

COMMITTEES ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

SEVENTEENTH REPORT

Sardar Hukam Singh (Bhatinda): I beg to present the Seventeenth Report of the Committee on Private Members' Bills and Resolutions.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

RAID BY NAGA HOSTILES IN DIMAPUR AREA

Shrimati Mafta Ahmed (Jorhat): Under Rule 197, I beg to call the attention of the Prime Minister to the following matter of urgent public importance and I request that he may make a statement thereon:

"The raid by the Naga hostiles in Dimapur area."

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): Recently dacoities have been committed in the neighbourhood of Dimapur in the Naga Hills-Tuensang area by two separate gangs of Naga hostiles.

On the night of 4th-5th March, 1958, at 1.00 A.M. six Nagas armed with four rifles, one stengun and one revolver and dressed in olive green uniform went first to the Naharbari Kanchuri village about 2½ miles south-west of Dimapur Police Station and looted cash and other properties worth Rs. 200 from three homes by intimidation. The same gang then proceeded to Thekrajian Kuki village, a further two furlongs to the south of Naharbari and looted money, clothes etc., from five houses of the village. They also extorted Rs. 300 from one Zonkithang Kuki by threatening to kill him. The gang then left towards the south.

On the 7th March at about 8.00 P.M. 50 armed hostiles raided Lahurijan Tea Estate, six miles north of Dimapur and decamped with one double barrelled gun, some ornaments and clothes having a total value of about Rs. 2,370.

In January and February also there have been one or two similar dacoities in the Dimapur area.

DEMANDS FOR GRANTS*—Contd.

MINISTRY OF COMMERCE AND INDUSTRY—Contd.

Mr. Speaker: The House will now resume further discussion of the Demands for Grants relating to the Ministry of Commerce and Industry. Out of 6 hours allotted for the Demands of this Ministry, 4 hours and 8 minutes have already been availed of, and 1 hour and 52 minutes now remain.

The list of cut motions moved on the 19th March, 1958, relating to the Demands of this Ministry has already been circulated to Members on the same day.

I shall call upon the hon. Minister of Commerce and Industry to reply to the debate at . . . How long does he want?

The Minister of Commerce and Industry (Shri Morarji Desai): About 45 minutes.

Mr. Speaker: I shall call him at quarter past one.

Shri Morarji Desai: Yes.

Shri Sonavane (Sholapur—Reserved—Sch. Castes): The time taken by the Minister in replying to the debate may be excluded from the allotted time. We have not spoken, many of us.

Mr. Speaker: Every hon. Member cannot speak on every Demand. Hon. Members in each party must assess, set apart particular Members, and make them specialise in particular subjects. All the 500 Members cannot be physically provided for unless each day consists of 60 hours.

*Moved with the recommendation of the President.

Shri Sonavane: Even those in the list have not had an opportunity.

Mr. Speaker: I shall give opportunity to all Members.

Shri V. P. Nayar.

Shri V. P. Nayar (Quilon): Before I offer a few remarks, may I wish the hon. Minister of Commerce and Industry well on his new assignment which he is taking over tomorrow, but in doing so, I would also wish that he does not follow the way of his predecessor.

Mr. Speaker: We are on the Commerce Ministry.

Shri V. P. Nayar: Yes, I know.

Mr. Speaker: We are not discussing the Finance Ministry now.

Shri V. P. Nayar: He is going away.

Mr. Speaker: If he goes away, let there be no reference to it.

Shri V. P. Nayar: I am not making any reference. I only wish that . . .

Mr. Speaker: When he goes to Finance Ministry, let us see.

Shri V. P. Nayar: The hon. Minister who intervened in the debate yesterday presented a picture which made us think that all was well in the industrial situation of our country. In fact, we cannot analyse the situation because we do not have all the details, as only a summary has been given, but the summary also gives us the idea that everything is well in the industrial situation.

There is no doubt that industrial production has increased as the indices would show. The index has risen up to 148.9. This is not disputed at all, but what has this increase in production meant, and whom has it benefited? Has it in any way benefited the workers? Has it in any way benefited the general public who consume the industrial products? Has it in any way benefited those who control the units of production? This is a matter

which we should analyse if we want to find out what our industrial situation today is like.

12.55 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

My analysis shows that the maximum benefit on account of this increased production has been derived by the captains of our industry who are in control of the industrial units. There is no getting away from it. Government has not at all benefited from the increase in the industrial production which is very much limited to certain minor industries. If you take the position of the basic industries, the hon. Minister will agree that while we are spending more on the development of basic industries, they do not, as present, compare in production anywhere near the other industries.

What are the industries in which he lists that there is a significant production? He starts with paper. We all know what the position of the paper industry is. The paper industry is a very important industry because in our present context we must realise that our whole year's per capita consumption of paper is almost about one day's per capita consumption of the United States. Compared with a backward country like Egypt, our per capita consumption is only one-fourth of what Egypt consumes per head. In such a situation, when we are advancing in education, the importance of the paper industry is very peculiar.

What does the figure about the paper industry suggest? It is the industry which has recorded the highest profit in the last four or five years. Today if you go to the market, you find several varieties of paper cost 200 per cent. of what they cost us two three months back, and on the average the rise in the price of paper is about 50 per cent. What has the Government done? The industry has shown a significant increase in production, and we are not dependant very much, in respect of the paper industry,

on imported raw materials for the prices to shoot up. I was surprised that as against an industrial index of 67·8 with base as 1939 100—I could not get the figure with base as 1951-52—the index of the paper industry's profit has risen, according to the Eastern Economist, which is not any one of our papers, to 747·8. And yet we find that the production of paper is controlled very much by certain business-houses, whom we all know—there are the Birlas in it, there are the Pajorias in it, and there are the Bangurs in it . . .

Shri Bimal Ghose (Barrackpore): Bird & Co. is also there.

Shri V. P. Nayar: I submit that while, on the one hand, those who control the units of production of paper are not being checked in such a way as to enable the normal consuming public to get cheaper paper, they have also adopted a policy of importing newsprint which is very much to the detriment of the smaller group of newspapers. I understand that almost every big group of newspapers import their own newsprint and they import it at a cost on an average of 3 to 3-1/2 annas a lb. while with absolute safety they can sell it out to the smaller groups of newspapers who do not possess the import licence on the user basis at nothing less than 10 annas a lb. That is why I say that while, on the one hand, the indigenous production of paper is not controlled in such a way as to enable our consuming public to get the paper at lesser and lesser rates, on the other hand we find that it is difficult for us to produce the newsprint which we require, and that is also allowed to be imported by certain vested interests, not for their own use, but to be re-sold to the needy people at three hundred per cent. profit. I want Government to consider whether it is not time now to declare paper which is one of the most essential commodities as an article under the Essential Commodities Act and regulate its prices to the benefit of the people.

I do not have the time to go through all the industries, but if you take other industries also, you will find the same position. It has been argued time and again by the industry that while the public sector has not produced or has not enabled the index of production to rise, the private sector has done it. I have heard it in this House also as to what they have done. You must not look at last year's taxation or the taxation of the year before last. Government, in their wonderful control over the industrial units has allowed the industrial units to get away with the profits which they have made during the last so many years without paying much tax. I have often heard, and in fact the recent meetings of the F.I.C.C.I. also stressed that point, that the industry is being fleeced now on account of the tax regulations.

Yet, we find something surprising when we go through the demand for income-tax made on corporations and companies. My hon. friend Shri Morarka will be benefited by this. It has always been said that if we calculated the various taxes, their incidence would be 103 per cent. of the income. Now, I am not going into this year's taxation, because what we are discussing is the last year's report. From the figures given by the Finance Ministry, I find that while we are having new taxes during the last two or three years, the actual quantum of tax demanded by Government from these units of production has been declining. It may be surprising. I also never thought that it was so. But the figures furnished to the Research and Reference Branch by the Finance Ministry show that in 1952-53, the total income-tax demanded from all the companies—there are so many of them—had amounted to Rs. 102·7 crores, but in 1953-54, when the surcharge was also introduced, the total amount came down to Rs. 98·36 crores, and in 1953-54 it came further down to Rs. 86·79 crores, and in 1955-56 it came further down to Rs. 82·45 crores. What does this indicate?

[Shri V. P. Nayar]

These are not my figures. These are the figures supplied by the Finance Ministry. These figures show that all these years, the industrial profits have been rising to such an extent that in 1952-53 when we had the highest demand for income-tax, it was only Rs. 190.6 crores, but it rose up to Rs. 334.3 crores in 1955. This is admitted by the industries themselves. This is admitted by the representative press of the industry that the industrial profit has risen. But the total tax demanded has been declining.

