

12.43 hrs.

CORRECTION TO REPLY TO
STARRED QUESTION NO 775

The Minister of Education (Dr. K. L. Shrimall): In part (a) of the statement laid on the Table of the Lok Sabha in reply to Starred Question No 775 asked by Sarvashri Warrior, Sadhan Gupta and others in the Lok Sabha on the 2nd March, 1959, I had stated that three employees of the Banaras Hindu University were suspended, served with show-cause notices and subsequently dismissed from the service of the University

The actual position is that the services of these three employees were terminated, they were not dismissed as stated in reply to the question

Shri Vajpayee (Balrampur) Am I to understand that no show-cause notice was served on these three teachers and no explanation was called from them and their services terminated without hearing them?

Dr. K. L. Shrimall: It does not arise out of the statement

Mr. Speaker: It does not arise out of this. The hon Minister has only corrected saying that, instead of dismissal, they were served with termination notices. Whether notice has been given or not, etc, is not the matter which has been corrected (Interruptions)

Shri Nagi Reddy (Anantapur) What are the grounds on which they were terminated?

Mr. Speaker: We are not going to reopen that question now. Hon Members have immense opportunities, nothing prevents them from tabling another question

Shri Tangamani (Madurai): Even on the question of termination, we would like to know whether notice was given to them

Mr. Speaker: It does not arise out of this; Mr Tangamani knows how to frame questions.

12.55 hrs.

DEMANDS FOR GRANTS*—contd.

MINISTRY OF COMMERCE AND
INDUSTRY—contd

Mr. Speaker: The House will now resume discussion on the Demands for Grants relating to the Ministry of Commerce and Industry. Out of 7 hours allotted for these Demands 2 hours and 35 minutes remain

How long does the Minister propose to take?

The Minister of Commerce (Shri Kanungo): Shri Lal Bahadur Shastri will take about 45 minutes

Sardar Hukam Singh (Bhatinda): One will take about 20 minutes and the other about 45 minutes

Shri T. B. Vittal Rao (Khammam): What about the Company Law Administration?

Mr. Speaker. Whichever Minister wants to explain something, he will speak

Shri Somani (Dausa) Mr Speaker, the vital role that the Commerce and Industry Ministry plays in the economic field cannot be over-emphasized. Indeed the activities of this Ministry are almost unlimited. Yesterday evening, Mr Shah gave us a really impressive and optimistic picture of the progress that has been achieved or is expected to be achieved towards self-sufficiency in several vital sectors of our economy. For instance, we are at present producing about Rs. 80 crores worth of capital goods and equipment and our imports are of the order of about Rs 110 crores to Rs 120 crores. In another item, in the matter of basic raw materials, at one stage when our foreign exchange position was easy, our imports were of the order of about 480 crores per annum. Even now, the import of basic metals including steel is worth about Rs 131.51 crores in 1958 as against Rs. 188.90 crores in 1957. We can, therefore, very well realise the

*Moved with the recommendation of the President

[Shri Somani]

tremendous progress that the Ministry has been able to achieve or is expected to achieve in the matter of attaining self-sufficiency in these important items like heavy machineries, basic raw materials and heavy chemicals, about which quite a hopeful picture was given by the hon Minister of Industry yesterday evening

The question of industrial production also has been dealt with quite satisfactorily, in spite of the tremendous difficulties with which we are faced in the field of foreign exchange. Of course, it will be evident that the tempo of industrial development has somewhat slowed down in 1958 as compared to previous years. We find that whereas the index of industrial production rose from 122.4 in 1955 to 132.6 in 1956, i.e., more than 8 per cent it went up to 137.3 in 1957 which represents an increase of only 3.5 per cent. The rise in 1958 has been even less. In this connection, we have to assess the progress of industrial production in the context of the difficulties which some of our major industries are facing. For instance, there was a tremendous fall in the production of cloth and yarn and, to that extent, the overall average increase was adversely affected. Even then it is quite clear that the average increase of 7.8 per cent in the industrial production has further slowed down. I would, therefore, appeal to the hon Minister to take some more additional positive measures to ensure that our tempo of production increases and we have progressive and impressive figures than in the former years. After all, if we are to tackle the complicated question of unemployment it is very essential that the tempo of industrial production should continue to rise. It should be possible for both the private and public sectors to march forward in the programme of industrialisation in a progressively increasing manner.

In this connection, I would also like to refer to the question about the prices of manufactured goods. It will

be evident that in spite of the tremendous increase in the cost of manufacture, the industries concerned have been able to maintain the prices almost at the previous levels. For example, according to the data given in the Economic Survey, the price index of food articles rose from 100.8 in February 1958 to 114.3 in January 1959. Similarly, the price index of industrial raw materials rose from 111.1 in February 1958 to 114.1 in January 1959. Yet, the price index of manufactured goods rose only fractionally from 107.5 in February 1958 to 109.4 in January 1959. Even this small fractional increase was due to factors beyond the control of the industries.

I would, in this connection, like to suggest that the problem of maintenance of industrial cost at a reasonable level should be given proper consideration as it is very necessary and urgent that the prices of manufactured goods should be kept at a reasonable level in order to enable our various industries to compete in the international market and also to cater to the needs of the internal market. The question of keeping the prices of manufactured goods under control is of such vital importance that I would like to suggest that the Planning Commission and the Ministry of Commerce and Industry should make an urgent review of the various factors which have gone to bring about a very significant increase in the various items of manufacturing cost. They should also consider as to how to bring down the cost of manufacture in a scientific manner so as to ensure that our cost of manufactured goods will not increase to a prohibitive level which will affect our exports as also our economy in various other ways.

Coming to the question of export promotion, I quite realise that the Ministry has taken a series of measures during the last two years to boost up our exports. There is no doubt that due to these various

measures the Ministry has been able at least to withstand the declining tendency which has appeared in the first half of 1958. Even then, the figures of exports do give us cause for concern. As a matter of fact, our total export earnings in 1958 have been about Rs 40 crores less than the figures of 1957. Here I would like to make a few suggestions about exports so as to enable our country to continue to increase our exports to a level which will meet with the requirements of our foreign exchange.

I would first like to take up the question of the textile industry. In spite of the fact that the Ministry has taken certain measures to give incentives for the expansion of exports the picture still continues to be depressing. If one analyses the export figures during the first two months of 1959 the position will be quite clear. While we had exported 175.71 million yards in the first two months of 1957 and 121.37 million yards in the first two months of 1958, our exports in the first two months of the current year were only 95.48 million yards. This clearly shows that the industry will not be able to achieve the export figures of 1958, not to talk of the figures of 1957 if the present trend of exports is to continue. The reasons are not far to seek.

In this connection I would like to draw the attention of the hon. Minister to the serious difficulty which the industry is facing due to the tremendous rise in cotton prices. What is the position today? The price of cotton in other countries has gone down so tremendously that the Indian cotton price bears no parity to the world cotton prices. For instance, the Vijay cotton price in Bombay stands at Rs 970 per candy while similar cotton, MP cotton, in Karachi is sold at almost Rs 300 per candy less than the price ruling in Bombay. That shows the disparity in prices which the Indian cotton mills have to face in the matter of purchase of cotton. Apart from that the incentives which the Pakistan Government have given

for promoting exports are far more liberal than what our Government have done. Therefore, over and above such cheap cotton which they are able to get they are also in a position to avail themselves of much more liberal incentives which the Pakistan Government have allowed. It is due to these factors that the Pakistan textile industry has been able to export almost the entire year's production in the two months of the current year.

Further, the industry has also to face competition from Japan and UK and, in the recent past, from China. Therefore, in the light of all these difficulties, it has become rather urgent for the Government to take note of these difficulties and they should take urgent measures so that the industry would be in a position to enter the international market for textiles on a more competitive basis. I hope this matter is engaging the attention of the Ministry. It is very desirable that some action to liberalise the scheme of incentives, which is already operating, is taken in the immediate future so as to enable the textile industry to continue to cater to the export market at a level which will meet the needs of the situation.

Similarly there are other items of export also which require constant attention from the Ministry. For example the exports of manganese ore and iron ore have also fallen considerably. I understand in Rajasthan several of the iron ore mines have closed down as they are faced with a very difficult situation. In spite of that fact, their representation for certain relief in railway freight has not been responded to favourably. I understand this matter is under consideration and negotiation between the Ministry of Commerce and Industry and the Railway Board. But I would suggest that in these matters quick action should be taken. If the policy of the Railway Ministry is to regulate their freight structure in a manner which will promote the exports then there is no reason why this matter about giving some relief

[Shri Somani]

for the export of manganese ore and iron ore is not being satisfactorily settled. Already a long time has elapsed after this matter was originally taken up. I would therefore appeal to the hon. Minister to use his good offices with the Ministry of Railways and bring about such action as would enable our exporters of iron ore to compete on a satisfactory level with others.

The difficulty which the textile industry is facing is a very well-known fact. I also know of the difficulties under which the textile units in Rajasthan are working. Out of eleven mills in Rajasthan, four are already closed. Quite a few of them are on the verge of closing down. I would like to draw the attention of the hon. Minister to the representation made by the U.P. Government in this regard. The textile units there are in a much more favourable position than in Rajasthan. There also, the State Government has felt the need of asking for some special concessions and facilities if the units are to continue to function properly. The uneconomic units, either in U.P. or Rajasthan or Bihar or other places, require to be specially taken up and the Government, I think, will be well-advised to take up an urgent review of the economic conditions under which these units are functioning so that the closing of further units may be averted. This is a very important task and I hope the Minister will look into this state of affairs and take such short-term measures as will enable these units to tide over the crisis.

References were made about the regional disparities and about the measures which the Government should take to bring about the expansion of industrial development in the areas which are backward. There is no doubt that, within the overall policy laid down, the Ministry has taken such steps as will enable the backward areas to come forward. There is no doubt that the Ministry has been doing its best in this direc-

tion. The Ministry has taken some measures to promote industrialisation in the backward areas. But the fact remains that all these measures have not solved the problem of the backward areas and they continue to suffer under certain handicaps. The situation will continue unless some more positive steps are taken to promote industrialisation in the backward areas. It is in that context, Sir, that I would request the hon. Minister to examine the whole question of regional disparities with a view to giving certain extra incentives for the development of industries in those backward areas. May I, in this connection, Sir, draw the attention of the hon. Minister to the recommendations made in this respect by the Taxation Enquiry Commission? I would like to mention about that recommendation, although that recommendation was made in connection with the development of certain selected industries and in another context. It was suggested by the Taxation Enquiry Commission that a tax holiday for a period of six years should be given for the development of those important industries which, otherwise, would not be developed. Some such measures of giving tax holiday for the development of industries in those backward areas must be taken up for a certain period, and I am hopeful, Sir, that this will definitely bring about a revolutionary expansion of the industries in those particular areas. I do not think from the revenue point of view it will make any substantial difference. After all, more industrialisation will lead to increased revenue. If certain extra preferential treatment is given in those areas which are at present backward, I have no doubt that that step will go a long way in solving this particular problem, which, as the hon. House is aware, is coming before it time and again.

Let me not be mistaken, Sir, that I am under-rating the measures that the Government have taken so far. Government have taken certain measures.

but the problem is so acute that within the overall policy of industrial development these measures have not been able to make any impact on this vexed question of the development of the backward areas I think, Sir, something more than what has already been done should be thought out It is quite true that there have been difficulties of foreign exchange The limitations of the Ministry are quite obvious It is possible to accelerate the pace of development if some more positive measures are taken to give a practical shape to this idea so as to bring about this pace of increased industrialisation in the country In that context, certain suggestions have been made from time to time from the private sector that so far as the foreign exchange issue is concerned, the private sector is in a much more favourable position in negotiating collaboration and other sorts of assistance with several institutions in the foreign countries If only the Ministry will be much more liberal to give adequate facilities, it will be possible for the private sector to intensify this tempo of industrialisation based on the collaboration with foreign entrepreneurs

In this connection, several suggestions have been made from time to time and indeed, it has been pointed out that so far as the private sector is concerned, the foreign exchange position is not so acute as in the case of the public sector projects With the goodwill that is created in countries like Germany America and U.K., it is possible for the various institutions there and the various entrepreneurs there to come forward with their collaboration and with various schemes in a manner which will allow the private sector to develop their activities in a better manner It is, therefore, Sir, in that spirit of utilising the goodwill that prevails in those countries that I appeal to the hon Minister to give such facilities and such concessions which will enable these foreign collaboration schemes to fructify In the matter of industrial

development and in the matter of promotion of exports, while there is no doubt that the Ministry has been able to function remarkably well in keeping the tempo of industrial development, still, it is a fact that much more remains to be done If really we have to make any appreciable impact in the direction of removing unemployment in the country, the serious menace of which is obvious to everybody, it is necessary that much more radical and much more positive measures should be taken to ensure that that increased tempo of industrialisation will fructify and which will enable us to march forward progressively

Shri Viswanatha Reddy (Rajampet) Mr Speaker, Sir, instead of trying to cover the whole activities of this Ministry, I would like to confine my observations to the small industries and the cottage industries and the khadi industries This industry has been rightly described as 'Industrial democracy' It has been said that the small industry is well-suited for standing up to all the passing winds of adversity that overtake industries now and then The advantages of having the small scale industries are well known the world over That is why all over the world, and particularly, in this country, there is a movement towards the setting up of small scale industries in a dispersed manner When we think of small industries, we try to take Japan as a model for small industries No doubt, Japan has done a great deal towards development of these small-scale industries The other day, when I was browsing through certain papers connected with small industries I came across certain figures pertaining to the USA, which I think I should place before the House In the USA there are as many as 4 million small businesses, producing nearly 50 per cent of the total industrial production of the whole country It is said that there are 15 small enterprises for every 1000 of the population in the USA Calculating on this basis we, in this country, would need nearly

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about 80 lakh small scale industries to attain the same standard. Of course, it is not immediately possible for us to reach that very high standard. But, that is a picture that we should constantly keep in view which will remind us from time to time of the size of the problem that we have attempted to solve and the energy that we have to put forward to reach that objective.

There is another aspect of the small industries movement in the USA also. We have the Small Industries Board and the National Small Industries Corporation, and in the recent past, we are thinking of establishing a large number of ancillaries to the big industries. Let me give to the House figures of the ancillaries as they exist in the USA. The General Electric Corporation of America places orders on as many as 17,000 small units for its manufactures. The US Steel Corporation places orders on as many as 54,000 small industries to fulfil its obligations. So also, General Motors—the three big Automobile Combines in the USA which produce nearly 85 per cent of the automobiles in that country, place orders for nearly 75,000 small units which have come up round about these factories. That is the pattern which we should try to evolve, in this country also. I am glad to notice that the Small Industries Corporation is trying to evolve certain patterns in this direction.

Let us examine for a while the pattern of organisation that we have tried to evolve in this country in order to develop small industries. It is said that the primary duty of setting up small industries vests with the State Governments. Then comes the National Small Industries Corporation. Then we have the extension services given by the Joint Development Commissioners functioning directly through the Ministry of Commerce and Industry, which are supposed to give technical advice and that sort of information to those who

are engaged in small industries. All this plurality of organisational effort, I think, is not quite needed for the particular outlook that we have. It has been decided recently on the advice of the National Small Industries Board that all these institutions must be located in a particular place and that each State should have an organisation independent of any other organisation. That is to say, in all the States we had originally an organisation to promote small industries. In future, we are going to have a State organisation. I do welcome this decision. I would request the Ministry to go further and integrate the activities of the Small Industries Corporation and the various service institutes and the Joint Development Commissioners, functioning directly under the Commerce and Industry Ministry. What is the special merit or advantage in keeping all these Joint Development Commissioners directly under the Commerce and Industry Ministry when we have entrusted the work of the development of small-scale industries to an autonomous corporation—the National Small Industries Corporation? I do not see any objection in integrating the functions of all these institutions with the National Small Industries Corporation itself. It is a specialised body and if there is any necessity to make subsidies or grants to this Corporation in order to meet the expenses of the Service institutes also under the Joint Commissioners' organisation it is possible to do by way of grants and I do not see why any separate organisation is needed for this purpose. Therefore I would very strongly recommend to the hon. Minister that such a step should be taken along with the latest decision that all these organisations should be located in a single building.

All these three or four years' work towards the promotion of small industries has just now resulted in the setting up of a countrywide organisation for encouragement of these small industries. The whole

organisation is just now poised for elaborate functioning and I have no doubt that future years will see gradual achievements in this direction. We have heard from time to time criticism that the Government is talking too much about small industries, but achieving very little. I must say that the first few years have been taken away not only in putting up the organisation, but also in creating an atmosphere all over the country among the people, particularly in areas where industrialisation has been very poor, the atmosphere, or incentive or desire among the people to put up small industries. The creation of such a desire is a great achievement which the Small Industries Organisations have been able to do during the last 3 or 4 years. The whole thing is well organised and I am sure, in times to come, concrete results would also be shown by these organisations.

It has been suggested yesterday by several speakers that regional industrialisation should also be taken into account by the Government of India. The hon. Minister has given his reply to such a plea. I do appreciate the various points that were made by the hon. Minister yesterday in his speech in this connection, I would join with my hon. friend Shri Somani when he suggested that a sort of tax holiday has to be given in order to see that backward areas develop in industry, not only for the purpose of development of big industries, but also for the purpose of development of ancillary small industries in backward areas. Because, one of the main objects of the activities of the National Small Industries Corporation is to see that a larger number of small industries come up in the backward areas, particularly

When we see the map of the country in which are marked the centres for production through small industries, we find a great deal of concentration in the Bombay area, Bengal area and the Punjab area. All the other areas are just blank. It is our

endeavour to see that all these blanks are filled up as quickly as possible. I can certainly understand this concentration in the preliminary period in Bombay and Calcutta, because, they have always been industrialised and development of small industry as ancillary to the big industry has great importance in these two regions. But, in the Punjab, development has been very rapid. The reason for that, if we consider it carefully, can be traced to the fact that a Punjabi gentleman is a great adept in mechanical things.

An Hon. Member: In the small-scale sector.

Shri Viswanatha Reddy: Yes, in the small-scale sector. I am only talking about the small-scale sector. That is why this encouragement which was started four years ago for the setting up of small-scale industries there was taken full advantage of by the people in Punjab, and as a result of it, the concentration has come to pass in that particular area. Now, after these four years, the scope of small industries is fairly well understood all over the country. And given enough facilities, I have no doubt that this concentration will also develop in other parts of the country.

Now, may I bring to the notice of the House certain small defects which could be easily rectified in the functioning of this small industries movement? As I have submitted already, the integration of the small industries corporation with all the service institutes would go towards the development of these small industries all over the country.

In the matter of producing literature and making proposals for further small industries, now, the general method is to entrust certain officers with the work of making proposals for new industries. During these four years, as many as about 120 proposals have been published, and they have been circulated to those who are interested in the subject. I would suggest that a separate cell be created or a separate department be created

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which would go into the question of making proposals for these small industries. Now, we have a large amount of equipment needed not only for our defence industries but also for our railways, and many of those things are supplied through the Director-General of Supplies and Disposals. If we only go through the various items that figure in our export and import trade, we can easily think of a large number of items which can be indigenously manufactured through the small-scale industry sector.

Also, on the chemical industries side, very little seems to have been done, and very little thought has been bestowed towards the setting up of small-scale industries in the chemical sector. Therefore, I strongly plead for the establishment of a separate cell for working out proposals for new industries both in the engineering and in the chemical sector.

We have also heard from time to time criticism about the various items of expenditure under the head 'khadi and village industries'. Recently, I had occasion to go through an article written by an officer belonging to the ICS who has been very critical of the amounts that are being spent on the development of khadi, and in fact, his conclusions are that for the production of every yard of khadi, the Government of India are spending as much as Rs. 10. I would like to contest this statement and also the criticism underlying that statement.

In the Second Five Year Plan, we have set apart about Rs. 175 crores for the development of khadi as well as village industries and small-scale industries. Out of this amount, the small-scale industries take away nearly Rs. 70 crores. So, Rs. 105 crores are available for khadi and village industries. All this amount is not spent away by way of grant or subsidy. A considerable portion of this amount goes by way of loan which is recoverable in a period of four or five years. Placing this amount at Rs. 45

crores, we arrive at a net figure of only Rs. 60 crores for the production and development of khadi and the promotion of village industries all over the country. As against this expenditure, what are the results that we seek to achieve?

As is well known to the House and also to those who are critics of this policy, the very object of creating khadi and village industries in our country is to provide employment for a large number of people who are otherwise unemployed. Therefore, the very nature of the programme is labour-intensive. The potential of employment that is provided by khadi and village industries today is 28 lakhs. To provide employment to 28 lakhs of people in our country, in the present context of capital-intensive industries would need capital of the order of nearly Rs. 1000 crores. Since we cannot afford to create so much of capital for this purpose, and since it is not possible also to disperse the employment, even if we are prepared to spend this sum of Rs. 1000 crores, the only alternative for us is to pursue this programme of khadi and village industries. It does not need a great deal of knowledge in economics to discover that this programme can only be a temporary measure, in the sense that the moment we are able to achieve full employment in this country, all these programmes need not be pursued. But until then, it is the duty of any civilised Government, and particularly a Government belonging to the Congress Party, to provide employment for all its citizens or at least for as many of its citizens as possible. Therefore, if we view this question from a human angle, it is absolutely necessary that this programme has to be gone through. I am sure the critics who are very loud in their criticisms of this programme are living in an ivory tower, and from an ivory tower, it is very difficult to see the human problems that are existing in our country and which are sought to be solved by the

enlightened policies of this Government.

