as the States and I believe that the Centre should delegate all its powers to the States because if the Centre is to do this I think these industries would not come up to that level of development that we all desire.

My second point is this. What is the good of having this composite corporation or commission? It is called the All-India Khadi and Village Industries Commission Bill. In the interests of efficiency, in the interests of the consumer, in the interests of the wellbeing of the people who are connected with these industries, I would say that if we wanted to have a commission though I do not like a commission of this kind for it, if the thing has to be put up with, if it is something necessary without which you cannot do, there should have been two separate organisations to deal with these things. Khadi in itself has a significance and urgency and I should say an interest which demand exclusive attention. Khadi should not be tied to anything else. Khadi should be kept separate and apart from other things. Khadi is going to give us a great deal of employment potential, a great deal of hope for the resurgence of our villages; Khadi is going to be basic among the village industries, Khadi is going to be the key-stone of our village reconstruction. I do not think that Khadi and village industries should have been tacked on like this. If the Minister wanted to have a corporation or a commission—of course, I am not for a commission—I should have said there should have been one body to deal with Khadi and another body to deal with village industries. What would be the result? On account of this composite com-

[Shri D. C. Sharma]

mission Khadi will not receive due attention and village industries will not receive due attention. Both will suffer. I can assure you both of them will not come up to that level of growth and development which every Member of this House and all the millions of inhabitants of India outside this House desire and wish for.

Again, I cannot understand the approach of our Ministers. Jammu and Kashmir sets the example for village industries. It is the nursery villages industries. There are so many village industries there. It flourishes on account of these industries, but our Ministers, whenever they bring forward a Bill, say that Jammu and Kashmir will be excluded. I can understand if you exclude Jammu and Kashmir when there is something which has to do with administrative activities or political activities. It is a part of India and the sooner we admit it the better for us. What is the good of bringing in Bills saying that these laws do not extend to the State of Jammu and Kashmir. It is only some days back we had a Bill....

Shri K. C. Eddy: I am sorry to interrupt the hon. Member but I would like to say now itself that the State Governments will not be put out of the picture by the Khadi commission or by this Bill. They will continue to exercise their undoubted responsibilities in the sphere of the development of Khadi and village industries. Nothing prevents them from going full steam ahead with their programmes. This is only by way of an addition, by way of assistance, supplementing their efforts.

Shri D. C. Sharma: What I was going to say was this. I fail to understand the logic of excluding Jammu and Kashmir. I agree that all the States will have to come in. You cannot avoid that. It is not saying something which is not on the cards,

which is not possible. It is there, but what I say is this, that Jammu and Kashmir which is the home of cottage industries, where the livelihood of the persons depends on cottage industries and from where we get more or less models of our cottage industries, should not have been excluded from this Bill. After all, this is a Bill of an economic type, which does not invite objection from anybody, and I do not see any reason why they should have been omitted.

Now, the Minister is going to have a commission, and he says that the States will be called in. Therefore, this commission will be not an ordinary commission but a super-commission which will advise everybody. And, who will be its members? Three members, or at the most, five members, are going to deal with this very important problem. This kind of commission is something which will not be understood by many persons. It is such a big thing, it is such a vast subject of national importance, and it is going to be dealt with by a commission consisting of three persons. I do not know from where they will get these three or five persons to deal with these problems of great importance, in all the villages in India and in all the cities of India. I do not know from where they will find these supermen to deal with these problems. I think this is not something which is going to be acceptable.

Again, it has been said that this commission will be assisted by the All-India Khadi and Village Industries Board. Again, we find the same thing, namely the desire to multiply authorities, the desire to increase the number of boards, and the desire to increase the number of agencies. Why could the Minister not have had a commission or a board which could have combined both the functions, the advisory as well as the administrative functions? After all, we have limited companies, private and public, and we have so many other things. I do not think we separate the advisory func-

tions from the executive functions in their case. But here, we are going to separate the two things, and we are going to have a board for the advisory functions and a commission for the executive functions.

I would be failing in my duty, if I did not say that the advisory boards function only as decorative bodies. I am not sitting in judgement over anybody, but the history of these advisory bodies is a history of which we cannot be proud, and about which we cannot be happy. If the Minister were thinking along these lines, then he should have come forward with the proposal to constitute a board or a commission or a corporation in which both the functions should have been combined. But at the very outset the Minister is introducing an element of advisory function on the one side, and the function of implementation on the other. We know the baneful results of diarchy.

Shri B. S. Murthy: It is not diarchy, but it is triarchy, because the financial adviser also is there.

Shri D. C. Sharma: I am coming to that. Thank you very much.

It is not only that, but it is an element of division of responsibility. Division of functions which matter and functions which do not matter is not going to work to the good of this country. I thank my hon. friend Shri B. S. Murthy for having reminded me of the fact that they are going to have a financial adviser also.

As a Member of the Public Accounts Committee, I have been in touch with some Ministries, and I have come across those valuable persons who are the financial advisers in these Ministries. I know that while they perform a very useful function, and while they do some very valuable work, these financial advisers do not promote the efficiency or the working capacity of these bodies, as much as we expect them to do. I would, therefore, say that the whole set-up of this corpora-

tion, with three or five supermen, with an advisory board, and with the financial adviser, is something, which, I fail to believe, is going to work for the advantage of the country.

Now, it has been said that the commission shall meet at least once in a month. You know, Sir, how the banks and insurance companies transact business. They used to meet very often; sometimes, three times a week. But here, this commission which will be dealing with problems covering the whole of India will be meeting only once a month. I do not know what kind of electronic brain these persons would have, to discuss and to deliberate and to decide on all these problems.

Mr. Deputy-Speaker: The obligation is to meet at least once in a month, and not that they shall not meet oftener than that.

Shri D. C. Sharma: You are right. I thank you for this suggestion, but I may tell you that whenever you put down the words 'at least', the words 'at least' become operative, and everything else does not matter.

So far as appointments are concerned, it has been said that no person whose honorarium or maximum salary exceeds Rs. 500 a month can be appointed by the commission, except with the previous approval of the Central Government. I have very strong views about appointments, and I think all of us have strong views about the appointments, and I believe that where these appointments are to posts of lower division clerks or upper division clerks or of any other category, they should be made by a separate kind of selection board, and that selection board should have some outsider to help it, so as to ensure that the appointments are made in a way which will inspire confidence in everybody.

You know, Sir, that in the Punjab, they have the Service Commission for appointing persons of high status, and they have also got the subordinate selection commission, so that persons for posts carrying salaries between

[Shri D. C. Sharma]

Rs. 50 and Rs. 150 can be appointed by them. Therefore, I would say that it will not be useful to give blanket powers to this commission in the matter of appointments.

Of course, as my hon. friend has pointed out, all the objects that are mentioned are valuable and worthwhile. I wish the Minister had told us what arrangements are going to be made for the training of the persons, what kind of research on raw materials and implements he has in view, and what steps are going to be taken to have those implements, because, I know, we have been very deficient so far as the implements are concerned.

Again, I would like to know what arrangements he is going to make for the sale of these things, what organisation he is going to set up for conducting research in techniques and so on. The most important provisions of the Bill are given in clause 14. I would have been very happy if the Minister had given us some blue-prints about the activities which he has described.

3 P.M.

Since we have not been given details about this, I feel that though these things will be done, they may not be done to the satisfaction of those persons who are interested in this matter.

Again, as I said in the beginning, they are going to have two funds, one fund for village industries and one fund for khadi. If the funds are going to be separate and if the functions are going to be separate, I do not see any reason why they should have one single Board to deal with these.

I have read the Schedule on page 10 and I find that it offers a great deal of scope for the development of village industries.

Shri Shree Narayan Das (Darbhanga Central): On a point of order.

Mr. Deputy-Speaker: Is it a point of order about the speech that is being delivered?

Shri Shree Narayan Das: It is with regard to the consideration of this Bill by this House.

Mr. Deputy-Speaker: Let the speech be finished first.

Shri D. C. Sharma: I think the Schedule which is given there is quite comprehensive. But, as the hon. Minister has said, there are other village industries also which will be included in it. For instance, in my constituency, wood work is a very good cottage industry. Wood work used to give employment to at least some thousands of persons. This wood work industry should be included in it.

Again, there are other things also. What I mean to say is that this Bill has a very laudable object. I think the whole House will welcome this Bill, but I am doubtful whether for the achievement of those laudable objects the formation of this Commission will be helpful. But I would say that we live in a world of trials and if the hon. Minister wants to give a trial to this, he can do so. But I for one know that this trial may not bear as much fruit as the hon. Minister expects.

Shri Shree Narayan Das: The point of order that I wanted to raise was this. According to article 246 of the Constitution, Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule, that is, the Union List. According to clause (2), Parliament has also got power to legislate on matters enumerated in List III, that is, the Concurrent List. 'Industries' in general appears as item 24 in the State List. It says: 'Industries subject to the provisions of entry 52 of List I'. Item 52 in List I says: 'Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest'. So

unless the control of khadi and village industries are declared by Parliament by law to be expedient in the public interest, this House has got no legislative power with regard to khadi and village industries.

There is another item in the State List, with regard to production, supply and distribution of goods. There some power has been given to the State Legislature unless it is covered by item 33 of the Concurrent List. Item 33 of the Concurrent List also does not include this industry, that is, trade and commerce in, and the production, supply and distribution of items covered in (a) to (e). All these items do not include khadi and village industries.

Therefore, unless it is provided in this Bill that the control of khadi and village industries are declared by Parliament to be expedient in the public interest, this House has got no power to legislate on these industries.

Shri K. C. Reddy: At this stage, I would like to say only this. This House is aware—and doubtless you are also aware—of the Small Scale Industries Corporation (An Hon. Member: It is a statutory body). My impression is that it has been brought into existence by an Act.

Shri Jhunjhunwala: Yes, it is an enactment.

Shri K. C. Reddy: This point has been raised rather suddenly. I would like to have time to consult.....

Mr. Deputy-Speaker: The hon. Minister would like to get advice. Meanwhile, we will proceed with the discussion. Later on, I will also consider it.

Shri K. C. Sodhia (Sagar): Is there not a khadi and handloom cess levied by this Parliament? From the cess of this cloth, we are having about Rs. 6 crores every year.

Mr. Deputy-Speaker: That is a different thing. We cannot go on in

general terms, unless we point to some item in this Union List.

Dr. Suresh Chandra: The object of the Bill is laudable. As the hon. Minister has said while moving for consideration of the Bill, Mahatma Gandhi laid great emphasis on the question of the development of khadi and village industries. Therefore, after India became independent, it was incumbent on the Government to do everything possible to develop khadi and village industries.

I also agree with him—everybody in this House will agree—that for Gandhiji khadi was not a matter of business or a matter of giving employment to some people, but it was a matter of faith. Those of us who have had the privilege of being with Gandhiji or knowing his thoughts and his mind, know very well that he always considered spinning as a matter of faith and he also said several times that khadi was even more important to him than perhaps political independence.

Shri Jhunjhunwala: What is the meaning of 'matter of faith'?

Dr. Suresh Chandra: Faith means faith.

Shri Jhunjhunwala: There must be an object in having faith.

Dr. Suresh Chandra: He must have faith in order to understand the meaning of faith.

Shri Jhunjhunwala: So I have faith in him.

Dr. Suresh Chandra: I thank him Gandhiji had faith in God, he had faith in truth and he had faith in the millions of our countrymen. That was why he considered khadi also a matter of faith, because he thought that it would give them not only employment but also create some kind of spiritual resurgence in them. That was how

[Dr. Suresh Chandra]

he explained it to the people. It is possible that we may not agree with him, and we did not agree with him. It is true that we did not have faith in all what Gandhiji had expounded. I agree. That is why I want to say here that when we talk of Gandhiji and present this Bill here for consideration, there is some kind of inconsistency in this, because Gandhiji did not believe in all these Commissions and also that khadi should be made some kind of business.

I am also coming to the point raised by Shri Jhunjhunwala. Gandhiji did not think of khadi in terms of competition with other industries, mill industries and others. Gandhiji had his own ideas. Now we are thinking in terms of development of industries, the development of heavy industry and we also want to catch up with some foreign countries, who have already made some progress in industrialisation and I think it is a little bit hypocritical for us to think of khadi in terms of business. Therefore, I have not been able to understand the exact purpose of establishing a new Commission for development of khadi and village industries.

Even before India became independent, the All India Spinners Association existed and later some Board existed which functioned very well in the villages. Khadi was a source of employment to the people and we know that it was also being thought of in a competitive way.

I come from an area where we had some village industries. Gandhiji himself had given thought to the development of some of the village industries in my area. He had deputed one gentleman to devote his whole life to that work—development of hand-made paper and the development of local industries. There was also a Board for the development of the village industries. But after that had been constituted nothing much perceptible in the way of development has

been done. Therefore, I entirely agree with the previous speaker, Shri Sharma that it is becoming a sort of fashion to bring in legislation here in this Parliament to establish commissions and corporations. I have no quarrel with the establishment of corporations or commissions if they are absolutely necessary.

In this Bill which has been brought before this House the hon. Minister has made in a very able manner an exposition of the need for this kind of commission. I have not been able to understand fully the need for such a commission. The All India Khadi and Village Industries Board exists there already. The function of this Board has been pointed out to be advisory. And, they want the establishment of a commission for the sake of execution.