And what is the position of our income-tax? You know that the bulk of the income-tax has to come from industry, and not from the agricultural section. According to the figures given to me, while there were only 2,546 assesses paying income-tax of over Rs. 1 lakh in 1952-53 when we had the highest demand, their number had risen to 4,090 later. The difference of about 1,500 people had been taken to the highest slab of income-tax. The number of individuals also had risen by about 150. So, if we take on the average Rs. 1 lakh as the minimum, it should have worked out to Rs. 16 or 17 crores more than what it was in 1953-54.

So, I say that while industrial production has undoubtedly increased—I do not want to dispute that, although it is confined to the minor industries—a definite advantage has been gained not by the consumer, not by Government in the way of taxation but only by the industry. I want the Minister, who is also in charge of the unit which controls the company law administration, to go into this question.

Then, very much was talked about the textile industry and the steel industry. I shall take up the latter first, because in the summary of the report of the Ministry, that is referred to first. This is what the summary says:

"Government also accepted the Commission's recommendation regarding the average retention

price of steel payable to the Tatas and Indian Iron and Steel Company."

If I remember aright, the retention price of steel has been revised on a few occasions before, and the price today, according to the latest revision, would be more by Rs. 75 per ton as compared with what we had in 1952 or 1953. That would mean that between these two interests, the Tatas and the Indian Iron and Steel Co., the total monetary advantage of the revision in the prices of steel would come, according to my calculation—for, I do not find it anywhere in the summary—to not less than Rs. 75 crores or Rs. 100 crores in a period of eight to ten years. This is a very substantial amount, and in view of the kind of speeches which these people, the representatives of the Tatas and the I.I.S.C.O., have been making at all places, this is very much undeserved. This sympathy of Government by way of the revision of the retention price seems to me—I have read the Tariff Commission's report—to be bestowing a very much undeserved favour, because here is what Mr. J. R. D. Tata says. I am reading from the *Commerce of the 15th February* from page 61:

"He alluded to the fatal fascination which steel plants seem to exercise on the minds of Government."

They are worried. The Tatas are worried because of our expanding public sector in the steel industry. Mr. J. R. D. Tata says that there is a fatal fascination in the minds of Government for steel. And we all know to whom it is fatal. And it was more surprising to find my hon. friend Shri M. R. Masani—I do not find him here—getting up during the general discussion and saying that we also seemed to have a fatal fascination. The fountain of his inspiration has been from Mr. J. R. D. Tata's speech, no doubt, because he has chosen an identical expression which his boss has used, because I find from our *Who is Who* . . .

Shri Tyagi (Dehra Dun): Why boss?

Shri V. P. Nayar: I find from our *Who is Who* that Shri M. R. Masani is also a petty executive of Tatas. That was why I used the word 'boss'.

Shri Geray (Poona): He was an executive.

Shri V. P. Nayar: Yes, he was an executive till 1957. I am subject to correction in that. If you read through the speech.....

Mr. Deputy-Speaker: Is the hon. Member referring to the *Who is Who* published by our Secretariat?

Shri V. P. Nayar: Yes. I am referring to our official *Who is Who*, which says that from 1941 to 1957 he was an executive in the Tatas. I, therefore, thought that he was in the permanent pay-roll of Tatas till at least 1957 when our publication was brought out. I do not know whether he continues or not. But that is not the point. The chief of Martin Burns and I.I.S.C.O., Sir Biren Mookerjee also seems to have been worried at the annual general meeting, 'What shall we do with our steel, when the steel plants go into production?'. And for these people who object in place and out of place to the expansion of our public sector in steel, Government are throwing away money, and they find champions even in this House which fortunately does not have functional representation to voice forth their grievance. I cannot better dismiss the view of Shri M. R. Masani than by quoting a sentence from *Shankar's Weekly* which is a very popular magazine.

The *Shankar's Weekly* observed:

"It is only a rare Masani, who has the courage of his lack of conviction or the thickness of intellectual height to proclaim that we need not prepare for tomorrow because it will hurt our corns, and that no more steel need be made in this country".

With these few words, I dismiss Shri M. R. Masani's observations, and would like to go to the textile industry.

In the textile industry, although the hon. Minister says that production has kept up according to past levels or to the same proportion last year, I was amazed to find from Government's own *Monthly Abstract of Statistics* the last of them, published in January 1958, that in 1957 from January to November, there has been unemployment for 30,000 people. After that, we know that several mills closed in Bombay and several mills are being closed in Kanpur.

So 30,000 people have no work from the beginning of the year. In January, the figure was 830,638 while in November it had come down to 800,168. What is the contribution of labour? Very often, it is said that it is because of the non-co-operation of labour that things have gone wrong. That is also not correct, because in the page which gives the details of industrial disputes, I find that the average man-days lost in 1957 during the period of this retrenchment is only 117 as against 189 the previous year. Therefore, it is not possible for us to believe that, unless there is gross mismanagement in the textile industry, which has profits, there is no rhyme or reason for their closing down the mills.

I shall briefly refer to one more point before I close, and that is the case of monopolies. We know that there are monopolies. I am not saying that Government do not know that. But I only want to take up the question of the issue of new licences—how far have these new licences been given keeping in view the fact that industry is monopolised by certain business houses. I particularly refer to the case of three rubber factories and four soda ash plants. For the supply of soda ash, especially of the heavy variety which we do not produce, for the four soda ash plants, there have been four licences given

[Shri V. P. Nayar]

under the Second Five Year Plan. Whom do you find the licensees to be? The information has come in answer to a question I tabled recently. One is to Tatas. One is to Birlas through their Jayajirao Textiles subsidiary called Saurashtra Chemicals, one is to Dalmias through their subsidiary known as the Sahu-Jain, and the fourth is to a sugar merchant by name Bhiwandiwalla.

Take, for example, the case of the rubber industry. Over 90 per cent. of the rubber in the country is produced in Kerala. The existing monopoly is in the hands of Dunlop, for whom an additional plant is permitted in Madras, 500 miles away from the rubber-growing region! I have never known that Tatas make any tyres, but the second is given to Tatas at Bombay, 700 miles away from the rubber tract. The synthetic rubber unit is 800 miles away.

Nobody can say that the intellect of the average worker in Kerala is inferior to that of his counterpart in Madras or Bombay. We produce all the rubber and we are given a licence on the complete understanding that the person who has been granted the licence can never raise the funds. So it is there. It has also been admitted that it does not look possible for that particular licensee to start a factory. This is the kind of position.

The Minister of Industry (Shri Manubhai Shah): For the information of the hon. Member—he knows it—I may say that licence for the factory in Kerala has been given, and it is not being implemented because the party has not been able yet to raise both the internal and external resources.

Shri V. P. Nayar: That was exactly what I said. Knowing that he cannot.....

Shri Manubhai Shah: How is it that we can know in advance?

Shri V. P. Nayar: Otherwise, why is it that he has not come?

Mr. Deputy-Speaker: Is he pleading for any particular party?

Shri V. P. Nayar: No, no.

Mr. Deputy-Speaker: One party was given licence. He does not utilise it.

Shri V. P. Nayar: I say that Dunlop, who have enough capital to start a rubber factory even in Mount Everest, or Tatas, who can find enough money to start a rubber factory 2,000 miles away from the rubber-growing tract, have been given licences in places outside the rubber-growing area. That is the unfortunate part of it. We wanted all the three factories.

I would refer to one more industry, which is very important, with respect to which the hon. Minister has, again, given me certain very vital information in answer to a question. What is the position of our pharmaceutical industry today? The hon. Minister says that in the intermediaries, we are completely dependent on foreign sources for import—completely, not one is being made here so far. In the case of life-saving anti-biotics, except penicillin, where only half the capacity is now utilised, all are imported. There could have been slight alterations in the plant at Pimpri as Maj. Gen. Sokhey, who is a very knowledgeable person in this, says. That could have been possible but nothing is made except penicillin.

And what is the position with regard to other items which are very essential? We do not manufacture a single vitamin here. We do not manufacture a single hormone. And yet we have already allowed all the foreign firms which are entrenched in the business—international cartels—to come to India and establish themselves either through their own offices or in collaboration with Indian firms whom they want to use as 'guinea pigs'. For example, the firms of Squibb, Ely Lilly, Sharpe Dhorne, Bayer Merk, Parke Davies, Glaxo, Lederle, Teddingtons, American Cynamid and Burrous Welcome have already come.

It is a very vital industry. We have a plant, according to him, to set up three units. In this context, I want to mention that as early as May 1956, a Soviet expert had given a scheme. I again understand from Maj. Gen. Sokhey that that envisaged the setting up of a plant which will be a complete unit to manufacture from the basic drugs to not only the penultimate products but also the final products. I asked a question in this session, and I am told that 'the matter is still engaging the attention of Government; it is being discussed'. Two years on such a vital industry, about which there has been a definite report, I refer to the Scalaban Report. Government say they cannot now place it on the Table because the matters are being discussed. This is the attitude. If this is the attitude shown in the case of an industry which is vitally needed for saving human lives, I am not surprised at the attitude the Government have adopted in encouraging the existing monopolies.