Having disposed of this criticism, I would like to make a passing reference to another matter. When Shri Manubhai Shah concluded his speech yesterday, I was hoping to put a question to him about this matter. This is in relation to the Agfa factory which is sought to be set up in Ootacamund in South India. Negotiations with regard to this factory are going on for the last two years, as far as I know. I do not know where the hitch lies. As far as I understand, the machinery is kept ready in Germany for the purpose of being exported to India. And if the Government of India decide to enter into a contract, the factory could be set up in the course of a few months. I do not know where the hitch lies. I would be very happy if the hon. Minister would kindly enlighten the House on this point.

The Minister of Industry (Shri Manubhai Shah): I have clarified this matter on the floor of the House several times. The East German Government delayed a long time in making us the final offer, and the offer which we finally received from them says that till 1964, they cannot deliver any machinery, and the delivery can only begin in 1964. Therefore, we are now going to negotiate with several other concerns in the world, and we hope that when offers are received from different people, the same will be considered. The delay has not at all been on our side but it has been on the side of the party which we chose for collaboration.

Shri Viswanatha Reddy: I am very glad to have this assurance from the hon. Minister. For, when I went to visit this factory recently, they showed me one or two units and said that these units were ready for being set up in India, and the delay was only on the side of the Government of India. Therefore, I am very glad that the clarification has come authoritatively from the hon. Minister, and I would like to accept it as such.

Now, I would make a brief reference to the activities of the State Trading Corporation.

Shri Manubhai Shah: Did the hon. Member visited East Germany?

Shri Viswanatha Reddy: Yes, I visited the Agfa factory in Wolfan in East Germany.

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): They are not manufacturing machinery.

Shri Viswanatha Reddy: They are manufacturing raw films.

Shri Manubhai Shah: This is for making films; this relates to machinery for making films. It does not relate to raw film import.

Shri Viswanatha Reddy: I mean the machinery for manufacture of raw films. That was the factory that I visited.

Mr. Speaker: Is it not that factory with whose assistance the factory in Ootacamund is going to be established?

Shri Manubhai Shah: Yes, Sir. I do not know whether he went to East Germany. For, there is another Agfa factory in West Germany; and we were collaborating with the East German Government, the Federal Democratic Republican Government of East Germany. They have not at all manufactured the machinery. They have written to us that the first project report can be only prepared and started by the end of 1961, and the delivery of the machinery can only start, in view of the demand of the East German Government, in the Third Plan, only from 1964. May be at that rate it may be completed in 1968, in which this country is not interested.

Mr. Speaker: There seems to be a delegation from East Germany going round now.

Shri Manubhai Shah: No delegation went out.

Mr. Speaker: They are here in India.

Shri Manubhai Shah: Not for the raw films, Sir. It is a parliamentary delegation.

Shri Viswanatha Reddy: I do not know where the confusion is. Anyway, I visited the factory which manufactures raw films in East Germany in a place called Wolfan. They showed me two units which they said were ready to be shipped. They say one thing to me and another to the Government. It is up to this Government and the other Government to decide between themselves.

I am very happy that in this debate several complimentary references have been made to the activities of the State Trading Corporation. When the STC was set up, there was a lot of criticism, and even mud-slinging against the activities of this organisation. Now, the people concerned seem to have reconciled themselves to the situation and the activities of the STC are being greatly appreciated. I am very happy to notice this change in the atmosphere and the temper of the country as well as this House, and I am sure in the years to come the functions of the STC will also be enlarged, and the foreign trade that has been developed so far by the STC will also increase further for the mutual benefit of the countries of the world, and particularly our country.

Mr. Speaker: Shri Sarhad: Hon. Members will have ten minutes each.

Shri Ajit Singh Sarhad (Ludhiana): The Ministry certainly deserves compliments on its achievements in the field of commerce and industry. It has a very important role to play, as it has to foot the bill of food by increasing exports. But there is one aspect to which I wish to draw attention, and that is in relation to the production of agricultural machinery like agricultural implements, tractors and fertilisers.

For many years to come the emphasis must be on agriculture, and for that reason, agriculture is to have priority in the Third Plan. Since we are going to adopt co-operative farming, where the holdings would be larger, and for that we will need agricultural machinery. I am not one of those who feels that limited mechanisation of agriculture would result in any displacement of labour. Cattle wealth is good, but unlimited idle and old cattle will be a drain on the country's food. Hence we must consider how far it is necessary to go in for mechanisation, and that is very essential when we have co-operative farming as the basis of our agricultural system. Hence, more attention *should be paid to the production of* agricultural machinery, particularly small tractors.

It pained me very much to find from the Report that though the installed capacity of 42 units for the production of agricultural implements in 1957 was 20,020 tons, the production was only 15,224 tons; and in 1958 while the installed capacity decreased to 19,696 tons, the production has been still lower at 13,000 tons. Similarly, in the matter of pumping sets, road-rollers and tractors, the progress has not been creditable. Hence, more attention should be paid to them.

In the matter of fertilisers, the Ministry knows very well that we cannot meet even 50 per cent of the demands of the States, and the demands made by the States are not even 20 or 25 per cent of their actual requirements. So, you can see the condition we are in relation to fertilisers. The factory at Sindri is on trial production of urea and double salt. Similarly we are going to have it at Rourkela, and we are having a fertiliser factory at Nangal. Why should not efforts be made to increase the productive capacity Nangal factory now that it is under construction particularly when the hon. Minister has

conceded that there is regional disparity in the matter of industrial development in different States.

Particularly, Punjab suffers from this. The hon. Minister knows very well that in the matter of heavy industries, Punjab's per capita investment is 13 as compared to 98 in Bihar and more than 100 in Bengal. That disparity can be reduced by increasing the production potential of the Nangal rethuser factory which is under construction.

I am glad the hon. Minister is very much alive to the need for the removal of these regional disparities and I hope tangible steps will be taken in this connection.

Some suggestions have come from the hon. Members who preceded me, but I would draw the attention of the hon. Minister to certain facts. He knows very well that Punjab is a cotton-producing area, and is exporting cotton worth crores of rupees. But see the condition of the textile industry there. It is very deficient, and the figures speak for themselves.

Punjab had only two spinning mills and three composite mills with a spindlage of 88,000 and loomage of 1,383 at the beginning of 1958 when the total in India was 470 mills (175 spinning and 295 composite) and the total installed capacity was 130,54,098 spindles and 2,01,280 looms. Despite this, no attempt has been made to improve matters in the Punjab.

The hon. Minister has said that new spindles are given to mills in the under-developed areas, but in the expansion schemes it is the old factories and mills that gain. I speak subject to correction. I hope that in the matter of new mills the claims of the under-developed areas will be taken into consideration and more tangible steps taken in this connection.

Under the Industrial Policy Resolution of the Government, financial aid to co-operatives is not banned, rather

it is to be encouraged. Then, why not the co-operatives in the Punjab be encouraged to open textile mills and small-scale industries with the help of the Government of India? That is one of the means by which not only disparity in the distribution of industry can be removed but the consumer also could be very much benefited. As the hon. Minister knows very well, small-scale industries have got certain advantages. Firstly, they provide immediate large scale employment. Secondly, they offer a method of bringing about the most equitable distribution of the national income. Thirdly, they facilitate effective mobilisation of resources of capital and skill which otherwise remain unutilised.

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In this connection, as you know very well, the Punjab has got the biggest concentration of small scale industries. I am glad the Minister has appreciation for the mind of the Punjab who has got a tendency to develop industries. But despite all the efforts and good wishes of the Minister, I am afraid not much has been done in this connection.

Let me take the instance of hosiery in Punjab. Hosiery is one of the most important industries in Punjab. It is centred in Ludhiana. It has a capital investment, I am told, of about Rs. 3 crores. It gives employment directly to 10,000 people and it was producing goods worth Rs. 4—Rs. 5 crores, one-fourth of it for export. But what is the position now? It has very much dwindled down. It is practically liquidated, because of non-standardisation of goods and bad quality. What are the reasons for this? Possibly it is because there have been no co-operatives. Efforts should be made to run the industry, on a co-operative basis. Then there is the question of cheapness of production. Attention is necessary in that regard.

Then take the case of the cycle industry. The cycle industry has made

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very much progress. But unless efforts are made to bring about an agreement between the bigger units and the smaller ancillary units as to the manufacture of components by the smaller units, the industry will not prosper. But I would suggest that this should not be left to agreement between the smaller units and the bigger units. This should be done by legislation whereby a certain percentage of the component parts will be manufactured by the smaller units and the bigger units will depend upon the smaller units for that percentage of component parts.

I concede that efforts have been made in this connection. If you look at the report, you will see that in the case of about 8 or 10 bigger factories, agreement was brought about with the smaller units. But I do not find the name of the Atlas Cycle Factory of Sonapat, which is one of the biggest units in the industry, in this list. I would not go into details. But I would only draw the attention of the hon. Minister to this, that efforts should be made in regard to the hosiery industry and the cycle industry, both for provision of raw materials as well as for the conclusion of an agreement between the smaller units and the bigger units of the cycle industry in regard to the manufacture of component parts.

There is another industry to which I wish to draw the attention of the hon. Minister. It is the silk industry of Kashmir. At one time, we had a very wide market for this industry. The silk of Kashmir was considered the best and had, in fact, been taken in the fashion markets of Europe. But we do not find that reputation for the silk industry in Kashmir now. I do not know the reasons for this. But things need looking into. It may be that the individual effort has not been successful. It may be that it needs some co-operative basis.

Another industry, to which I wish to refer, is the jam industry. Kashmir

is producing very delicious and good kinds of fruit. I do not know why attention has not been paid to that. If we have a jam factory near about Pathankot, all the fruit of Jammu and Kashmir could be utilised.

Shri Ansar Harvani (Fatehpur): That is dealt with by the Food and Agriculture Ministry.

Shri Ajit Singh Sarhadi: This can very well be looked after by the Ministry of Commerce and Industry.

Shri Ansar Harvani: No, they do not.

Shri Ajit Singh Sarhadi: The last point I want to make pertains to a centre for forward contract in gur. It relates to the constituency of my hon friend, Ch. Ranbir Singh. He also referred to it in his speech on the Demands for Grants of the Food and Agriculture Ministry, but then objection was raised on the ground that it pertained to the Ministry of Commerce and Industry. Now, sanction has been given for the formation of 4 centres in UP and one at Delhi. It has been considered that Delhi and Punjab are one. Punjab is considered as the second biggest gur producing State and Rohtak is the centre. There is no reason why we should have the forward contract centre at Delhi which is at one corner. Why should it not be at Rohtak which is a central place? The hon. Minister will appreciate that in the matter of the establishment of a forward contract centre for cotton seeds, Abohar was rejected, as it was in one corner, and the place chosen was Bhatinda. In the report, it is mentioned that Abohar was rejected because it was in one corner. Delhi is considered to be a corner of Punjab, yet it has been accepted whereas Rohtak has been rejected.

So I would draw the attention of the hon. Minister to these facts and commend the work of the Ministry and support the Demands.

Shri R. Narayanasamy (Periyakulam): Mr. Speaker, S.r, first of all, I thank you for giving me an opportunity of speaking here. After getting freedom for our country, every Ministry has focussed its entire attention on developing our motherland in many ways. As a result of this, India has improved a hundred-fold in every direction. The world is watching the wonderful progress we make with our poor capital, foreign assistance from friendly countries, manpower and natural resources. We all know that the cuts in the foreign exchange have made it difficult for the Commerce and Industry Ministry to import raw materials and capital goods.

It is not out of place to mention here that due to the shortage of foreign exchange, there was a decline in production in some industries. Special steps should be taken to solve the foreign exchange difficulties in the development of small scale industries. The success of khadi and village industries and handicrafts depends on the administrative organisation entrusted with the task of executing the plans. The National Extension Service and the Community Projects, which have spread all over the country extensively may be utilised profitably in this connection. The Community Project authorities should see that at least 10 artisans in every mother village can get trained in cottage industries on modern lines and the villagers are inoculated with the spirit of a new life.

The administrative set up in the higher level is all right, but in the lower strata it is not so. The village merchant finds it difficult to obtain a licence, and the village artisan cannot even get necessary financial aid. These difficulties may be eradicated very easily if sufficient attention is paid by the department. Generally speaking, in every line there is good progress in spite of the fact that this Ministry has to discharge its duties widely.

I would like to say a few words concerning the plantation industries

By constituting the Tea and Coffee and Rubber Boards, these industries have improved to a great extent. Facing so many difficulties, these planters are getting fair prices for their produce. All the Boards are working satisfactorily.

I represent the Periyakulam constituency containing many cardamom plantations. So I want to say something about cardamom and the Cardamom Board to be newly formed. What made Columbus circumnavigate the world; why did Vasco de Gama sail to India? Spices of India, especially cardamom the king of spices, attracted them. From time immemorial, Cardamom *Elletaria* is indigenous to South India and Ceylon. Certain spices of *Amomum* *Kapalag* are grown in Nepal, Viet Nam, Thailand and some other tropical countries. In marketing places of India the true cardamoms are known as small cardamom (Chota Elachi) and the other as big cardamom (Bari Elachi). In appearance, shape and colour and smell, they are vastly different. The smell and taste of the big cardamom are different, sometimes resembling that of camphor.

This up-country delicate plantation requires a good rainfall, good height and moist ever-green forest full of lofty trees. It is planted in the States of Madras, Kerala and Mysore. Roughly speaking, there are more than 1,30,000 acres under this plantation. I had requested the three State Governments and the Director-General of Commercial Intelligence, Calcutta, to supply me with a list of total acreage and quantity of cardamom exported to foreign countries. Only yesterday, I got the official information stating that the exports of cardamoms from India are 34,281 cwts. valued at Rs 3,56,74,794 in the calendar year 1958.

In those dark days, the planters gathered the cardamoms from the wild growths in the forests full of elephants, tigers, bisons and other wild beasts. Then, from the base they

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pulled the panicles by the hands or cut them.

Mr. Speaker: The hon. Member is describing cardamom.

Shri R. Narayanasamy: With so much difficulty we are gathering cardamom in those parts

Mr. Speaker: I agree, what is it that the hon. Member wants?

Shri R. Narayanasamy: I am, therefore giving some particulars. They pull the panicles by the hands or cut them. Then, they adopted the crude system in planting and drying. After the Europeans took up this plantation, they followed new and scientific methods. The yield has, however, shown signs of serious decline probably due to the increasing age of the older plantations and the succession of climatically unfavourable years

Incidentally, the appearance of turpits as a major insect pest and the damage done by a virus disease may also be cited. The cardamoms were free from any serious insect pest or disease until 1935. Thanks to the then Imperial and now Indian Council of Agricultural Research, for sanctioning and financing the cardamom survey in South India by Mr Wilson Meyne of the United Planters' Association of South India in 1940, as a direct result of which two experimental stations have been set up in 1944

Mr Speaker: What then does the hon Member want from the Ministry?

Shri Satish Chandra: What the hon Member is saying is entirely the concern of the Ministry of Agriculture.

Shri T. B. Vittal Rao: Cardamom cultivation?

Mr. Speaker: He says about a Cardamom Board

Shri Achar (Mangalore): He wants a Cardamom Board.

Shri R. Narayanasamy: So, I earnestly request the hon. Minister for Commerce and Industry to form a statutory Cardamom Board for improving the plantation, preservation and research on cardamom, the king of spices, a precious commodity of the producers of the South, on the lines of the Tea, Coffee and Rubber Boards. This plantation is worthy of attention from the Centre—as well as assistance. It is necessary to have a central organisation—without joining it with other spices like cashew-nut, arecanut etc. I place this demand on behalf of the cardamom planters of South India

Mr Speaker: Mr Kanungo

Shri Shankaralya (Mysore): Mysore has not been given a chance, Sir

Some Hon. Members rose—

Mr Speaker: Hon Members will divide all the industries among themselves. Mr Kanungo

Dr Melkote (Raichur): The time for discussion may be extended

An Hon. Member: We have no industries in UP

Mr Speaker: All the Ministers come from UP. Is not the hon Member satisfied with the Ministers already?

Shri Kanungo: Spices and other things have spread aroma in this House during this debate. I will only take a few minutes because I will not dilate upon many things except a couple of items.

About spices, I should say that this has been one of the traditional items of export. Lately, it has shown considerable reduction. Of course, cardamom itself has not shown reduction but other spices like pepper, turmeric

and ginger have shown reductions. This is one thing which shows how the pattern goes. These are wholly export earning commodities. The exports have been reduced. The reduction can be attributed to competitive sources.

Of course, historically, at one time, this country was the only source of supply of these materials. But, other countries have now started growing them and putting them in the world market. They have been able to produce qualities which are superior to ours and the prices offered are also cheaper than ours. Therefore, like all other export commodities, we have got to bestow attention on increasing quantitatively and improving qualitatively these products along with other products.

We have to remember that in our country internal consumption is growing and the standard of living is improving, though slowly. Therefore, internal demand is also another competing factor in our export.

I just mentioned spices because it is one of the indications as to what the malady is so far as our foreign trade is concerned. Government have, no doubt, been taking steps for improving the quality. Various incentives have been provided to these items as well as to many other items. It must be remembered that so far our trade was considered to be something which came to us. After the War, we have now realised, as every other nation has realised, that you cannot sit back and expect trade to come to you, you have got to make an effort and get the trade. Therefore, recently Government has been taking steps for providing opportunities of aggressive salesmanship and providing other services which will improve trade. In this connection, I would only mention that the STC which has received some compliments in this debate is one of the agencies which has been serving the trade of the

country and its creditable performance has been acknowledged in the debate. The institution is just two years old. In the case of a trading organisation, two years is rather a short period. The volume of trade which has been done in the second year is more than double of the first year. In the first year, it was of the order of Rs 10 crores which increased to 28.57 crores in the second year. Apart from this we have also got to see that it has rendered services which in the changed conditions of the world are extremely necessary in the sense that by link arrangements and various other devices and new types of opportunities which have grown up after the war, it is possible to push in the world market's hard-to-sell items and to export to new countries and to new lines of trade which were not there before. We can cite the example in the field of shoes and handicraft goods and woolen fabrics. These are new items which have been introduced in new countries.

Some remarks were made about the delay in executing contracts for the barter deal with the USA for manganese ore. It has got to be remembered that the deal is to be finalised with the sanction of the Government of the other country through its own agencies and almost the final consent of the other Government was given somewhere in March, 1959. After that the qualities, timings and various other factors have got to be discussed with that agency and our agency and I do not think that the delay is anything more than could have been expected. The contract has been signed in March and further details are to be worked out and then I suppose the deal will go through. But we have to remember apart from this deal, that this is an arrangement by which the sagging market for manganese is being bolstered up. Manganese has dropped phenomenally in the world market and this is one of the services which would not have been available to the country and to the trade in general.

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if the STC were not available. Here again the other service, which is not so prominent today but which has been rendered by the STC, is the opportunity for foreign buyers to look up to an agency where they can go in for long-term contracts for iron ore. In the course of two years the STC has proved its capacity to handle the Japanese contracts and it has earned sufficient credit by which other countries are likely to procure commodities in bulk and for longer periods. This a service the results of which will be available in a few years. Obviously, there has been some remark about the difficulties in certain areas. It is bound to be so. If the mines are located in unfavourable geographical positions, they cannot compete with those which are situated in more favourable locations. They can compete if they reduce the cost of production and provide for the differential between geographical positions. This is possible because today the sources of iron ore in South India have been developed largely due to the efforts of the STC and the only limiting factor today is the non-availability of transport facilities.

Shri Panigrahi (Puri). The Railway Minister says that the transport facility is available.

Shri Kanungo: The transport facilities by and large are increasing but in certain sectors, to which the hon. Member has been directing his questions, very often there has been a very peculiar position which happened last year. Therefore, facilities were not there and therefore we cannot say that the region has been let down. I would like to emphasise that by and large the total export of ore has been increased and the increase has been possible because an agency like the STC has been available. A fervent appeal and argument was made for the export of raw jute. The export of raw jute has been banned for the last ten years. It was banned for historical reasons. It was one of the after-

effects of Partition. Fortunately, the farmers of this country have risen to the occasion and this year, statistically, there is a surplus of jute production but it has got to be remembered that qualitatively we have to import a considerable quantity of jute for many years till our quality improves. In this case, the export can be justified if there is a surplus in the internal consumption and more of production. But the argument is put forward that you cannot sell unless you take off the duty, you cannot sell unless you provide incentives. I am not able to agree with that. The bare fact must be met that in the month of January the internal prices of raw jute in Pakistan, were roughly four rupees less per maund compared to India.

Shri Rameshwar Tantia (Sikar). The quality is much higher than the Indian jute.

Shri Kanungo. That strengthens my argument. The prices were four rupees less for equal quality of jute. I am not speaking of the superior quality of jute. I am speaking of the grades at the bottoms which are equivalent to Assamese bottoms. If Pakistan can do that, our look-out should be to see that we are able to produce jute of that particular variety or other superior varieties at a lesser cost.

Shri Mulchand Dube (Farrukhabad). May I know the reason for this high price?

Shri Kanungo: I have not got time to explain that. I am just mentioning that when the price is lower at a certain place, we cannot afford to look with confidence into going in for large-scale exports. We have got to be careful because we are an importing country also. Our efforts should be directed towards lowering the cost of production and making cheaper goods available. It is not from the export angle alone. Our

industry is today faced with competition from other producing countries where new capacities have been established. Unless we feed our industries with raw materials at competitive prices as available in other countries, our industry which is 80 per cent export based will suffer

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[MR. DEPUTY-SPEAKER in the Chair]

But, all the same, this year again the STC has tried to canalise some exports. If it goes through and if the trade co-operates, and the future crop is higher, then we may go in for exports as well next year. But to base the export anticipations on subsidies is not to be encouraged, either explicit or concealed.