Between the stage of introduction and this consideration stage, the Karve committee was appointed to which a reference was also made by the hon. Minister. That Karve committee thought that the development of Khadi and the village industries should be made through departmental agencies at State and Central levels because of the great importance which has been attached to that during the First Five Year Plan and also in the Second Five Year Plan. About Rs. 70 crores have been allotted for the development of these industries. But the Government have not thought fit, at the moment, to accept the recommendations of that committee and hence they have come forward with this idea of a commission. As I have said earlier, I do not find any need for such a commission. Of course, there is some need for some kind of control. I do not agree with Shri Sharma who spoke before me that there is absolute need for decentralisation at this moment and that we are having over centralisation. I feel it is necessary to have some kind of control at the Centre though there is

the State responsibility and there are Advisory Boards at State levels. But I doubt whether this kind of commission which will have power concentrated in the hands of a few people will, in any way, help the development of khadi and village industries. If we want some kind of control at Central level, even now Government have got sufficient authority and certain power can also be vested in these Boards, which can function more effectively even from the financial point of view. I, therefore, hope that Government will consider this a little more carefully and then bring in such legislation.

Shri B. S. Murthy: Mr. Deputy-Speaker, I welcome this Bill.....

Shri T. B. Vittal Rao (Khammam): Really!

Pandit K. C. Sharma (Meerut—South): But do not welcome the object!

Shri B. S. Murthy: ...because the object of the Bill, as has been stated, is for the proper development of khadi and village industries.

Shri Jhunjhunwala: But subject to the provisions of the Bill.

Shri B. S. Murthy: But this object is not found in the body of the Bill. I am welcoming the object but not the provisions of the Bill.

In this connection, as the hon. Minister has already spoken about Mahatma Gandhi's initiating khadi and with my friend Dr. Suresh Chandra saying that Gandhiji took it as a matter of faith, it is better to see how and when Gandhiji introduced khadi into the constructive programme which was successful under his leadership. Khadi was introduced as a symbol for nascent revolutionary India. In those days everyone was anxious to dress himself in foreign fabrics.

Wherever Gandhiji went he had seen people in very superfine clothing which had come from other parts of the world; not only that, but also in a number of fashions. He also saw the village weaver and spinner going about begging from door to door for his existence. Therefore, Gandhiji achieved a very important objective by introducing khadi for giving full employment to the spinners and weavers. By that means, Gandhiji revived an almost dead industry. Later on he introduced a number of other industries. Gandhiji was careful to separate khadi from other industries. If I remember correctly, two Boards were at Wardha—the All India Spinners Association entirely in charge of all types of khadi to be produced, including the very fine khadi, known as Pondur khadi, which is a rare type of khadi produced in Andhra, and in respect of other industries such as paper-making, *gur*-making and even village tanning, Gandhiji had another Board constituted known as the All India Village Industries Board. When Government took up the work of spreading the work of these two Boards, they have combined them into the All India Khadi and Village Industries Board. This Board has been functioning for some time, but the work of the Board has not been sufficiently encouraging. I shall not be taken to task by any member of the Board for having said this. The very intention of bringing forward a Bill like this is an indication that the Board as it is constituted and has been working, has not been a success.

Now, a bill has, therefore, been brought before the House, bifurcating the deliberative functions of the Board and giving the executive part of the work to the Commission. I would like to know whether the Commission, the Board, the Financial Adviser and others who may come into

[Shri B. S. Murthy]

the field will accelerate the work of the Board or will hamper the work of the Commission. In a matter like this, it is always better to know the intention of Gandhiji in trying to step up khadi and village industries' production. Gandhiji was averse to centralisation. He had been, day in and day out, talking about decentralisation. After all, the very expression "Khadi and Village Industries" indicates that it is a thing to be done in villages. A Commission sitting here, a Board holding its meetings in Wardha or a Financial Adviser sitting in the North Block will not do much to step up production as far as village industries and khadi are concerned. Therefore, I fail to understand why the hon. Minister, who has been himself a very noted constructive worker before he took up the reins of Chief Ministership of Mysore.....

Shri K. C. Reddy: Even now.

Shri B. S. Murthy: If a Member of Parliament himself is not able to devote sufficient time for constructive work if he is to take sincere and real interest in the work for which he has been sent here, I am afraid the Minister shall have very little time left for such work. Therefore, the Minister's assertions must be taken with a pinch of salt. I consider that this sort of lopsided organisational activity of the Central Government must be put into a test tube. Corporation after Corporation and Commission after Commission are being held out to the public and they say "We want to do this work in a better way and therefore the Corporation is coming or the Commission is coming". A magician puts his hand in his pocket and shows something and says "Here is some new object, kindly see

and be appreciating it", and in the same manner the Central Government is thinking of having, as the Minister has stated, the Sindri Corporation and so on and so forth. Therefore, this is one more of the magical objects that are to be given to the Indian public.

About the constitution of the Commission, it is stated that there will be not less than three and not more than five members; again there is the Financial Adviser; the Commission may consult the Khadi and Village Industries Board; all these things indicate that there is some lacuna which either the Ministry or the Minister himself were not able to look into and rectify. The Minister himself has stated that if Amber Charkha is to be given full play, Rs. 200 crores will be necessary in the next five years. This amount, together with Rs. 15 crores already allotted, will make up Rs. 215 crores, which has to be expended on khadi in the next five years. If such a huge amount is to be entrusted to a Commission, I think more care should have been taken in considering whether a Commission or an executive officer directly under the Ministry, with the Advisory Board guiding him as well as guiding the Ministry, would be better. I am afraid that Commissions are always a hindrance as Corporations are sometimes being blamed with more dilatory tactics than directives to be given for efficient executive work.

In this connection I do not want to go into the details of the Bill and take up every clause and criticise it, but on broad principles I would like to say that the Minister should give more consideration to the provisions in the Bill, which at present do not go as far as the object stated in the Bill. One thing on which I would like to lay emphasis is that decentralisation should be the key-note of the Bill, but this is not found in it.

The hon. Minister said that the State Governments will have their representatives on the Board. Strictly speaking, on a Board like this, the representation should be not State-wise but industry-wise. If every State has to send its representative, and also if industry-wise we have to give representation, I am afraid the number on the Board may swell up to 40 or 50. Therefore, what I suggest is that instead of having State representatives, it is high time that each industry should be given representation.

Again, in many cases representation is given....

Shri T. B. Vittal Rao: For textile industry also.

Shri B. S. Murthy: Textile industry is not a village industry, and, therefore, Shri Vittal Rao might wait until I finish my say. Let him have his own say later.

In giving representation on the Board, care must be taken to see that not only a theoretical expert but an actual worker who has been in the industry for years, who has gained experience in the industry, is given representation on the Board. If he is a man who does not know English, he should not be denied the privilege of being on the Board. As I have been stating, there may be an expert in hand-made paper or *gur* or tanning. There are many people who had gone outside India and qualified themselves and who come here and say that they are experts. But what is essential on a Board like this? A villager who has been in this industry, who has been working in the industry, who has suffered the ups and downs in the industry should be brought as a member of the Board, and his advice should be sought. If he does not know the *lingua Indica* or even

English, he should be allowed to talk in his own language and it must be translated. The other members of the Board should have the benefit of his experience. That must be the main idea in constituting this Board.

Always the Government comes forward and says that it is an advisory body. If the Government wants advice, why should not the Government issue a notification in the papers: "We want the advice of experts on such and such a thing and so they may kindly send their advice gratis." By one such notification in the newspapers, Government can get tons of letters bringing them the necessary advice. It is a bureaucratic idea to call it an advisory body. It should be given certain functions. Advice must not merely be taken by the right hand to be thrown out by the left. So, the status of such Boards must be increased and the advice given by them must have a binding effect on the Commission or the executive, whatever it may be.

These corporations, of late, have become a very fertile field of recruitment for the officers' cousins by dozens and nephews by half-dozens and so on. If any question is put here whether such and such corporation is giving representation to all the communities, fair and square, the Minister comes forward with the reply that the corporation is an autonomous body and, as such, the Government has no control but that they expect these corporations to give proper representation to all the communities. This is a vague, evading and sometimes exasperating answer. Every corporation which is responsible to the Central Government or the State Government and which draws its sustenance from the Central funds must give preference to the rules and regulations; it should adhere to the rules and regulations

[Shri B. S. Murthy]

laid down by the Home Ministry. Otherwise, it is a grave injustice to the individuals, if these rules are not observed in the matter of appointment, promotions, seniority or other matters.

Therefore, I say that the Commission cannot employ people without selection by a committee. It has been stated that, if an officer has to be appointed whose salary is more than Rs. 500 per month, under the rules, the commission has to come to the Central Government. It is a very large margin. What about people that begin with Rs. 60 or 70 or 100 or 200 or even 499. They may appoint a man on Rs. 450 and within six months they may give him Rs. 550. People know how to by pass such limitations as these. Therefore, a small committee may be constituted for the recruitment of officials. Rs. 265 crores are to be spent in the next five years. Lakhs of people should get the benefit. Hundreds of people will be appointed as khadi inspectors or handicrafts inspectors or supervisors and any man can be appointed and titled as an expert. The Minister and the Ministry should take sufficient care to see that a committee is constituted and all recruitments are made through that committee. If there is any appeal, it may be made to the Commission. If necessary, the Ministry also should have powers to review and revise certain appointments.

Shri Veeraswamy (Mayuram-Reserved Sch. Castes): Mr. Deputy-Speaker, I welcome this measure, though I do not agree with, and am opposed to, certain aspects of this measure. We are living in an age of scientific development and technical progress and in an age of atomic energy and hydrogen bombs. I wish that our country should progress industrially and scientifically. I also wish

that our country should stand on a par with the advanced, western countries. So, at the very outset, I would urge upon the Government to give up their backward mentality, this bullock-cart mentality, cottage mentality, oil lamp mentality and so on and so forth. We must progress scientifically and industrially and we must help our people to progress in every respect, without going back to the stone age or the iron age.

I said at the outset that I welcomed this measure because in these days of unemployment, I thought that this measure would help a large number of people to be engaged in certain industries which would give them some livelihood to keep their body and soul together, not to enrich them or help them to progress and live a life of happiness and prosperity. Mahatma Gandhi, with all good intentions, said so many things which, I do not think, the Party in power has been following. I remember he said once that—he has also written so in an article called 'Confessions of Faith'—whenever he entered into a car or a train, he felt that he was committing a sin. He has also stated that he believed in the wooden plough, which was in existence some five thousand years ago, and that the salvation of our people was in the wooden plough and the bullock cart. But, I do not think that those opinions and advice of Gandhiji have been taken into consideration by the Government and the Party in power. Therefore, it is rather unfortunate on the part of the Government to still think in terms of the cottage, charkha, hand-spinning, etc.

I now come to certain aspects of this Bill. In the schedule, certain village industries have been mentioned, cottage match industry, cottage pottery industry, cottage soap industry, flaying, curing and tanning of hides

and skins and so on hand-made paper, manufacture of cane-gur and so on. From the views which I have expressed, one can very well understand that we must remove the word 'cottage' from the Bill. We can say 'small-scale industry'. Why should there be, in our country, cottages still? Do you want to perpetuate the cottages life in our country when we are in the midst of five year plans? The first Five Year Plan has come to an end and we are commencing the second Five Year Plan. When we are establishing a welfare State and a socialist pattern of society, why should we think still in terms of cottages? Are we not going to convert cottages into at least tiled houses in the villages? Does one think that we should carry on the Government without helping the village people to live a life of happiness like the townsfolk? Cottages should be converted into tiled houses at least and they should become storeyed houses, flats and so on. Therefore, I would suggest to the Government that instead of 'cottage', they may use the words, 'hand industry', 'hand match industry', 'hand spinning industry' and so on.

3.42 P.M.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Even in a palatial building, once can engage oneself in doing some hand-work, and therefore, there is no inferiority attached to any hand-work. So, the word 'cottage' should be removed from this Bill.

Then, I would also urge upon the Government to introduce power-looms in the production of Khadi. Power-looms will help the weavers and the spinners to spin quickly and weave quickly and to think quickly. They will become active and the production will be large. If they are engaged in hand-spinning and hand-weaving, I am unable to imagine how backward

they would continue to be. Therefore, power-looms should be introduced in the khadi industry. Then only there will be quick production of khadi cloth.

The next thing I want to refer to is about the khadi cloth that is now being produced. The khadi cloth is very hard and it is not durable. The kind of khadi that is supplied to some Government staff like the postmen, chaprasi and peons is not durable. Further, it does not give a decent appearance to them; they are not smart. Therefore, whether it is hand-spun and hand-woven or not, the cloth should be nice and neat. If any person, whether belonging to the Government or other activities, wears khadi cloth, the cloth should look nice and decent. We are a civilised people and there is no use of wearing a gunny-bag-like cloth.

Another thing that I want to bring to the notice of the Government is that they should not be content with the passing of this measure and creating a Commission and also a Khadi and Village Industries Board. They should see that the products and articles that are produced by the village industries and the khadi industry are purchased by the Government. They should find markets for these products. Otherwise, those who are engaged in these industries will not find markets and they will incur loss. Unless these things are attended to, I do not think that the common man will be benefited in any manner by these industries. Not only that. The people who are engaged in these industries should be helped with money for running the small industries in the villages.

With regard to hand-made paper, I wonder whether the Government would use the hand-made paper for administrative purposes. How hard and thick they are? Nobody can write smoothly on such a paper.

Shri Nambiar (Mayuram): Are they like blotting-paper?

Shri Veeraswamy: They can be exhibited or be kept in exhibitions to show to the people that the people in the villages are given opportunities to make hand-made paper and so on. We must give up all these things. We must produce very nice and neat paper—not this hand-made paper which is so hard and thick and unpolished.

Shri Nambiar: Such papers are required for some purposes.

Shri S. V. Ramaswamy (Salem): Is it blotting-paper that you are thinking of?

Shri Veeraswamy: I hope that Government would consider my viewpoints which I have stated with the good intention that our country should progress scientifically and industrially and that the people should also become very civilised so as to stand on a par with the people in the far advanced countries of the world.