I am sorry I do not have the time; otherwise, I could have given some more details as to how the monopolists have been favoured against the ordinary entrepreneurs who are left in the lurch and against the small industrialists who are allowed to rot.

Shri Jinachandran (Tellichery): I support the Demands. The Ministry is to be congratulated on its creditable performance. There has been an all-round increase in production, some items even going beyond the target.

It is gratifying to note that the rigid import control adopted by the Government since last year is bearing fruit and that the tremendous drain of our foreign exchange has stopped. But we cannot afford to be complacent. Due to the recessionary trends in world economy and keen competition from other countries, there is noticed a marked fall in our export trade.

Our export of tea to American markets is gradually coming down in

recent years on account of competition from Ceylon and South Africa. Last year, our coffee production reached an all-time record and we were able to export nearly 15,000 tons at a reasonable price. Since the beginning of this year, the prices had come down considerably and many an export auction had to be withdrawn recently for lack of demand. This will be having a serious repercussion in the internal market rate, as with the growing production, the internal prices will have to move up in order to give the producers the minimum guaranteed return. Hill crops like pepper, ginger, lemon grass oil etc. were once fetching a good slice of foreign exchange; but there is a serious set-back both in price and in quantity of export during the last two or three years. Likewise, there is a downward trend in the export of jute manufacturers, castor oil, vegetable oil etc., which are all important foreign currency earning commodities. Something must be done to arrest this trend.

There is much scope for expansion of our domestic market and a well-devised plan must be put into operation to maintain our existing markets as well as to increase our exports. The Export Promotion Council set up at Cochin at the suggestion of the Spices Inquiry Committee, must be made to undertake a thorough study of world markets and to take all possible steps to help sales promotion of pepper, cardamom, cashew etc. in foreign markets.

12-30 hrs.

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

Export promotion agencies must be set up in all important countries like U.K., U.S.A., U.S.S.R., Germany etc. who are our conventional purchasers. The coffee trade is at present monopolised by two or three exporting firms. These have a controlling interest and no commodity should be allowed to be at the mercy of the few. The Coffee Board must be made res-

[Shri Jinachandran]

possible for the export with the active co-operation of our Trade Representatives abroad. Likewise the activities of the State Trading Corporation must also be made more broad-based. These measures will ensure not only a reasonable return to the producers, but also be able to find fresh avenues for our goods. Because of the various intermediaries in the trade now, the producers get the minimum and the traders the maximum. Our foreign Embassies must pay more attention to find markets in their respective countries for our various commodities and for the next few years their diplomacy must be focused mostly on our foreign trade.

Regional disparities should be eliminated in the field of industrial expansion, special preference being given to undeveloped and under-developed areas. Large amounts are allocated each year to all States, who in turn distribute the money to small-scale industries. Many an amount is allowed to be lapsed either.....

Mr. Chairman: Order, order. The hon. Member may occasionally look up; he should not be reading all the time from a paper.

Shri V. P. Nayar: I suppose it is a maiden speech.

Mr. Chairman: The hon. Member should not be continuously reading from a paper. He may make some occasional reference only to it.

Shri Tyagi: He is standing behind the pillar.

Shri Jinachandran: Many an amount is allowed to be lapsed either due to the inability of the States to make their share of contribution or due to indifference. There is no use making lump sum allotments without seeing that they are properly spent and without letting the people know what the Centre is doing and what all sorts of help they will get from Government to start small-scale industries. Many people do not know that there is such help being

extended by the Centre. Wide publicity must be given to educate the public and enable them to take advantage of the central aid.

Another important matter I want to discuss is about the handloom industry. It is the declared policy of the Government that the whole handloom industry must be brought under co-operation. I do not know what success this scheme has achieved so far and I doubt whether this policy is going to have the desired success.

So far as Kerala is concerned, I can say that only a small number of looms have been brought under the cooperative fold. Unlike other areas, the handlooms in Kerala are worked on a factory model and to bring them all immediately under co-operation will cost a good deal of money. There are many practical difficulties also and it may be a slow process. In any case, these private sector looms are also playing their part very well—even better than the co-operative looms—and there is no reason why they should not be given the same treatment as those of the co-operative sector and allowed to grow side by side. This private sector is very much handicapped in many ways in marketing their goods on account of the discrimination. Let the co-operatives enjoy all the privileges and protection that they could get in the ordinary course, but there must be uniformity in the matter of giving financial aid and other facilities for marketing.

There is a heavy stock of handloom cloth awaiting markets and specific measures must be taken to relieve the glut in the market. A separate Export Corporation—if necessary under the auspices of the State Trading Corporation—may be formed for the purpose of purchasing surplus cloth and export to foreign countries. A representative delegation of the people engaged in the industry may be sent overseas to explore new markets and to strengthen existing ones. The cost of hand-

loom cloth is much higher compared to mill cloth and the rebate facility must be extended to these people also. Proper representation must be given to looms outside the co-operative sector in the All India Handloom Board so as to give them a voice in the formulation of policies affecting the industry.

Lastly, about powerlooms. There are nearly 25,000 cotton looms under this category in the whole of India distributed in a haphazard manner. This is not a properly organised industry and many of them are uneconomic small units. Only some 24 or 25 units with an aggregate of nearly 3,000 looms are in units of 51 looms and above. In the days of control, it seems, the powerlooms were given a preferential treatment, fixing 33-1/3 per cent. more price than mill cloth, thus recognising the fact that they cannot favourably compete with composite mills without protection. The same disparity still continues. There are good looms and bad looms, seasonal and otherwise, depending upon the capacity of the weaver, and the high excise duty is falling heavily on all, more especially on those with a few looms. This industry, in different parts of the country, serves different needs peculiar to the regions in which they are situated. Thus, in the southern region, especially in Kerala, these mills specialise only in medium and coarse varieties using narrow width looms. Though the Prime Minister has been pleased to announce welcome reductions in duties on cotton fabrics, in view of the low purchasing power of the poor people in Kerala, and in view of the higher incidence in the cost of production for want of various facilities, these varieties require further protection. The assurance given by the Minister of Industry that he would look into the question with an open mind, of giving relief to the medium size factories operating with more than 100 looms is very much appreciated. These factories are now working under heavy strain and help must be extended to them also.

Mr. Chairman: Shri H. C. Mathur. I see he is leaving the House.

An Hon. Member: He does not want to speak.

Mr. Chairman: I have not the list.

Shri Harish Chandra Mathur (Pali): I had given my name to speak on Education.

Mr. Chairman: There are a good number of names in the list.

Shri Tyagi: At what time will the hon. Minister reply?

Shri Harish Chandra Mathur: Do you want me to speak, Sir?

Mr. Chairman: I find his name in the list.

Shri Tyagi: He wants to speak on Education.

Mr. Chairman: Then, I will call another Member. Shri Deo.

Shri P. K. Deo (Kalahandi): Mr. Chairman, Sir, it would not be proper to pass the Demands of the Ministry of Commerce and Industry without recording a protest against the growing regional disparities in this country so far as industrial development is concerned. The strength of the chain lies in its weakest link. And, if India wants to be prosperous, then, all its component units should be equally developed at a uniform speed and they should get equal attention from the Centre. When we see the actual state of affairs, it is quite different.

Orissa's per capita income is Rs. 76 per annum and it compares so unfavourably with the national average of Rs. 297. I not only accuse the private sector which has been all along exploiting Orissa with the ulterior motive of profit but cannot excuse the public sector which had been complacent and indifferent towards industrial development in Orissa.

Though nature has endowed Orissa with vast mineral and other resources

[Shri P. K. Deo]

ces, hardly any attempt has been made to utilise those for the benefit of the local people. Let us examine the forest wealth. Local people do not get bamboos for their domestic purpose for building small houses or huts. They have to pay at exorbitant rate for whatever they get from the limited supply at the rate of Rs. 10-15 per hundred. On the other hand, long term leases are granted to the various paper mills at a nominal rate of royalty. The famous Orient Paper Mill, a Birla concern, has been granted a long term bamboo forest lease on a nominal royalty of four annas per hundred bamboos. I am not here to probe into the mysteries of the Birla House but I would like to point out in this connection that it is a pity that our Government is bent upon placating these business houses for purpose of election funds in order to perpetuate the Party in power. The unholy alliance of these business interests with the Party in power with the help of corrupt officials who tried to jeopardise the election prospects of the opposition candidates in the last election even to the extent of fabricating official documents has been thoroughly exposed by the Election Tribunal recently while rejecting the election petition of one Mr. G. D. Thirani a defeated Congress candidate and a nominee of the Birlas. Strike and discontentment among the workers in the various Birla concerns have become a regular feature. My friend Shri V. P. Nayar has pointed out the rising prices of the paper. There has been a widespread demand throughout the country to nationalise the paper mills. I request the Government to seriously consider this question and nationalise these various paper industries in the country.