One other point I would like to mention is about the handloom industry. I will just read out the figures of rebates which have been increasing from year to year. In 1955-1956 it was Rs 169 lakhs, in the next year it was Rs 230 lakhs, then it was Rs 259 lakhs and in 1958-59 it is anticipated to be Rs 325 lakhs. This rebate is available only to a part of the production of handlooms where fortunately the production has been increasing. The production figure in 1952 was 1100 million yards whereas in 1958 it was 1798 million yards. This rebate is available to, for example in 1957, only 359 million yards.

Now, the point I want to emphasise is this, that at this rate if you go on, there must be some halt somewhere. Production is bound to increase. Production is increasing not because of rebate, it is increasing because of other developmental activities, because of other facilities which are being provided. Therefore, we should concentrate more upon the developmental activities which have to be intensified so that production can increase and also employment can increase. If you want to do that you should call a halt somewhere some day to the rebates. I know it is difficult to do

away with a facility, particularly a financial facility, which has been made available. It is not that Government is doing anything about abolishing the rebate anywhere now. I am merely throwing an idea that the Members of the House, the State Governments and the public in general should consider and think over it, whether we should concentrate upon the developmental expenditure or otherwise.

Sir, my time is up, and I do not want to take any more time of the House.

Shri Achar: May I ask one question?

Mr Deputy-Speaker: Order, order. Every minute has been accounted for. Shri Ansar Harvani.

Shri Ansar Harvani. Mr Deputy-Speaker, Sir, I am a great admirer of our present Commerce and Industry Minister. He is a little dynamo of the Congress Party and wherever he is fitted he generates energy. When one year ago he became the Minister of Commerce and Industry I had my own apprehensions because I knew that at least the commerce part of the Ministry of Commerce and Industry was on the verge of bankruptcy. After the dawn of freedom, instead of increasing our exports and decreasing our adverse balances of Payment, we have increased the adverse balances of Payment tremendously. We expected that in the course of years we will decrease them and our financial position will be better.

But, Sir, unfortunately, the picture till today is not very bright. It was our great Prime Minister who once remarked 'produce or perish'. I as a humble follower of the great Prime Minister will add 'export or extinguish'.

Export is not possible unless we have got a market research service. I have got this huge annual report of the Ministry of Commerce and Industry before me, and from this report I

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do not find that the Ministry has any organisation for market research which may, on the one side, increase the export of our traditional goods and, on the other side, find new markets for new commodities and other things. Therefore, I will very humbly suggest to the hon. Minister that he should set up a dynamic export research council which will find new markets for our traditional goods and which may increase our exports.

Sir, I wish that this report had indicated the targets that we have fixed for export to various countries. Instead of finding the targets that we have fixed and the amount that we have achieved, all that we find is that a number of delegations consisting of officials and even businessmen went to various places. But no indication has been given as to what these delegations have achieved, what contracts they have entered into and how much of those contracts have been fulfilled.

As I said, we find that our exports are going down. Even our traditional goods like manganese ore whose 50 per cent monopoly is held by the State Trading Corporation and iron ore whose complete monopoly is held by the State Trading Corporation have gone down in the matter of exports. Therefore, there should be something wrong about our organisation. I hope and trust that the hon. Minister of Commerce and Industry and his Ministry will look into it.

I appeal to him that he should take dynamic steps to increase the export potentialities of this country. Unless we export we are likely to perish and we are likely to fail in our various Plans.

I do not want to say much about imports. But about the import policy I want to know whether our Government keeps any list of the market structure. We have recently developed a craze for entering into contracts with various countries for producing

machineries without finding out the world market rates of those machineries. We are often getting them on deferred payment. But we forget that in the next Five Year Plan, the Third Five Year Plan or the Plan after that, they may come upon us. Therefore the Government should have a more vigilant policy with regard to imports of machineries from various countries. They should find out the world market rates and inflated rates should not be allowed to be given just for the lure of being given the facility of deferred payments.

Mr. Deputy-Speaker: I am sorry, I did not tell the hon. Member that he has only ten minutes.

Shri Ansar Harvani: I will not take much time of House on this question of imports and exports. I want to refer to the State Trading Corporation. When the Government of India decided to have the State Trading Corporation, it was a great dynamic, revolutionary and progressive step. But a great dynamic, revolutionary and progressive step should have a revolutionary, dynamic and progressive machinery also to implement it. What machinery have we in the State Trading Corporation? A team of officers trained in magistracy in collectorate and file pushing in the Secretariat. I do not say anything against them individually, but they had hardly any training in the business field. They have done wonderful work. They have done satisfactory work. I do not say that they have not worked well. But an organisation like the State Trading Corporation cannot be run by people who have got only traditions in bureaucracy. Sometime back we heard that we were going to have a non-official as Chairman of the State Trading Corporation. We were happy to hear that. The present Chairman is a brilliant man, a great officer, a great civilian. I have nothing to say against him. But he is Chairman of the State Trading Corporation, he is the Director-General of Export Promotion, and he

is Additional Secretary in the Ministry of Commerce and Industry. He may be a very energetic and virile gentleman, but I do not know how he can do justice to these three wives. Therefore, I would suggest that a non-official should at once be appointed as Chairman of the State Trading Corporation. Apart from that, even the Managing Director is overworked. Our work in the State Trading Corporation is increasing tremendously. Therefore, I would appeal that the entire structure of the State Trading Corporation should be examined and we should see that more Managing Directors are appointed there to look after the various departments.

Often reference is made to corruption in the various departments of the Government of India as well as in the State Governments. I am not going to make any special remarks about it, because I have no proof for it. But then, Caesar's wife must be above suspicion. I would, therefore, appeal to the Ministry to see that no suspicion arises. It is a pathetic site to see in Udyog Bhavan senior retired officers, retired ICS officers, ex-Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries walking about in the corridors of the Ministry and visiting the Secretaries, Deputy Secretaries, Under Secretaries and other officers. I do not mean to say that those people can corrupt our Secretaries or Deputy Secretaries and Under Secretaries. I do not mean to say that they have no right to accept jobs in the various business houses. I do not mean to say that even we in Parliament have no right to eke out our scant livings. But we should see that those people do not influence our officials and that the officials are not influenced by them.

Since you have given me very little time, I close with these remarks and I would congratulate the hon. Minister on the work done.

Mr. Deputy-Speaker: Shri B. Das Gupta. If the hon. Member is as short

and as sweet as the hon. Member who just now ended his speech, it will be good.

Shri B. Das Gupta (Purulia): I hope to finish within 15 minutes.

Mr. Deputy-Speaker: Ten minutes.

Shri B. Das Gupta: I thank you for giving me an opportunity for speaking on the Demands for Grants under the Ministry of Commerce and Industry. I will confine myself mainly to the base for decentralised economic and industrial structure of society which, as it seems, the Government are very eager to provide for the country.

Before I come to my point, I may draw the attention of the Ministry to the affairs in respect of Sindri Fertiliser Factor. For shortness of time, I cannot go into the details but this much can be said, that the affairs are not happy at all there. It has become urgently necessary to probe into the affairs immediately, without any delay. In short, the production has not been able to reach the designed capacity. The expansion project has become a major failure. The recommendations of the experts are being flouted. Mismanagement has become the order of the day. There are grave allegations regarding nepotism and favouritism which are undermining the efficiency.

As for the lot of the workers, the less said the better. How are the affairs being managed there? I shall cite only one instance. We are sinking foreign exchange for importing Methanol gas. The Methanol plant and machinery were received from Germany on reparation account. The value of the machinery will be Rs. 2.5 crores to Rs. 3 crores. But these are lying idle for the last ten years. These are getting rusty and worn out due to rain and storm. Even the production Ministry have failed to instal it because the management is against it. I would request the Ministry to take up the matter, and in all

(Shri B. Das Gupta)

fairness I think an enquiry by a Committee consisting of some Members of Parliament should not be ruled out.

Further, I am glad to find that the Ministry has now taken great interest in small-scale industries. We have practically no past experience in the field of industrialisation and so we have to depend on the experience of other countries. Though late, it is good that the experience of USA and Japan has inspired the Ministry now to take a lively interest in the small-scale industry. The intention behind the expansion of small-scale industries, as declared, is laudable no doubt. A small booklet on small-scale industries has been supplied to us. In the introduction it has been said:

"Small industries provide the base for an essentially decentralised industry and economic structure of society which provides employment for the maximum number of people".

The very first thing which strikes us is, is the Ministry really earnest about providing a base for a society which is decentralised? I do not think so. This is simply the usual clamorous catchword of the Government.

As has been explained in the brochure, an industry with a capital of less than Rs. 5 lakhs has been termed as a small-scale industry. Of course this has an important place in the sphere of industry no doubt. It is also employment potential. But to speak of it as the base for an essentially decentralised industrial and economic structure in India which provides employment for the maximum number of people, I think, is not correct. It is misleading, because, in India the base for a decentralised structure of society has been thoroughly explained during the period from 1920 to 1948. It is not the small-scale industry, as has been termed here, but it is the cottage industry as explained by Gandhiji that can build up the desired base.

Only cottage industry can provide the desired base in India. Only this can provide employment for the maximum number of people. But the present Government and the Planning Commission have miserably ignored it, if not discarded it.

We have a Commission called the Khadi and Village Industries Commission with its counterparts in the States. But they are simply face-saving apparatuses. The Government are not at all serious about them. They have not even made an attempt to survey the position of small-scale and cottage industries throughout India. Even the sum which is provided for the village industries has been reduced by Rs. 45 lakhs this year. In the context of conditions in India, first and special emphasis should have been given to cottage industry but it has not been given. Why?

Shri V. T. Krishnamachari, the Deputy Chairman of the Planning Commission, in the course of his address at the Development Commissioners' Conference at Mussoorie, has categorically stated that the second Five Year Plan seeks to initiate a process of rapid industrialisation with special emphasis on heavy capital goods industries and the future Five Year Plans will carry this process much further. The whole industrial policy and programme, whether in the private or the public sector, are revolving round this. This is the main driving force of the whole industrial policy: centralisation, and not decentralisation. Judging the context of conditions in India, I submit with all the force I command that unless the emphasis is shifted on cottage industry, the present industrial policy would not be able to break the vicious circle of poverty which is the greatest curse of our country. Even a highly industrialised country like Great Britain, which has been called a pioneer in the field of industrialisation has not been able to solve her unemployment problem till

now. Recent figures show that in 1884, the total number of registered unemployed in Great Britain was 2,20,000, which has mounted to 2,20,000 in January, 1959. In India, with 40 crores of people, I do not know how far it is sensible to imitate and copy these highly industrialised countries.

I am again quoting Mr. V. T. Krishnamachari, who in the course of his speech on 10th January, 1958, said:

"7 crores of villagers remain without work for 8 months in the year in India. This includes mainly cultivators in rural areas and not the number of unemployed or partially employed in urban or industrial areas. The actual number will be much more than this. But even this reveals a staggering situation."

In 1950-51, the Agriculture Enquiry Committee, in their report, said that the average daily wage of a male and female were 17.5 annas and 10.3 annas respectively. The average of both comes to 13.9 annas daily. Calculating on the basis of the statements of the Deputy Chairman of the Planning Commission and the Agriculture Enquiry Committee, we find that 7 crores of people, mostly cultivators, are losing an amount of Rs. 1,458 crores annually simply for want of work. This is almost double the amount of the annual revenue of the Central Government. I have not invented this figure; I have worked it out on the basis of statements of authorities.

Is there any way to provide work for these people except through cottage industries? This colossal and criminal national waste and loss is due to the short-sighted policy of the Government. Their eyes have been blinded by the dazzling Euro-American arc light. The Government is running from door to door in foreign countries with a begging bowl for resources for the Five Year Plan,

asking for granted the incapacity of the people of India to make the necessary earning and saving for capital formation.

Mr. Deputy-Speaker: His time is up.

Shri B. Das Gupta: I will conclude in 2 minutes. It is not the incapacity of the people, but the incapacity of the Government that has failed to break the vicious circle of inactivity and poverty of the Indian people. Let me not be misunderstood that I am against this industrialisation as a whole. My contention is, we must fix up the limitation sphere, and the priority for large, small and cottage industries in the context of the objective condition of India.

Mr. Deputy-Speaker: Now he should conclude; otherwise, he will be misunderstood! He has already taken 12 minutes.

Shri B. Das Gupta: I will conclude in 2 minutes. Utmost priority and emphasis should be given to cottage and village industries. I ask the Government to think anew; the maximum energy of the Government in the industrial field should be diverted and directed to the development of cottage industries in every home in India. This, and only this, can provide a real base for a decentralised, and at the same time prosperous, economic structure of the society in India. This is the only way by which unemployment can be eliminated. It is not yet too late to reshape our Plan and industrial programme on this basis. I warn the Government not to ignore or minimise this, because what I have spoken is the truth, the truth vindicated by the Father of the Nation at the cost of his own life.

Shri Nagi Reddy (Anantapur): Mr. Deputy-Speaker, within the short time I am getting, I am going to give only a few points without filling up the gaps; I hope the Ministry will fill up those gaps. I am glad that a committee is being appointed to go into the progress of the automobile industry, but I am sorry that not a

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single non-official has been added to the committee. I wish a few non-officials are added and then this committee should go into the working of the companies in general and also as to why there has been such an astounding increase in the price of automobiles of late and also look into the discontent that is growing due to the increase in the blackmarket price of cars. Unless this is done, I do not think the committee will be able to do its duty completely.

In regard to the handloom industry, in reply to one of my questions on 3rd March, 1959, Government have said that they have not accepted completely the recommendations made by a sub-committee of the Handloom Board in regard to handloom weavers who are outside the co-operatives. Handloom weavers in general and those outside the co-operatives in particular, are finding it very difficult to get their raw materials at proper rates and market their products. It is very essential to give them dyes and yarn, which are essential for them, at cheaper rates. I hope Government would look into this matter. There are innumerable complaints day in and day out about the increasing prices of dyes. I think Government must be able to make some arrangements to see that all handloom weavers are supplied with dyes and yarn at proper and cheaper rates, so that the handloom industry would not vanish from our country.

There is one point that has been agitating the minds of hon. Members every year, which is discussed quite often, viz., the backwardness of certain States which are industrially backward. I am sorry to find that Mr. Manubhai Shah, replying to the debate on 13-3-1959 on a resolution, has not understood the basic difficulties of those areas. His reply, consisting three points, has been a shocking thing to us. I only wish his speech was published in full in the language papers of the South. If the people

come to know of what he has said, they would certainly get angry. He has a way of diverting the main issue in a sweet way; that is the main trouble. You would not be able to go directly into the reasoning at the moment he is speaking you require cool thinking after going home. I did the very same thing. I find he has tried to divert the whole issue in a beautiful way, saying that it is very difficult to catch up with the overall all fast industrial and technological progress of the world and, therefore, it is very difficult for the under-developed parts to catch up. With whom? With the technological progress of the world. We are not asking for catching up with the technological progress of America. We are just reminding the Government that even within these under-developed countries there are parts which have fallen back when compared to say, Bombay or West Bengal. It is very clear that these areas have been falling back previously, at the time of the British Government; it is doing the very same now. "In this context" he says, "it will not be right or easy to decide which part of India, of this great sub-continent, is under-developed or which is more developed." According to him, it is because of this that the Government has not taken a turn for giving more incentives for the development of the under-developed area. Reasoning on these lines, he concluded that day by saying "if the Centre tries to direct the location of individual units, nothing can be more disastrous to the unity of India than such a step" I am sorry, he is not able to see the marked discontent which already prevails, especially in the South, that the Government is not taking whatever step they should take to develop the under-developed areas. Already people in the South are talking of Dravidasthan and so on.

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If the unity of India is to be maintained, and maintained strong, and

people are to be united, it is an essential duty of the Government to see that the under-developed parts do not fall back still further, at the rate at which we are proceeding. Now take the case of Andhra. If we take the distribution of companies in 1957-58

Shri Manubhai Shah: I do not want to interrupt the hon Member, but he has tried to read something which I have never said. What I have said was that generally to direct a particular project or particular unit in a particular village or a particular place will be difficult, because then there will be a great amount of jealousy between different villages and different places. But, as I said yesterday, we have defined the various regions. For instance, in the case of textiles, sugar and cement where we see that the area as a whole is more than sufficient, the entrepreneur should go to the other areas. But generally we cannot specifically direct individual entrepreneurs to go to a particular place in the country.

Shri Nagi Reddy: I have quoted the very sentence, and in the order in which he has given, in his speech last time. I wish he reads his own speech, which he had delivered on 13-3-59.

Then, coming to Andhra, as per the State-wise distribution of companies, we in Andhra have only 530 companies when there are 28,000 odd companies in the whole country. If we take the per capita income, Andhra comes twelfth, as compared to the other States. When the all India figure of average is 326 it is 297 in the case of Andhra. Then, if we go into the number of licences given to Andhra State in 1958 it is something astonishing. Out of a total of 650 or so of licences for the establishment and expansion of industries, Andhra gets 15, I repeat 15. If the Government do not change its way of thinking, the manner in which they are approaching this problem. I am

sorry to say that the disparities between States will increase, instead of decreasing, because they are not applying the Industrial Policy Resolution or the recommendations of the SRC in the proper spirit.

Coming to import and export trade, I find that even today the foreign monopolies control our trade to an unimaginable extent. I was going through the figures that have been given in the Reserve Bank of India Bulletin and I found that in the case of tea, for example, their control is 70 per cent, in the case of tobacco it is 39 per cent, other industries also show more or less the same position. In the case of import of mineral oils it is almost cent per cent, 98.9 per cent. In the case of drugs and dyes it is more than 39 per cent. If we leave the import and export trade in the hands of foreign companies, it will not make for progress of the country, there is no doubt about it. Therefore, unless we change the pattern of the organisation, I do not think it will be possible for us to make headway in this direction.

So far as import and export licences are concerned, it has become one of the most disgusting features in our country. Almost a kind of zamindari is being created. We are told that established importers and exporters will be given licences. Due to various historical factors established importers of a few places like Bombay, Calcutta or Madras are on the stage already. A new entrant who wants to enter the field will not get a chance of getting licences.

Mr Deputy-Speaker: The hon Member should conclude.

Shri Nagi Reddy: I will finish in two minutes.

There is a lot of corruption. Some of these people who get licences never use them. They auction them in the public market. It is not so "public" for you to go and immediately get it. But a public market

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in a secret place is quite a possible thing. I would only give one licence number, 062404 for Rs. 1,17,300 dated 7-6-56. It was given to a particular Government press. It was not used by them but by some private company. I do not want to give out the names. If they want it, I can give it in private. It is up to the Government to go into the whole question. Quite a number of things are happening every day and it is becoming a kind of corruption centre. Therefore, Government should....

Shri Manubhai Shah: If the hon. Member can give the names, even outside, we shall be grateful

Shri Nagi Reddy: Because the Minister has asked for the name, the name is.....

Mr. Deputy-Speaker: He suggested that the hon. Member might give it outside, not just now.

Shri Nagi Reddy: All right.

Mr. Deputy-Speaker: Then he might conclude.

Shri Nagi Reddy: Yes, I will finish.

The last point I would like to make is about the services of the staff in the Gram Udyog Bhavan. I am told that they have no service rules, their casual leave has been reduced from 15 to 10 days and the Shops and Establishments Act does not apply to them. I hope the Government will look into them and try to settle the matter soon.

Mr. Deputy-Speaker: I would have to call the Minister, because he has to finish by 2.40. I am sorry, I have not been able to call many other Members whom I wanted to call.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Mr. Deputy-Speaker, my colleague, Shri Manubhai Shah, has already dealt with the question of production

and industries. I shall, therefore, not go into details in regard to those matters. But I would like to say that on the whole our production has been satisfactory. It is true that there has been a decline, a steep decline, in textiles; in sugar it is not so steep. But, in regard to most of the other commodities the production has gone up.

The pamphlet supplied to the hon. Members of this House clearly gives list of all those items in which production has increased and those items are also mentioned in which it has gone down. Shri Manubhai Shah naturally laid emphasis—and the Planning Commission as well as the Government of India have laid great emphasis—on the setting up of plants which will produce heavy machinery, because the heavy machinery plant and the foundry forge plant, which are being set up at Ranchi and for which a Corporation has been set up, are undoubtedly very important as these plants will feed the industries which are in existence at present and feed those also which are to be set up in future.

Besides these, that is, the heavy machinery plant and others, we have to set up other industries also, like, aluminium, chemicals, drugs, synthetic rubber *et cetera*. There are the consumer goods industries also like paper, newsprint *et cetera* which we have to set up. So, there is a wide scope for the setting up of new industries and it should be possible both for the public sector and the private sector to take interest in them. It is necessary that there should be no conflict or clash about it. Each should try to appreciate the attitude of the other when, as I said, there is so much scope. Whether it is the Government or it is others, they have to put in their best effort to set up new industries and try to develop them. But the private sector has undoubtedly to realise the fact that conditions have considerably changed and if they have to set up industries they will

have to keep the interest of the industry as well as of the workers and of the country in mind, if they want to function successfully and really want to develop. I must admit that the younger generation among the industrialists are conscious of these facts and I would very much like the older generation also to realise the importance of this and function in a way which will not create special difficulties for us.

Even Shri S. M. Banerjee might talk so much against the industrialists or the private sector, but whenever any mill is closed he comes forward and says that that particular mill should be run by the proprietor and if the proprietor is not prepared to work the mill action should be taken against him or some other arrangement should be made.....