Pandit K. C. Sharma: Mr. Chairman, I whole-heartedly support this measure, not because it will in any way revolutionise the production or bring relief to the people, but because it is a new and very healthy way, and in the conditions prevailing in this country, it is a very salutary provision for dealing with the question of unemployment. It is a known fact that over 18 million people are without work or at any rate they are under-employed. Generally, the employment that the village-folk get does not give them enough to lead a decent life.

There are two methods of getting on. One is to get cent per cent employment which is in direct contradiction to the prosperity of the country or the scientific progress of the country in one way. We have to face a dilemma. One method is to give cent per cent employment to our people in the villages, by giving them industries

to work upon, by creating village markets and by creating village production centres and thus do away with large or big industries and keep the standard of the people at a low level. This will naturally shut the door to progress, as it is taken to mean, in the scientific way.

There is another method, and that is, to have more production and to develop great industries. The result will be that we will have to face large unemployment. In the western countries which are highly developed, the system is, the producer produces more and more, the unemployment is more and more, the social services are provided on a larger scale and if the people are unemployed, the State takes the responsibility and gives them doles during the period of unemployment. If you have cent per cent employment as the objective, the only course open is a dictatorial system, apart from the system which Mahatma Gandhi advocated. If you want to keep democracy running, you have to have a *via media* and this *via media* is provided by this measure. It is an improvement upon the western system in that it preserves the human dignity. The man who lives on State help, remains idle, unemployed and keeps on somehow. He cannot preserve the dignity in him. He is demoralised; he is a loss to society; often, he turns into a criminal. In this scheme, he gets sustenance wages. He can maintain himself in the village. At the same time, he can pass on as a respectable citizen. He can maintain the dignity of man in himself. Therefore, it is an improvement in the socio-cultural structure of India of tomorrow. I daresay that it is a great thought and this thought has a great future.

I find that much more should have been provided in the Bill, than is provided. One question is, how can these village industries or khadi be developed, how can they be made in the shape and in the quantity that could be marketed. This can be done by decentralisation by having small units, by having trained people, good super-

vision and control. There is no such provision made whatsoever. The only function of the Commission is,—clause 14—(a) to plan and organise the training of persons engaged in the production of khadi or in village industries; (e) to maintain or assist in the maintenance of institutions for the development of khadi or village industries; (g) to promote and encourage co-operative efforts among manufacturers of khadi and persons engaged in village industries. I beg to submit that these provisions do not go far enough to give an acceptable or workable picture of things. You have to develop institutions at the village level. You have to train people to guide and improve them, you have to control and provide for a market. It is a huge organisation that you need. By giving these very broad outlines, welcome as they are, the necessary details are not there. Not only necessary details, but detailed provisions as well are not there. Because, what is essential in an organisation like this? The first thing is, it should be decentralised. That an institution of this kind may be decentralised presupposes two essential things. One is that the man should be trained and he should be efficient enough to give instructions on the spot. The essence of a decentralised institution is that the man on the spot, the man in the field must have the final say and must be able to take decisions. For that, he must have character, he must have training, he must have intelligence, he must have the spirit and will to work, he must have a mission to fulfil. Such a picture has not been given anywhere in this Bill. It is a hard work and a great work. But great things are difficult things. Hard things require much more courage, much more intelligence, and much more detailed knowledge. These things are lacking. It is not a question of passing a law and getting things gone. You have to build up newly. There is nothing existing that you can shape. You can shape a thing very easily. If a young man is there, you can bring him up well and clothe him well. If there is a young girl, you can dress her well. If the girl or

boy does not exist, what can you do? You have to build a great thing. To build and create difficult things, a long procedure has to be adopted. A greater number of institutions have to be organised, a greater number of efficient people are to be produced. The second thing is, the man on the spot, the man in the field must take decisions and work in his own way and he must be efficient and hardworking.

Public co-operation must be ensured. People are willing to help you. People are willing to take your products. People are willing to take the things that you produce at a price that would be economic and that would help the producer. You cannot produce the bare necessities and at the same time provide enough to the village worker. You have to produce something that would cater to the taste of the people. You shall have to produce something that would be an addition to the tastes of the people or the fine sentiments of the people or their cultural wants. If you have to create a taste, you have to get the co-operation of the people. Nothing like that has been provided in the Bill.

My hon. friend was saying that this is a nuclear age, this is an age of machinery. I submit that it is an age of progress, it is an age of machinery. But, at the same time, large industries, use of machinery, speed and power, presuppose limitation of population. If the population grows as it does, there is no way except to go to the village, take to the village industries. You get the people educated, you get them scientifically minded and you control the population. Then, you can talk of large industries and have the standard of living of the highest countries. So long as the population grows as it grows unfortunately, you have to go to the village, decentralise your industries and keep down to a lower standard of life, maintain life as it is and with the best will work for improvement. Large strides would not be possible.

[Pandit K. C. Sharma]

With these remarks, I support the Bill. I hope the hon. Minister would be able, hardworking, intelligent and well meaning as he is, to put in better work and devise means in a better way to fulfil the mission.

Shri K. C. Reddy: With regard to the point of order

Mr. Chairman: I thought the point of order should be left to the Deputy-Speaker.

Shri K. C. Reddy: My suggestion to you is that we may complete all the stages of this Bill today itself. It is now two hours since we began consideration of this motion. Some Members have spoken. Perhaps, there will be opportunity to some other Members to speak.

You will notice that there are no amendments given notice of by hon. Members. Only I have given notice of some amendments most of them purely of a verbal nature excepting one to which I have already referred in my speech when I made the motion for consideration. So, I would request you to fix the time within which the consideration motion could be completed and then we can take up clause by clause consideration and have the Bill passed today, and if it becomes absolutely necessary we may sit for a few minutes or half an hour more beyond six and complete the passing of the Bill.

4 P.M.

An. Hon. Member: What is the time allotted for this?

Shri Tek Chand: May I invite your kind attention to the important point of order raised by my hon. friend Shri Das. For that some time is required in order to examine it. Some of us may have to make certain contributions because it is a very important point of order. The Bill may founder on that alone.

Shri K. C. Reddy: I am prepared to say something on that. I am ready with it.

Mr. Chairman: There are two questions before the House. One is the point of order. The point of order will be dealt with when the Deputy-Speaker comes. He will give his ruling also, and before that if the hon. Members want, they can speak upon it. So far as the other question is concerned, it is one of great substance. Though the time allotted for this Bill is quite large comparatively, at the same time if this Bill is not finished today, it is clear we may not find any time in the future days left to us. And I understand an announcement to this effect has been made by the Minister also. Now, the Minister has stated to the House and the House must consider this question that if the House is anxious to pass this Bill, then if we finish the debate within an hour or so, there will be time left for the clause by clause consideration also and we may finish the Bill today. This is what the hon. Minister has stated to the House. I would like to know from the House if the House is agreeable to this that the Bill may be finished today.

Some Hon. Members: Yes, Sir.

Mr. Chairman: I think the House is agreeable.

Shri Dhusiya (Basti Dist.—Central-East cum Gorakhpur Dist.—West—Reserved—Sch. Castes): One point I want to raise here. I see most of the Members are not here in the House at present, and subject to correction a few days back perhaps two or three days back, the Minister of Parliamentary Affairs said about this Bill that it was not certain when it was coming. So, most of the Members who are absent may also be interested. If it is finished today, it will not be proper.

Shri Raghaviah (Ongole): May I make a suggestion? In view of the fact that the hon. Minister has already said that notice of amendments was not given except some two or three which have also been given by him, I think the general discussion

may be given a little more time and the clause by clause consideration a little less.

Mr. Chairman: So far as the question of the presence of Members is concerned, all the Members are presumed to be present in the House. No Member can say while the discussion is going on that as the discussion will go on for two days he is not present. Therefore I do not consider the absence of Members is material in this case. When the House is sitting it is quite competent to take any decision it likes, and I understand the House is willing to consider the clauses also and pass the Bill if necessary. If it be so, I can understand the request of the hon. Member that more time may be given for general discussion and it will be conceded by the House because after all there are very few amendments and all of them on behalf of the Government. It should not take much time.

Shri K. C. Sodhia: There is one amendment in my name.

Mr. Chairman: Yes, that will be gone into. We will find time for it. The question is we may go on till 6-30 today and finish with the Bill if necessary, or we can go on with the general discussion till 5-30 and half an hour is quite sufficient for the clause by clause consideration. I think the House is agreeable to it.

Shri Jhunjhunwala: But what is the time allotted for this Bill? All the Members who want to speak should be given an opportunity.

Mr. Chairman: In a Bill of this nature, even supposing more time is allotted by the Business Advisory Committee, the House is quite competent to take a decision that the Bill has been sufficiently discussed and it can be passed. There is no rule that the time allotted should be spent whether it is required or not. I have taken the sense of the House and I see the House is agreeable to pass the Bill today. Therefore I do not think that the mere fact that a few Members have spoken will deter us from giving effect to what the House agrees to. I should think that many

speeches have already been made. The matter has been sufficiently discussed and there is one more hour. I think if the hon. Members agree, most of the points can be made, they may take five to ten minutes each and some more hon. Members may be allowed to speak.

Shri Jhunjhunwala: If any Members are willing to speak and more time was allotted, they should get an opportunity to speak.

Mr. Chairman: I shall try to give an opportunity to everybody to speak. Supposing a motion is brought here that the question be now put and the House agrees that the question be put, where will the Members go? This is bound to happen in any case. The only fact that some time has been allotted does not entitle us to go on indefinitely with the Bill if the opinion of the House is that the Bill should be finished.

Shri Jhunjhunwala: That is not my objection.

Mr. Chairman: Swami Ramananda Tirtha. I would request hon. Members to be rather brief so that there may be no complaints that others have not been allowed to speak.

Swami Ramananda Tirtha (Gulberga): This Bill deals with a very important matter and therefore it is necessary to view it with all the seriousness that the problem requires.

I find that the new commission that is being proposed in this Bill has emerged as a result of certain difficulties that the Ministry was confronted with about the functioning of the All-India Khadi and Village Industries Board. I know something, though from a distance, about the functioning of this Khadi and Village Industries Board. Being myself associated with an institution for the production of Khadi I had a chance to study the working of this Khadi and Village Industries Board. The difficulty to my mind was that this Board was not invested with full powers. As is made clear it was an advisory body. Moreover, there was a conflict of ideas between the members of the Khadi and Village Industries Board and the

[Swami Ramananda Tirtha]

administrative personnel or the Ministry due to which many of the plans which the Board desired to implement could not be implemented because there were always hindrances in the full implementation of those ideas. I make this remark because I find now in this proposed Bill the hon. Minister has invested the Commission with full powers. He has created an autonomous body and he has also invested it with the necessary responsibility. What I feel is this. Could the same purpose not be served by the All-India Khadi and Village Industries Board with the powers that you are now conferring on this super commission? If we look to the personnel of the Board we will find, I think, that the cream of Indian patriots who are experts in this particular type of economic development is included in it. The difficulty is the failure of this organisation. Some hon. Member on the opposite side remarked that it is because this body has failed to function that this new Bill has been brought forward. Well, the failure, if at all it is there, is due not to inefficiency or lack of expertness on the part of the members of the All-India Khadi and Village Industries Board, but to some lacuna in the procedure of the functioning as between the board and the Ministry.

I know the Minister in charge is a believer in a decentralised form of economy. But as we know, this Government is not wedded to the Gandhian type of economy. Nobody can blame it. In the circumstances of today, we are following a mixed economy. And in a mixed economy, naturally, we have to follow a mixed thinking. The result is that there are mixed results. The Minister is not to be blamed for that. I congratulate him, for he has fought hard to see that a true Gandhian idea percolates into the economy of the country, so far as his Ministry is concerned.

I do not understand, therefore, why this new body is being created, instead of investing the All-India Khadi and Village Industries Board,

which is already in existence, with the powers that are now being conferred on the new commission. Anyway, the commission is coming with all its autonomous powers, and with responsibilities and powers delegated to it. I welcome that proposal. But I do not know how with five persons—the maximum numbers is five—the expert knowledge which is necessary and the talent which is necessary for making a success of this huge experiment is going to be ensured. That is the only doubt that is lurking in my mind. We are all concerned over the people's initiative getting full play. If that is to be ensured, then over-centralisation has got to be discouraged. I do not think that this commission is going to centralise all the activities, though it is going to be invested with full powers; it will be only a supervisory, guiding and controlling body. The actual production or the functioning has to be on a decentralised pattern. I have no doubt about that, because the industry of khadi is such that it cannot be centralised. If you have to ply a *charkha*, it has to be plied in the millions of homes in the villages. Then alone, you can ensure the maximum quantum of production. Therefore, I am not afraid of centralisation.

But what I would plead with the Minister is this. He has already stated that 50 per cent. of the amount which was allotted for khadi and village industries has lapsed so far. Now, we are allotting much more than the amount we had fixed as targets under the First Five Year Plan. If the sum of Rs. 200 crores, which has been allotted, and which includes the amount sanctioned for Amber Charkha development, is to be utilised properly, I think, a network of organisations of the people will have to be initiated and encouraged.

The success or failure of this body which consists of three or five people only is going to decide the fate of millions of villagers in this country. I look at this proposition from the point of view of employment. For, that is what Government are aiming

at, if I have understood the matter correctly. Government are not wedded to a decentralised form of economy or *sarvodaya* or the Gandhian concept of society. So, let us not drag Gandhiji's name in season and out of season in all our discussions, because that is not going to help us or inspire us. We know where we stand, and therefore, let us be practical.