Take the case of bidi leaves. They are mostly grown on the tenants' holdings. By promulgating the Kendu Leaves Control Order, the Government restricts the tenants' rights to collect and transport and sell their produce of their land. It has given

a monopoly right to its favourites to collect and sell these leaves with the result that the leave pluckers and the tenants are completely at the mercy of these monopolists. They hardly pay a Paisa for 150-300 bidi leaves. It comes to about Rs. 20 per bag. But they sell these bags at Rs. 100-150 at the Calcutta or Madras market. This monopoly system is ultra vires the Constitution and incompatible to the socialist ideology. This should be stopped.

The Minister of Commerce (Shri Kanungo): There is hardly anything in this relevant to the present Demands.

Shri P. K. Deo: If it is the policy of the Government, they can as well give advice to the State Government not to do the wrong. That is if they are sincere about it.

An Hon. Member: Nationalise the State Governments.... (Interruptions)

Shri Kanungo: The hon. Member may read the Constitution.

Shri P. K. Deo: So far as the public sector is concerned, I beg to submit that special steps should be taken to develop the backward western districts of Orissa which form the Dandakaranya area. Large bauxite deposits are found in Kalahandi and Koraput districts. Dr. Krishnan of the Geological Survey of India sometime back had submitted a report regarding the bauxite deposit in those areas. Cheap electricity is also available from the Machkund Project—a joint Orissa-Andhra project. The three turbines working there generate about 52,000 kws. of which Orissa's share is about 16,000 kws. Hardly a thousand kws. are being utilised now for the various industrial purposes. When the scheme is completed and the project goes into full production, it would be generating about 104,000 kws. of electricity of which Orissa would get about 32,000 kws. There has not been any blueprint as to how this surplus power would be utilised. In order to utilise the surplus energy

and the bauxite deposits, an aluminium plant may be started in that area to the benefit of the country. I also submit that one 132 K.V. line should be laid to take the surplus power towards Kalahandi, Bolangir and Phulbani districts in order to develop small scale and cottage industries in those areas.

In reply to a question the Minister of Industries has said that a licence had been granted to Messrs. Straw Products—a Singhania concern—to put up a paper mill at Ksinga. The time was fixed till September 1956. But on some flimsy ground that limitation has been extended to September 1957. No effective steps had been taken in that period. We are now in 1958. Nothing seems to have been done by that firm towards the establishment of the paper mill at that place.

There is a prospect of another mill at Malkanjeri in Koraput in order to utilise the vast bamboo forest of that area.

The Government of Orissa has been negotiating for sometime to have a cement factory in Sambalpur in order to utilise the vast limestone deposits of the Bargarh area. I request the Government of India to help in this respect so that the proposed cement factory starts functioning soon.

Regarding tea and coffee plantations I may say this. The hills of Kalahandi and Koraput are 4,000 feet above sea level and have a rainfall of 100". Serious steps should be taken to have coffee and tea plantations there. It would be ideal.

So far as the location of the second shipyard is concerned, I request the Ministry of Commerce and Industry to have the second shipyard at Paradip or at Dhamra along the Orissa coast.

Sir, I would close my observations by requesting the Ministry that they should pay special attention for the development of Orissa which is the most backward State in the Indian Union.

Shri Sonawane: Mr. Chairman, Sir, at the outset I congratulate the Government and the Minister in charge of Commerce and Industry for correcting the import policy by which we had lost a lot of our foreign exchange, and also for improving the production in industries other than the textile industry.

With regard to the textile industry, I do not understand what has happened to it. There was one common grievance that excessive excise duty was responsible for the fall in production and closure of so many mills. The Government figures show that 24 mills are completely closed and 36 mills are partially closed. We hope, now that the Prime Minister has given a very substantial relief in the matter of excise duty, the mills that have been closed or are partially closed would start working; that is the hope that we, here, cherish.

But, Sir, there are some mills or certain industrialists who are beyond correction, whose *modus operandi* seems to be to run the mills at a loss, take money from the Government, again run into loss and then close the mills completely. In regard to such mills and such industrialists what shall we do? What does the Government intend to do in regard to them?

I come from a constituency in an industrial area—Sholapur—where there are seven textile mills. During the last ten months two mills have been completely closed there throwing out of employment nearly 10,000 workers and bringing about suffering to their dependants. I take this opportunity, Sir, to congratulate the Bombay Government for having started one of the mills giving employment to the workers. That mill has been opened from the first of this month. But the other mill—the Sholapur Spinning and Weaving Mill—has been totally and completely closed. Till last month some persons were working there, but from this month not a single worker is employed there. There is a history behind this. In

[Shri Sonavane]

1950 this mill was taken over by the Government but later on the mill went under the management of the owner, and the present position is what I have just mentioned.

Last year, when I spoke on the Demands relating to the Ministry of Commerce and Industry, I made a pointed reference to the situation in regard to this mill and the suffering to which the labourers were put, but very little has been done so far to solve the situation created in this Sholapur textile mill. The Government has appointed a committee in the month of September, 1957 under the chairmanship of our hon. friend Shri G. D. Somani. We have not received their report on that mill so far. For ten long months the people have been suffering but the report is still awaited. When the report comes, again there will be delay of a few months to consider the report and the Government will then think as to what action should be taken. This sort of slow process of working is causing the greatest of hardship to the labourers. There is also constant fall in production. According to Government figures 5,788 bales—is but the total monthly loss in production or it is the estimated loss in production. All this is taking place and yet we are going very slow towards tackling the problem in regard to such mills and in finding a solution.

I am very sorry to say that frantic telegrams, letters and resolutions are being sent by the people there. We have been pressing this case for the last one year. But the progress at this end is very slow. I would like to remind the hon. Minister that his brilliant, young and energetic disciple, the Chief Minister of Bombay, has taken courage in his hands and started the Narsing Girji Mills which is now providing employment to nearly 1000 employees, and gradually as the process continues it will absorb all the 4500 employees. May I humbly request his Guru to follow the courageous step taken by his disciple and end

the misery and dark shadow of suffering that has fallen on my constituency?

Sir, It will interest the House to know the scheme under which Narsing Girji Mill has been started. It is an unemployment relief scheme. The workers are willing to take, under the circumstances, only two-third of the wages. If the mill makes profit the first priority on that profit is that of the unpaid one-third wages. That is the way to go to the rescue of these poor labourers. If they are left to suffer then it is a pity that we say that ours is a welfare State.

Shri Braj Raj Singh (Firozabad):
Now socialistic State.

Shri Sonavane: How, it is said that the machinery of the mill is bad and to renovate that machinery finance is required. But I will point out how the reports on such mills are prepared. It was also said that the machinery in the Narsing Girji Mill was bad, but today the same machinery is being worked very well and production has started. Shri Kanungo while making a statement on the floor of the House in response to a calling attention notice said:

"Their machinery is very old which has not been replaced or renovated on account of initial mismanagement."

15 hrs.

Similarly about the Narsing Girji Mills it was said that the plant, equipment and the financial position of the Mills were very unsatisfactory. That very mill is now being worked and worked very efficiently and production is going on very well. A similar statement was made about the Sholapur Spinning and Weaving Mills in reply to a Calling Attention Notice. Now if such false reports are given, how are we to depend upon them. I would therefore say that we should take very stern and severe steps to correct matters. I would even go to the length of saying that all the power

that is in the hands of the Central Government should be utilised to bring these recalcitrant industrialists who behave in a manner that is most detrimental to the nation and to the workers employed in the industry, to their senses.

Government have got sufficient powers under the Industries (Development and Regulation) Act. Section 18A gives them power to take over the management and I would suggest that the earlier the powers that are in the hands of Government are applied the better it is for the workers and others. Now the mill-hands of that mill are prepared to pay the amount they have in the provident fund with the Government and if the Government take that provident fund amount and the Central Government and the State Government put in their share, I think there would not be any difficulty in running that mill. This step they can take immediately after the report of the Chairman, Shri Somani is received. In the circumstances I would very earnestly appeal to Government to go to the help of the workers as speedily as possible and check the *modus operandi* of such of the industrialists who behave as the management of this mill has done. This would show to the other industrialists that these methods do not pay. I am sure Government will consider my suggestion sympathetically and come to the help of the Sholapur mill hands so that they may not suffer any longer.

Shri Tyagi: May I, with your permission, put a question? I do not want to make a speech. I do not want to take the time of the House; I will take only half a minute.

Will the Minister in his reply kindly acquaint the House as to what is the amount of deferred payments agreed upon or sanctions given by him to many industrialists in the private sector and undertakings in the public sector to import things from outside on deferred payment basis; and as to how much will fall due for

repayment on that account from year to year? That statement the House is anxious to have.