Shri S. M. Banerjee (Kanpur): Government should take it over.

Shri Lal Bahadur Shastri: Government should take it over, but that comes later on. His first demand always is that the particular owner of the industry should run it himself and, naturally, he finds fault with him. I have no complaint against what Shri Banerjee says, but when he says that he has in his mind the fact that there should be greater production and that there should be no unemployment, the vital thing before us at the present moment is that we should increase our production and that employment should increase, in any case, employment should never go down. These are the two basic factors and if we want to increase production, naturally the public sector will have to play an important role in accordance with the objectives that we have placed before us. But it should not mean that we will unnecessarily come in the way of the private sector. Those who have got the resources should certainly come forward with those resources and try to help in increasing the production of the country. When I say all this about the private sector, I say so because I

consider it in the best interests of the country that we should take the help of every sector who will assist us in the increase of production.

But along with this I must say—and a reference was made by Shri Manubhai Shah to it—that there is a tendency towards monopoly—monopoly in two senses. The big people or the big industrialists want to become bigger still. Of course, we have no legal sanction to stop it, but those who are concerned with it have to think over this matter and specially the Commerce and Industry Ministry insofar as the Government side is concerned. The point is: why should not an opportunity be given to the new entrepreneurs to come in and put up new industries? It is true that some of the big industrialists have got certain advantages. They can deal with foreign collaborators much easily. They can secure loans. All that is there. Yet, there is a desire amongst new entrepreneurs or new people to come up and set up new industries. It is true as Shri Manubhai Shah was saying that many new entrepreneurs have come forward and have set up different industries. Yet, we have to go much further towards that direction. Of course, generally the desire of growing is quite all right, but insofar as our present set up and our economy is concerned there is hardly much place for huge concerns and companies or companies like cartels or cetera. There are none like cartels at present in our country yet our effort should be to prevent it because the gulf or the difference between entrepreneur and entrepreneur has to be reduced rather than increased. In fact, the other way of stopping or preventing this kind of development is the setting up of ancillary industries. The effort should be that these big mills or industries which have been put up or which may be newly put up should not try to manufacture each and every item in their factory or in their mill. They should more or less function as an assembly plant and their parts, components, tools et cetera

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should be built in smaller industries and smaller factories even far away from that area. It is not necessary that they should all be set up round about that factory.

It might be said that transport difficulties will be created. In fact, transport capacity will be increased. In other countries also parts, components and tools are brought from one place to another, that is, to the assembly plant. Long distances are covered. We should not grudge that. I personally think that this idea of setting up ancillary industries is very important and the desire to build everything in one's own factory should be curbed.

Shri Jadhav (Malegaon): Will the cost of production be lower by this?

Shri Lal Bahadur Shastri: Yes, because these ancillary industries will be small industries. They will not be as huge, as big as the others.

Shri Harish Chandra Mathur (Pali): May I seek a clarification? What is your idea of ancillary industries? Will they be only under the umbrella of a particular industry or they will be catering to the various industries of the same nature?

Shri Lal Bahadur Shastri: Naturally the latter. They will be catering to the needs of all the industries which require the goods or machinery that they produce. They will not be under one umbrella. It all depends on cases and items of products. Yet, the general idea is that these ancillary industries will be independent industries. I hope that being small industries, it will be possible for them to reduce the cost of production.

In regard to ancillary industries, we have not got any law or sanction. But, whenever we have talked with the big industrialists or those who have big concerns, they have not opposed this idea. We do want that some definite steps should be taken in this regard. In case we find that some legal sanction is necessary for this kind of development,—I have not fully thought

over it,—but yet I feel—in case it is found that our advice, consultations and discussions do not lead to adequate results, the Government might have to come forward for some legal sanction so that this kind of ancillary industries are set up. In fact, regarding the tendency towards monopoly and also towards building up huge concerns, when I say something, my reasons are that I want to reduce the existing difference and the wide gulf that exists at the present moment between entrepreneur and entrepreneur, I might as well say, between man and man. Our effort should be not to allow the gulf to increase, so that, a little of levelling up and levelling down could easily achieve results without inflicting any special hardships to those who will be affected by it.

Shri Somani, just now, said something about the private sector being given some kind of freedom to come to terms with foreign collaborators in setting up industries in this country. As regards such joint ventures by Indian and foreign concerns, the broad principle that we have accepted is that foreign investment will be given the highest encouragement in spheres where new lines of production are to be developed or when special types of experience and technical skill are required. According to the general policy, our desire naturally is that the majority interest in ownership and effective control of the undertaking should remain in Indian hands. But, this is not an inviolable rule. So far as essential industries are concerned, Government generally do not hesitate to allow the establishment of industries in collaboration, provided such a proposal is considered in the national interest. That is our general policy. As far as I am aware, naturally, we make a very close scrutiny and consider any proposal in its wider context. I do not think there has been any discouragement, or I might say, even great delay, in sanctioning or in approving of some of the important proposals concerning important projects.

In this connection, I might say a few words about cars, regarding which Shri Rajeshwar Patel spoke the other day and also something was said today. I have not much to say on that matter except that, I myself sometimes feel that in case the position does not improve, licensing system may have to be introduced. But as Shri Manubhai Shah said some time ago, and I entirely agree with him that the position can only improve if a larger number of cars are manufactured and placed in the market. We have allotted a larger quota; we have given them quota for foreign exchange. It is hoped that during the next three or four months time, the position will improve. I cannot say how much. But, the manufacturers say that it will definitely improve. The real solution is to manufacture more cars and place them at the disposal of the public. But, in case, the position does not satisfactorily improve, I would go to the length of telling the House that we might ultimately go over to licensing the cars as was done just after the war. The State Governments will have to take over that work and the licensing system may have to be pursued and adopted. I hope that that situation will not arise. In so far as the manufacture of small cars is concerned, the Minister of Industry, the other day, said that we have already set up a committee. It was said that the committee is a purely official committee. It is not quite correct to say that it is an official committee. It is true that some of the representatives of the Ministries are there. I do not know whether the Planning Commission will be called official or non-official. A representative of the Planning Commission is also there. A representative of the Defence Ministry is also there, which is very important because some Members said that a representative of the Defence Ministry should be there, as they are trying to manufacture their own vehicles. We have one Shri Das Gupta, a renowned professor of Economics, who has retired from the Lucknow University. He is

also on that Committee. In fact, the personnel, to my mind, is quite good. If hon Members so desire, I shall request that Committee to meet a few Members of this House especially. They can discuss whatever views they have. Later on, if we can get suitable persons, non officials, I have no special objection and I shall be inclined to include a Member in that Committee. My feeling, however, is that he might be a fish out of water. The point is, we should have one form of Committee personnel. It is not quite correct to make a *khuchrd* a mix up of many things in one.

Shri Jadhav: It will be sweet.

Shri Lal Bahadur Shastri: I have no doubt that this Committee will, on the whole, produce results, which we will find satisfactory. That committee itself will go into the question of manufacture of small cars. The real difficulty before the manufacturers of our country at the present moment is the small number of cars that they have to produce or that they manufacture; for, the consumption is less. The other day, a manufacturer came to me and said that if we could arrange for the sale of about 15,000 to 20,000 cars of that make, he would gladly reduce the price by Rs 1000 immediately, it might be reduced further, but he said that the price would be reduced by Rs 1000 without any difficulty. In other countries, it is mass production, but here the production is very small, and, naturally, the prices of cars, therefore, go up. So, that is another factor which will have to be considered and this committee might as well look into that.

Shri S. M. Banerjee: May I know whether any of these automobile concerns are actually producing the whole car or they are producing only some parts and importing the rest and then doing the assembling?

Shri Lal Bahadur Shastri: I have not been able to hear the hon Member's question.

Mr. Deputy-Speaker: Is there any manufacturer who is producing cent per cent all the articles or components here or are some parts being imported from outside still?

Shri Lal Bahadur Shastri: There is no manufacturer who is manufacturing everything indigenously; there is none. But the indigenous component element is gradually increasing. For example, in the case of the Ambassador, I think they have reached about 62 to 64 per cent of indigenous production. Similarly, the percentage of indigenous production in other factories is also gradually going up; they are having more and more of indigenous production. In fact, that is one of our conditions. The Commerce and Industry Ministry is very particular that every effort should be made by these manufacturers to increase the indigenous production and to reduce the import of parts and components which are used in the cars.

I shall now mention about what Shri Somani said about the tax holiday in regard to the development of backward areas. I personally was somewhat impressed by that idea of Shri Somani, but my colleague Shri Manubhai Shah immediately said that almost every part of the country would then become a backward area, because what a backward area is will ultimately be decided by the State Governments. I shall not go into the details, because that will take time. What my hon. friend Shri Somani wants is that the backward areas should be developed and new industries should be set up, and some facilities should be given to the entrepreneurs so that they can put up those factories there and run them economically. This idea will have to be examined, but my opinion in this matter, so far as the backward areas are concerned, is somewhat different, and I shall say a few words about it later.

Regarding the textile industry to which Shri Somani has made a reference, my difficulty is that when I happen to meet the textile industrialists, I get somewhat confused because

they always paint a picture which is somewhat gloomy. I do not say that the position is entirely bright. But to say that the position of the textile industry has deteriorated during these months is, if Shri Somani will permit me to say so, a rather exaggerated statement. It is true that the textile industry had fallen into the doldrums, but he will agree that various steps were taken by Government, both fiscal and others, and after a long time, it has somewhat brightened the situation. If my figures are right, the quantity of unsold stocks in October, 1958 was over 6 lakhs bales. Today, it is about 4 lakhs odd bales. The House will get a better impression when I say that the total unsold stocks with the mills at the present moment are only four weeks' production. If both unsold and 'sold' stocks are taken together—because certain bales have been sold but they have not actually been delivered—if we include both unsold and sold, sold but which has not been delivered, the total comes to seven weeks' production. But the sold bales have only to be delivered. Therefore, I am excluding those bales, when I say the quantity of unsold stocks with the mills at present—if my figures are right—is only four weeks' production; and it must be said that the position has somewhat improved in Kanpur also. Kanpur has been the most hard-hit, and the mills there are still in difficulties; yet, the position there also has somewhat improved.

Shri Harish Chandra Mathur: What is the normal quantity generally lying with the mills?

Shri T. B. Vittal Rao: It is about six to eight weeks' production.

Shri Lal Bahadur Shastri: Normally they have six weeks' production.

Shri Harish Chandra Mathur: Is it not almost normal?

Shri Lal Bahadur Shastri: It is almost normal. But maybe, he was referring to Kanpur, and in Kanpur, there is some special difficulty.

As regards the closure of mills, that is an important question, but I personally think that the position is so fluctuating about these mills. Some of the mills close down or threaten to close down; others in the meanwhile open and restart their work. So, it is not possible for Government to see to it that every mill works all the time and always, whether it is economical or uneconomical. As far as I know, in the year 1958-59 only two mills had closed down. And during this period in 1958-59, 11 mills have been completely reopened. But it is true that the year 1958 has passed, and we are now in 1959, and three or four mills in Berar have given notice of closure or have closed down. So, this situation is all the time there. After all, in a free enterprise, it is not expected that Government will take responsibility for each and every mill, whether it is in a good condition or a bad condition. Only those mills will be run which can work efficiently, effectively and economically. But from the employment point of view, we do take interest and our Textile Commissioner's organisation has been doing all that has been possible to help in the reopening of these mills, and due to their efforts, a number of notices were withdrawn by the mills.

Only the other day, a jute mill gave notice of closure in Kanpur. My colleague Shri Manubhai Shah took a special interest. In fact, the person concerned had told him that he had taken the consent of the State Government and all that. Yet, he was told that we would not agree to it, and if he wanted loans or funds for the renovation of his machinery etc. Government would be prepared to help. Now, that notice of closure has been withdrawn for an indefinite period. So, in this way, whether it is the case of textile mills or the case of jute mills, we certainly try to help them.

It is said that the textile mills will remain closed till they get enough funds for the rehabilitation or for the renewal of their machinery. Recently the National Industrial Development

Corporation has given further facilities to textile mills to take advantage of the loans given by them. Whereas the textile mills have not taken advantage of the facilities given by the N.I.D.C., the jute mills have taken full advantage and the position is that most of the jute mills are in a very good condition, they have renovated their machinery and I hope they will certainly be better off.

As regards jute, I shall not say much. Shri Kanungo has already spoken about it. Shri Tantis referred to the S.T.C.

Shri K. N. Pandey (Hata): May I ask for a clarification? In Kanpur I have heard that some of the textile mills are going to be taken over by the Government. How far has the thing gone, and how long will it take to restart them?

Shri Lal Bahadur Shastri: There is no question of a number of mills being taken over by Government. In fact, the real problem that arose was in connection with the Atherton Mills. As he knows, an enquiry was made, and the State Government have been asked to see what they can do to implement the recommendations of the enquiry committee. As far as I know, they have almost come to a decision, but it will be formally communicated to us, and we will try to help them if they want to run the Atherton Mills.

As regards jute, it is true that the S.T.C. had produced a scheme for the export of raw jute. Some difficulties arose, I do not want to enter into the controversy that the balers stopped the export of the raw jute that was purchased by them or allotted to them by the S.T.C. All those difficulties have now been removed, and as far as I know, exports have started, and it is hoped that the exportable goods may be shipped by the end of this month. About 23,000 bales have already been contracted for, and arrangements are in hand for taking of

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further export orders up to a maximum of 50,000 bales.

The S.T.C. have organised procurement of raw jute through the co-operative marketing societies in the selected growing areas of Bihar, Orissa, West Bengal, Assam and U.P., and the total quantity ordered by the S.T.C. was 230,000 maunds in late January, 1959. So, the position has considerably improved, and I hope the balers will not have to face any special difficulty.

The price paid by the S.T.C. is Rs. 23.50 for Assam Bottom in Calcutta, which is about Rs. 2 to Rs. 3 higher than the prevailing market price. I do not know exactly what the position is today, but when I went to Bihar I was told that prices had looked up, and they were about one to two rupees higher. So, what Shri Tantia said will not be quite correct. If we make allowance for railway transport, taxes and other incidental charges, then the price payable by the S.T.C. to co-operative societies will rule, on the average, between Rs. 17.36 and Rs. 22.45 per maund, depending on the area of procurement. On the whole, the steps taken by the Commerce and Industry Ministry in this matter have stabilised the position for the time being. As regards the future, we will naturally keep a watch over it and take action as we think best. I can assure Shri Tantia that neither the producer, nor the exporter will be allowed to suffer.

I wish only to say a few words about small-scale industries, and then say something about exports, because there is not much time at my disposal.

Shri Rameshwar Tantia: The hon. Minister may say something about tea also.

An Hon. Member: It is tea time now!

Shri Lal Bahadur Shastri: I would like to say something about tea, but it will take a long time. Since he has mentioned it, I might merely say that the position of tea, in so far as export

is concerned, as the House knows, has considerably improved. In fact, it has saved us from a great difficulty, the difficulty of a steep decline in exports. But what Shri Tantia is referring to is about the development of the tea industry, especially in the Cachar area and areas where common tea is produced, or those areas which are very backward, in the South, in Madras as well as in Assam and part of Bengal. The real problem about these areas is how to rehabilitate them, how to give them some help, financial assistance, so that they are able to develop their gardens, and also develop their quality if possible.

So far as high quality tea is concerned, there is no difficulty about financing those gardens. They can get loans from banks without any difficulty. The real problem arises in the case of the intermediate gardens, and much more in the case of the weaker gardens, the weakest.

So far as intermediate gardens are concerned, the Reserve Bank, the Chairman of the Tea Board and representatives of the scheduled banks have met and discussed this matter and a scheme is being drawn up as to how to finance these gardens, and I think they will come to a decision very soon, and it will undoubtedly be a favourable decision.

It is in regard to the common tea gardens, the weaker gardens that the real problem arises. Banks are not prepared to advance money to them because their crops etc., are hypothecated for the working capital and therefore it is not possible for them to get block capital. So, the real problem before the Ministry at the present moment is how to prepare a scheme or how to so arrange that some agency is formed which would supply the necessary finance to these weaker or weak gardens. The consideration is going on and I can tell him that this thing is uppermost in my mind.

It is quite wrong to suggest that these gardens can be allowed to die. Our production of tea must increase, both quality tea and common tea. We export about 80 per cent of common tea; so common tea has its importance. Thus these gardens cannot be allowed to die, and I have every hope that it would be possible to evolve some scheme which will help these areas.

As regards other facilities, recently the hon. Finance Minister in his Budget has given fiscal relief to the tea industry. We are also giving other facilities to them, especially in regard to supply of fertilisers etc. So, I hope the tea industry will further grow and develop.

As regards small-scale industries, I would say that they are absolutely important for our country. As some one rightly said, in fact it is some form of democracy in industry, democratisation of industry. When we talk of backward areas and say that particular areas have not been covered or that Government is not paying proper attention to them, we must realise that these problems can only be solved if we take more and more to small-scale industries. It is impossible to put up heavy industries in every part of the country. As money is attracted towards those who are moneyed people, similarly, these heavy industries are attracted to areas where there is power, where there is coal, where there is water.

All these facilities are not available in every nook and corner of our country, and the only alternative therefore is to set up small scale industries. In fact, we will have to review the whole position in so far as the development of small scale industries is concerned. I personally feel that whatever goods which could be produced in the small industry sector should be clearly demarcated. I do not say that there can be a very hard and fast rule, but yet whatever can be produced in the small industry sector must be produced there and there should be no duplication about

it, so that there is no discouragement to the small entrepreneur. Small scale industry means less of internal resources as well as less of foreign exchange. Even in regard to the machinery, if we import one or two or five or six, here people have got the capacity to make such small machinery. So it will save foreign exchange; it will also give us more production and will reduce to an extent our internal problem also. I have a strong feeling, therefore, that we must go very far in this direction.

What are we to do about our employment problem? An hon. Member was referring to our unemployment. Of course, the difficulty is obvious. It is no doubt enormous. The small scale industry can come to the rescue of our younger people who come out of our schools and colleges. These days there is a rush towards the cities. Every boy who passes the matric or intermediate examination rushes to the city and wants employment there. He has no employment there except as a clerk or in some other capacity at the desk. When I talk of small scale industry, I am not merely thinking in terms of cities or towns. I am thinking of setting up small scale industries even in the rural areas and villages. Therefore, our scheme is to have industrial estates not only in big towns as in Delhi or other places; we want to have rural industrial estates in the villages and in the block development areas. At present, we have proposed that there should be 20 rural industrial estates. I do want that we should try this as an experiment first. Naturally, the number will have to be increased considerably. But let us start with 20 in different parts of the country and see how they work. I have no doubt that if some financial assistance is available and technical know-how is furnished to our younger people, they will naturally like to avail of these facilities and set up industries round about their villages. They will not have to go about and run for services. So this scheme will have to be carefully experimented. If it

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succeeds, I feel, it will have great repercussions and it will undoubtedly be in the interest of our people.

In fact, I would suggest that the new entrepreneur should not have to face many difficulties. He should know in which industries there is scope for further development and expansion. He should know where the necessary loans are available for his help and aid; then the necessary provision for foreign exchange, if any equipment has to be purchased from foreign countries. Then he should know where training and technical know-how are imparted. He should also know about the facilities regarding location, and marketing of his products. These are some of the things which a young man or entrepreneur who wants to enter into this field must clearly know, without running from one place to another, and it should be our responsibility to furnish him all this information so that there is enough encouragement given to him to work in this field.

As regards cottage industries, I would merely say that it is true that cottage industries have their own importance. But we cannot proceed with them purely on a sentimental basis for a long time. Therefore, the cottage industries will also have to consider how they can improve their techniques. I am glad that in the Khadi Commission as well as in the Planning Commission—I have read a pamphlet also—a scheme is being drawn up as to how through cottage industries the persons who engage themselves in those industries will be able to earn Rs. 60—Rs. 100 per month. Rs. 100 apart, I would be satisfied if through cottage industries, it would become possible for a villager or any person to earn about Rs. 60 per month. I shall personally feel satisfied because in the context of the low income in our country, Rs. 60 is not a very small sum. But it has to be fully thought out and worked. In fact, there is a concrete scheme. But it has not been exam-

ined by the Planning Commission or even by Government, because before it is finalised, further care and consideration will have to be given by the Khadi Commission and our Ministry.

But the other aspect of it, that it gives partial employment, is also not a very small matter. I do not know why there should be any conflict between heavy industries, small scale industries and cottage industries. Sometimes I feel that even the heavy industries do not like cottage industries. They sometimes attack the spinning wheel or Ambar Charkha. I was reading the other day an article in one of the newspapers very harshly objecting to the money spent over village industries, Ambar Charkha etc. The Ambar Charkha is making great progress. Here two aspects have to be considered. First, the village industry, as I said, should be able to pay more to those who are engaged in it. Second, the partial employment given by the village industry is also very vital and important for our country. If a villager or cultivator is able to earn about Rs. 15—20 to supplement his income from agriculture, it means a lot for him. Thus it gives partial employment. If it is possible to make it fuller employment through the help of cottage industries, we should go in for it, and I can assure the Khadi Commission that in so far as funds are concerned, there will be no difficulty, provided they are able to produce results.

I shall not say anything about handloom, but would like to say a few words about exports as the subject has been dealt with by many speakers.

Shri Ajit Sing Serhadi said that the production of agricultural implements or machinery had gone down. I was looking into the pamphlet which has been circulated. I find that the production has actually gone up. The value has definitely increased. The official figures go to show that the production has gone up.