In the selection of the advisory boards at the State level—I have nothing to say about the All-India Khadi and Village Industries Board; but my experience is—considerations other than those which should be taken into account so far as the actual work of these bodies is concerned, do crop in, and the boards are constituted of persons who are so remote from the actual purpose for which these boards have been formed. I would say that even if the present bodies are to continue, they should continue, but if the proper working of this is to be ensured, then at least fifty per cent of the members of those boards must come from those who are actually engaged in some type of khadi or village industries work. You can get experts from outside. But those who have something to do with the actual functioning of these industries should be included in these boards.

I have very little to say further, but I can only conclude my speech with the remark that this Ministry is on trial. I say this with the fullest sense of responsibility, because on the success of the khadi and village industry aspect of our economy, is the entire future of India going to be decided, for, there is a clash between two ideas and the question is going to be decided whether we are going to build up our economy on a decentralised pattern, ensuring not only employment to millions, but also creating self-contained village units. If that is to be ensured, then it depends very largely on the success of this commission.

Therefore, when this commission is being set up and this scheme is being

floated, wishing it all success, and congratulating the Minister on this new enterprise, I would only like to caution him that its failure would be a great disaster, while its success will be a great national achievement.

Shri Raghavaiah: I am second to none in giving my support to this measure intended to promote khadi and village industries.

I shall confine my observations to clause 14 which deals with the functions of the proposed commission. Whatever may be the type of legislation that is passed in this House, or for the matter of that in any State legislature, what happens in practice is that our ideas, however biased in favour of what we want to do, however effective, however strong, when translated into action get evaporated. That is what practice tells us. We learn so much from books. But we do not learn this very hard, tough and real lesson from books or for the matter of that, from any text-books on village industries or village economy. The hard, real lesson is that the ideas of development of village industries and the encouragement given to the production of khadi and handloom cloth—all these ideas in the early stages of the development of our national economy—when translated into practice have proved to be an utter failure.

A very few days back, I remember a Bill was brought in this House and was also passed, levying a cess on mill cloth to encourage the production of handloom cloth.

Shri A. M. Thomas (Ernakulam): It was not a very few days back.

Shri Raghavaiah: 'A very few days' may be anything. It may range from two to hundreds of days.

In that Bill, it was stated that an amount of not less than Rs. 6 crores would be collected by levying a cess on mill cloth to encourage handloom. There was also a provision in that Bill to appoint a Committee to study

[Shri Raghavaiah]

the market position for handloom cloth produced in the country. For the expenses of that Commission, an amount of Rs. 2 crores was allotted, if I remember aright. It may be nearly Rs. 2 crores. On that occasion I said categorically that that measure was not going to encourage the handloom industry; on the other hand, it was going to discourage all the supporters of handloom cloth and the handloom industry, it was going to be a pitiful failure. I gave figures—published by the Government of India in the Ministry of Commerce and Industry—giving the number of handlooms working in the country, how many are organised on co-operative basis, how many not, what is the amount of cloth produced on the basis of the co-operative system of handloom production, what is the amount of cloth produced by those who have not joined the co-operative societies. With all the facts I have substantiated that this Rs. 6 crores is not going to help the production of handloom, nor is it going to help the development of the handloom industry; on the other hand, it is going to discourage all the handloom weavers and label the Government as a hypocrite.

The Deputy Minister of Production (Shri Satish Chandra): There is a separate Handloom Board which deals with the subject of handlooms. The Khadi and Village Industries Board looks after the production of khadi. The subject of handloom is dealt with by a separate Board, the All India Handloom Board, under the Ministry of Commerce and Industry.

Shri Raghavachari (Penukonda): He wants the abuses of the hon. Member to go to the other Board.

Shri Raghavaiah: I really congratulate him if that is the implication of his statement. But I hope that he does not want that that should be thrust on his colleague on the Treasury Benches.

I was only explaining how this idea of helping the handloom industry has become a failure. I will come to the

provisions of this Bill now. But before that, I may just give a precedent in order to show how this idea has become a pitiful failure.

What happened in that sector was that out of the Rs. 6 crores, Rs. 2 crores were to be spent for searching markets. I do not know what our Commercial Consulates are doing abroad, and what for they are paid. I asked then: why are you paying the Commercial Consulates in the different parts of the world where you have appointed them? I do not know what work they are doing. So Rs. 2 crores have been spent on searching markets. A sum of Rs. 1 crore is for organisation and other things. There remains Rs. 3 crores. There are 28 lakhs of handlooms in this country, according to the Government of India figures, not mine. This was supplied to me by the Ministry of Commerce and Industry. Then and there I said: suppose you distribute Rs. 3 crores among 30 lakhs of people. How are you going to put the handlooms on a stable basis? So I said: if you seriously take this handloom industry, if you want to put it on a stable basis, you have to allow a certain amount of money from the annual budget and see that it will last long, at least till such day when we can do away with handlooms and depend entirely on the textile industry. Till such day, we have to support the handloom industry, we have got to finance these weavers. Later on, we have to provide some occupation or other for them other than this. Till such time, we have got to put the whole handloom industry on a stable basis.

Coming to clause 14, sub-clause (2) (g) says:

“to promote and encourage co-operative efforts among manufacturers of khadi and persons engaged in village industries”,

and (h) says:

“for ensuring the genuineness of, and for granting certificates to producers of, or dealers in,

khadi or the products of any village industry".

Then we have item (b) which says:

"to build up a reserve of raw materials and implements and to supply them to persons engaged in the production of khadi or in village industries at such economical rates as may be suitable in the opinion of the Commission".

Then there is (c):

"to provide for the sale and marketing of khadi or of products of village industries".

First of all, I will take up item (g). I have said at the very outset that however biased our intentions may be, in the present set up of things, in the type of administrative machinery that we are having today, in view of the fact that there is absolutely no integration between the work done in the different Ministries, both at the Central level and at the State level, nothing successful will happen. A certain G.O. is passed directing lower officials to encourage co-operative societies. For instance, take the co-operative milk supply society supplying milk to government institutions, hospitals, schools, nurseries and so on. I have seen and I have worked in these co-operative societies. That is why I am telling from practical experience how it is going to be a pitiful failure.

I corresponded with the Governor of Andhra and with the Government of Andhra and told them that the G.O. issued by the State Government was being refuted by the government officials. I told them: you allow 5 per cent for the co-operative milk society, 5 per cent reduction in the market rate. But when an application is made, the tender of the society is rejected and a private tender is accepted by the bosses of the particular hospital or other institution. I took this matter up with the Head of the State. I also brought it to the notice of the Deputy Minister

of Railways here; that is so far as the Railways were concerned. I told him: when you call for the supply of milk for refreshment rooms on the different railways in the whole of India, you give preference to co-operative institutions which have been organised and which have got to be encouraged, because much has been said—and volumes have been written—on the encouragement of co-operative institutions in the country. A major portion of the whole volume of the Planning Commission's Report is replete with plans for the encouragement that we have to give to co-operative institutions. At the same time, this is the way how, with the second hand, we are cutting the throats of these co-operative institutions! That was why in the face of the Planning Minister, I said during the meeting of the MPs from Andhra State, that there was no integration at all in the entire administrative machinery. One Minister says, encourage co-operative societies; another Minister says the opposite; he does not say do not encourage co-operative societies but he does not receive tenders from co-operative societies, however good, however genuine their products may be. Even after bringing all these things to the notice of Government, a private individual's tender is accepted and the co-operative society's tender is thrown out even though there is a difference of an anna and a half. Even the Secretary of the Railway Board agreed to that but, in spite of all this, the Deputy Minister has thrown it out. This is how co-operative institutions are discouraged from top to bottom. You thoroughly discourage them, you refuse to take their stocks however best and genuine they may be. While you do things in that way, you state here in the Bill—

"to promote and encourage co-operative efforts among manufacturers of khadi and persons engaged in village industries."

You may say that certain co-operative societies are not running properly. But what about other institutions

[Shri Raghavaiah] which are producing the best type of goods? You are not giving them the market. You say in another sub-clause—

“to provide for the sale and marketing of khadi or of products of village industries;”

But you do not do that. What is the wonderful divorce between theory and practice? You know more than myself where theory divorced from practice leads to. It leads us into the abyss of destruction. Here it is divorced from practice.

Shri A. M. Thomas: That is why you resort to it.

Shri Raghavaiah: You are also following me, I suppose.

It is not too late for the Government to wake up even now from its pitfalls and rectify these mistakes and see that in practice also it follows what it says.

On a different occasion I pointed out that there is no use of making legislation. I happened to read in one prominent daily in India—perhaps, it was a Judge of a High Court in a particular State who had expressed the opinion at some public meeting—that the volume of legislation is growing and that he could not cope with them and distinguish which is right and which is wrong. The genius of a nation does not depend on the volume of legislation which we pass but it lies in the way how we carry into practice the provisions of a few, one or two. It lies in how we put into practice the legislation that we pass in these Legislatures. So, I appeal to the Minister that it is no use writing here, marketing of khadi and the sale of all these things etc. Please do not spend anything for searching markets for these products of village industries either at home or abroad. You have got a sufficient number of government concerns and departments. Issue circulars to them and see to it they become the sale depots for all these products. The second thing.....

Mr. Chairman: The hon. Member has already taken up 15 minutes. I rang the bell twice and now he begins the second thing. I do not think I will be able to accommodate his other friends who are very anxious to speak.

Shri Raghavaiah: Excuse me, Sir, for taking this time. I have seen so many co-operative societies; I have seen their failures and collapse. If at all Government has any mercy, if at all Government means one-millionth of what it says, let it put it into practice. I do not want to go into the details of the conspiracy in accepting the tender of a private person for the supply of things to the vegetarian refreshment room in Ongole here—I shall discuss it when the report of the Railway Corruption Enquiry Committee is discussed here. It is the burning of the heart at seeing so many co-operative societies collapse that makes me say all this. If you really want the co-operative societies to be encouraged, if you really mean what you write in the thousands of pages that co-operative societies should be encouraged, please see that you also purchase the products of these institutions. First of all see that a market is provided by supplying to the government officials all the articles that are produced by these village industries that have been mentioned in the Schedule. See that all these things are purchased by Government and at least see which of them can find a market in government stores and then encourage them. See that you do justice to this legislation not by merely passing it but by putting it into actual practice.

श्री मुनमुनबाबा : चेरमैन साहब, जिसदृष्टि से यह बिल लाया गया है, उस में तो कोई आपत्ति नहीं होनी चाहिये। इस को पास कर देना चाहिये और इस में कसी अमेंडमेंट (संशोधन) की भी आवश्यकता नहीं है।

Sir, my friend, Shri Thomas tells me that the hon. Minister will not be able to follow Hindi and therefore I should speak in English. But there is

the Deputy Minister who is there who can very well follow it. Anyway, I will speak in English.

I do not see that there is anything much to be said on this Bill; it should be passed straightway just as the other Bill on Public Debt was passed within 10 minutes. But the speech which the hon. Minister made leads me to speak something on it. He traced the history as to why this Bill has been brought. He said that Mahatma Gandhi had started the Khadi Board and the Village Industries Board and that Board is being continued. That Board has been made an Advisory Board to this Commission. For this reason I had put a question in the very beginning whether khadi and the products of village industries are going to compete with other products. If these are not going to compete with other products, what methods are going to be adopted so that the people use the same on a mass scale and not as mere symbols.

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

What was the object of Mahatma Gandhi in starting the Khadi Board and the Village Industries Board? Is that object kept in view by Government? I am not going to say anything as to whether it should be kept in view or not. But, I want to know from the hon. Minister whether the object with which the Khadi Board and the Village Industries Board started by Mahatma Gandhi is going to be kept in view by the Government. What was the object of Mahatma Gandhi in starting the Khadi and Village Industries Board? I want to know the Government's interpretation of the object of Mahatma Gandhi for starting the Khadi and Village Industries Board. Just as in legal books and shastras there are so many interpretations, my hon. friend, Dr. Suresh Chandra said that Mahatma Gandhi had no idea of giving employment by khadi or village industries. It was a matter of faith with him. At least I could not understand what he meant

by "matter of faith", if it was not synchronised with the employment economic independence question. His faith was based on something concrete, and that was of giving employment to all. Mahatma Gandhi conceived that unless there is economic independence in the country—and also he said of the individual—this democracy will be a farce. He did not believe in political independence unless there was economic independence, and economic independence also in villages. He believed in political independence also in a decentralised way, not in a centralised way where all the powers are assumed by a centralised body; he wanted to decentralise also the political power. Similarly he wanted to decentralise the economic power and the economic holdings also. As such, I had put a question in the very beginning, and I would like to know from the hon. Minister whether Government has got that principle in view. If Government has got that principle in view, then I do not know how by the objectives given in clause 14, he is going to solve that question. In clause 14 regarding the functions of the Commission, it is stated:

"Subject to the provisions of this Act, the functions of the Commission shall generally be to plan, organize and implement programmes for the development of khadi and village industries."

There are so many things given there from (a) to (i). But are these so many items alone going to help in giving more production unless there is a simultaneous consumption of the same? How can there be simultaneous consumption? This is possible only if the Government gives protection to these products in the same way against mill products as it gives to country made products by means of protective duties, by banning of imports of foreign goods etc. Unless the people take to putting on khadi or use the products of village industries, it is not going to improve the position. Mere production, just as it

[Shri Jhunjhunwala] is going on at present, will not help. We have produced 10 million yards or something like that, and we are distributing it among the people by giving subsidy of three annas and six annas. I say that this is a wrong thing. I do not consider that giving of subsidies like this is a right thing for propagating khadi. Giving of subsidies may be for a few years, but it cannot continue for ever. It is for this reason that I put the question in the very beginning: Even by giving subsidies, are we going to make the village industries' products compete with the other products? I do not understand the utility of this. When khadi is produced, when it is not sold, we give three annas as subsidy. As I already said, it does not matter even if we give subsidy for a year or two, or even 10 or 20 years, but ultimately we have to see whether it succeeds or not. Now we distribute khadi by giving subsidy. The other thing we do is that immediately we see that there is a large stock of khadi and other village industries products, we ask the chaprassis to put on khadi or the restaurant men to put on khadi, but the Secretaries of Government will go on with all their foreign clothes, with all their mill clothes etc. If that is the intention of Government in starting this Commission, I say it is not the right thing to do.