Dr. Pashupati Mandal (Bankura—Reserved—Sch. Castes): Mr. Chairman, Sir, I thank you for the opportunity you have given me, though at the fag end of the debate. Day before yesterday there was a mention made about the closure of certain tea gardens. The export duty on tea on weight basis is affecting West Bengal and also our foreign exchange earnings. Including road tax it comes to about eight to nine annas per lb. of tea the value of which is Re. 1, as also of tea the value of which is Rs. 10 to Rs. 20. So, it is funny to see that the tax on common tea and the tax on quality tea is the same. I would, therefore, suggest to Government the imposition of tax on value basis and not on weight basis. Then only will the problem of common tea be solved. Otherwise the market for common tea in foreign countries will be lost.

Sir, common tea from Africa is capturing the foreign markets because the International Agreement has lapsed and tea is now sold on competitive basis. If Government do not take early steps for changing the tax on value basis, the common tea gardens will have to be closed in the near future. The main sufferers in that contingency will be the tea gardens in Cachar and Doars.

Then I come to Bankura District in West Bengal which I have the privilege to represent. It is not an industrial area. It has certain cottage industries, the handloom and bell metal industries. The weavers have formed cooperatives and they have got relief to a certain extent. They are getting rebates and no sales tax is charged on their products. But they are experiencing difficulties in marketing. The cooperatives are also not getting enough money to supplement their resources according to their needs.

The case of the bell metal utensils industry is different. The workers of

[Dr. Pashupati Mandal]

bell metal industry have formed co-operatives. But no rebate is given for their products and sales tax is charged on their production. Though it is a cottage industry managed by co-operatives, sales tax is charged and no rebate is given. At the time of the last cottage industry seminar at Vigyan Bhavan representatives from Bishnupur and Bankura came and explained their difficulties to the hon. Minister and they asked him to remove the sales tax charged on their products. The Minister promised to look into their grievances sympathetically. Today it is as a kind of reminder that I am bringing this matter in the House, because the Minister is preoccupied with multifarious matters. So I suggest that at least the sales tax should be removed in the case of products of co-operatives of bell metal utensils. Government should also advance money to the co-operatives so that they may buy raw materials direct from the market, or import them. If they get the raw materials through intermediaries the prices they have to pay are very high. For solving the land problem we are removing the intermediaries. This should be done in the case of the cottage industries also. So, I suggest only four points for the relief of the industry: (1) supply sufficient money to meet their needs; (2) supply sufficient raw materials by import or direct from Government; (3) sales-tax will be free on co-operative production and (4) sale centre for marketing.

I now come to the Sericulture Research Institute at Behrampur in West Bengal. There is a proposal to remove this institute from Behrampur. It is the nerve centre for silk production for West Bengal, Orissa, Assam and Bihar and it is a centre for the eastern zone. If you feel that a silk research centre is necessary for Bangalore or for the southern zone, a separate one can be constructed and administered by the Centre, without disturbing the previous one. This silk

research institute in Behrampur is working for the interest of the eastern part of the country. So, I hope Government will not remove this centre. Otherwise, political repercussions will arise.

The Government is not taking much interest for the development of the industry in Calcutta, and the industry in Calcutta is now collapsing. Many private bodies are removing their resources from Calcutta. Why is it so? It is because the Calcutta port is not suitable for shipping of the present age and it is not developed by constructing the Ganga barrage scheme at Farrakha. Also, the Dum Dum airport is not included for development in the Second Five-Year Plan. The Geonkhali port also is not included in the Second Five-Year Plan, although the World Bank has suggested that it should be built on first priority in the second Plan for transport facility to the industry of the eastern zone and U.P. also. West Bengal is a problem State and if you do not look into these matters, it will become terrible.

Finally, in the summary report of the Ministry which we have received, not a single line is put down regarding jute, which is a foreign exchange earning industry. The growers of jute are getting prices lower than the cost of production. They had met the deficit and after meeting the deficit, if they receive prices at such low rates, then again jute deficit will arise. So, just like sugar cane, I suggest there can be a ceiling price for jute. Otherwise, the foreign exchange earning industry will be moving downwards. With these words, I conclude my speech.

Shri S. M. Banerjee (Kanpur): Mr. Chairman, yesterday I listened to the speech of the hon. Minister with patience and I thought he would mention something about the closure of the various textile mills and jute mills, but I was sorry that he did not men-

tion a word about the closure. It was said in the Sabha that retrenchment compensation will be paid to those men. May I mention for the information of the hon. Minister that nearly 20 or 21 textile mills have been closed? Also, about 27 jute mills have been closed.

On 12th February, 1956, when it was announced that 8 million jobs will be provided under the second Five Year Plan, there was much jubilation among the workers. What happened after that? How can we possibly enthuse the workers to produce more if these mills are closed? In Kanpur alone, 6,000 workers—4,000 regular employees and 2,000 substitutes—are facing starvation. They are being paid some small allowance. I know a particular mill is under the British India Corporation. Mr. Haridas Mundhra has been damned enough both in this House and outside.

There is another factor why this British India Corporation, which is so good a concern, is not functioning properly. I may mention that those British officers who are there, the shareholders and managing directors, are absolutely uninterested in this concern. So far as my knowledge goes, they have earned thousand times more than what they have spent on this concern. So, an enquiry must be instituted to go into the affairs of these concerns.—The Kanpur Cotton Mill, the Lal-imli, the Kanpur Woollen Mill and specially the Cowper Allen. The British India Corporation was a good concern, but with Mr. Mundhra who has speculated and also with the Britishers who have no interest in our country, I personally feel that the condition has deteriorated so much. May I, therefore, submit in all humility that a serious enquiry is necessary.

One responsible officer of the Ministry was sent to Kanpur to enquire into the mills—Atherton West Limited and Kanpur Cotton Mills Limited. I do not know what is happening. Whenever we put a question in Par-

liament, we are told that something will be done. But what is being done, I want to know specifically, because I am answerable to those people whom I represent here.

There is another factor which I want to develop for a minute. When we talk of the public sector, we forget that there are about 19 ordnance factories in India. The very words "ordnance" and "defence" sound as if they are producing bombs alone. I have been putting various questions in Parliament. Why should we not utilise the surplus manufacturing capacity of these ordnance factories for the manufacture of civilian goods? I know that these ordnance factories manufacture very good civilian goods and we have manufactured to the tune of Rs. 4.5 crores. But unfortunately it has come down to Rs. 3.5 crores only because the private sector do not want that these ordnance factories under the public sector should enter into competition with them. I wish to know definitely from the Minister what is our policy. We do not want to compete with the private sector. But if the private sector want that we should not compete with them, should we not raise an objection? I definitely feel that if the surplus manufacturing capacity in these ordnance factories is properly utilised, our production will be more. In China, I know that a particular thing is manufactured both by the private sector and the public sector and the prices are controlled by the State, with the result that there is no cut-throat competition.

Mr. Chairman: The hon. Member's time is up.

Shri S. M. Banerjee: I wanted to develop this point, but I hope that the remaining points will be developed by the Minister himself, because this is very important.

So, I want a definite reply about the closure and what we are doing to save thousands of workers and secondly whether these ordnance factories' surplus manufacturing capacity can be utilised, whether the Defence

[Shri S. M. Banerjee]

Ministry and the Commerce Ministry can possibly sit together and see the potentialities of these factories. These are the two points and I request the hon. Minister to throw some light on them in his reply.

12:20 hrs.

[MR. SPEAKER in the Chair].

Shri Morarji Desai: Mr. Speaker, Sir, I have profited considerably by sitting here for five hours and a half listening to the criticisms and suggestions made by the different hon. Members who spoke on this Demand. I am thankful to them both for the criticism and their appreciation, because I feel that the criticism that has been made has not been made with a view to condemning the Ministry but with a view to improving the Ministry. And I cannot claim that there is no scope for improvement. There is considerable scope for improvement, as there is in every institution, and from that point of view I may readily say that I have profited considerably by the criticism that has been made.

Yet, I will have to point out some misconceptions or misunderstandings which have been responsible for some criticism which is not quite deserved. The criticism started with an attempt to attack but failed to gather momentum because nothing substantial could be found. First of all, it was said that the Ministry had failed completely because of the foreign exchange position that had arisen, the wrong import and export policy that was adopted, the want of care that was seen in not keeping track of the import that came in and the liberalisation policy in the matter of consumer goods.