As regards the hosiery industry, it has experienced some difficulty. Shri Ajit Singh Sarhadi has been speaking about it for some time. He suggested that like the bicycle manufacturing industry, the hosiery industry should also form a combination. It is up to the industry to do so if it wants.

Shri Ajit Singh Sarhadi: I was relying on the Annual Report for 1958-59.

Shri Lal Bahadur Shastri: The latest position is available with me where the production of all the items is mentioned. If the hosiery industry would like to form an association, if they want to combine amongst themselves, we welcome it and the Ministry will, certainly, encourage it. But, I am told by Manubhaiji that a deputation from Ludhiana is coming to meet him in a day or two. So, I need not go into the details and I think it will be best for the deputation and the Minister to discuss it among themselves.

15 hrs.

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): Shri Sarhadi is the leader.

Shri Lal Bahadur Shastri: As regards exports, it is true that the position has been very difficult. If we compare the first half of 1957 and the first half of 1958, we will see it has gone down considerably. But the first few months were very bad and I also felt greatly concerned over it. The position, later on, has some what improved. It is true that if we take the figures of 1955 or 1957, the difference comes to about Rs. 37 crores—that is the reduction. Still, as I was saying, the position has improved to an extent because our average of exports during the month of December, November, October or September—if we take the figures from September or even August last—the average has been between Rs. 52 and Rs. 54 crores. In fact, in Septem-

ber, it went up to the figure of Rs. 58 crores. January has also been better.

But, what will be the position in the next few months, I cannot say. It is said that the summer months have always been difficult for exports. In the first period, there is a rise and in the next period, during these months, it is always lower. Anyhow, we cannot judge it by the figures of one month. In fact, the best course would be to judge it by the results of full one year or six months, if you so like. But, I do not claim that it would be possible for us to step up exports immediately. However, I do not think that we should take a very pessimistic view also.

The point is, we have to take steps to improve our exports. As hon. Members are aware, we have taken some steps. The Finance Ministry has been specially helpful. They have abolished the export duty on many items like vegetable oil, oil-seeds, oil-cakes and manganese ore. They have reduced the export duty on raw cotton and tea etc.

Similarly, there has been some reduction in shipping and rail freights, although I am not fully satisfied with it. We are taking up the matters with both the overseas shipping companies and the Railway Ministry.

We have specially asked the Export Promotion Councils as well as the Commodity Boards to look after the exports of the commodities with which they are concerned. Up till now, the Commodity Boards like Tea or Coffee Board, have been mainly concerned with internal development and production. Now, they have been specially entrusted with the task of looking after the exports of these commodities also.

I would very much like that each Export Promotion Council or the Boards should fix targets to each destination. Whatever commodity they are dealing with, they should divide-

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it among individual exporters, maintain a list or register of exporters who undertake these and then get plans prepared by each registered exporter, to attain the targets, having regard to the quality control, settlement of disputes etc. and then prepare consolidated estimates of the facilities required by the exporters to fulfil the targets and find the assistance of Government to such registered exporters.

This has been done by one or two Export Promotion Councils. But, unfortunately, other Export Promotion Councils have not adopted this and I would, therefore, advise all the Export Promotion Councils to work on these lines.

Our recent adjustments of patterns of trade agreements will also, I hope, help us because we have tried to reduce the unfavourable balance of trade—our balance of trade was in an adverse position in so far as the East Asian, West Asian and Middle East countries are concerned. In our recent agreements or when we go into the renewal of those agreements, our desire is that it should be seen that our adverse balance of trade position is changed or converted into a favourable trade balance. Up till now, we have been importing more from them and exporting less. We have succeeded in the case of some of the countries. Further help will be rendered to us by the agreements which we have entered into with the East European countries. Naturally, these agreements are based on rupee clearance accounts. But, it has to be realised that still the items of importance are the traditional goods—I mean textiles, tea, jute goods and oilseeds. These are really our important items. It is true that we are able to export other non-traditional goods; but they do not fetch us enough foreign exchange. So, the real problem is of these goods and we have to see how to step up exports of these items.

If I may say so, we are still the major exporters of primary goods.

You may call them agricultural products like oilseeds, or even plantation products like tea or coffee. The most important step that has to be taken about oilseeds or other cash crops is to increase their production. Unless we increase the production of these agricultural and cash crops, it will not be possible for us to export them at reasonable or competitive prices.

Recently, I addressed a letter to the Chief Ministers of States to help us in this matter. It is true that the production of foodgrains is very important. I do not mean to suggest that foodgrains might be affected. But, simultaneously with the increased production of foodgrains, we can certainly help in the development of greater production of cash crops like oilseeds etc. So, if we are able to increase our production, internal prices will not go up and it will help us in competing with other countries in so far as the foreign market is concerned. At the present moment, as soon as we export oilseeds, there is a rise in the market. If the production is enough, it will help in keeping the price-level of these products internally.

It was said by Kanungo that we have entered into a barter agreement with USA and that agreement which was pending for some time has now been finalised. It will help us in stepping up the export of manganese ore. The export of iron ore has actually gone up. I think Mr Harvani was not quite correct when he said that the export of iron ore has gone down. I shall merely give him the figure for 1955; it was 1.5 million tons. In July, the STC took it over and from July 1958 till early 1959 it has gone up to 2.7 million tons and we expect that it will reach up to 3 million tons. Therefore, the export of iron ore has gone up.

Shri T. B. Vittal Rao: At the cost of the manganese ore.

Shri Lal Bahadur Shastri: Iron ore goes to certain countries and manganese ore goes to certain other countries. Iron ore goes to Japan I have got the figures but I do not want to go into them now. Anyhow there has been an improvement in the balance of trade as I said. In 1957 it was *minus* Rs 419 crores and today it is *minus* Rs. 300 crores and some credit for this should be given to this Ministry. I do not say that we have merely to depend upon cutting down the imports. But cutting down imports means internal production. We are helping towards that. We are producing goods indigenously and therefore, the imports are reduced.

In the end I have to say that there are only three alternatives if you want to improve exports. One is, as Dr Krishnaswami was saying, giving of incentives. We do want to give incentives and we have given incentives. Sometimes it creates difficulties. Only just now, Shri Somani was mentioning that Pakistan had given greater incentives than India. Of course we cannot compete with Pakistan in the matter. They have recently announced a 25 per cent currency retention. Out of this they can import whatever goods they like from any country. How can we do that in our country when there is so much restriction on imports? I must say that generally the industries and the trade have fully co-operated with us in this matter in so far as the reduction of import is concerned. They have never complained or grouched the kind of incentive given in Pakistan, it is not possible for us to consider. Therefore, I have to say this. The textile industry becomes nervous the moment Pakistan does this or that. "It has done this, so you should do this; otherwise export will dwindle." That kind of an attitude does not help. I say that we will always be prepared to consider giving more incentives provided of course some result is shown.

The second alternative is some voluntary scheme by the industries

themselves to impose a levy. I am glad that Dr. Krishnaswami himself made that suggestion. He said that the industries should levy or impose some kind of a levy on themselves and try to compensate for the losses on exportable goods. I welcome that idea and I have always supported it. But some of the big industries have not given serious thought to it, I am very sorry for that. But I know the bicycle manufacturers have formed an export association and it has imposed a levy of Rs 10 on each cycle by which they expect to get about Rs 7.5 lakhs in a year. Their idea is to subsidise Rs 10 for each cycle which is exported to other countries. In this way some of the other industries could have adopted this scheme. The electric fan manufacturers are also thinking in the same terms to form an association and impose a small levy and pool the resources in order to compensate for the loss. If that sort of an effort is made by every industry, it will certainly help them and the country.

If all this is not done, then the only alternative is compulsory export. I do not want to say much on that because during the last two or three months I have a feeling that there is a great desire and enough enquiries have been made and inquisitiveness has been shown by entrepreneurs towards export. They do want to export their goods and commodities. I do not, therefore, want to sound a note of pessimism. A voluntary effort is always better than to introduce an element of compulsion in that. Of course if there is no alternative we may come before Parliament and take its sanction and some legal authority in order to see that a certain percentage of the production is exported, that will, of course, be the last alternative. But it creates sometimes a fear among others. If you take to compulsory regulation, it creates some suspicion in the minds of our buyers abroad that compulsion might lead to deterioration in goods. I must make it clear that compulsory export will mean compulsory pre-checking and

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pre-inspection of goods so that the quality will not be allowed to go down in standards in any way.

These are the three alternative, however, I do hope that we will get the help of the Export Promotion Council and the commodity boards and others to help us in stepping up our exports. It is a long-term policy, no doubt. It is true, as Shri Harvani has said, that we will have to carry on propaganda and good publicity will have to be given. Marketing research will have to be taken up. He is quite right in that. We have taken up these things in all seriousness. Marketing research will also have to be done by various commodity board and the export promotion council. They will have to send small delegations and they will go out and collect the necessary material. He will perhaps be glad to see the report which has been published by the Federation of Indian Chambers of Commerce and Industry. The delegation which went out had produced quite a good report about marketing research which would be very useful and the Government is also looking into them. These things will have to be done.

As regards the STC, it is difficult for the Director-General of Foreign Trade to carry on the work of the STC along with his heavy work. He is carrying on because we want him to do it. But my idea is, if possible and if I can get a suitable non-official, we will certainly appoint a non-official as the Chairman of the STC. The STC is, unfortunately placed in a position in which it is attacked by the private sector and also the private industrialists and others; it is attacked by Members of the Opposition; it is attacked by Members of our Party.... (Interruptions.)

An Hon. Member: It should exist and expand.

Shri Lal Bahadur Shastri: Therefore, the appointment of the Chair-

man of the STC has to be done very carefully. I would, therefore, merely say that it is engaging our attention and we will appoint a whole-time Chairman of the STC.

I have taken a very long time but I do not know what to say about the Company Law Administration about which Shri Morarka said something. This is the last item on which I wanted to say something, if you will permit me. May I say a few words? (Interruptions.)

Some Hon. Members: Yes.

The Minister of Finance (Shri Morarji Desai): Encroaching upon Finance!

Shri Lal Bahadur Shastri: I am sorry I am offending my colleague.

Shri Morarji Desai: You are not offending me.

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): The Company Law Administration was previously with him.

Shri Lal Bahadur Shastri: In so far as the Company Law Administration is concerned, it is true the Company Law Administration has been dealing with a large number of companies and their task has been fairly difficult. The number of companies is about 28,000. The number of managed companies is 5,000 and the number of managing agencies is about 4,000. So it is true that it has not been possible or it may not have been possible for the Company Law Administration to look into each and every matter of each concern. But, anyhow, they have scrutinised, they have tabulated their accounts, balance-sheets etc. and in many cases they have taken action.

One thing is quite obvious, that since this Act was framed a special consciousness is there amongst the shareholders. The shareholders are quite conscious of their rights, and

they are very keen to see that the company does not function in a wrong way or is run at a loss or there is some other goimal or gud-bud, whatever you may like to say. I am receiving letters and representations from shareholders about certain companies. It was not done before or it was only done very rarely. Either the shareholders themselves or their representatives are generally taking up these matters with the Company Law Administration or with me.

Shri Morarka said that many cases are pending in the Company Law Administration. I would merely tell him that there were 17 cases ordered under the old law for enquiry and since this Act has started working 16 more cases were taken up. Out of these cases only 5 cases are pending and the rest have been disposed of. Some of these delays are undoubtedly due to the office-bearers of the companies or those who are concerned with the companies. They delay matters. They do not come up and produce the documents, balance-sheets etc. They do not appear before the inspectors as witnesses. So these things generally take up a long time. Anyhow we are at the present moment considering the question of appointing new inspectors, our own whole-time inspectors. Up till now the chartered accountants and others were appointed as inspectors. When we will have new inspectors I am quite certain that our work will be expedited. But I might tell the House that they should not think that the appointment of these inspectors will add to our expenditure. In fact, the amount that we are giving to the present inspectors is rather on the high side and the appointment of these whole-time inspectors will not increase our expenditure—with due apologies to Shri Feroze Gandhi.

I have also to say—it is nothing new—that an assurance was given by the then Finance Minister when the House was dealing with the

Company Law Bill that the loopholes of its provisions will be plugged and a committee will be set up for going into those matters. The committee was set up, as the House knows. The committee has submitted its report, the Government have considered the report and the amending Bill is being drafted by the Law Ministry. I think the draft will be completed very soon. My idea is to introduce the Bill in this session, and I would very much like that the Bill may be referred to a Select Committee in this very session itself. Till then we will have to wait. We may, however, see what further steps are necessary especially in regard to the managing agencies.

Shri Morarka said that the Government has not taken action under Section 324 of the Company Law Act. It is true we have not taken action but that matter is engaging our active consideration. We are considering over the matter as to what is to be done and what action is to be taken in regard to the provisions of that section. But his fear that if no action is taken immediately there will be some dislocation in the working of the present companies or the renewals of managing agencies is not quite justified, because we have already said that those companies which want renewal should come up with their applications. There are certain companies whose cases have come and which have not been decided. It is true they are pending, but I can tell Shri Morarka that they will be decided in good time before the date of 15th August 1960 arrives. But if there are certain companies which do not want renewal or which do not put in their application before that date, well, naturally, it will mean that they want that the managing agency should not remain in those firms or concerns. If they want to wind up, we will certainly welcome it. We are not enamoured of managing agency. But if they will come up with an application it will be considered and disposed of in good time.

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In the meanwhile, I have some suggestions to make, which I will do to the Advisory Council of the Company Law Administration. I do want that certain principles should be observed in the matter of remuneration and the life of the agency in the case of new applications, whether the applications relate to new managing agents or the re-appointment of old ones. I hope it is generally understood that managing agents can be appointed or re-appointed if the public interest is served by such appointments and if the persons proposed to be appointed or re-appointed are fit and proper persons under the meaning of the relevant provisions of the Company Law Administration Commission. It is, I hope, already clear from the provisions of Section 326.

What I want specially is this. Where comprehensive services, as used to be covered in the managing agents' remuneration in the past—two things are important: remuneration and period of renewal—are not being rendered, if that kind of comprehensive service is not being rendered, there is a *prima facie* justification for reducing the maximum remuneration from 10 per cent to 5 per cent, which is the maximum limit—10 per cent—for a managing director or a manager. Similarly, where the aggregate profits are very large, it would not be unreasonable to have a slab system of remuneration or to prescribe a lower ceiling of remuneration than the 10 per cent formula. I hope these steps will have a salutary effect on the companies as well as benefit the shareholders.

It would also be necessary to consider a shorter period of re-appointment for managing agents instead of the full term of ten years in every case. Since, under the Act, Managing Directors may be appointed only for five years at a time, there should be no objection to managing agents' re-appointments also being kept

down to five years at a time. The period can, however, in special cases be extended up to ten years on the recommendation of the Commission. Naturally, every case is considered by the Advisory Commission, and this advice and our suggestions will certainly be passed on to them. I hope, in the context of these suggestions the Commission will consider cases in so far as the points for remuneration and the period of renewal are concerned.

Sir, I have taken a long time of the House. I am exceedingly thankful.

Mr. Deputy-Speaker: Am I to put *my cut motion in the vote of the House separately?*

Shri S. M. Banerjee: Sir, my hon. friend, Shri Nagi Reddy raised a question about the service conditions of those who are working in *Gram-udhyog*. I want to know whether any committee was appointed really to consider their wages and working conditions. I am referring to those employees who are working in the *Gram Udyog Bhavan*.

Shri Lal Bahadur Shastri: Those cases have been looked into sometime back. There was some dispute, and it was discussed by the *Gram Udyog Bhavan* authorities and others. As far as I know it has been settled. If there is any fresh problem, the hon. Member should inform me.

Shri Jadhav: What about the increase in the fertiliser factory?

Mr. Deputy-Speaker: Order, order. Should I put any cut motion separately?

Shri Nagi Reddy: My cut motion No. 2024—Failure to plan for the development of industrially backward States as recommended by the States Reorganisation Commission.

Shri Jadhav: My cut motion No. 1986.

Mr. Deputy-Speaker: So, there are two cut motions to be put to the vote specifically.

Dr. F. Subbarayan (Tiruchengode): I would like to know what those cut motions refer to.

Mr. Deputy-Speaker: Cut motion No. 1986 is about the failure to do away with the disparities in levels of development between different regions of the country. Now, the question is:

"That the Demand under the head Ministry of Commerce and Industry be reduced by Rs. 100" (Failure to do away with the disparities in levels of development between different regions of the country).

I would request every hon. Member that he must now decide which

button he has to press. Everytime we are getting complaints: a Member often gets up and says that he has pressed the wrong button or another Member says he has not been able to press it.

श्री रा० ल० त्रिवारो (खजुराहो) :
उपाध्यक्ष महोदय, येरा पुश बटन काम नहीं करता है। मुझे नोट में बोट देना है।

उपाध्यक्ष महोदय बहुत धन्य।

Shri Kanungo: My push-button is also not working.

Mr. Deputy-Speaker: I will add two Noes then.

The Lok Sabha divided: Ayes 32, Noes 106.

Division No. 10]

[15.37 hrs.

AYES

Banerjee, Shri Prathamanath
Banerjee, Shri S. M.
Bharucha, Shri Naushir
Dasaratha Deb, Shri
Dige, Shri
Gaikwad, Shri B. K.
Ghose, Shri Subman
Iyer, Shri Saswata
Jadhav, Shri
Kar, Shri Prabhat
Katti, Shri D.

Khadilkar, Shri
Kodiyar, Shri
Krisnaswami, Dr.
Kumbhar, Shri
Majhi, Shri R. C.
Matera, Shri
Mukerjee, Shri H. N.
Nair, Shri Vasudevan
Nath Pa., Shri
Panigrahi, Shri
Parulekar, Shri

Patil, Shri Nema
Rao, Shri D. V.
Rao, Shri T. B. Vital
Reddy, Shri Nagi
Sahmke, Shri Balasahab
Singh, Shri L. Achew
Sugandhi, Shri
Tangamani, Shri
Verma, Shri Ramji
Werkor, Shri

NOES

Abdur Rehman, Shri
Achar, Shri
Agaru, Shri
Basappa, Shri
Bhagat, Shri B. R.
Bhagwan Das, Shri
Bhakti Dasrao, Shri
Bhargava, Pandit Thakur Das
Birbal Singh, Shri
Boroosa, Shri P. C.
Chaturvedi, Shri
Das, Shri K. K.
Das, Shri Shree Narayan
Desai, Shri Morar
Deshmukh, Dr. F. S.
Dube, Shri Mukhand
Dwivedi, Shri M. L.
Gandhi, Shri Perone
Ghosh, Shri N. R.
Gupta, Shri Ram Krishna
Harvan, Shri Anand
Hazare, Shri Subodh
Heda, Shri

Hem Raj, Shri
Jedhe, Shri
Jumhunwaa, Shri
Joshi, Shri A. C.
Kanungo, Shri
Koteki, Shri L. Sadash
Kestkar, Dr.
Khadwala, Shri
Khemal, Shri
Kurool, Shri B. N.
Lakshri, Shri
Malika Ahmed, Shri
Mallik, Shri U. S.
Mandal, Dr. Panchupati
Mandal, Shri J.
Manjanganadan, Shri
Mathur, Shri Harish Chandra
Mehra, Shri J. R.
Mehra, Shri K. R.

Methke, Dr.
Mukra, Shri L. N.
Munra, Shri S. N.
Morecha, Shri
Nair, Shri Kuttakrishnan
Naniappa, Shri
Nathwani, Shri
Nayar, Dr. Sushila
Nehru Shrimati Uma
Newar, Shri
Oza, Shri
Padam Dev, Shri
Pahadia, Shri
Palchoudhuri, Shri
Pandey, Shri K. N.
Pangarkar, Shri
Pannar, Shri Dees Banchu
Patel, Shri Rajeshwar
Patel, Shri Manab

Patil, Shri R. Dhanoba
 Radha Mohan Singh, Shri
 Ram Sarna, Shri
 Ram Shankar Lal, Shri
 Ram Subhag Singh, Dr.
 Ramakrishnan, Shri P. R.
 Rangarao, Shri
 Rao, Shri Jagannatha
 Reddy, Shri K. C.
 Reddy, Shri Rami
 Reddy, Shri Virwanatha
 Roy, Shri Bishwanath
 Rungtong Sulea, Shri
 Sadhu Ram, Shri
 Sugal, Sardar A. S.

Samantha, Shri S. C.
 Sarbadi, Shri A. J. Singh
 Satish Chandra, Shri
 Satyabhama Devi, Shrimati
 Shah, Shri Mamubhai
 Shankaraya, Shri
 Sharma, Pandit K. C.
 Sharma, Shri D. C.
 Sharma, Shri R. C.
 Shobha, Ram, Shri
 Siddananiappa, Shri
 Singh, Shri Jang Bahadur
 Singh, Shri H. P.
 Sinha, Shri B. P.
 Sinha, Shri Seiya Narayan

Sinha, Shrimati Tarakeswari
 Srinivas Singh, Shri
 Soneni, Shri
 Subbanyan, Dr. P.
 Sumet Prasad, Shri
 Sunder Lal, Shri
 Tariq, Shri A. M.
 Thrumala Rao, Shri
 Thomas, Shri A. M.
 Tiwari, Shri R. S.
 Tula Ram, Shri
 Umrao Singh, Shri
 Verma, Shri R.K.
 Verma, Shri M. L.
 Vyas, Shri R.C.
 Wodeyar, Shri

The motion was negatived.