Shri A. M. Thomas: At least the members of the Commission should wear khadi and see village industries' products.

Shri Jhunjhunwala: This is not graceful. You ask a chaprassi or a restaurant man to put on khadi because there is great accumulation. It looks as if khadi is something untouchable, something which should not be touched. The Secretaries and others seem to think that they shall not put on khadi, that they shall put on mill clothes, foreign clothes, whether they are beautiful or not is a different thing—and so on. Mahatma Gandhi gave a great beauty to khadi. He described that it is in khadi where the beauty lies, and everybody took

to khadi. That definition of beauty in khadi is now gone.

We should, therefore, make up our minds as to what we mean by starting this Commission, giving it Rs. 200 crores or Rs. 50 crores or Rs. 30 crores and telling the people that we are helping to give more employment. All right, it is giving employment to some as a sort of charity. But do you see that they do get demoralised when you give employment only to few and your products are being sold like that? Khadi and the products of the village industries should be used by all high or low from a patriotic spirit—of course, they are used by our President, and our Prime Minister is using them, and so also other Ministers are using them may be under compulsion; but what about others who are administering the Government. I do not know whether the people who will be on this Commission will also be using the village industries' products and khadi.

I want the hon. Minister to answer these questions. Otherwise, so far as the Bill is concerned, if the object of the Government is just to make a show that we are helping khadi and village industries, then it is all right. I shall be very much thankful to the hon. Minister if he will enlighten me on the points which I have placed before the House.

Mr. Deputy-Speaker: I would now call on the hon. Minister to reply to the point of order already raised.

Shri K. C. Reddy: In regard to the point of order raised by my hon. friend Shri Shree Narayan Das, I would like to submit two points for your consideration.

It is true that he has drawn our attention to entry 24 in the State List, Industries subject to the provisions of entry 52 of List I. If you turn to entry 52 of List I, it runs as follows:

"Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest."

I would like to invite the attention of the House to the Industries (Development and Regulation) Act of 1951, which gives a schedule of industries regarding which there will be Central regulation. In that list are included items such as textiles, soap, leather and several other items like that. I submit that khadi comes under textiles. There is also reference to soap, paper, sugar, vegetable oil, etc. Taking Entry No. 24 in the State List and Entry No. 52 in the Union List and the Industries (Development and Regulation) Act, it can be stated that most of the industries mentioned in the Bill now before the House come in the category of industries with regard to which the Centre can take action.

But, that is not my main point. I would like to invite your attention to Entries 42 and 44 of the Union List. The former deals with Inter-State trade and commerce while the latter relates to incorporation, regulation and winding up of corporations, whether trading or not, with objects not confined to one State, but not including universities. This piece of legislation is not confined to one State. Several States in India, excluding Jammu and Kashmir for special reasons, are affected. The main object of this Bill is to set up a corporation or a commission for certain specific purpose and it has to deal with matters concerning several States. So, this Bill can be related to Entry 44 in the Union List and so I think this Bill is not *ultra vires* the Constitution, and Parliament has the legislative competence to deal with this Bill.

I do not wish to say anything more. I have stated my points very briefly and I am sure will give them the consideration they deserve.

Shri A. M. Thomas: Sir, shall I add a word about this? When similar legislation came up here—I do not know whether the hon. Minister is aware of it—and when the Coir Board Act was considered here, there was a clause that in the public interest that particular industry may be brought under

the Central control. There can be a clause in this Bill declaring that it is in the public interest to bring khadi and the industries mentioned in the schedule, under the Central control. Otherwise, it may not be constitutional. You may kindly refer to the Coir Board Act, Tea Act, Rubber Board Act, etc. In all these Acts, there is a provision to this effect declaring that the particular industry is taken under the Central Control.

Shri Raghavachari: There must be a declaration.

Mr. Deputy-Speaker: Objection has been taken by Shri Das that it is not within the competence of this House to enact legislation in regard to these industries because of Entry 24 in the State List. He says that, unless a declaration is made under Entry No. 52 of the Union List that these industries are of national importance whose control should be regulated by the Union, Parliament has no competence to deal with them. The hon. Minister has said that some of the industries covered under this Bill have already been declared to be of such importance under the Industries (Development and Regulation) Act. So far as khadi is concerned, that might be covered by textiles. But so far as the other industries are concerned, I find that all of them that are given here in the schedule are not covered by the declaration that was made in that Act.

The hon. Minister has said that this is covered by Entries 42 and 44 of the Union List. Entry 42 is a distinct thing and I do not think it would cover all these here. It relates to Inter-State trade and commerce. But, if the intention of this Bill is for the creation or incorporation, regulation and winding up of corporations then, it may be considered. But, I am doubtful whether that is the main object.

Anyhow, when I saw the previous rulings on the subject, when the competence of this Parliament was questioned on the plea that such and such

[Mr. Deputy-Speaker]

subject was not within the competence of this Parliament, the Speaker has ruled that the Chair is not prepared to take up that responsibility. It is left to the House and it has been decided by a vote of the House. If the House thinks that it is within the competence, then the House can vote for it but if the House decides otherwise, it can reject it.

Shri Barman (North Bengal—Reserved—Sch. Castes): So far as the constitutional legality is concerned, the House cannot simply by a vote make an unconstitutional thing into a constitutional one. The hon. Minister may think over the matter. As Shri Thomas has said, if there is only one clause inserted there by way of a declaration, that will ratify the whole thing.

Mr. Deputy-Speaker: But, that would not be the business of the Chair to ask a Minister that he should do this or that. He can do as he is advised. But, I am following the previous decision of the Speaker that in all these matters of legislative competence the Chair is not to rule whether a Bill is not constitutional or constitutional and within the competence of the House.

On the 9th May 1953, when the House took up the Vindhya Pradesh Legislative Assembly (Prevention of Disqualification) Bill for consideration, a point of order was raised by Shri Mukerjee that the Bill was beside the legislative competence of this House and as such, out of order. After some discussion on the point, the Deputy-Speaker has observed that, in all these matters, the Speaker has never taken upon himself the responsibility of deciding this point of order whether it is constitutional or otherwise. It is for the House to take this also into consideration in voting down the Bill or accepting it. The accepted practice of this House, he says, is the Speaker never takes the responsibility for deciding this kind of point of order that the House has no jurisdiction. He has concluded:

"It is the duty of the House, it is the responsibility of the House to decide for itself. It is open to it. Under these circumstances, it is not necessary to go into this point of order."

I have to follow the ruling that has already been given on this point. Therefore, it would be for the House to decide.

Shri T. B. Vittal Rao: The previous ruling is not binding.

Mr. Deputy-Speaker: I have also been informed that this matter was brought before the Rules Committee so that the Chairman might be given the privilege of deciding such a point of order but that the Rules Committee had not invested the Chair with those powers but had asked the ruling to continue and the Speaker to be guided by those rulings. Therefore, I have no option so far as this question is concerned. Those rulings which I quoted stand, and it is within the competence of the House to decide such things.

5 P.M.

Shri Raghavachari: The Chair will not naturally take the responsibility of deciding this matter. The Chair is no doubt leaving the matter to the House. But it does not thereby mean that the matter in question is within constitutional competence or incompetence of this House. For, that matter can only be decided by a court of law. The court will decide whether it is constitutional or unconstitutional. The House will go on with the business and the Chair will not take the responsibility. It may allow the House to go on with the business.

Mr. Deputy-Speaker: It is exactly so. It will be for the courts to decide whether it is within the competence of the House or not. Now, the House has to take the responsibility for the course that it would follow. I have quoted what the previous Speaker has ruled and that is what I am going to follow.

Pandit Thakur Das Bhargava (Gurgaon): I might suggest one course. As a humble Member of the House I might say that you have been pleased to follow the rulings of the Chair given earlier. I do not accept for a moment that the Chair is not competent to decide this matter. It has got full competence to decide it, but the practice and convention is that the Chair does not take the responsibility. Anyhow, as an hon. Member of this House, I crave the indulgence of the Chair to have an opportunity to move an amendment so that so far Entry 52 in the Union List is concerned, the matter need not be in doubt. The Chair has really no responsibility in the matter, but as a Member of this House, I feel it my duty to see that what is constitutional and what can be made constitutional can be made clear by accepting an amendment which I may be allowed to move. I would, therefore, crave your indulgence to allow me to move an amendment to that effect.

Mr. Deputy-Speaker: If the hon. Member thinks that it is advisable to move an amendment, he may move an amendment, and I can decide on that matter when the amendment is made. But I can tell him in advance that I will waive notice if such an amendment comes in. I can tell him that unless an amendment is before me, I cannot decide whether it is admission or not. I must know in what form it has been brought in. It has been brought to the notice of the hon. Minister that a flaw is there. He will do as he is advised to do. Any hon. Member can bring in any amendment and if it is otherwise admissible, I can assure the House that I will not stand in the way.

Shri A. M. Thomas: May I point out that in the Act in respect of the coir industry, a declaration has been made saying that it has been declared that it is expedient in the public interest that the Union should take under its control the coir industry. So, a similar provision may be put in this Bill.

Mr. Deputy-Speaker: The hon. Member has already said so. Now, I shall call upon Shri Dabhi. The hon. Members should be very brief, because the House has already taken a decision that the Bill has to be passed today.

Shri Raghavachari: Eight hours are allotted for this Bill and the Members must have enough chance to speak.

Mr. Deputy-Speaker: That allotment was also made by the House, and today, I am told that the House has taken another decision. Shri Dabhi will speak.

Shri Dabhi: While supporting this Bill, I would make a few observations thereon. This Bill seeks to establish a statutory Commission called the All-India Khadi and Village Industries Commission and to convert the present All-India Khadi and Village Industries Board into a purely advisory body. It was a constant complaint of the All-India Khadi and Village Industries Board that it was hampered by several financial and other difficulties. There was also a complaint that the schemes and programmes that were formulated by the Board were not being sanctioned in time and when they were sanctioned, they were sanctioned in a mutilated form. There was a further complaint that even the loans and grants which were sanctioned were sanctioned so late that the amounts could not be utilised before the financial year was over. With a view to avoid these difficulties, this Bill seems to have been brought in.

It is felt that the Commission proposed in the Bill would be enabled to formulate its own budget and then get it sanctioned by this House. It appears that they would be able to obviate the difficulties which were experienced by the All-India Khadi and Village Industries Board. I quite agree with Swami Ramananda Tirtha when he asked, "What was the necessity of constituting a separate Commission?" Why is the same All-India

[Shri Dabhi] Khadi and Village Industries Board not being invested with the powers which are proposed to be given to the Commission. As Swami Ramananda Tirtha rightly pointed out, the real cause of delay in these matters was the difference in ideology between the Government and the Ministry on the one hand the All-India Khadi and Village Industries Board on the other. That is the difficulty. I fear that the same difficulty would arise even now, though the object of the Bill is very good. When there is a conflict of views between the All-India Khadi and Village Industries Board which is also going to be continued now as an advisory body and the Commission, I fear that there would again be the old conflict.

While speaking on the Khadi and other Village Industries on several occasions, I have often said that these industries are beset with so many difficulties coming from so many directions and I have emphasised that unless those who are in charge of these things have a living faith in these industries, they will not succeed in these measures. My fear is that if the gentlemen who are to be appointed by the Government as members of the Commission do not have the same faith as the members of the All-India Khadi and Village Industries Board have, there would be the same conflict of interests. I do not object to the formation of a separate Commission, but I feel that unless the Government and the Minister see that those who are appointed as Members of the Commission have some living faith in these schemes and in decentralised economy, this measure is not going to be a success.

Swami Ramananda Tirtha said that the Government is not committed to decentralised economy. But I think that in the second Five Year Plan and also in the Karve Committee Report,

they have stated that as far as possible, there should be a decentralised economy. So, this is the main point that has to be borne in mind. I say that the Commission would not be a success at least for the reason that it may not follow a decentralised economy if not for any other reason. If it would not be a success, then, as Swami Ramananda Tirtha said, it will be a sort of disaster for the country. Therefore, I want an assurance from the hon. Minister that he would appoint to this Commission only such persons as have got an abiding faith in Khadi and Village Industries and also in decentralised industries and also in decentralisation.

Lastly, I shall make one point. It is quite obvious that the Government want to encourage the village and cottage industries. Whatever may be the Government's intention, unless they definitely take steps to see that the competition from the big industries is overcome and unless some steps are taken to equalise the price of the cottage industries' products with those of the big industries, this measure will not be a success. Unless you do this, whatever your efforts might be, Khadi would not stand the competition of the corresponding bigger industry. The same arguments also apply in respect of other village industries also. This question has been before the Government ever since the Planning Commission was constituted.

The Government, I am sorry to say, has not been able to take any definite steps as regards the common production programme or the equalising the prices of the products of Khadi and village industries and the big industries. Again, I would ask the hon. Minister what steps the Government is going to take to see that Khadi and the village industries are not smothered by competition from big industries. Unless you take

these steps, all your efforts would be in vain. If the Government are really intent on improving the position of Khadi and village industries, they should take effective steps in this direction.