But nothing was pointed out in regard to what the lapses were during last year. I had pointed out last year that the criticism regarding the supposed recklessness in the matter of imports was not quite justified by the facts as disclosed from the figures of imports that I read out last year. Today, a paper has been placed as

promised by the Prime Minister on the Table of the House and in the Library showing how the fall in foreign exchange reserves has taken place. If we look at that paper, it will be found that the import of consumer goods—these are given at page 6 where it refers to higher imports of consumer goods—in 1954-55 amounted to Rs. 61.80 crores; in 1955-56 it was Rs. 74.89 crores and in 1956-57, it was Rs. 80.83 crores. That means there was an increase of Rs. 6 crores in 1956-57 from the year 1955-56, and an increase of Rs. 19 crores as compared to the imports in 1954-55. But these increases were mainly due to more imports of fruits and vegetables, provisions and oilman's stores, pulses and oilseeds and cotton yarns and manufacturers. I do not think these can be called luxury goods. But it can be argued certainly that this need not have been done if the position had been realised at that time.

The then Finance Minister, who was here in 1954, 1955 and the first half of 1956, was cited by an hon. Member as saying that he did not know about the liberalisation of imports or something like that. I do not think that that would be true, because I find that the Minister of Finance at that time, Shri Deshmukh, actually made a statement in 1954 in this hon. House, while speaking on the Indian Tariff (Second Amendment) Bill on 11-9-1954. He said:

"Another consideration has been that our import policy, imposing quantitative restrictions on several commodities by the fixation of small quotas, has had the effect of creating artificial scarcity and of needlessly raising the consumer price of such articles. The allotment of small quotas has had the effect of preventing newcomers from coming into the trade as a result of which those established in the line have managed to gather excessive profits. A policy of restrictionism of this

nature can be justified by a chronic position of imbalance in our balance of payments of a kind which no longer obtains. A change in the direction of relaxing some of these restrictions was, therefore, imperative and that is what we are seeking to achieve by this Bill".

It will thus be seen that the then Finance Minister was not unaware of the position. Therefore, everybody being wiser after the event is a very happy position to take. At that time, it was not considered that this would lead to this position and the prosperous position which existed at that time would last. But even if we consider that if those consumer goods had not been imported we would have been saved from this difficulty, it would be wrong. What has created the difficulty is the import of more raw materials for our larger production and more capital goods, because we want to raise our industrial production and we want to progress further in our process of industrialisation. We stretched ourselves perhaps more than we should have, but that was all done with the motive of increasing the prosperity of this country.

It would not be possible, Sir, to blame any single individual or Ministry for this particular position. I cannot deny that there was a little want of calculation. That has been admitted by the Prime Minister when he spoke on the budget. Therefore, to say now that there should be an enquiry into this business has not much of a meaning. The enquiry is not going to disclose any new facts. The facts which are there are placed candidly before the hon. House, and I do not see what is going to be gained by asking, off and on, for an enquiry into this foreign exchange position.

It will be seen that during the last year and a half the import policy has been very restrictive and it has been

deliberately so, and that is as a result of the policy of the whole Government and not merely as a result of the policy of the Ministry itself. And the policy has been succeeding as can be seen now. Yet, one cannot say that we are completely out of the woods. We will have to be careful for a long time to come as I can foresee. Yet, we will have to go on taking some risk here and there if we do not want to decrease our production and if we want to increase our production in the various manufactures that we want to take up now and in future. I have no doubt that the hon. House will be sympathetic in this view of Government. We do not rely completely, or to a major extent, on the help received from other friendly countries who have helped us and for which we are grateful. But we depend more on the great effort that we have to make to increase our own resources, and we are making efforts in that direction.

Yet, there is no country in the world which has developed by itself without any help from other countries. There is nothing wrong in receiving help from other countries as long as that help does not bind us to any particular course of action or as long as it does not deflect us from our own policies, which we have deliberately adopted for the good of our country. And I can assure the hon. House that in no transaction whatsoever any help that we have received has ever suggested a condition or a position where we have got to depart even a little from the position that have taken in the matter of our policies for the future.

I was asked what is our policy in the matter of imports and exports for the future. The policy is very clear. The policy is to see that there is no imbalance. But, it is very difficult to say that there will be no imbalance, because we are in a developing stage where we have got to import raw materials, which we

[Shri Morarji Desai]

are not producing here, which we are trying to produce in more and more sectors and in larger and larger quantities but it will be some time before we can be self-sufficient in this matter.

We will have to import also capital goods, though we are trying to produce capital goods ourselves. The production of steel, which is going to increase as a result of the efforts made, and which also has been responsible for the imbalance that has been created to some extent, that will also help us in reducing the imbalance and in meeting our foreign exchange position when these mills come into production.

We have, therefore, got to strike a balance. If at every stage we are going to say that we will not take any risks, at every stage if Government is to be called to account in individual items, the work will become difficult. But Government feel assured by the support that is given generally by the hon. House in the matter of its policies in these matters. Therefore, I have no doubt that the difficult position through which we have been passing will also help us in improving our industrial condition, rather than take us in a reverse direction. Many a time such difficulties are necessary in order to goad us to a further effort, and that is exactly what is taking place now.

But there is also a danger of getting afraid and demoralised if we dwell constantly and persistently on the difficulties and get overwhelmed by a wrong picture that we may print before ourselves. That is all the request that I have got to make to my hon. friends here. They have to see that the difficulties are not overdrawn and that the difficulties are pointed out, not in order to switch back the progress that we are making, but in order that the difficulties may be overcome and the progress may be accelerated.

The export policy is also being vitalised from day to day. But if

anybody wants to have an account in this matter, giving particulars immediately, I am afraid, I shall not be able to satisfy those friends; I will have to disappoint them, not because of any want of desire to satisfy them, but because of the inability inherent in the position. The export policy goes on progressing and changing from time to time, as required by the situation in the world, on account of the competition that we meet with in various directions. It is possible that in some of the traditional exports that we have, we may have to fall back, in spite of our efforts not to fall back. In that case, we have to find out other directions in which we can increase our exports and make up for the lost ground in the other commodities; and that is exactly what we are trying to do.

I was asked what we have done, in addition to the Export Promotion Council that has been set up. Sir, if the proceedings of the Export Promotion Council are looked into, it will be seen that they are devoting their attention to finding out ways and means as to how best these exports can be promoted. It will also be seen that Government has been trying to attend to the suggestions made by these Councils and various steps are taken to accelerate the exports by giving either drawbacks that is, rebates on duty, giving them extra raw materials for production for export or giving such other help which, I think, it would not be wise to be disclosed at every stage and in every case, because that will also harm the drive for export in this matter. And I am quite sure that it cannot be the intention or desire of my hon. friends here to do anything which will impair the progress of exports in future.

The question of tea was particularly mentioned in this direction. We are aware of the difficulty which the tea known as "common tea" is facing.

80 per cent of our production is common tea, and a lot of it also goes for export. At present there is a uniform duty levied on the export of tea, regardless of quality or price realised, and that is what is creating the difficulty just at the moment. We have been examining this question for the last two months. But we are finding it difficult to find out some way which will benefit the common tea, and not lose the advantage given to it by the better teas taking advantage of it.

It was suggested—and it is being suggested—that this may be fixed region-wise. But there is no region where only common tea is produced and there is no region where only superior tea is produced; both are mixed. Therefore, even if we give it region-wise, then also difficulties will arise and the superior teas will take advantage of it and the common tea will go on suffering.

Shri Nausahir Bharucha (East Khandedh): Why not have an *ad valorem* duty?

Shri Morarji Desai: Let my hon. friend be a little patient. I am trying to explain it. We can also do it on the price of the tea. But if we try to do that, then we will have to segregate the common tea from the first process to the sale of tea, because then these sale auction will have to be classified differently. Therefore, the teas which fetch below the price specified will have to be completely segregated from the place of production up to the point of export.

This is not an easy matter and therefore it might, if any such action of segregation is taken, even clog the flow of trade. We have, therefore, got to go between these different difficulties and find out a way which will help the common teas. I can assure the House that Government is trying to find out a way and is hopeful that it will find out a way to help the common teas. If any time is taken over it, may I assure the House that it is not taken because of

want of regard for it but because of the inability to find out a suitable way quickly. I am quite sure that more time will not be taken over the question and a decision will soon be taken.

There is, not closure yet, but the prospect of closure of tea gardens. The Government of Assam is considering the question whether they can take them up and manage them but that also bristles with various difficulties. It is easy to say that Government should take up some of these estates and work them. But when Government takes it up and loses money, I do not know what will happen to the Minister, who will be in charge of it. He will have certainly to go. I do not think any Minister will hesitate to go in doing his duty and if he fails in his duty he should go and he will go. But I am quite sure that the House does not expect the Minister to take deliberately any wrong step from the very beginning and if that is expected then the whole House will be responsible for that wrong step and there is none to call the House to account.

Shri Braj Raj Singh: The country is there. The electorate is there.

Shri Morarji Desai: The House is the custodian of the country and if the custodian goes wrong, then God helps the country. That is what has got to be considered.

Mr. Speaker: If anything goes wrong, they will drink tea.

Shri Morarji Desai: The custodian did not allow my hon. friends to go wrong. That is their grievance. Otherwise, there would be no grievance.