Mr. Deputy-Speaker: The other cut motion—No. 2024. I see it is not pressed now. I shall now put all the cut motions to the vote of the House.

All the other cut motions were put and negatived

Mr. Deputy-Speaker: The question is

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1960, in respect of the heads of demands entered in the second column thereof against Demands Nos 1 to 5 and 107 relating to the Ministry of Commerce and Industry"

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. 67,77,000 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, 1960, in respect of 'Ministry of Commerce and Industry'".

DEMAND No 2—INDUSTRIES

"That a sum not exceeding Rs 27,22,39,000 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, 1960, in respect of 'Industries' "

DEMAND No 3—SALT

"That a sum not exceeding Rs 68,07,000 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, 1960, in respect of 'Salt' ".

DEMAND No 4—COMMERCIAL INTELLIGENCE AND STATISTICS

"That a sum not exceeding Rs 74,46,000 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, 1960, 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 2,55,90,000 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, 1960, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'"

DEMAND No 107—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

"That a sum not exceeding Rs 14,89,90,000 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, 1960, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'"

MINISTRY OF FINANCE

Mr. Deputy-Speaker: The House will now take up discussion on Demands Nos 21 to 35 and 112 to 118 relating to the Ministry of Finance for which eight hours have been allotted

Hon Members desirous of moving cut motions may hand over at the Table within 15 minutes the numbers of the selected cut motions. 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 in order.

DEMAND No 21—MINISTRY OF FINANCE

Mr. Deputy-Speaker: Motion moved.

"That a sum not exceeding Rs. 1,35,71,000 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, 1960, in respect of 'Ministry of Finance'."

DEMAND No. 22—CUSTOMS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 3,63,52,000 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, 1960, in respect of 'Customs'."

DEMAND No 23—UNION EXCISE DUTIES

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs 7,41,79,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Union Excise Duties'."

DEMAND No 24—TAXES ON INCOME INCLUDING CORPORATION TAX, ETC

Mr. Deputy-Speaker: Motion moved

"That a sum not exceeding Rs 5,17,40,000 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, 1960, in respect of 'Taxes on Income including Corporation Tax, etc'."

DEMAND No 25—OPIUM

Mr. Deputy-Speaker: Motion moved

"That a sum not exceeding Rs 36,01,000 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, 1960, in respect of 'Opium'."

DEMAND No. 26—STAMPS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 2,56,52,000 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, 1960, in respect of 'Stamps'."

DEMAND No. 27—AUDIT

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 9,69,89,000 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, 1960, in respect of 'Audit'."

DEMAND No. 28—CURRENCY

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 3,57,71,000 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, 1960, in respect of 'Currency'."

DEMAND No. 29—MINT

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 5,38,38,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Mint'."

DEMAND No. 30—TERRITORIAL AND POLITICAL PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 23,23,000 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, 1960, in respect of 'Territorial and Political Pensions'."

DEMAND No. 31—SUPERANNUATION ALLOWANCES AND PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 3,13,72,000 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, 1960, in respect of 'Superannuation Allowances and Pensions'."

DEMAND No. 32—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 40,33,55,000 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, 1960, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance'."

DEMAND No. 33—PLANNING COMMISSION

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 2,08,87,000 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, 1960, in respect of 'Planning Commission'."

DEMAND No. 34—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 16,57,000 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, 1960, in respect of 'Miscellaneous Adjustments between the Union and State Governments'."

DEMAND No. 35—PRE-PARTITION PAYMENTS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 20,09,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Pre-partition Payments'."

DEMAND No. 112—CAPITAL OUTLAY ON INDIA SECURITY PRESS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 10,08,000 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, 1960, in respect of 'Capital Outlay on India Security Press'."

DEMAND No. 113—CAPITAL OUTLAY ON CURRENCY AND COINAGE

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 92,52,31,000 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, 1960, in respect of 'Capital Outlay on Currency and Coinage.'"

DEMAND No. 114—CAPITAL OUTLAY ON MINES

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 44,50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Capital Outlay on Mines'."

DEMAND No. 115—COMMUTED VALUE OF PENSIONS

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 41,57,000 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, 1960, in respect of 'Commutated Value of Pensions'."

DEMAND No. 116—PAYMENTS TO RETRENCHED PERSONNEL

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 5,000 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

[Mr. Deputy-Speaker]

the 31st day of March, 1960, in respect of 'Payments to Retrenched Personnel'."

DEMAND No. 117—OTHER CAPITAL OUTLAY OF THE MINISTRY OF FINANCE

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 59,35,79,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Other Capital Outlay of the Ministry of Finance'."

DEMAND No. 118—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT

Mr. Deputy-Speaker: Motion moved:

"That a sum not exceeding Rs. 1,94,33,28,000 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, 1960, in respect of 'Loans and Advances by the Central Government'."

Shri Prabhat Kar (Hooghly): Mr. Deputy-Speaker, Sir, the Ministry of Finance is a most important Ministry which has to supply, if I may say so, the life-blood of the economic structure of the country. It has to mobilise our resources and to utilise them in the best possible way. But I am sorry to say that the Ministry suffers from lack of imagination and consequently from the ailments of unplanned approach.

Mr. Deputy-Speaker: Order, order. Members ought not stand in the passages and be talking to other Members. Those who want to go out may do so quietly.

Shri Prabhat Kar: This disease is visible almost in every branch starting from budgeting. It exists in taxation, spending low and even in the collection of revenues. When I say that this disease is visible in every

branch and when we are now on the threshold of the fourth year of the second Five Year Plan—it is expected that the budget which is framed by the Finance Minister should not suffer from an unplanned approach and also should not suffer from excessive supplementary grants. For all the Ministries taken together, the surrenders come to 49.25 per cent in 1953-54, 41.50 per cent in 1954-55, 37.63 per cent in 1955-56 and 38.93 per cent in 1957-58. This clearly manifests that the total is 50 per cent. I can give you the instances where the surrenders or the savings come to 70 or 80 per cent of the total grant of the particular Ministry. In the latest appropriation accounts of the Home Ministry, under the head 57—Social Welfare Directorate and Miscellaneous Expenditure—the saving comes to Rs. 25,93,000, out of Rs. 34,21,000 voted. Under the head 43—Industries and Supplies—out of Rs. 13 lakhs voted, the saving is Rs. 6,59,000. In the Ministry of Labour, in Grant No. 71, out of Rs. 34,40,000 voted, the saving is Rs. 11,98,000. In the Ministry of Iron and Steel, out of Rs. 43,74,000 voted, the saving comes to Rs. 16,38,000, i.e. 37 per cent. I can also give you a figure where it is almost cent per cent saving.

Then there are supplementary demands asked for. In the Ministry of Irrigation, the original grant was Rs. 9,62,000 and the supplementary grant was Rs. 34,77,000. The result was, when the supplementary grant was asked for, it was not visualised that there was an excess expenditure of Rs. 28 lakhs. The Finance Ministry is supposed to go through the demands of the various Ministries, to check them and see whether they are in a position really to spend that amount during that particular year, and then place it before the House. Under the present system, the Finance Minister fails to see to it whether the particular Ministry is in a position to spend the amount which is asked for. It raises unnecessary hopes in the minds of the

people that such a big amount is going under a particular head, but after the year, 80 or 70 per cent of it is sent back. This is clearly telling the people things which are not correct. This is the failure on the part of the Finance Ministry, because in a planned economy, the budget should reflect actually what the Ministry is capable of spending and only that should be asked for. If need be, they can come for a supplementary grant. We find that supplementary grants are coming before the House off and on. They should not provide for the amount which the various Ministries are not in a position to spend.

There is no planning in taxation policy also, because what one Finance Minister imposes, the successor takes away without giving any rhyme or reason. This has been the case not in this particular budget alone, but in the last few years. In 1947, the capital gains tax was imposed, but it was withdrawn in 1949. The business profits tax imposed in 1947 was withdrawn in 1950. Again the capital gains tax was imposed in 1955. From Rs. 3,000, the income-tax base was raised to Rs. 4,200. The reason given by the then Finance Minister was considered by the House to be very reasonable. When the next Finance Minister comes and says it should be pushed back to Rs. 3,000, again the House agrees with the reason given by that Finance Minister. I do not understand how the successive Finance Ministers place their arguments and convince their party members that this is the correct way.

Shri Morarji Desai: When the House agrees, there is no question of party.

Shri Prabhat Kar: They do it because they have got a huge majority in the House. Regarding Wealth Tax, the recent Finance Minister, Shri T. T. Krishnamachari said:

"I do feel, as I said before, that with the particular composition

of companies in this country, with the large amount of control with particular groups, it would not be possible for me to eliminate companies and go on levying it on the individual. After all, it would be the individuals who have a wealth of 2-5 lakhs of rupees, and would be the largest number, that would be really owning these companies, and they should not be eliminated. So, we have made this provision."

He said that out of Rs. 12 crores, Rs. 6½ crores will come from the companies. He said:

"My original estimate was Rs. 15 crores made up of Rs. 9 crores from companies and Rs. 6 crores from individuals and Hindu undivided families. With the concessions now made for companies and for losing companies, the receipts from companies will come down to about Rs. 6½ crores."

But in a simple sentence, our present Finance Minister says:

"I propose, therefore, to abolish the wealth tax on the companies and the excess dividends tax."

Here there was a fight. The recent Finance Minister said that he would rather try to influence the Cabinet and withdraw the Bill if the wealth tax is not imposed on companies. But the present Finance Minister has removed the wealth tax almost by an innocuous sentence, without giving any rhyme or reason. I am quite sure that he has got the majority of his party behind him and this particular concession to the companies will be granted. That is a different thing, which we shall discuss in the Finance Bill. I am only trying to point out that there is no planning so far as taxation is concerned, because, I should say, it depends on the whims of the successive Finance Ministers. One Finance Minister counteracts the arguments put by

[Shri Prabhat Kar]

the previous Finance Minister and imposes the tax which was withdrawn by the other. This has been the case with the taxation in the various budgets. I would like to know exactly whether it depends on the individual Finance Minister's liking or disliking or whether it is because of the pressure put forward from persons interested. Why are these changes made off and on, every year when the budget is placed before the House? Why are the strong arguments put forward by the former Finance Minister simply counteracted by a sentence by the present Finance Minister? I would like to know the reasons. This manifests that although we are in the eighth year of our planned economy, there is no proper taxation plan before the country and the House. Successive Finance Ministers have failed to make a proper understanding of the whole taxation policy.

Coming to the Plan, the function of the Finance Minister is to get resources for the Plan. I would not like to elaborate on this particular point at this stage. But I would just like to draw his attention to that. No doubt, he has been rather a successful Finance Minister, going round and trying to get aid in order to see that the Plan succeeds. I want to draw his attention to what Mr. Mathew J. Kust, Legal Adviser to the U.S. Embassies and Aid Programmes in India, Pakistan, Burma and Indonesia for the years 1951-54 has said in his article styled "U.S. Aid to India—how much is enough?". He has stated:

"In this critical year of 1958, the total of our hastily improved loans has been 325 million dollars, nearly half of that sum repayable in badly needed dollars, and all repayable according to a timetable which bears no relation to the probable repayment capacity of any under-developed country. For its part, India must undertake major agricultural tax re-

forms to increase its domestic revenues but such reforms are unlikely to come under non-Communist auspices in the absence of massive U.S. assistance now.

India's foreign exchange deficit—which prompted the emergency US loan this year—has been aggravated as a result of the international recession. Food scarcity in an under-developed country means inflation with its destructive effect on internal financing . . .

The 20 loans totalling over 500 million dollars made by the World Bank to India during the past 10 years will be largely repayable during the Third Five Year Plan (1961-66). The I.M.F. loan of 200 million dollars made last year must be repaid by 1962. The 150 million dollars loan made by the Export and Import Bank last spring also falls due during the Third Plan. The same is true of the two Development Loan Fund loans in the amount of 175 million dollars, although with respect to these loans, India can at least choose to repay in rupees. . . . In total, the amount of repayments in foreign exchange due during the Third Plan period may well exceed one billion dollars—equaling or even exceeding the amount of US foreign aid India will have received for the Second Plan."

15:51 hrs.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

This is the position of our Plan resources, which we have to take into account. As I said, this is an article by an American who was the Legal Adviser to the US Embassy. We have during the Third Plan period to pay one billion dollars I do not know what the hon Finance Minister will do and wherefrom he will be able to repay this loan and, what is more

important, how fresh loans will be obtained for the Third Plan. One thing we can say: we are almost going bankrupt. It will be very difficult for us to repay all the loans that we have taken during this period, as is being apprehended by this gentleman who has written this article.

Now I come to the question of the rising trends in prices. It is going on. This could have been controlled if there were proper control over credit. More than Rs. 1500 crores are there with the banks. Advances for speculative ventures are still continuing as also advances against foodgrains. We know how helpless the Reserve Bank has been to check the advance against foodgrains, in spite of their repeated circulars to the banks. Not only that. It was even suggested that steps will be taken against the banks. But it was not effective. Here I have got the proceedings of the Indian Banks' Association where they say that the Reserve Bank, however, invited the attention of the Committee to their recommendation in the circular letter to the banks regarding advances to rice mills on a preferential basis. That means today the banks can advance money against foodgrains. This is going on. What we would like is that there should be an effective control over the credit in order to check the rising trend of prices. It is these banks that help in tax evasion; they help in the violation of the Foreign Exchange Control Regulation. The control of the Reserve Bank, as it is today, in spite of its genuine efforts, is not sufficient. We find so many cases going on—Mundhras and Dalmias. And for every case there is a bank behind it. So, unless we have effective control of the banks it is impossible to check it. Further, Rs. 1,500 crores is not a small amount. I would, therefore, plead with the Finance Minister that he should consider the question of nationalisation of banks, particularly in view of our Third Five Year Plan, for which resources from outside will be very scarce.

Along with it, I would request the Finance Minister to consider the question of the general insurance. General insurance is one of our indirect foreign-exchange earners. Today, with the development of our industries, with the increase in export and import trade, if we can control general insurance as also marine insurance, it will be possible for us to earn some foreign exchange. It is high time that it is done. What is the position of general insurance today? It is almost on the verge of closing down. Unless they are allowed to continue their malpractices they will close down. So many of the foreign companies are closing their branches with a view to put pressure on our Government to relax the operation of the provisions of the Insurance Act. Considering the potentiality of this particular branch of insurance, I would say that we should nationalise this industry. Then we can save the employees, save the industry and earn foreign exchange. The gross premium income in India during 1956 was Rs. 24,76,59,000. The net income during the same year is Rs. 15,83,85,000. I have not got the figures for 1957 yet. But I can say this is a safe means through which we can earn foreign exchange. If the Finance Minister will consider this aspect of nationalising general insurance, it will save the industry also, because now it is indulging in malpractices and is creating a situation in which on a future date the Finance Minister will be forced to grant concessions to the industry.

The Deputy Minister of Finance (Shri B. R. Bhagat): We have already done it in the case of life insurance.

Shri Prabhat Kar: What has happened there is a slur on the Finance Ministry. It is in your hands, that is the difficulty. You do not think of nationalisation as the panacea until a person at the top thinks of nationalising the industry. Then again, as you have done in the case of LIC, you hand over the nationalised industry to persons who are against

[Shri Prabhat Kar]

nationalisation, and as a result there-
of all these deals are taking place.

Now, coming to the tax collecting machinery, how many cases have been launched against persons who have evaded tax? There has been no progress at all. Knowing full well that evasion is taking place, there has not been a single prosecution in India against evasion of taxes. Now the amount to be collected is Rs. 287.23 crores. Why is it not being collected? Even when certificates are issued, they are never being pursued, because there are big persons to influence the Government, to see that prosecutions are not being proceeded with. I can give you not one instance, but hundreds of instances. Here I can give the instance of Shri K. K. Shah, President of the Bombay Pradesh Congress Committee. The income-tax officer was reprimanded for starting recovery proceedings against him. When the income-tax officer started recovery proceeding, that was stopped.

No steps were taken against the present Governor of Madras for not filing the return of income when he was the Chief Minister of Assam. He did not file any return. Consequently *ex-parte* assessment was made for two years under section 23(4). No prosecution was proceeded against him under section 28(1) (A).

16 hrs

Not only that, those persons who are in default and who are dodging taxes are the persons who are granted loans by the Industrial Finance Corporation. That is how things are going on. If they are big persons, if they are influential persons they can easily go and see that the assessment made by the lower officers is reversed or that the case is not proceeded with. It is not just one instance. I can give you many. In the case of Express Newspapers Limited, an assessment was made. The company made the profit—it was for the assessment year 1948—it paid the dividend,

an assessment was made and then it came over for appeal and section 23(a) was vacated in the year 1958. I do not know how all these things can happen when we are interested in collecting the revenue seriously.

The total income-tax arrears for assesses with tax demand exceeding Rs. 1 lakh is Rs. 154.68 crores. Persons with tax demand to the tune of Rs. 1 lakh are very few and perhaps both the Department and many members of the Ministry may know as to who those persons are. In spite of it, Rs. 154.68 crores are still pending to be collected—and this was given in reply to Unstarred Question No. 1230 dated the 10th December, 1958. Who are those persons for whom there is so much of soft corner and so much of hush hush in the Finance Ministry so that collections are not made? Not only that, if they are proceeded with some pressure is being put so that the lower officers may not proceed with the matter.

Service of intimation slips: The survey circles go round and fill the intimation slips. These are being put almost in a bundle. I know that there is not much staff to go through them. Today the national income has increased and there is a possibility that the survey circles may find out good cases. But these intimation slips are kept in the office. Nobody cares to go through them because there is shortage of staff. We do not know exactly as to out of how many of these intimation slips we would have been able to get good amount of income-tax. Though there is none to look into this, the Survey Department is going on, survey is going on, intimation slips are being filled in and put up to the Income-tax Department.

Then it has been said that for each income-tax officer and also for the appellate authority there is the quota system. I know that a man goes there, appears before them and it is found that so far as his return is concern-

ed, he is not assessable. So, he is asked to file returns for the last three years. Although he will not be assessable because even today he is not assessable, he has to submit returns for the past three years. Those returns are filed and the quota is fulfilled. This is how things are going on in appeal and the appeal quota is fulfilled. I know that lawyers are asked by the officer to file an appeal although the client will not appeal and an appeal will be filed and it will be dismissed so that the quota will be fulfilled. There is a fixed quota for an income-tax officer, that is, he must at least go through so many cases in a month. If you look into the working of the Department ...

Shri Morarji Desai: I have looked into it.

Shri Prabhat Kar: Quota is there still.

Shri Morarji Desai: I will disabuse your mind when I reply.

Shri Prabhat Kar: That is all right. Still, quota is there. This is how the quota is fulfilled.

I would therefore request that he must agree with us so far as all these forms of abuse are concerned. He cannot deny the fact that tax evasion is there. He cannot deny the fact that a huge amount of tax yet remained to be collected and that there are arrears. I would like to know as to what he is doing about it. He may simply dismiss our argument saying that it is pure and simple an attack from the Opposition with a view to say something against the Ministry. But I want to know as to what explanation he has got to give for his not being able to collect Rs. 267-60 crores of arrears, which is still there and which every year is increasing. I want to know as to what he has got to say about it. That he will kindly let us know.

Now about this question I would suggest that this evil can be eradicated

if he will kindly take the help of the lower employees—employees in the lower sections, that means the clerks. I suggest that he take their co-operation. It will be useful not only to the Ministry or to the Department but it will be useful also to the nation because these are the persons who can suggest proper measures by which you can check it. If you take them into confidence, it will be easy for you to at least collect the amounts and eradicate the evil that is rampant in this particular Department. You take their co-operation but you must see that they are satisfied so far as their demands are concerned.

It is a fact that the high officials go and stay in the bungalows of the big persons who are to be assessed. They are given, I would say, all amenities that are necessary for a big officer. Naturally suspicion arises that it is not possible for this officer who goes and lives with these big persons to do justice to the cases which are before him.

Shri Morarji Desai: Can he mention one case of an officer who has gone and lived with somebody like that?

Shri Prabhat Kar: I will give you the name.

Shri Morarji Desai: I shall be grateful.

Shri Prabhat Kar: I shall give you the name. I will give you not only the name, but also the date and the place where he lived.

Shri Morarji Desai: I shall be very grateful.

Shri Prabhat Kar: Then I come to this question of life insurance.

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

Shri Prabhat Kar: I am the only speaker from my Party. Nobody else would speak.

Mr. Chairman: He has already taken 30 minutes.

Shri Prabhat Kar: I will finish in two minutes' time.

Mr. Chairman: Even if no other hon. Member from his Party speaks, 30 minutes only could be allowed.

Shri Prabhat Kar: So far as the Life Insurance Corporation is concerned, the employees are agitating for the bonus principle. I am quite confident that if the hon. Finance Minister personally takes this matter up, this can be settled.

Then, I would like that he gives the names of the 70 officers who have doubled their remuneration. It has been said in the morning that is not so. But I still hold that they have.

Field workers' service conditions: Field workers are the persons who bring work to the Life Insurance Corporation. These are the persons who are the most important men in the Life Insurance Corporation. Their demand should also be considered.

I come then to the question of the Central Pay Commission. I know that the hon. Finance Minister will say, "I have said already that the report will come in June." But I would request him to consider that the condition of the employees in view of the rising trend of the prices of the daily necessities of life

Shri Morarji Desai: Prices are going down.

Shri Prabhat Kar: Prices are not going down. You know, in Delhi what is going on today. What is the price of rice? What is the price of *atta*? What is the price of all these vegetables? So far as you are concerned, you may not have gone to the market and you do not know exactly how they stand. So far as we are concerned, I am quite sure that all sections of the House will agree with me.