Shri Barman: I do not know why many of the previous speakers have objected to the setting up of the Commission. What has been stated in the Statement of Objects and Reasons is this:

"It has, however, been found in actual practice that the work of the Board has been hampered by certain procedural and financial difficulties, difficulties which would be removed if a Commission were set up by law."

Government knows the particular difficulties that have arisen. But, to a layman like me, it seems that where crores of rupees are going to be spent, to make this scheme a success, there must be some institution which is responsible to the Government and to Parliament. Whenever any demand comes for the development of cottage industries, be it khadi or be it ghani or anything like that, certainly large sums are required. There must be some definite scheme and that scheme must be vetted. While the Finance Ministry will sanction the money, they will certainly have the responsibility for accounting to Parliament. Ours is a huge country. Non-official organisations or organisations of an advisory character, if they be entrusted with a huge task like this, are not quite sufficient. We shall have to work in every nook and corner of this country. This is to deal with village industries. It is aimed at giving employment to the people who are under employed and unemployed. That is the great object of this Bill. If the hon. Minister succeeds in this, I do not see why we should object to the setting up of a Commis-

sion which he finds necessary. Rather, I should think that we should empower the Government with all the paraphernalia that they require so that they may succeed. If the Minister succeeds in this, he will earn the blessings of millions of people who are denied even two meals a day, who do not have any employment.

It is not a simple matter. We have seen, the village industries have either perished or have been stifled to non-existence while competing with big industries. We have also seen that the Government are taking steps for industrial development which is very very necessary. The Industrial Finance Corporation has been set up. The other day, we amended the State Financial Corporations Act. There are other bodies to help big industries, medium industries and small industries. We have also seen the other day that a small industry means an industry which has a capital of Rs. 5 lakhs. Government has done all it can to help big industries to develop and prosper. So far as millions of our countrymen are concerned, they are either unemployed or have no subsidiary occupation. If this Ministry could succeed in giving employment in the innermost villages to people who have got no means of livelihood, that would be a great day for India. As I said, these village industries will have to struggle against big industries. The hon. Minister and the Commission will have to see that these industries are not stifled by competition from big industries. We have seen how, before the very eyes of the Government, big industries—I mean the textile industry, etc.—are making huge profits and the Government has no check on them. It is the consumer that pays the huge profits which are not equitably due to the producers. But, the poor consumer have no help. In the face of these difficulties, when the Government itself is helpless, if the people find that, by producing the

[Shri Barman]

cloth themselves, by pressing oil in the ghanis, by soap making and other industries that are included here and that could be included at the discretion of the Government by a simple notification, they can be self-supporting, the bigger industries also will see their way not to exploit at random. This is a big objective that has been laid before us. I congratulate the Minister that he has got an opportunity to serve the cause of village industries and save millions of people from exploitation and help them to earn a livelihood, and supplement their other means of livelihood. If he succeeds, he will have the blessings of 90 per cent of India. I do not mind whether it is Rs. 200 crores for the Second Plan period or Rs. 60 or 70 crores for the coming year. We shall not grudge it. Rather, we shall be very happy to give more money if we find the work proceeding in the regular and right way. We find many people want the village industries to thrive. They want these implements, either the well organised spinning wheel or for soap making or bee-keeping. If they could easily find out where these materials can be had, they can certainly purchase them and supplement their income. Whatever the cause, I do not know whether the present Board has been empowered or financed or not, the fact remains that we are not getting them though we want them. Under a definite plan, the Ministry can supply all the materials at a cheaper price. That would help the village industries. That would be a great help to the economy of the poor man. I, therefore, welcome this Bill wholeheartedly and I would ask the Minister to devote most of his time in this undertaking so that it may be a success and he may earn the blessings of the poorer sections of the country.

Acharya Kripalani: (Bhagalpur cum Purnea): Mr. Deputy-Speaker, so far as the Bill is concerned, there can be no opposition to it. But, the Bill can only succeed if the Govern-

ment are clear about their basic policy and what they want. Do they want an industrial revolution in India of the type that took place in the latter part of the eighteenth century in European countries? Do they want another type which has been taking place before our eyes in countries like Russia and China? Or, do they want to have an industrial revolution that was envisaged by Gandhiji? It is a misconception to think that Gandhiji thought that Indian civilisation could be built merely on agriculture. No culture or civilisation is ever built on agriculture. Civilisation and culture are built both on agriculture and industry. Even agriculture wants the support of industry to be able to fulfil its purpose to any extent. Therefore, Gandhiji said that this country should be industrialised. He put the charkha in the forefront of that industrialisation. That was the symbol of our national flag before independence. Khadi was the uniform Congressmen had to wear. And he popularised the spinning wheel; but that was only a symbol. What he wanted was that through village industries, through charkha, through Khadi the country should be industrialised. I suppose that fallacy that Gandhiji was against industrialisation is committed by many of those who call themselves his followers and who occupy the Treasury Benches today.

Gandhiji was for industrialisation. He realised, as I said, that no civilisation can be built merely on agriculture; but he wanted an indigenous kind of industrialisation. Why did he want that?—because Western industrialisation, whether it is through private industry, where the instruments of production are in the hands of private individuals, or it is industrialisation through State ownership of the instruments of production, which makes it into State capitalism, both the systems made generations of people to suffer. Why did generations of people suffer?

It is inevitable, one thing about industrialisation of the Western type—whether it is Communist or capitalist, there is not much difference between the two types, the only difference is there is more concentration in the Communist type than in the capitalist type—is the centralisation of industry. The fact that industry should be progressively mechanised is there. Centralisation and mechanisation are common features both to Communist and capitalist industrialisation. Of course, the Communists believe that they will distribute the products of this mechanised industry equitably. Whether they are doing so or not is yet a question; because the differences in income in Bolshevik countries are even greater than the differences in income in capitalist countries. But even if we take it that they are going equitably to distribute the production of big industry, what does it mean? It means that the State is the master not only in politics but also in economics. A State that rules the economic and political life of a country is bound to rule the entire life of the nation. It is bound to regiment even the thought of the people. Millions of people have lost their lives and borne martyrdom through the centuries in order to establish liberty in the world and this Communist type of economy takes away the liberty of the individual. The whole history of industrialisation shows that both these kinds of industrialisation have resulted in the destruction of people and their property; they have led to poverty and misery. For generations people have suffered. I am doubtful if any country would voluntarily pay the price that Russia has paid for its industrialisation; millions of peasants were dispossessed, and many people were liquidated and shot down. Do we want these two types of western civilisation, or do we want an industrialisation which will work smoothly, which would not make generations of people to suffer?

Do we again want an industrialisation that needs huge sums of money

to be invested? That money can come either from foreign loans or some other uncertain source. You know what happens in the case of foreign loans. We have the example of Egypt now. There is no foreign loan which is without strings. If you do not want strings to be attached you will not get the loan. The strings may be apparent or they may be subtle. Whether it is America that gives the loan or it is Russia that gives it, the strings will be there.

Another fact about the contemplated industrialisation is that you have to rely upon deficit financing. Deficit financing means, for average men, the middle-classes and the poor people, great harm to their economic life. It leads to inflation. And the signs of inflation are already there. Our new Finance Minister tells us that he wants to gather in profits. There is rise in cloth prices.

Shri Raghavachari: He is mopping up.

Acharya Kripalani: True, he may be mopping up. But what is he mopping up? He is mopping up what he has printed. He over-prints and then he mops up. In the meantime, the middle classes, the lower middle classes and the poor people suffer.

Shri K. K. Basu: Go without *dhoff*.

Acharya Kripalani: It is just like putting mud over the body and then going for a bath. Why put mud on yourself and then take a bath? It is a very strange way of doing things. This inflation is bound to be there, if you are going to industrialise, as you are going to through the Five Year Plan, where the emphasis is on big industries or heavy industries or key industries or basic industries or call them what you will. If this is the emphasis in your industrial policy, take it from me that you are not going to have capitalism here, but you are going to have communism, whether you like it or not.

[Acharya Kripalani]

In Russia, first came communism, and then came planning. With us, first comes planning and nationalisation, and then we are bound to be a communistic State, where there will be no liberty of the individual, whatever the communists or their fellow-travellers may say. Every sign is present that there will be dictatorial rule here, when industrialisation is complete. 40 per cent. of our industries will be in State hands, after the completion of the next Five Year Plan; and 40 per cent. more will be in state hands in another five years. That means that 80 per cent. of our industries will be in State hands. It means that the State will be the most powerful organisation. It can suppress anything it likes, and it is suppressing freedom even today.

The whole of our educational system is being centralised. Our arts are being centralised. Our drama is being centralised by *akadamis*—I do not know how to pronounce the word; I had learnt only of academies, but now, we have *akadamis*—*akadamis* for dancing, *akadamis* for music etc., all Government-managed. Text books are being printed by Government. On the top of that, we have the hero-worship of one man. So, everything is ready. Only a dictator is required, and a dictator also is there. But he has not the qualities of a dictator. Only a ruthless person is required, and we have a totalitarian State today. We are going in for it; we cannot avoid it. If we centralise economy, we are bound to centralise power. And power, as Lord Acton said, is corrupting, and absolute power is absolutely corrupting.

Therefore, we must take care. It is the duty of the Government to tell us whether they take their inspiration from Gandhiji or from else where! They are bound to tell us what their policy is. Are they having an indigenous kind of industrialisation where every home will be a factory, where every village will be factory?—factories will not be only in Ahmedabad or Bombay as it is today. Gandhiji

envisaged this and, therefore, he said that everybody must do physical work. The followers of Gandhiji today are wandering from place to place. Vinoba has said that everybody must do some physical work. Why did Gandhiji want people to do physical work? Because he wanted every home to be industrialised, every village to be industrialised.

They are wrong who think that industry means only one type of industry that has been given to us by the West and that we are precluded from thinking for ourselves, whatever may be the genius of our people, whatever may be the economic requirements of our people, whatever be the extent of unemployment in our country! What does the Five Year Plan propose? It plainly says that the unemployment relieved will be to the tune of 9½ millions and it also says that the new entrants in the labour market will be 9½ million. They (the Planners) are not talking of the increase in population because if they calculate it they will have to calculate the families of the people who would want to work. They are afraid to calculate the increase in population. So they say, the new entrants will be 9½ million.

What is the investment? The investment is Rs. 4,800 crores. Each man you employ in big industry requires at least Rs. 10,000 worth machinery. What is the meaning of machinery? Why do not these people, these wise people, know that machinery means labour saving machinery? The more machinery you employ the more labour you save. In Europe they want to save labour. Here we want to utilise labour. Our population is 350 per square mile. The population in America is about 50 per square mile and the population in Russia is 18 per square mile. America is 3½ times as big as India and Russia is 7 times as big as India. Do they think that the same methods are going to work here and unemployment is going to decrease? It is impossible. It is inconceivable.

Then what is the value of this big industry? First they say, we will mechanise. When that is complete they say, we will rationalise. When rationalisation is complete my hon. friend, the Professor (referring to Shri H. N. Mukerjee) will tell you that automation must come. What is automation? Pressing the button. Every rationalisation means 1/8th or 1/8th of the people employed. Every automation means 1/20th of the people employed. Are we going to solve the unemployment problem like that? It is impossible. It will not do. The Government dare not even dismiss the servants whom they do not want. Whenever I say 'you', I do not mean you, Sir. I mean those who are sitting opposite.

Shri K. K. Basu: You cannot dismiss a Minister.

Acharya Kripalani: You cannot dismiss a Minister. You can only add to them. So far as they are concerned, they are a tribe by themselves; they are a self-perpetuating tribe. We have nothing to say about them. We are concerned with the common people. There are clerks working in offices. They are not needed there. But the Government dare not dispense with their services. And when a person is sitting idle, he destroys the discipline of the whole office. If there is one man in excess in an office, and he is not doing any job, that means the whole discipline of the office is destroyed. It is better to work with fewer people and give overtime wages than allow any superfluous people. In your factories there are people for whom you cannot find work and you cannot dismiss them. Whatever industries you have taken in hand, you cannot reemploy them.

Mr. Deputy-Speaker: Then hon. Member is going into wider fields.

Acharya Kripalani: What can I do? These are fundamentals. How can I avoid talking about them?

Mr. Deputy-Speaker: The Five Year Plan discussion is coming and

will have a long time to discuss all these things.

Acharya Kripalani: Then I will have to repeat myself. I have got to repeat and to raise my voice and because the ears that are sitting opposite are closed. I know that in the discussion on the Five Year Plan I will have to talk about all these things. What can this poor Minister (Shri Reddy) do? He does not settle policy.

Shri K. C. Reddy: We do.

Acharya Kripalani: I hope he does. We believe him. But when his turn comes to resign; as the late Finance Minister resigned or even the previous Finance Minister Shri Mathai resigned, he will come out with a statement and then we will know who decides. You are now in the Chair and you say, 'we decide'. But when any one of you resign we know who decides. Don't tell me this cock and bull story; I am too old to be taken in by it.

Mr. Deputy-Speaker: Let us today content ourselves with khadi and village industries.

Acharya Kripalani: Sir, I am full of khadi, there is no question of that.

Shrimati A. Kale (Nagpur): Is all this relevant to the subject matter under discussion?

Mr. Deputy-Speaker: Perhaps, the hon. lady Member did not hear what I said.