Shri Ferose Gandhi (Rai Bareilly): When the loss is genuine.

Shri Morarji Desai: I am very thankful and grateful, but what is genuine and what is not genuine again becomes a matter of opinion.

Shri Ferose Gandhi: That is for the custodian.

Shri Morarji Desai: The position of exports, as disclosed by the latest figures, is that in 1956 they were Rs. 619 crores and in 1957 they were Rs. 660 crores, i.e., we have increased it by about Rs. 41 crores. But we cannot say that this is quite enough. We have got to do much more, but I think that is hopeful considering that the effort has been made only for a year and we have succeeded to this extent. Yet it will not be possible for me to give a hope immediately that this sort of progress will be maintained because there are many difficulties in the way of exports as we find in this competing world that every country is trying to do the same thing as we are trying to do. Therefore, in the matter of tea also, I may say that the exports have not decreased if a proper view is taken of the exports. If we compare it with the figure of 1956 certainly there has been a decrease in 1957, because in 1956 we exported 523 million lbs.

Shri Bimal Ghose: Give us the figures by value and not by lbs.

Shri Morarji Desai: The value changes every year and therefore value is not the criterion in exports. The criterion is the quantity and not the value, because the value is not a fixed thing. Therefore it is only the quantity that we have got to consider in the matter of exports.

Mr. Speaker: How is the hon. Minister responsible if the value goes down? *(Interruption)* Hon. Minister can only say, "We have increased the production. We have increased the exports." If in competition prices go down what is the poor Minister to do?

Shrimati Benu Chakravarty (Basirhat): It is of national importance. What is the value in the context of foreign exchange?

Mr. Speaker: As a matter of information, it is all right.

Shri Morarji Desai: I will give the value also. I do not want to hold back the value. There is nothing hidden in this Government. That is left only to the hon. Members opposite. *(Interruption)* I have nothing to hide. I will try to give every information that the hon. Member wants.

The export in 1955 was 367 million lbs. while in 1957 it was 447 million lbs. If you compare it with 1956, it is less, but when you compare it with 1955 it is much more. Now this sort of figures go on changing every year. Perhaps in the previous year you will find it somewhat more or somewhat less. But the 1956 figure was a bit exaggerated in the sense that on account of the Suez Canal difficulty and other difficulties there was a spurt. Also on account of the stockpiling more had gone. But that also brings in lesser imports in the next year. That is what happens.

Now if the value is wanted in 1955 it was Rs. 113.53 crores, in 1956 it was Rs. 143.30 crores—the difference will be seen—and in 1957 the value was Rs. 107 crores. While the export was 367 million lbs. the value was Rs. 113 crores and while the export was 447 million lbs. the value is Rs. 107 crores. Therefore, as I said, value cannot be a criterion in this matter. Of course it only means . . .

Shrimati Benu Chakravarty: Balance of payments have got to be looked after.

Shri Morarji Desai: Payments have got to be looked after, but, for what is not in our hands, we have got to find out other ways. We cannot go on breaking our heads only on matters which are not in our hands. We have got to find other ways and means and that is what we are trying to do.

Shrimati Benu Chakravarty: Monopoly auction.

Shri Morarji Desai: The question of monopoly auction has been raised in the matter of tea and it was suggested that the State Trading Corporation should take up this export of tea. If it had been possible, the State Trading Corporation would have taken it up. But I have no doubt that if the State Trading Corporation takes up the export of tea and the business of tea, not only the S.T.C. will have to be wound up but perhaps the whole Government will be in danger. That will be the result because it is not a business which can be carried on by people who have not got the experience and who do not know this business. The business is not to be done in this country. It is to be done in various countries. There may be monopolies—monopolies cannot always be avoided.

It may be argued that all hon. Members here are equal. Yet we find only a few hon. Members speak. Does that mean that there is a monopoly given to those hon. Members? It does not mean that.

Shri V. P. Nayar: It is the monopoly of the Speaker.

Shri Morarji Desai: How can it be said that monopoly is given to those hon. Members? They dare not say that, because they will be immediately liable to action. Therefore, there is no question of any monopolies in this matter. (Interruption.)

Mr. Speaker: Let the hon. Minister go on. Why should there be any running commentary? I cannot understand it. I am afraid, we are developing it as a habit.

Shri Bimal Ghose: If the hon. Minister says that there are no speakers to speak, you, Sir, are also a little bit responsible.

Mr. Speaker: Hon. Members will not refer to the Speaker for any analogy here. It is improper. Hon. Members forget the decorum in this House. It is open to hon. Members

to say anything by way of retort but they should not drag the Speaker in any comparison. It is absurd. There must be a sense of decency and decorum. We are being watched all over the world and also in the various States.

Shri Morarji Desai: I only hope my hon. friends will be a little more patient. That is all that I expect of them. It is only impatience which leads to want of decorum. But, I did not mean at all that anybody was monopolising here. I only meant that there are certain situations where only some people can do some things. They have got to be asked to do those things.

My hon. friend who spoke about rubber said that it is given to somebody in Kerala and he is not doing it. Therefore it will be said that he is not doing it and the person is chosen like that. We did not choose the person. He came. Nobody else came forward. If anybody else had come forward, he would have been given. Government cannot go on taking up every industry, managing it, launching it and maintaining it. It is not possible for the Government to do so at any time. Therefore, in this case other people come and they are prepared to produce. I do not see why my hon. friend says that there is monopoly. The Government which is run by the friends of my hon. friend in Kerala has been after me requesting me to request Shri Birla to start a factory in his own State.

Shri V. P. Nayar: That is exactly the point. In fixing up a place, why don't you fix it in Kerala? Let it be anybody. My point was, it was fixed outside.

Shri Morarji Desai: My hon. friend is trying to speak at every time even when he had spoken all that he could. He does not want to hear anybody else's voice except his own. What am I to do with it? It is not possible in this House to do that. (Interruption).

Mr. Speaker: Order, order. Cannot hon. Members keep their souls in patience for some time?

Shri V. P. Nayar: I am patient. The hon. Minister is saying something wrong.

Shri Morarji Desai: My hon. friends want me to reply or want me to make a statement. When I make a statement, they want me to make a statement as if they are making the statement. It is impossible for me to do so. I can only make a statement according to my lights. My hon. friends may agree or may not agree. They may discard it. They may go at me next time they have to speak about it.

Shri Tyagi: You will be no more in charge of this portfolio.

Shri Morarji Desai: It is not going against me. It is going against the Government. I am merely a representative. It is not a question of person. My hon. friends will not be restricted from going at me wherever I am. They can always do so. It is not a question whether that time it is deserved or not. They will go. That does not matter.

Therefore, in the matter of tea, it is not a question of monopoly. It is a very delicate question. It is easy for any hon. Member to say that this should be done or that should be done. But, I am quite sure that they will also admit that we should not tinker with the business and we should not do anything which will lessen or reduce our exports or which will disturb our business in tea. It is a highly expert business. If there are foreigners in this, they are there for many years. They started it. Whatever may be the history, they started it. They were pioneers in that and they are there. If they exploit us today, certainly it will be a reason for us to take action. But, I see no reason today to say that we are being exploited in any way. On the contrary, I find that they are not exploiting us, they are helping us in what we are doing. Therefore, it is no use merely

going in season and out of season, because of some theoretical ideologies to speak about a matter about which proper information is not there or proper knowledge is not there. More harm will be caused which, certainly, is not the intention of my hon. friends. I am glad that after getting responsibility in one quarter, they have given us the cry of nationalisation in the matter of the tea industry. They are very wise and I am very glad that they can also be wise sometimes.

The question of paper was referred to. It was admitted that there is more production. But, it was said that during the last few weeks, prices have gone up to 200 per cent. It may have gone to 200 per cent. in some scarce materials, imported paper, in some high grade paper or other things. But, for ordinary paper, prices have not gone beyond 20 per cent. at the most. We are constantly keeping track of the prices and seeing that the prices of local manufactures are not raised. I am glad to find and to say that the manufacturers in this country have responded to the appeal of this Government and have not raised the prices of almost all the products manufactured in this country and they have said that if they have got to raise the prices at any time, they will report to the Government so that the Government will examine the case and will allow them to increase or not to increase. They have agreed to abide by it. Therefore, we ought not merely to go at people because of our prejudices. In times when there are difficulties, when we want production, we should not do anything which will retard production. That is the only request that I have got to make.

There was a question about jute. I may say that in the matter of jute, there are many difficulties of competition, which are arising today. In spite of that, our jute industry is maintaining its position and there is no substantial reduction or appreciable reduction in the exports that we are making. That ought to be a satisfactory state of affairs. It is not always possible to go on exporting more and

more because we desire to do so. If we are able to maintain at such a time our exports, I think we ought to consider ourselves lucky. That is happening in this matter. Government is trying to help them.