Shri Morarji Desai: I buy from the same market from which he buys.

Shri Prabhat Kar: Probably he himself does not go. I do not know if he goes. In this connection I can say that every section of the House will be with me.

Mr. Chairman: Prices are going down throughout the country.

Shri Prabhat Kar: That is what is being said.

Mr. Chairman: In the papers you will find.

Shri Prabhat Kar: It is said on the floor of the House but it is not so.

Shri Vasudevan Nair (Thiruvella): We will request the hon. Finance Minister to check up with Mrs. Finance Minister

Shri Morarji Desai: We do not live separately as they do.

Shri Prabhat Kar: Anyway, I would request him to consider this aspect for the grant of second interim relief. He has already said in his Party meeting about increase in civil expenditure. I would kindly request him to take note of this heavy increase in the civil expenditure every year. Last year it was about Rs. 100 crores; it has gone up by Rs. 35 crores. He will kindly take into consideration this.

Lastly, I have an appeal to the Finance Minister. Let him not simply dismiss all my points by saying that this is the argument of the Communist party. He can abuse the Communist party in any manner he likes. That is a different question.

Shri Morarji Desai: I have never abused them; they are abusing me.

Shri Prabhat Kar: Let him not today just give a reply in a manner which will not satisfy the common people. These are the problems which I have placed by quoting facts. Let him try to meet these points. It is not a question of its coming from us and so it should not be accepted. Let him consider and if there is any, let him amend it.

Shri Morarji Desai: I agree.

Shri Nagi Reddy: For once you agree; thanks.

Shri Harish Chandra Mathur: Mr. Chairman, the hon. Member from the Communist party, who opened the debate, observed that the country is going into bankruptcy and he raised doubts as to how we are going to repay our debts which we have raised from other countries. It hurts my national prestige that such observations should be made when there is no justification for making such observations from any quarter whatsoever. Could the hon. Member just point out to us any single instance where we have not discharged our obligations? What justification is there for making such an observation? The hon. Finance Minister, while dealing with this matter previously, said that he was going to honour each and every transaction and he is going to make repayments, we have been making repayments, we have made provision for making repayments already. How can anybody say that this country is going bankrupt? As a matter of fact, it has been proved by all criteria, by all economic standards that the economy of this country is very sound. Let us know what are those criteria. What is the position of the currency of this country? Has the position of the currency of this country suffered anywhere? It is as high as it could ever be. The economy of this country is very sound. There is the least doubt about it. Even re-investment is getting into stride—industrialisation and production. Whatever amounts we have taken on loan have been utilised only for developmental purposes. All the people with whom we have had these transactions have examined each and every scheme and have been satisfied with the soundness of that scheme. We are satisfied with the soundness of the schemes. Industrial production and things are going up. Our harvest this year is extremely good. There should be no doubt in the mind of anybody. I do not wish such doubts are created in this country so that the Third Five Year Plan.....

54A1 LSD—7.

Shri Khadlikar (Ahmednagar): May I point out, Sir, so far as industrial production is concerned, the hon. Member is incorrect. He should refer to the Economic Survey.

Shri Harish Chandra Mathur: I have referred to the Economic Survey. I have no doubt about industrial production. It will take me a long time. The stagnation was a temporary stagnation, which has taken the stride again. That is what I am saying. If my hon. friend reads the latest report about investment in industry, he will find that there is a great revival.

Shri Khadlikar: Only in the stock exchange.

Shri Harish Chandra Mathur: The stagnation was due to certain inherent reasons, certain temporary phases. We have always said that these temporary phases are now passing away. It was pointed out by the hon. Minister just now that in almost all the industrial sectors, particularly, in the engineering industrial sector, production has gone up. It is only in certain sectors, about which a pamphlet has now been circulated by the Ministry of Commerce and Industry. They have clearly stated and the whole position is absolutely clear. With the release of economic forces, with the completion of the steel plants, there is going to be a great spurt in economic development and it should be borne in mind.

Shri Prabhat Kar: One point. I have not at all ever said about the economic soundness of the country. I have never doubted that. I have not raised that point. I have said only so far as the loans are concerned.

Shri Harish Chandra Mathur: I am glad if my hon. friend comes round to that. If he accepts that the economy is sound, I do not think a sound economy and bankruptcy go together. That may be a strange argument which may be advanced. It hurts my national prestige. Otherwise

[Shri Hariah Chandra Mathur]

I do not speak about these small points. We know this is a very important matter. This creates a very wrong climate in this country when there is no justification for it.

He also talked about civil expenditure, about which I have all the time been emphasising. If my hon. friend had looked at the Demands of the Ministry of Finance, he would find that it is a very refreshing contrast with the Demands of all other Ministries. The Finance Minister has taken particular care to cut down civil expenditure. If he just turns to page 4, he will find that the number of Joint Secretaries has been cut down from 8 to 6; the number of Deputy Secretaries has been cut from 18 to 10; the number of Under Secretaries has been cut from 39 to 25; the number of Section officers has been cut down from 59 to 37. Here are the Demands which we are discussing. I think it would have been fair on the part of my hon. friend to give credit to the Finance Minister for taking this step, particularly in the Ministry which he is directly controlling. It always becomes difficult to retrench and curtail the staff in his own Ministry. But, I think, one Finance Ministry has started quite correctly from his own Ministry and the criticisms which we have been levelling has had an impact on him. I must congratulate the hon. Finance Minister for bringing about this retrenchment and curtailing, particularly in his own Ministry.

But I wish certainly to emphasise that this does not satisfy us, because, the Finance Minister's responsibility does not cease with his own Ministry. He has got to go further and see that a similar economy is effected in all the other Ministries. This economy which has been effected in his Ministry is a clear indication and vindicates the position which we have always been arguing. It clearly indicates that there is definite scope for such a reduction in all the Ministries. This

is almost reduction by 15 to 20 per cent. If reduction to this tune is effected in all the other Ministries, it will mean a tremendous lot. This is exactly what we have been arguing day in and day out, from year to year. I do hope that the Finance Minister will take effective steps to control and see that expenditure in other Ministries is also brought to the proper level.

Here, I wish to emphasise more particularly that, now, we are almost at the end of the discussion of the Demands. This is the tag end and this is the last Demands that we are discussing. I at least feel very guilty standing in this House, that we have not been able to give the thought and consideration which we should have given to the Demands of the various Ministries. There has been a sort of a general roving discussion about certain policies. We have never been able to examine where economy could be effected. There is no such machinery, as a matter of fact, which enables Parliament to judge where economy could be effected. We have just been voting all the Demands because we could not, as a matter of fact, really apply our mind. Last year, while speaking on a similar occasion, I mentioned that even the Finance Minister has not got that financial control over the expenditure of the Government as he should have. I quoted chapter and verse from a speech of the Auditor and Comptroller General. I repeat that the hon. Finance Minister has not got that financial control which is absolutely necessary, particularly in a developing economy. I do not want his interference. I very much welcome the decentralisation which he has done. These two things are not irreconcilable. This decentralisation is to be appreciated in view of the developmental programme that we are going to execute and implement. But, the financial control should be there. The Finance Minister has not got that control. The Public Accounts

Committee of this Parliament is only doing post-mortem. It is only after 2, 3, or 4, years that things come up. They serve no purpose except that they create a sort of difficult feeling in the services who have got to appear before the Public Accounts Committee. We are doing only post-mortem. Proper attention, I submit, is not being paid to the observations of the Comptroller and Auditor General. Those observations also come before us after a long time. The Ministries are paying no proper attention to the observations of the Comptroller and Auditor General, or to the observations of the Public Accounts Committee. I do not know of one single case. As you know, case after case have been brought to light where a scandalous sort of thing has happened. But we do not know of one single case where action has been taken; in fact, I have tabled questions to find out whether action has been taken by the Ministry on the basis of these reports which have been sent to them, and whether any disciplinary action has been taken against any officer. I do not know of any such case. This Parliament does not exercise any control. That is my grievance. We have passed the various Demands, and I do not know whether any Member with his hand upon his heart can say that he is satisfied with the Demands that have been presented before us. I therefore, think that it is very necessary that if economy is to be there, if control is to be properly exercised by this Parliament, then this Parliament should evolve certain methods whereby such proper control could be exercised. I would suggest that a strong committee of this Parliament should now be appointed. Even now, it can be appointed to go into the Demands of each and every Ministry; these Demands which have been passed should be considered as having been passed only tentatively. I wish we had a standing finance committee, but in the absence of the committee, I wish

that at least one committee or two or three committees should be appointed by this House, and I wish these committees should go into the Demands of each Group of Ministries; we have grouped the various Ministries into three Groups now; let these committees go into the Demands of each Group and submit a report to this House, when we meet next, so that we can really know where economy could be effected, whether all this is necessary and so on. These committees can sit round the table with the Minister and the officers of his Ministry and find out whether the entire Demands are justified or not; and then the House can fruitfully discuss that matter. Otherwise, we would be passing these Demands without any satisfaction to ourselves. It is because of the method that there is no control. As I said, neither the Finance Minister has the control, nor the Public Accounts Committee is effective, nor is this House effective. Now that our expenditure is mounting up, I think proper attention should be paid to this matter.

Having said this regarding financial control, I would like to say a word about planning. I have been in this Parliament, for some years in the other House, and for about two years in this House, but I have not yet been able to understand the relationship of the Planning Commission with Parliament; I have not been able to understand the relationship of the Planning Commission with the Minister of Planning.

Shri B. R. Bhagat: Here is my hon. friend Shri S. N. Mishra, who is the link.

Shri Harish Chandra Mathur: I do not know what the Planning Minister himself represents. What does he represent? What is his own position in the Planning Commission? I do not quite know. I would like to understand what the position of the Planning Minister himself is in the Planning Commission. Where does he stand? Is he only one of the simple members or is he in charge of the

[Shri Harish Chandra Mathur]

Planning Commission? I do not know what relationship he has with the Planning Commission.

Shri Morarji Desai: The Planning Minister cannot be in charge of the Planning Commission. All the members are in charge of the Planning Commission. No single member is in charge of the Planning Commission.

Shri Harish Chandra Mathur: Who represents the Planning Commission? How is the Planning Commission working? What is the position of the Minister of Planning? I do not quite understand.

Shri Morarji Desai: I may just tell the hon. Member that the Prime Minister is the Chairman of the Planning Commission, then there is a deputy chairman or vice-chairman; then, there are other members; the Finance Minister is an *ex officio* member; the Planning Minister is an *ex officio* member. Then, there are three other members. Shri Krishna Menon is also a member. All of them work together, deliberate together, and then the work is done.

Shri Khadilkar: We know the constitution of the Planning Commission. The question is in what capacity the Planning Minister represents the Planning Commission here. We would like to get it precisely defined. We are not concerned here with the constitution of the Planning Commission.

Shri Morarji Desai: All the questions which are put regarding planning will be replied to by him here; and when questions are put regarding the Finance Ministry, I shall reply to them.

Shri Khadilkar: It is joint responsibility, so far as the present debate is concerned.

Shri Harish Chandra Mathur: Let us hear from the Planning Minister what his own position in the Planning Commission is. What the hon. Finance Minister has stated is common knowledge; everyone knows the constitution of the Planning Commission, and I am grateful to him for having

stated what is so obvious.

Shri Morarji Desai: If the hon. Member wants him to reply, he will also reply here. There is no question of any position here.

Shri Harish Chandra Mathur: I am talking about planning. We very much appreciate the lead given by the Prime Minister and the Government that our Third Five Year Plan is going to be of the order of about Rs. 10,000 crores.

Again, I congratulate the hon. Finance Minister for having made a provision in this year's budget not only to keep up the proper tempo but to stimulate further development and to go ahead in a big way. But if we are to go that way, I think we shall have to take care of certain things.

The first thing about which I have talked already is financial control. Now, I wish to emphasise the need for economy. I think the Finance Minister should instill a sense of responsibility among the officers. That sense of responsibility is lacking now. He should make the officers feel that they must spend only when it is necessary. Secondly, we must get the best return out of whatever is spent. I do not think any effort has been made or any consideration has been given to this matter; the administrative machinery as it exists today needs a lot of retuning and reorientation, reorientation particularly in regard to the criteria and the guiding principle which they have to adopt.

To start with planning, I think the Planning Commission itself should be revitalised. That is very essential. If we are to execute a big Plan, if we are to face problems of a bigger magnitude, then it is extremely necessary that the best talent in the country is attracted to the Planning Commission. It is not that I am asking for a quantitative expansion of the Planning Commission, but I definitely want that there should be a qualitative rise in the standards, so far as the Planning Commission is concerned.

Also, re-planning will have to be done so far as the Cabinet is concerned. I do not understand how we can function as we are doing at present. It would be very much advisable if the Ministry of Agriculture and the Ministry of Community Development and Co-operation are fused into one. The entire work of the Ministry of Agriculture is almost the responsibility now of the Ministry of Community Development and Co-operation. They have got all the rural institutions under them, such as the panchayats, the co-operatives and so on. How is the Ministry of Agriculture going to function separately? The Ministry of Community Development and Co-operation have got the agencies, they have got the people's representatives with them. If the whole thing is going to function effectively, I think it is very necessary that the Ministry of Agriculture and the Ministry of Community Development are fused together.

It is my opinion that unfortunately it is through sheer incompetence that we have failed on the food front. Only if an intensive and all-out effort is made can the food production be increased by about 50 per cent in two or three years' time. That will solve all our problems. The reason for my talking about the food problem here is this. The entire Plan depends upon the success of our food policy and the food production. If we can take good care of food production, most of our difficulties would be over. Even the Ministry of Commerce and Industry cannot go on without a really good food production in this country, because until and unless rural economy is stimulated, where will the consumers come from?

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

Shri Harish Chandra Mathur: I think I have taken only 15 minutes.

Mr. Chairman: The hon Member has taken about 20 minutes already.

Shri Harish Chandra Mathur: Do you not think that I can take 30 minutes?

Mr. Chairman: I did not say that every Member shall be allowed 30 minutes. Shri Prabhakar said that he was speaking on behalf of his party, and that no other Member from his party was going to speak. Therefore, I allowed him 30 minutes.

The hon Member can take two or three minutes more.

Shri Harish Chandra Mathur: Again, speaking of the Cabinet I wish the bifurcated Ministries of the old Ministry of Education should be brought together. It has created so many difficulties now. We who sit in the consultative committee from day to day feel how the work of the Ministry is being hampered. I do not understand what principles were involved and whether it was only a question of personal adjustment. If we are really going to make a healthy progress, I think this re-unification must be done.

Then I wish to raise a very important point, namely that the services should be transferred from the Home Ministry to the Finance Ministry. As a matter of fact, it is always under the Treasury. You examine the constitution of all places. I do not know of any democratic country where the services are controlled by the Home Ministry. It is a legacy which we have inherited from the foreigners who wanted the Home Ministry to control the services in a particular fashion, otherwise, the services must definitely be under the Finance Ministry. It will save a lot of botheration. Now everything has to pass through the Home Ministry and then the Finance Ministry and all the inevitable delays are there. It is hampering the work in all the Ministries.

[Shri Harish Chandra Mathur]

This practice obtains not only in the U.K., but everywhere. The Comptroller and Auditor-General has in a very oblique manner of course, on more than one occasion, referred to this matter. If the references and the cross references are to be stopped, if all the files are to be cleared in half the time and if a considerable economy is to be effected, and if we are going to have a proper arrangement, I definitely feel that the services, their conditions of service, their pay etc., should be under the Finance Ministry.

It is the Finance Minister who has appointed the Pay Commission, but the services are controlled by the Home Ministry. The Commission's report will have to be cleared at all the various places. If we take into consideration efficiency and economy, it is extremely urgent that the services should be transferred to the control of the Treasury.

I would like the hon. Finance Minister to take note of the fact that there are certain things which are happening to which we cannot reconcile ourselves. I know of a certain branch which is called the statistical branch. Quite a lot of money is being spent on this branch, but this branch is not prepared to accept any control from the Comptroller and Auditor-General. It is really fantastic that amounts out of the Consolidated Fund are being spent....

Shri Morarji Desai: May I say that there is some misunderstanding in this? It is not the statistical branch which is with the Prime Minister and the Cabinet Secretariat, which is not being audited. It is the Statistical Institute which is quite a separate body. It is a non-official body, it is not an official body, to which grants are given by Government. That is a different thing altogether.

Shri Harish Chandra Mathur: What is this Statistical Institute, and what

is its relationship with Government, may we know? And what is the amount which is being paid to this Institute? Even if we are giving donations and funds from the Consolidated Fund of India, we exercise a certain financial control over them. I understand that the character of it was changed. It was with the Prime Minister. do not know whether it is now under the Home Ministry or whether it is on the contract system, or what has happened. I do not understand whether the contract system is there, or what is there.

Shri B. E. Bhagat: From this year it is under the contract system.

Shri Harish Chandra Mathur: That is exactly what I want to know. Why has this contract system come along? Has this contract system not come only because they want to go out of the purview of this Parliament, of the purview of the Comptroller and Auditor-General? I cannot understand how the Finance Minister can permit such things to happen.

There are various other things which I have pointed out and I hope he has taken steps in his Ministry which will strengthen his hands.

The other day I pointed out that in the Railway Board the number of officers has gone up from 73 in 1954 to 205 in 1957. I can understand it where the plans are being implemented or something is being done, but not the number of officers going up from 73 to 205 in that place. The other day when asked a question of my hon. friend the Railway Minister about job analysis being carried out, he said he was not carrying it out. As a matter of fact, some time back a job analysis was carried out. The result was conveyed. What was the result? That the workload was very low, that there was surplus staff. I do not ask for retrenchment of the surplus staff. They can be utilised

somewhere else. But now they add more to the inefficiency. All these facts were brought out. When I asked questions on this, he said that they had given up job analysis. Why? Because the ministerial staff do not like it. Are they acting under the duress of the subordinates whom they are employing? They must be given the best terms and they must be looked after properly. But this Government cannot be working under the duress of their own employees. If this is the way we are working, I do not know how we can have an efficient administration.

I do hope that proper attention will be paid to all these matters and we will streamline our administration. This is very necessary if we are going to make a success of the Third Five

श्री राम शंकर लाल (दुमरियागंज):
सभापति महोदय, मैं आपका बड़ा धाभारी हूँ कि आपने मुझे मिनिस्ट्री आफ़ फ़ाइनेंस की डिमांड्स पर बोलने का अवसर दिया। और बातें कहने के पहले मैं इस मिनिस्ट्री को बधाई देना चाहता हूँ कि उन्होंने जो बजट का नया तरीका निकाला है यह बड़ा सरल है और उसको समझने में काफी आसानी मालूम होती है। प्लान और नौन प्लान खर्च अलग अलग दिसलाये गये हैं और उसके कारण बजट को समझने में बड़ी आसानी होगी। यह जरूर है कि हिन्दी में उसका पूरा संस्करण नहीं निकाला गया है लेकिन मुझ को उम्मीद है कि अगले साल उसका पूरा हिन्दी संस्करण निकाला जायगा। जाहिर है कि हिन्दी को अगर हमें राष्ट्र और राज्य भाषा नाना है तो हमें हिन्दी में सब काम करने होंगे।

मैं मंत्री महोदय का ध्यान उस पत्र की ओर भी दिलाऊंगा जिसमें कि इस संसद् के ७० माननीय सदस्यों ने अध्यक्ष महोदय को भेजा है और जिसमें उन्होंने लिखा है कि वे बूँकि धंधेबाजी नहीं जानते हैं इसलिए कम से कम

उनकी सहूलियत के लिए तो यह सारी चीजें हिन्दी में निकाली जानी जरूरी है।

एक एकोनामिक डिबीजन बनाया है और उस एकोनामिक डिबीजन से ७ लाख रुपये की बचत हुई है और वह हर मिनिस्ट्री में उसके काम को फैलाना चाहते हैं।

अभी मुझ से पहले जो माननीय मंत्री बोले उन्होंने यह कहा कि एकोनामी के लिए इस हाउस की एक कमेटी बना दी जाय लेकिन मेरे खयाल में कमेटी की कोई आवश्यकता नहीं है क्योंकि एक एकोनामिक डिबीजन उन्होंने क़ायम कर दिया है तो उसके जरिये से जितनी भी सरकारी खर्चों में बचत सम्भव हो सके करनी चाहिये।

श्री हरिश्चन्द्र बाबू (प्लानिंग कमिशन के खर्चों को यह ऐम्बामिन नहीं कर सकना।

श्री राम शंकर लाल : हर मिनिस्ट्री में बचत करने के लिए एकोनामी डिबीजन है। यहा का खर्चा मिनिस्ट्रीज के खर्चों से अलग थोड़े ही है। मिनिस्टर आफ़ पालियामेन्टरी एफ़ेयर्स, प्राइम मिनिस्टर, प्रेसीडेंट और बाइस प्रेसीडेंट के सेक्रेटेरियट्स में अभी तक एकोनामी डिबीजन क़ायम नहीं हुआ है।

16-37 hrs.