Acharya Kripalani: I again submit that the Government must tell us what their basic policy is. Is it their basic policy to industrialise in the western pattern through big machines, through rationalisation and through automation or is it their intention to put into practice the plan of Gandhiji? That is the simple question I ask. If anybody calls this as irrelevant, I say she is irrelevant, she does not know what she is talking though she wears khadi. I want to know the philosophy that is behind this khadi; if you do not know

[Acharya Kripalani]

that philosophy then all your effort will be useless; it will be creating vested interests, as you are creating in the office and factories. Are you helping khadi; are you helping the village industries? No. If your plan is industrialisation be frank about it; let us talk no damn nonsense, about khadi and village industries. Gandhiji is no more. His plans can be repudiated as they are being repudiated. There is no harm in that Gandhiji did not say that his was the last word in wisdom. Things are changing. Say frankly, we stand for big industry; we are afraid that unless we have big industries we cannot defend ourselves. Plainly say that we want to nationalise big industry in State hands, and have State capitalism. Frankly say that we stand for communism in this country and want dictatorship. I have no objection to dictatorship, but I must know what is contemplated. I must know what the Government mean. I do not want you to sail under false colour of khadi though you may wear it every day. Before you appoint a commission let us know what your objective is. Let us know whether you are going the Grandhian way or the new Western way; let us know whether your objective is big industries of the western type, which you are copying.

If there is no war production, I tell you American economy would simply collapse. Why will it go down? Because production goes on increasing but the power to purchase is not there. Purchasing power does not keep pace with production.

Tell us your intentions and then appoint the Committee; we have no objection. You are appointing two Committees; you have already appointed one Committee. May I ask who appointed the Khadi and Village Industries Board? Was it appointed by the Government?

Shri K. C. Reddy: Yes, by a Resolution of the Government.

Acharya Kripalani: It is your Committee. Then why do you want ano-

ther Committee? Why not make it (the existing Board) a statutory Committee? May I tell the Government why they want to appoint another Committee? It is because they want to keep all the strings in their own hands, that is, in the hands of the permanent service. They cannot trust any philanthropic body of persons; they cannot trust even those who have been trained under Gandhiji; but they must have administrators; for everything they must have administrators. Where is the need for another Committee? You have appointed a Committee and you have taken therein people of your choice; only you have taken them from among those who were working in the field of khadi, who were working in the field of village industries. Now what is the use of appointing another superfluous Committee? You give the new Committee statutory power. Take it from me that there will be bickerings, there will be quarrels between these two Committees. Gandhijites, may support you for some time, but a time will come when they will not be able to bear the pressure of the Administration, because the Administration is geared to the Western pattern. Village industries is the Eastern pattern. These two sets of people will not be able to work together. Even today, the "Khadi Board" is complaining that on the one hand the Government wants to patronise the Ambar Charkha and on the other hand they want to mechanise handlooms. They take away with the right hand what they give with their left hand. If they gave with the right hand and took away with the left hand, I can understand it, but they give with the left hand, and take away with the right hand. This is their policy. It has no meaning at all. For the information of the lady Member who interrupted me, I repeat that what I want from the Government is the statement of policy that is underlying the Bill that has been introduced for the appointment of the statu-

tory Commission. Therefore, I may tell her that I am quite relevant and that she is irrelevant in her interruption.

Mr. Deputy-Speaker: The hon. Member should wait also to answer so many other questions that may be put to him by her.

Acharya Kripalani: What I want to wait to answer them. You give me the last word and I will tear their arguments to pieces. (*Interruptions*).

Mr. Deputy-Speaker: The hon. Member shall have to wait for sometime more before he gets that opportunity.

Acharya Kripalani: What I want to know from them (Government) is their basic policy. Repeatedly the Prime Minister has said that he wants to industrialise India, with emphasis on heavy and basic industries. He wants to industrialise in the briefest possible time. When he says that, he also promises people that there will be immediate rise in the standard of living. We are also promised that labour would get its due. But strangely enough, we are repeatedly told to tighten our belts. What is the meaning of this? If an industry is to be built we have to tighten our belts; there is no doubt about it. Then, do not promise labour that it will get better conditions. Do not promise the poor people that they will have remission of taxes. Do not speak in a double voice. I have no objection to industrialisation. Scratch whatever Gandhiji did; his age is past. You have the power; you can do what you please; only be frank. Frankness is the one thing that will save the nation. This camouflage will bring about disasters.

There are thousands whom you employed in the Damodar Valley. They are doing nothing today. You are having other schemes—steel, this and that—but you cannot transfer that experienced labour from Damodar

Valley to Orissa or the Central Provinces. Why? Because the whole country is suffering from the disease of provincialism. When every province is separate unit, it wants its own labour to be employed and its own officers to be employed. How can this be done? Centralised economics means centralised politics. In centralised economics, the country is considered a unit. You cannot say that you must have an industry in your area. It may not be possible to have industry there. The whole country is a unit. You will see that the heat that is generated by the SRC Report will be nothing compared to the heat that will be generated when there will be unequal distribution of economic power, when your plans will be such that somewhere there will be big industries and elsewhere there will be such industries. It is impossible to have big industries everywhere. But, if you have decentralised industry, as I said, every home can be a factory and every village can be a factory. Therefore, before you bring this Bill, I would advise you to recast it. First go and ask your superiors and ask those in whom lies the final decision on policies, be it the Planning Commission or the Chairman of the Planning Commission, ask them first to enunciate for us definite policies. Otherwise this Committee of yours, this statutory body of yours will not work, whatever you say.

Shri Raghavachari: After the feeling speech of my leader, I do not wish to take much time. When we struggled for independence, we did it with a view to achieve it so that in an independent country, absolute power of control shall be in the State and that control will be exercised for the best advantage of the people.

I was listening to Swami Ramnanda Tirtha and he was saying to the Minister in his remarks on this Bill that the Government was not committed to the Gandhian philosophy at all. That is how he started. At

[Shri Raghavachari]

any rate, they are also saying every day that the Government is not committed to that. The Khadi and Village Industries Commission Bill is a Bill the purpose of which is in a way to commit the country and the Government to the policy which is, in spirit, laid down by Gandhiji. Acharayaji was just saying that, if you did not wish to encourage really the village and small-scale industries, and go about encouraging large-scale centralised industries, the climate in which the village and small-scale industries can usefully and effectively function and exist becomes most precarious. That is where the real crux lies. To my mind, it appears that ever since the Government started its industrial policy, they have killed effectively the very great asset which Gandhiji and his movement built up, namely, the economics of Swadeshi. In fact, the country laboured for a very valuable asset, namely, that every man should wish to use a Swadeshi thing. Now, instead of encouraging that Swadeshi movement or the economics of Swadeshi, what has happened is, we have started industries of the foreign type in our own country, and often times, with the collaboration of the foreign industrialists. The same pattern, the same large-scale production, etc., is followed, and the same fine things to suit our taste and fashion is now being made and is available to everyone. In other words, the economics of Swadeshi is replaced or substituted by some kind of industries which produce things on a large scale. Along with it, when they have established huge institutions and invested crores and crores of rupees on them, they want to allot just a pittance—a few crores of rupees to the khadi and village industries. No doubt, to whatever extent they have helped the cottage and village industries, we must thank them and we must feel grateful. As Acharya Kripalani said, it is incongruous, and they cannot go together. I only take a very practical view of things; I have taken some trouble to read right

through the entire literature that the Khadi and Village Industries Board have published. I have great admiration for the goal that they have kept before themselves, namely, the employment potential, namely creating employment to the unemployed or under-employed village population in their own places or homes.

But the real difficulty will be that unless you can find a market, unless you can find a user, unless you can find a purchaser for the things that you want this Board to encourage manufacture, the future is dark and the future of those people in the villages is doomed. As long as you give a subsidy, and as long as you give a subvention, they might manufacture the goods, and the next day or the next month, when the subsidy stops, the whole thing will stop also.

The economic situation will then result in more unemployment and greater agitation and greater confusion and all the trouble will follow.

Therefore, wisdom consists in evolving a policy whereby the production in the country must be consumed and that consumption can come either by compulsion or by creating a desire for such consumption. When things are imported I have heard, the Minister replying to "Why do you bring in foreign things into India?" as follows: that it is in the consumers' interest which ought to be satisfied. There are some people who want fine things, and so he would say, "Why not I cater to them? After all, I get something by way of import duty and I can satisfy also the consumers' needs and tastes".

Acharya Kripalani: That is the unity of the Cabinet!

Shri Raghavachari: To my mind, it appears that in an independent country, if we have to prosper as independent people, the consumers' taste should be confined to, and compelled to be, for the use of Swadeshi things. If you want to cater to the taste of the consumer, you may cater to it,

but along with it, you must create a taste in him for the use of Swadeshi things. Otherwise, you will kill the economics of Swadeshi.

So, the fundamental policy must be laid down. Apart from this, as I said, there is also incongruity in the preset policy. Nevertheless, what I feel is this. So far, the Board functioned without a statutory backing. It was created no doubt to grant, some money for village industries. But now, the Government has come forward with this measure to establish a Commission. However, the very Government which is here laying down today its own policies, may, tomorrow change its policy with its majority and this Bill might be scrapped. I perfectly see it. Today, the Board which had been created under the administrative control or executive powers of the Government is now being converted into a statutory body, a Commission. Once a statutory body is created, it is not so susceptible, it is not so changeable as an executive committee. To that extent, to my mind, this Bill should be welcomed, because, it commits the nation, it commits the Parliament and also the Government to a kind of policy and economy. If in this process it tries to alter or change, it may have to explain and answer on the floor of the House formally and through a piece of legislation. To that extent, this is an important measure.

There is another point. It is not only that Government's policy cannot change very often. Executive power is also subject to whims and fancies of the individual Ministers. In the first or second year, on the Budget discussions, I took the trouble of telling the then Minister who was in charge of village industries; "you have to change your philosophy, it is not only the policy that is concerned; you must change your philosophy too. I feel that with your no conviction in village industries, with your preference to foreign large-scale industries and things of that kind, I have no hope that something will

come out of it". I did say that on the floor of the House. He assured me that decentralisation and small-scale industries are of paramount importance, and the question of top priority is being actively considered by the Government. Later on came this Board and its activities. Therefore, I say that unless a statute like this commits the Government and the country to a policy of this kind, it is always liable to change according to the whims and fancies of Ministers. If a Gandhian Minister or Minister with full faith in Gandhian philosophy is in charge, he may possibly nominate some of them to the Commission under the Bill and they may serve the country and bring about some results. If he is a person who has no belief in it, in the name of this Commission, he may bring in people who will encourage other things. I welcome the provisions of this Bill to the extent that it commits the Government and the country and that is something that gives hope.

The industries to which this Bill is supposed to apply at present are given in the Schedule. There are provisions in the Bill in clause 3 by which other industries may be brought into the Schedule. I hope and pray that the present Minister—I may be pardoned for saying this—he comes from a neighbouring State and in a way, my own State also—I have not found him not having faith in the Gandhian philosophy as I found the other Minister who was in charge of Industries then—that the present Minister has some faith in Gandhian philosophy. Fortunately, these things are to be managed and controlled by him. A little more may come out of it. I appeal to him that some other industries which really matter may be included in the Schedule under the powers conferred under clause 3.

Another thing that I wish to submit is this. Unless and until the products of these industries are made marketable and consumable in the country, no amount of paper policy and the appointment of the Commis-

[Shri Raghavachari]

sion will be of any use. In a village it is so difficult to start an industry of the type mentioned here and make it economical unless you find a market for its products. The poor man in the village itself is unable to consume them because he has no purchasing power. In the townsmen, you have created a taste for foreign things or finer things and therefore the result will be similar to what has happened in the field of Khadi. All of us wear Khadi and we put on the Khaddar cap and say Khaddar is the symbol of everything. And our own leaders say Khaddar is economically unsound. I had occasion to say here once—on the same occasion that I mentioned earlier—if your leaders say that Khadi is not economically sound, please for Heaven's sake give up putting on the Khaddar cap and the Khaddar dress. Is it simply to deceive the world or to get some votes? I do not believe it to be economically so unsound. It is perfectly sound because it can afford occupation to a poor man in moments of his unemployment.

6 P.M.

I was saying that the taste for our goods must be created. Until you do that either in the country or outside, the purpose of this Bill will not be achieved. For instance, the handloom products are very much in need in America. This is a very happy thing. But still we want to encourage more auto-looms and power looms and not hand looms. With more handlooms, more markets may be found outside as well as inside the country. We have been crying and Member after Member every day puts questions and exposes the Government on two or three points, for instance the Ambar Charkha and expansion of spindles. The Ministries seem to be at loggerheads if not at war with each other. They say: "So many million yards of cloth is required. Unless power looms come, we will have to go naked. Therefore we start power looms." In that way, in policies there is such a great vari-

ance. You should have one policy, for instance that hand-looms must be encouraged, Ambar Charkha should be encouraged and not spindles in the mills. As far as oil is concerned, ghanis and not the expellers. How can these two things compete with each other. Similarly, in almost every other aspect, these village industries or these small-scale industries can succeed only when you make not only the production but also the consumption assured. Therefore I welcome the Bill as I said.

Mr. Deputy-Speaker: Should I presume that the hon. Member is going to conclude now?

Shri Raghavachari: I am concluding.

Mr. Deputy-Speaker: He should conclude now.

Shri Raghavachari: *Khaddar vas-tra swavilamban* is one of the theories of this Board, that is everybody takes a vow that he will use the cloth made by himself or in his village. The theory is very nice but will it be practicable? If no more mill cloth is made available, a man is compelled to make cloth for himself and then wear it. Similarly, the theory of *swadeshi avalamban* or using our own goods. All these are things which must come from a spirit generated in the country and taste created for them. In other words, unless *swadeshi* is encouraged by our own use, by our own example, it is not possible for these things to flourish and spread.

I hope the Minister and the new boards that are being created will certainly provide opportunities for more occupations and employment avenues in the villages; and all these occupations and industries must be things that are based on the agricultural produce, the processing of those articles that people consume. I hope that these expectations will be fulfilled.