In the matter of textiles, there should have been a large increase in production last year. But, on account of recession in that industry, that is, in consumption or in demand, consumption went down or did not increase and therefore production which was increasing decreased during the last year, especially in the last six months of the year. It was therefore that the step has been taken of reducing the excise duty as has been seen. We feel that now the textile industry will look up again and we will find that production will rise. The question of unemployment also will be tackled that way.

My hon. friends opposite asked what we are doing in the matter of closure of mills. We are not less anxious than my hon. friends there. I might say we are more anxious in this matter because we do not want to see any unemployment. We want to see more and more employment. But, we cannot immediately take up the management of all the mills which go out of action. About 24 mills have closed down out of 450 mills or so. There are always some casualties in all births. We cannot say that everything that is born will always last, and will not die. In the matter of factories, some might close on account of mismanagement, on account of other factors, on account of want of funds. If economically it is possible to start anything that is closed, we will be prepared to take it up and start it or ask somebody else to do it. If we find that it is not possible to do so or that it will be uneconomical to do so, certainly it cannot be the intention of hon. Members in this House to ask the Government to launch into a venture which will involve the finances of this country in a bad venture. That can never be done. There is a process whereby these things will be remedied. It is possible that some

of these will go into liquidation. In that case, they will pass into the hands of some people at a low cost and then it will be economical. That is one way of dealing with it. That is what is happening also. In that way, perhaps, they will be rehabilitated. We are also trying to help some of the mills both in the textile and jute industries to rejuvenate their machinery by giving loans from the N.I.D.C. Several mills are taking advantage of that and they are getting loans.

A question was raised by my friend from Sholapur about the mills there. I very much sympathise with his anxiety.

I am more anxious than him because I know the condition in Sholapur. The difficulties were great. Well, one of the mills is being started in Sholapur, and that was exactly the suggestion which I have been making for the last year and a quarter, and I am glad that suggestion has been taken up, and on that work is being done.

14 hrs.

For the other mill also, the same suggestion was given by me to the agents. The agents were not prepared to take it up with the labourers like that, but the labourers were not perhaps not well advised by some, or there was some difference of opinion; and unless they all agree, it is not possible to start a mill under those conditions. I am hopeful that even in that matter perhaps better sense will prevail, and both of them will try to work in such a way that it will come up again and prosper.

Shri Somavase: The agreement has been brought about.

Shri Morarji Desai: I know, and yet there are certain difficulties which are raised. Well, I do not think it would be wise to discuss all the difficulties that arise publicly because then they will not be removed. It is, therefore, for my hon. friend to tackle those difficulties privately and try to see that they are removed.

Shri S. M. Banerjee: I asked whether in the Kanpur Cotton Mills an

[Shri S. M. Banerjee]

official receiver was appointed, and we were told by the hon. Minister, Shri Kanungo, that some decision will be taken about it. I want to know what is the position.

Shri Morarji Desai: In the matter of B.I.C. referred to, if there is a receiver by court, I hope the hon. Member knows . . .

Shri S. M. Banerjee: I know.

Shri Morarji Desai: . . . that it becomes a legal matter. It becomes difficult for Government even to order an enquiry and go into it. We will have to make a request to the court, and unless the court permits, we cannot do anything. We will be immediately liable for contempt of court. What are you to enquire into—enquire into the mismanagement of the receiver? The moment I say that, I will be immediately hauled up for contempt of court. Therefore, we have got to be careful. We are mindful of these things, we are enquiring into it. We have already ordered an enquiry into Jessops. Richardson is presenting the same difficulty, B.I.C. is presenting the same difficulty. We are trying to look into it, and try to see what can be done in this matter. Not that Government is unmindful of it.

Shri S. M. Banerjee: I never said that.

Shri Morarji Desai: Therefore, we are trying to do it, but it is not always wise to talk of everything in public. Even if one has to be completely truthful, one should not be stupid. That is all that I have got to say.

I do not think there is much more to say because there was not much more criticism made in other directions, except in the matter of the S.T.C. and in the matter of Orissa which was referred to one hon. Member from there.

The S.T.C. has been asked to take up all sorts of things. The S.T.C. has been trying to deal with various difficult matters as they arise in order that our trade and industry can prosper,

and it will not hesitate to do anything where it thinks that it helps the cause of the country. No amount of criticism from any quarter will deter it from taking any step that it thinks is in the interests of the country, but it will be also wise of the S.T.C. not to take up anything which it is not able to manage, and that is the policy which the S.T.C. has been following, and will be following in future.

It was said that backward areas are not helped, and Orissa was cited. In Orissa there is already the Rourkela Steel Plant which is costing from Rs. 160 to Rs. 180 crores. Then there will be the fertiliser plant there which will cost Rs. 30 crores. Then there will be the styrene plant which will cost Rs. 6 to Rs. 8 crores. The Paradip port is also being helped as a minor port just now, and if further discussions in future become fruitful with the Japanese, then that also may be taken up. Iron ore mining is also being done more and more. Then, the Hirakud project is there which was to cost about Rs. 60 crores and which costs about Rs. 104 crores, and yet if Orissa says that Orissa is neglected, then God help us. Thank you.

Shri Braj Raj Singh: May I ask a question?

Mr. Speaker: Enough. More than six hours have been spent.

Shri Braj Raj Singh: Half a minute only.

Mr. Speaker: If each hon. Member takes half a minute, 500 half minutes will add up to 250 minutes.

Shri Braj Raj Singh: In view of the increasing demand for foreign exchange, will the Government think over the possibility of exporting glass bangles, for the manufacture of which Firozabad has the monopoly in the whole world, to countries outside India and propagate the utility of these glass bangles in foreign countries as a means of ultra-fashion for ladies?

Shri Morarji Dasai: The presenting of bangles to anybody is considered a bad thing.

Shri S. M. Banerjee: Only one question.

Mr. Speaker: Hon. Members will kindly remember that such analogies and such talk about the fair sex is no longer allowed in this country, much more so in Parliament where all are equal, men and women alike. Let there be no humour indulged in so far as sex is concerned.

Shri S. M. Banerjee: Only one question.

Mr. Speaker: I have allowed a sufficient number.

Are hon. Members anxious that I put any cut motion to the vote of the House?

Shri S. M. Banerjee: I only want a clarification.

Mr. Speaker: The clarification is there. The hon. Minister will be here. Hon. Members who are not satisfied with all that has happened here will go to the hon. Minister. He is only here in the next room.

The question is:

"That the respective sums not exceeding the . . .

Shri V. P. Nayar: Do you not put the cut motions first?

Mr. Speaker: I asked hon. Members. He was talking to some other friend. Therefore, he did not tell the number.

Shri V. P. Nayar: I thought all the cut motions together would be put to vote. We do not press for any particular cut motion. It has always been usual that the Chair puts all the cut motions together.

Shrimati Renu Chakravartty: They have been moved. What happens to them?

Shri V. P. Nayar: We had intimated at the table that we were going to move particular cut motions. All of them could have been put together

in order to save time; otherwise we can press for each to be put separately.

Mr. Speaker: All right. I now put the cut motions to the vote of the House.

All the cut motions were put and negatived.

Mr. Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1959, in respect of the heads of demands entered in the second column thereof against Demand Nos. 1, 2, 3, 4, 5 and 106."

The motion was adopted.

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

DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY

"That a sum not exceeding Rs. 60,89,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Ministry of Commerce and Industry'".

DEMAND NO. 2—INDUSTRIES

"That a sum not exceeding Rs. 24,66,74,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Industries'".

DEMAND NO. 3—SALT

"That a sum not exceeding Rs. 1,44,87,000 be granted to the President to complete the sum

[Mr. Speaker]

necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Salt'".

DEMAND No. 4—COMMERCIAL INTELLIGENCE AND STATISTICS

"That a sum not exceeding Rs. 73,16,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Commercial Intelligence and Statistics'".

DEMAND No. 5—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY

"That a sum not exceeding Rs. 1,74,75,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'".

DEMAND No. 108—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

"That a sum not exceeding Rs. 11,86,07,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'".

MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH

Mr. Speaker: The House will now take up discussion on the Demands

for Grants Nos. 13, 14, 15, 16, 17, 18, 19, 20, 21 and 109 relating to the Ministry of Education and Scientific Research. As the House is aware, 5 hours have been allotted for the Demands of this Ministry.

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

The time-limit for speeches will, as usual, be 15 minutes for the Members including the Movers of cut motions, and 20 to 30 minutes, if necessary, for leaders of groups.

Even this reading out takes some time. This will be adopted as the formula for all the Demands in future. Of course, I will only refer to the numbers of the Demands. Otherwise, without any ado, we shall start the discussion.

DEMAND No. 13—MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 63,81,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of Ministry of Education and Scientific Research'".

DEMAND No. 14—ARCHAEOLOGY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 1,00,56,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1959, in respect of 'Archaeology'".