I support the Bill.

Pandit Thakur Das Bhargava: May I just know one thing? Do you pro-

pose to stick to the schedule and finish this Bill today?

Mr. Deputy-Speaker: May I know the number of hon. Members who yet want to speak on this Bill?

Pandit Thakur Das Bhargava: If you want to finish the discussion of this Bill today, I do not want to speak. But if you do not want to finish today, then I would like to speak.

Mr. Deputy-Speaker: I find that there are still about a dozen more Members who want to speak.

When the decision was taken, I was not in the Chair. The decision was taken by the House that all stages of this Bill will be concluded today.....

Some Hon. Members: It was not so.

Mr. Deputy-Speaker: If that was the sense of the House, then hon. Members shall have to forego the temptation of speaking now. Otherwise, what will happen is that this Bill shall have to be postponed to the next session, and I do not think any Member would like this Bill to be postponed to the next session.

Some Hon. Members: We shall sit for some more time and finish the discussion today.

Mr. Deputy-Speaker: So, with the permission of the House, I would call upon the Minister now.

Shri K. C. Reddy: I have followed the debate very carefully, and I have listened with attention to the points made by the various hon. Members. I do not want to take up the time of the House at this stage, because the House has decided that all the stages of the Bill should be gone through, that is to say, we should complete not only the consideration of the Bill but also the clause-by-clause discussion of the Bill and the third reading today itself.

I am sorry the hon. Member who made the most impassioned speech in the debate, Acharya Kripalani, is not here.

Acharya Kripalani: I am here.

An Hon. Member: He is there at the back. He has crossed the floor!

Shri K. C. Reddy: Anyway, I am sorry I missed his presence, when I made my motion and explained the reasons why I was making the motion that the Bill be taken into consideration.

This is not the occasion, nor have I the time to deal with the various policy aspects that he raised on the floor of the House. I would like to answer him in just one or two sentences, by saying that the policy of the Government of India in regard to the industrialisation of this country, that is to say, the industrial policy of Government, whether it be in regard to heavy industries or decentralised industries, or khadi and village industries, is embodied in the Indian Industrial Policy Resolution that was placed on the Table of the House, and was read by the Prime Minister in this House in April this year. I would also like to invite the attention of the House to the Second Five Year Plan which has already been approved by this House....

Shri A. M. Thomas: Not yet approved.

The Deputy Minister of Planning (Shri S. N. Mishra): It is coming up for discussion shortly.

Shri K. C. Reddy: It is going to be discussed in this House shortly. That will be the occasion for raising some of the very general and very important policy aspects that were raised by Acharya Kripalani.

So far as I am concerned, for the purpose of this Bill, I would like to state that this Bill is in consonance with, and is in conformity with the Industrial Policy Resolution of the Government of India and the Second Five Year Plan which the Government of India have placed before this House and the country. That, in essence, is my reply to the various points that he was pleased to make.

[Shri K. C. Reddy]

My second point is that this Bill has been discussed thoroughly, and at various stages, with the Planning Commission and with the other Ministries concerned. My hon. friend Acharya Kripalani said, go back with this Bill, consult your superiors, consult the Planning Commission, consult so-and-so, and then come to this House with a revised Bill or some other thing. My simple answer to him is that all that has been done, and there is no need to go back to the Planning Commission or to any other agency or authority, with a view to modify this Bill.

So this Bill has been placed before this House after a good deal of consideration. Considerable thought has been given to it and it is after very mature and close consideration of all aspects of the question that the Government have placed this Bill before this House.

Another point I would like to mention is this. It is apprehended or it is imagined that the Government are trying to force something down the unwilling throats of those people who are very experienced in khadi and village industries, whose whole life has been devoted to the development of khadi and village industries. There again, I would like to point out that the clauses of this Bill have been discussed with the All India Khadi and Village Industries Board, including its Chairman, on more than one occasion, and I am in a position to say that the provisions of this Bill have received the concurrence of the Khadi and Village Industries Board, by and large. I would also like to inform the House that during the last six months or so, I have received many letters from the Chairman of the Khadi and Village Industries Board that we should take prompt steps in order to see this Bill through. In other words, the Chairman of the Khadi and Village Industries Board and the Board as a whole have been looking forward to the passage of this Bill in this House, and they are expecting that this enactment will go through both Houses and will receive

the assent of the President. That will show that so far as the broad approach is concerned, we have got the willing consent of the Khadi and Village Industries Board.

Several other points were made in the course of the debate. It is not possible for me to refer to all of them. But I would like to refer to one or two important matters. The point was raised why there should be a Board and another body called the Commission. Why should there be, as one hon. Member called, a system of diarchy in regard to this very important matter? In the course of my earlier speech, I explained why a Commission was necessary and why a separate Board also was necessary. I said that the advisory part should be separated from the executive responsibility and that the advisory function should be the job of the bigger Board that we had envisaged, and that the Commission, a compact Commission—compactness is a necessity when we have to deal with executive and administrative matters—should be in charge of the executive side. There is no inherent conflict between the two and it will be only seeing a very dark side of the picture—the darkest side of the picture—when you say that there will be conflict between the two and in course of time this will be unworkable.

Another fear that may be lurking in the minds of some hon. Members is that perhaps this Commission is going to be manned by administrative officers or ICS people or IAS people or, as some hon. Members call at times, sun-dried bureaucrats, and that there will be clash between the Advisory Board, which will be manned by people experienced in these khadi and village industries, and the Commission, which will be something of a different complexion—that oil and water will not mix. I have no such fear. For one thing, I do not anticipate what the complexion of the Commission will be. But I cannot imagine that people conversant with

khadi and village industries, people who have dedicated their lives for this great cause, will not be members of the Commission. I do not see any reason why they cannot be members of the Commission. It may be that some such experienced persons will be members of the Commission; it may also be that one or two administrative officers, who have a fund of administrative experience, will be members of the Commission. So it is too early to anticipate and assume certain things and to pass one's judgment on such assumptions. For my part, it shall be my endeavour—and it will be the endeavour of the Government—to constitute the Commission in such a way and to constitute the Advisory Board in such a way that the respective functions that they will be called upon to discharge under this Act will be discharged harmoniously and in the spirit of teamwork. I am optimistic about it.

Another aspect, which I have mentioned earlier. This Board that we are thinking of is bound to be a big body, bound a larger body than what it is at present. Some representation for industries will have to be given as some hon. Member suggested; representation to the States will have to be given and the experienced people in the sphere of national work will have to be on the Board. So, the Board is likely to be a body with a strength of say, about 20 or 25. The present strength is only 15. Now, I ask, how can such a large body, comprising of representatives of the several interests which I have just mentioned, take it upon its shoulders the responsibility for the implementation of programmes. I fail to understand the practicability of it; I fail to understand the feasibility of it. It is for that reason that a Commission is proposed to be constituted.

One hon. Member said that this Bill, if it is passed, on the present lines, will result in centralisation. I think it was my hon. friend Shri Sharma who said that. That point has effect-

ively been answered by my hon. friend Shri Ramanand Tirtha who said that the Bill will not take away the characteristic of decentralisation and there need be no apprehension about that.

I am afraid my friend Sharmaji's experience of financial advisers is rather unfortunate. I see no reason why we have to doubt the competence of the financial advisers, that they will not take the necessary steps to exercise their powers in such a way as not only to safeguard the financial interests but also to safeguard the larger national interests. It is not proper, I submit, to pass general remarks based on stray experience.

One hon. Member pointed out that there should be a committee to recruit persons who are going to be appointed after this Bill is passed. Most of our concerns under the Companies Act or corporations of this kind have selection committees constituted and they follow prescribed procedures of their own; and after following such procedure appointments are made. I do not think any hon. Member need have any apprehension regarding that aspect.

Several other matters of detail have been raised during the course of the debate and I would not like to refer to all of them at this stage. But, I would like to say something regarding the question that was raised and the ruling given by you. I find that the industries listed here in this Bill—almost all of them—are either covered by Entry 33 in the Concurrent List or by certain specific entries in the Industries (Development and Regulation) Act. If at all there is one item which does not come within the purview of either of these, it is the cottage match industry. But, as I said, the Government is satisfied that this Bill related to Entry 44 of the Union List and Government will stand by that.

[Shri K. C. Reddy]

Now, I have only to commend the motion that I have made for the unanimous acceptance of the House.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the establishment of a Commission for the development of khadi and village industries and for matters connected therewith, be taken into consideration."

The motion was adopted.

Clause 2.— (Definitions)

Amendment made:

Page 1, line 13—

omit "All-India".

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3 was added to the Bill.

Clause 4.—(Establishment and constitution of the Commission)

Amendment made:

Page 2, line 20—

omit "All-India".

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 was added to the Bill.

Commission Bill

New Clause 5A

Shri K. C. Reddy: I beg to move: Page 2—

after line 32, insert:

"5A. *Financial Adviser of the Commission.*—The Central Government shall appoint a person, not being a member, to be the Financial Adviser to the Commission."

I have explained my reasons already as to why this amendment is being moved. I do not think I need add anything to them.

Mr. Deputy-Speaker: The question is:

Page 2—

after line 32, insert:

"5A. *Financial Adviser of the Commission.*—The Central Government shall appoint a person, not being a member, to be the Financial Adviser to the Commission."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 5A be added to the Bill."

The motion was adopted.

Clause 5A was added to the Bill.

Clauses 6 to 8 were added to the Bill.

Clause 9:— (Constitution of the Board)

Amendment made:

Page 3, line 18—

omit "All-India".

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clause 10 and 11 were added to the Bill.

[Mr. Deputy-Speaker]

Clause 12— (*Term of office and conditions of service of chairman etc.*)

Amendment made:

Page 4, line 2—

after "other members" insert:

"and of the Financial Adviser to the Commission".

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

"That clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clauses 13 to 24 were added to the Bill.

Clause 25.— (*Power to make rules*)

Shri K. C. Reddy: I beg to move:

(i) Page 8, line 15—

after "other members" insert:—"and of the Financial Adviser to the Commission".

(ii) Page 8, line 26—

add at the end:—"and the Financial Adviser to the Commission".

Mr. Deputy-Speaker: There is another amendment by Shri K. C. Sodhia. I think he is not wishing to move it.

Shri K. C. Sodhia: No, Sir. I want to move it. It is amendment No. 12. Now that the whole thing is going to the Commission, and this House has only five or ten minutes given to it at the time of the Budget, I would press that my amendment be accepted; it only says that all rules made under this section shall be laid before Parliament, and that is a very reasonable amendment.

Mr. Deputy-Speaker: I hope the Government is accepting it.

Shri K. C. Reddy: I am not accepting the amendment as it is worded. But I am making a slight alteration to it which I hope will satisfy the hon. Member and I am prepared to accept it with that alteration. This is in accordance with similar clauses which we have introduced in our recent legislations to provide for subordinate legislation of the kind that the hon. Member has in view.

I beg to move:

Page 9—

after line 3, add

"(3) All rules made under this section shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following."

Mr. Deputy-Speaker: I shall put all the three amendments to the vote of the House.

The question is:

Page 8, line 15—

after "other members" insert:

"and of the Financial Adviser to the Commission".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 8, line 26—

add at the end:

"and the Financial Adviser to the Commission."

The motion was adopted.

Mr. Deputy-Speaker: The question is:

Page 9—

after line 3, add:

“(3) All rules made under this section shall be laid for not less than thirty days before both Houses of Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.”

The motion was adopted.

Mr. Deputy-Speaker: The question is:

“That clause 25, as amended, stand part of the Bill.”

The motion was adopted.

Clause 25, as amended, was added to the Bill.

Clause 26.— (Power to make regulations)

Amendment made:

Page 9, line 13—
after “the secretary” insert:

“and the Financial Adviser to the Commission.”

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

“That clause 26, as amended, stand part of the Bill.”

The motion was adopted.

Clause 26, as amended, was added to the Bill.

The Schedule was added to the Bill.

Clause 1.— (Short title and extent)

Pandit Thakur Das Bhargava: Judging from the speech of the hon. Minister, I understand that he is quite satisfied with the explanation that he was pleased to give. It is only by way of accommodating him that I wanted to place my amendment. If

he is satisfied, I do not press my amendment.

Mr. Deputy-Speaker: Then, that is all right. There are two amendments to clause 1—Nos. 2 and 8.

Amendments made: (i) Page 1, line 5—

omit “All-India”.

(ii) Page 1, line 6—

for “1955” substitute “1956”.

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

“That clause 1, as amended, stand part of the Bill.”

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. Deputy-Speaker: There is then the Enacting Formula and the Title. There is an amendment, No. 1, to the Enacting Formula.

Amendment made:

Page 1, line 1—
for “Sixth Year” substitute “Seventh Year”

—[Shri K. C. Reddy]

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

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

The Title was added to the Bill.

Shri K. C. Reddy: Sir, I beg to move:

“That the Bill, as amended, be passed.”

Mr. Deputy-Speaker: Motion moved:

“That the Bill as amended, be passed.”

Pandit Thakur Das Bhargava: I will take only one minute.

Shri Raghavachari: I want to put one question.

Shri Bhagwat Jha Azad (Purnea cum Santal Parganas): Sir, if they are going to be allowed, all the twelve Members who want to speak should be given a chance. (*Interruptions*) They have found the way. Let the Government call the 'Ayes'.

Mr. Deputy-Speaker: The 'Ayes' are coming even without my asking.

So, I request the hon. Member, Pandit Thakur Das Bhargava, to forego his desire to speak.

The question is:

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

The motion was adopted.

6-30 P.M.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, the 3rd September, 1956.