[Mr. DEPUTY-SPEAKER in the Chair]

लेकिन मेरे खयाल में इसका दायरा उनकी तरफ़ भी बढ़ाना चाहिये। हम को अपने प्लान के लिए जितना भी सम्भव हो वैसे बचाने की कोशिश करनी चाहिए क्योंकि हम यह चाहते हैं कि मूलक में ज्यादा से ज्यादा एकोनामी हो और लोग कम पैसों में अपना काम चलायें। इस सम्बन्ध में हमको स्वयं सबके सामने बचत करने की मिसाल रखनी होगी और अपने सब सरकारी मुहकमों में जहाँ तक हो सके बचत करनी होगी और यह देलना होगा कि एक पाई भी ज्यादा खर्च न हो।

इस मंत्रालय की रिपोर्ट में यह कहा गया है कि यह मिनिस्ट्री एक हैडबुक निकालना

[श्री राम चंकर जाल]

चाहती है जिसमें कैटेलिस्ट स्ट्रक्चर, प्राइट प्राबिंस, बजट डिटेल्स और कमशियल अंवरटेकिंग सम्बन्धी क्रीगर्स बरीरह होंगी। यह एक अच्छी बात है और इसको होना चाहिए।

मिनिस्ट्री की रिपोर्ट में कहा गया है कि जहाँ तक इनकम टैक्स और वेल्य टैक्स का सम्बन्ध है उसमें यह कोशिश की गई है कि जहाँ तक उन दोनों के रिटर्नस देखे का सवाल है उनको एक ही अफसर देखे। मैं समझता हूँ कि यह सही चीज की गई है और टैक्स देने वालों के लिए यह एक अच्छी बात होगी क्योंकि दोनों के वास्ते एक ही अफसर रहने से ~~को सफाई टैक्स करने का वैकल्पिक प्राकृष्ट विकल्प~~ होगा वह एक होगा और ऐसा होने से एसी को कोई शिकायत नहीं होगी।

इनके अलावा मुझे दो, तीन बातें और कहनी हैं। पहली बात तो यह है कि हम चाहते हैं कि हमारे मुल्क में मकान ज्यादा से ज्यादा बनें। मकानों की हमारे देश में बड़ी कमी है लेकिन हम देखते हैं कि सीमेंट पर एक्साइज ड्यूटी २० रुपये टन से बढ़ा कर २४ रुपये टन कर दी गई है। अब एक तरफ तो हम यह चाहते हैं कि ज्यादा से ज्यादा मकान बने और हमारी मकानों की कमी दूर हो और हम उसके लिए लॉस भी देते हैं और हर तरीके से मकान बनाने के काम को हम एनकरेज करना चाहते हैं लेकिन दूसरी तरफ हम यह देख रहे हैं कि मकान बनाने का सामान महंगा होता जाता है बिल्डिंग मैटीरियल के दाम बढ़ जाते हैं। यह दोनों चीजें एक दूसरे के विरुद्ध पड़ती हैं और यह ठीक नहीं है। मेरे खयाल में यह सीमेंट पर जो एक्साइज ड्यूटी बढ़ाई गई है इसको बढ़ाना नहीं चाहिए था और उबको कम कर देना चाहिए।

अस बात जो मैं कहना चाहता हूँ वह यह है कि हमारे इस प्लान में और अगले प्लान में स्मॉल सेविंग्स ब्राइव पर बहुत जोर दिया गया है। इसी सिविलिले में अभी एस्टिमेट्स

कमेटी ने जो कल अपनी रिपोर्ट दी है उसमें उस ने बतलाया है कि क्या क्या खामियाँ हैं और उनकी तरफ ध्यान दिलाया है। पहली बात तो उसने यह कही है कि स्मॉल सेविंग ब्राइव में सरकारी अफसर बहुत दखल देते हैं और यह सही बात है कि सरकारी अफसरों के दखल देते से यह हो सकता है कि अभी एक साल में या २ साल में कुछ ज्यादा पैसा कलैक्ट हो जाय लेकिन अगर उससे धाप बराबर प्लांस को सप्लीमेंट करना चाहते हैं तो ऐसा करना मुमकिन नहीं होगा। प्राक्रिशिएल इंटरफीएंस से कभी कभी धाप पैसा अधिक इकट्ठा कर लें लेकिन उससे धाप के लिए अपने प्लांस को बराबर सप्लीमेंट करना मुमकिन नहीं होगा।

दूसरी बात यह बताई गई है कि जो आपके एजेंट्स हैं वह कमिशन लेने के लिए अफसर लोगो में मिल कर कोल्युजिन कर लेते हैं और लोगो में पैसा ज्यादा जमा करा देते हैं और फिर वाद में वह पैसा विदवा कर लिया जाता है। उनके लिए आपने यह कहा है कि कार्मशन का रेट घटा है। इससे यह भी नजोरा हो सकता है कि उसका यह अफसर पड़े कि प्राप्ते चल कर उन लोगों को जो कि काम कर रहे उनको उतना उत्साह इस काम को करने का न रहे तो आपको यह भी देखना है।

इस कमेटी ने दो, तीन सुझाव दिये हैं और वे बहुत महत्वपूर्ण हैं। यह सुझाव दिया गया है कि हमें गांव पंचायतों, स्कूल मास्ट्रो और डाकखानों के जो सबपोस्ट मास्टर्स हैं उन के जरिये से हम को काम लेना चाहिये। उन्होंने यह भी सजैशट किया है कि ग्राम सेवको से भी यह काम लिया जाय। अब अगर हमको थर्ड प्लान को सप्लीमेंट करना है तो यह करना होगा। हमें उसके लिए जो संगठन है उसको काफ़ी बढ़ाना होगा और वह गांव-गांव तक फैलाना होगा।

एक बात मैं और कहना चाहता हूँ कि गांवों में अभी तक ग्रामवनी का जरिया

ज्यादातर खेती है। खेती की पैदावार पर बाढ़ों की भ्रामदनी निर्भर करती है। अब बाढ़ों तक खेती की पैदावार का ताल्लुक है तो वह तो नेबर पर बहुत कुछ निर्भर करती है और कभी किसी साल फ़सल अच्छी हो सकती है तो किसी साल फ़सल ख़राब भी हो सकती है और उतनी अच्छी नहीं हो सकती है। बम्पर क़ीप होगी तो जाहिर है कि भ्रापको काफ़ी भ्रामदनी होगी। अब पारसाल का जो एस्टिमेट लगाया गया था उसके अनुसार १०० करोड़ रुपये की भ्रामदनी होने का अनुमान था जब कि ६६ करोड़ रुपये की ऐक्नुएली भ्रामदनी हुई। अब इस साल बम्पर क़ीप हुई है और उससे हमारे माननीय मंत्री ने यह भ्रदोष लगाया है कि ७५ करोड़ का भ्राय हो सकेगी लेकिन मेरा भ्रपना ख़याल है कि जैसी कि अब की पैदावार है भ्रगर उस पर जोर दिया जायगा तो १०० करोड़ रुपये तक भी हम गढ़ूच सकते हैं।

अब जहा नक सिवारी शक्कर को इंस्टिटव देने की बात है मैं खासतौर से यह बात कहना चाहता हूँ कि उसके लिए हमें टैक्स में रिभ्रायत देनी चाहिये। अब स्माल सेविंग्स स्कीम क्लेक्वास में भ्रापने यह तय किया है कि एक श्येर प्रदेश को मिलेगा तो यह एक अच्छी चीज़ है और इससे प्रदेश वालों को हूँप मिलेगी। भ्राप यह डिक्लेयर कर दे कि जिस गांव से या जिस ज़िले से जितना पैसा इकट्ठा होगा उस पैसे का एक पोर्शन उसी ज़िले और गाव पर खर्च किया जायगा। मैं समझता हूँ कि ऐसी व्यवस्था कर देने से जमा करने वालों को और गाव वालों को काफ़ी उत्साह मिलेगा और मेरा ख़याल है कि इससे भ्रापकी भ्रामदनी और बढ़ेगी।

भ्राख़िर में मैं एक बात और कहना चाहता हूँ और वह यह है कि इस बजट में ३ लाख रुपये जो खंडसारी शक्कर से टैक्स की वसूली के तौर पर रखे गये हैं वह काफ़ी बड़ी रक़म है।

खंडसारी शक्कर यह हमारी एक कीटज इंडस्ट्री है, धामोडोग है और उसमें बहुत सारे भ्रादमी लगे हुए हैं और खास कर हमारे प्रदेश के पश्चिमी ज़िलों में लाखों लोग इस धंधे में लगे हुए हैं। इस में दो तरह के शक्कर बनाने वाले लोग हैं। एक तो वे लोग हैं जो कि पावर के ज़रिए से शक्कर बनाते हैं रिस्टल श्युगर बनाते हैं और दूसरे वे लोग हैं जो कि शीथ से सिवारी शक्कर बनाते हैं। यह कहा गया है कि सिवारी शक्कर वालों पर टैक्स नहीं लियेगा और जो श्युगर पर टैक्स बढ़ाया गया है उसका उन पर भ्रसर नहीं पड़ेगा लेकिन सेवाल यह है कि जब भ्रापके भ्राफ़िसर्स जायगे, टैक्स क्लेक्टर्स जायगे तो वे लोग जो कि ऐक्नु-एली पावर इस्तमाल कर रहे हैं वह इनका करप्ट करके यह लिखवा लेंगे कि यह लोग हाथ से शक्कर बनाते हैं और वे बेचारे जो कि हाथ से सिवारी शक्कर के बनाने वाले हैं वे भ्रगर टैक्स क्लेक्टर्स को खुश नहीं कर सकने तो उनके लिए यह रिपोट हो जायगी कि यह पावर से शक्कर बनाते हैं और इस से तो भ्रष्टाचार ही फैलेगा। एक तो इससे करपशन का बड़ा डर है और दूसरे इससे इंडस्ट्री को बड़ा धक्का लगा है। तीसरी बात यह है कि भ्राकडे वे कर यह बंधलाया गया है कि टैक्स लगने के बाद भी मुनाफे का कुछ मारजिन बचेगा। लेकिन जो लोग खंडसारी के काम में लगे हुए हैं उनके भ्राकडों के अनुसार बचत बहुत कम रहती है। तो इस को ध्यान में रख कर और रोजगार में लगे हुए लोगों की मुसीबत का ख़याल करके और इस बात का ख़याल करके कि रिक्शन में कितनी गड़बड़ी होगी और कितना भ्रष्टाचार फैलने का भ्रन्देशा है, मैं भ्रार्ड कहेगा कि इन लोगों को ज़रूर कोई रिभ्रायत दी जानी चाहिए, और भ्रगर इस टैक्स के बिना काम चल सके तो इसको बिल्कुल ही छोड़ देना चाहिए।

अब मैं रेवेन्यू डिपार्टमेंट के बारे में भ्रापने बिचार भ्रापके सामने रखना चाहता

[श्री राम चंकर लाल]

हूँ। मैं समझता हूँ कि जहाँ तक अपील्स के डिस्पोजल का सवाल है वह काम काफी तेजी से किया गया है। १ अप्रैल सन् १९५६ को १,१४,९१५ अपीलों बाकी थीं, पर १ अप्रैल सन् १९५७ को १,०९,६३७ ही बाकी थीं, और १ दिसम्बर १९५८ को केवल ७५,०२६ अपीलों बाकी थीं। तो इससे प्रकट है कि रेवेन्यू डिपार्टमेंट ने अपील्स का डिस्पोजल तो बहुत किया है। लेकिन जहाँ तक अप्सेसमेंट का सवाल है वह काम कम हुआ है। आप देखें कि पहली दिसम्बर, १९५८ को उनके पास अप्सेसमेंट के ८,०४,६४८ केस बाकी रह गये थे और १ दिसम्बर १९५७ को ७,४९,११३ केस बाकी थे। इसके मानी यह हुए कि अप्सेसमेंट में जल्दी नहीं हो रही है। अप्सेसमेंट में जल्दी न होने से अप्सेसीज को परेशानी होती है और दूसरे मेरा यह ख्याल है कि इससे इनकम टैक्स पर भी असर पड़ता है। तो ऐसी कोशिश की जानी चाहिए कि जिसमें यह अप्सेसमेंट जल्दी से जल्दी हो सके।

बैल्ड टैक्स के बारे में इस रिपोर्ट में यह कहा गया है कि इसमें कुछ ज्यादा प्रगति नहीं हुई है। और जो लोग यह टैक्स देने वाले हैं उनको बार-बार मौका दिया जा रहा है। पर मेरा कहना है कि इस तरह बार-बार मौका देने से काम नहीं चल सकता। इसमें जल्दी करने की जरूरत है।

इन शब्दों के साथ मैं इस मिनिसट्री की डिमांड्स का उभयर्धन करता हूँ।

Shri Khadihar: Mr. Deputy-Speaker, we are discussing the Departments of Finance and Planning. So, jointly, together they are the economic high command in this country. The well-being of the people, the stability and progress of our economy and possibly, our security depend largely, mostly, on the policies enunciated by these two departments jointly and severally and how they result in operation. This is their appointed task. As an American observer, Mr. Hariman, has

recently observed, we are passing through very crucial stage—what they call in an under-developed country, the problem of break-through. He has advised us in a friendly manner that unless we keep up the tempo, the momentum and the altitude—I would like to draw the attention of the hon. Finance Minister to these three words—it is likely there will be a crash. I am not one of those who would like to be panicky unnecessarily, but when we examine, not in a manner of a petty fogging lawyer but in a manner where the total picture of economy is before us, we have got to look to every aspect of it in formulation of a policy and its implementation. Recently, it was observed by one of the leaders of the world that you cannot deal with big problems with an outlook of a assistant in a grocer's shop. This observation was made in connection with the world situation. I would like to remind the Planning Commission and the Finance Ministry that if they do not have that outlook, that imagination, that boldness to deal with the situation nothing much can be done. It is not a question of holding our own giving a false sense of assurance to the people when it is not justified by the circumstances, but it is a question how we make progress, whether we are really making progress, whether the sacrifices that are demanded from the people are properly utilised or not. These are the main issues before us.

When we look to the last Budget what do we find? If we take just a survey picture of the Budget we find that we have resorted to deficit financing which is going now to make inroads into the life of the ordinary citizen at every point. We find that in the case of companies a gift has been made of Rs. 10 crores and the small investor, the shareholder is not getting any benefit or he has been deprived of whatever benefit he was likely to get. So far as other imposts are concerned, take the impost on khandsari.

Shri Mocarji Desai: I would like to understand the Rs. 10 crores gift.

Shri Khadilkar: I will explain. I am taking a little survey view. I am coming to definite things a little ahead. Do not get uneasy about it.

Shri Mocarji Desai: I am not uneasy, I want to be educated.

Shri Khadilkar: Regarding khand-sari, this is an industry almost of a cottage type, and a decadent industry, the sugar industry in the United Province is to be given protection. I am not making any observation without authority. The Tariff Commission has observed, when this whole industry was being examined, that this industry in U.P. was in a bad state of affairs, and in order to give some indirect protection you are taxing the small producer.

Shri Bishwanath Roy (Salempur): You mean khand-sari?

Shri Khadilkar: Those who have got employed in the khand-sari industry. The same goes regarding transport. You are taxing diesel oil as well as tyres. What is the result? The villager, so far as transport is concerned, will be crippled, and whatever is produced in the rural areas he will find it difficult and costly to bring them to urban centres or to the commercial centres. This is the net result.

So, if we take all these series of actions taken by Government—their measures—what do we find? I feel that the Planning Commission is equally responsible for certain policies of taxation. If we are really serious about the Plan, taxation cannot be divorced from the total planning. It would be wrong. Therefore, we find that there is this taxation on one side, the impact of inflation on the other and an utter failure to hold the price-line. In any other country which has taken planning very seriously, if these factors were detected, a high-power

commission would have been appointed to go into the matter with a charge of sabotaging the Plan. But in this country we are so complacent. My hon. friend just now, in the heat of the moment, while paying more attention to minor things and trying to side-track the main issues, defended the whole picture. I am not saying that our economy has reached the stage of bankruptcy. But there are definitely signs of weakness, signs of instability at the rock bottom.

What is the picture? There is another factor also to which I would like to draw the attention of the Minister before I come to particulars. As you all know, the world market is splitting up and there is a threat to the capitalist world. It is not an empty threat. You realise that after the Sputnik, in the 21st Congress, Mr. Khrushchev said not only that they are going to overtake the west but that they are going to launch a new economic war in every field. So, already there is a feeling that you will have to face and meet that new warfare regarding exports, regarding imports and all the impact of the economic warfare that will be unleashed in a couple of years' time between the socialist and the capitalist world. Unfortunately, neither the Planning Commission nor the Finance Ministry has given a thought to it. I thought that the egg-heads in the Planning Commission and the Finance Ministry would at least draw some conclusions or some directives regarding the seriousness of this affair.

Therefore, we have got to look to one first and essential aspect. I have no quarrel with the mixed economy. We have accepted it. But what is the type of that mixture? The time has come when the Planning Commission must decide and the Finance Ministry, and the Government must decide whether in this mixture we are going to have at least a small sector of economy which is being planned on the socialist lines, or do we intend to plan on the basis of capitalism? Let it be cleared once and for all.

Shri Harish Chandra Mathur: The small-scale industry in the Ministry of Commerce and Industry.

Shri Khadilkar: I will come to that. I expect the hon. Member to follow my terminology. Even in the small-scale sector, where certain basic socialist principles are accepted, there is not clear cut break from capitalism. I do realise that at the present stage of development a certain role to private capital and private capitalist sector has got to be given. I have no quarrel with it. But has the Planning Commission or the Government given thought to it? During the past eight years of planning, where is that socialist sector, and I want to show what little we have built in the public sector and what has been the performance

I shall just come to the particulars now. What is the performance in these matters? I am giving you a list of some industries and shall show how we have fared. These are the industries in which we have invested about Rs 32 crores. I shall just take a little time in dealing with that. The items are, the State Trading Corporation, the National Small Industries Corporation, Hindustan Antibiotics, Indian Explosives, Hindustan Insecticides, Hindustan Machine Tools, National Instruments, Hindustan Salt, Sindri Factory, Nahan Foundry, Hindustan Cables and the Export Risk Insurance Corporation. If we take the total capital invested, it comes to Rs 3,231 lakhs. What is the performance? I shall mention the estimated profits for 1950-51. In the State Trading Corporation we will get about Rs 12 lakhs. In all the others, it is nil. Then, in the National Instruments, the expectation is Rs 29 lakhs. In the Hindustan Salt, it is nil. In the Sindri factory, it is Rs 85 lakhs. In the rest of the undertakings I mentioned, the profits estimated are nil. The same is the story regarding the Eastern Shipping Corporation and the Western Shipping Corporation. In the Telephone Industries we are making profits. In the Hindustan Shipyard, it is nil.

So, if we look to the public sector, I do not know what will happen. Conditions are created in such a way that whatever little opportunity for the public sector is there, it is running at a loss. When this picture is placed before any good industrialist friend of our Finance Minister, he will say, the public sector is bankrupt and so why expand it? This is the argument likely to be put forward to discredit the expanding public sector.

17 hrs.

The inflationary pressures are growing. Just now there was a little controversy. In its interim report, the Pay Commission has submitted an over-all rise of about 15 per cent in the *prices of essential commodities* and recommended Rs 5 as interim relief, though they have admitted, Rs 10 would have been immediately justified. So far as deficit financing is concerned, I am not quoting some Marxian economist, I would quote an economist acceptable to the Forum of Free Enterprise. My hon friend will be glad.

Shri Harish Chandra Mathur: They do not want to go ahead.

Shri Tangamani (Madurai): Mr Masani is not here.

Shri Khadilkar: Prof Shenoy has very significantly observed

"Inflationary budgeting, coupled with the policy of import restrictions, has undermined social progress. When moneys flow into circulation to which no physical output corresponds (i.e. when inflation takes place) the money incomes of some people in the economy are bound to involve unmerited windfall gains. Logic and experience have identified these beneficiaries of inflation to be traders, businessmen and industrialists, the middle and upper classes of society, their benefit being at the expense of the fixed money income groups, the workers, and the poorer sections

of the community To this anti-socialistic shift of income must be added a similar shift represented by the vast gap which exists between the landed costs and market prices of import goods, the outcome of import restrictions and an artificial exchange rate Allowing for the income changes of social legislation in the socialistic direction, the net amount of these income shifts must be of the order of Rs 350—Rs 450 crores per year, or the bulk (3 or 4 per cent) of the annual increase in national income "

So, how the ordinary people are being indirectly robbed by inflation and how Rs 350 crores or 3 to 4 per cent of the national income is monopolised by a small section of industrialists and traders has been pointed out by a bourgeois or classical economist, not by a Marxian economist, that is by Prof Shenoy So, unless remedial measures are taken to hold the price-line and have a comprehensive system of controls, I do not think you can be justified in taking a complacent view of the situation thinking, it is all right we can rule merrily in our place This attitude would be totally wrong

Now I come to another important factor regarding expenditure My friend, Shri Feroze Gandhi, is devoting some thought to it I will not take much time so far as that point is concerned, but I will give only one or two figures regarding non-planned non-developmental expenditure In non-planned expenditure, there is developmental expenditure; I have excluded that The result is, in 1948-49, we used to spend on this administrative business Rs 1,624 lakhs and in 1959-60 Rs 5,456 lakhs It is more than trebled in ten years This is the position Of course, in some measure, when we are undertaking new developmental schemes, this is partly justified; I do agree But, at the same time, there is the expenditure control exercised by the Ministry Organisation and Methods Division is there I am told that they are organising them-

selves and following the Parkinson method to expand beyond that They have achieved no results so far I am also told that the Economy Division of the Finance Ministry went into the problem With what result? They have suggested economy, total economy, annually of about Rs 7 lakhs This is all Then there is the question of financial control at every point. In a developing economy this assumes great significance, not only here but in other countries also I learn that in the Soviet Union when the regime changed and they found that the Ministries have expanded beyond control they created a new Ministry, a crack Ministry of State whose officials can

An Hon. Member: Ministry of State Control?

Shri Khadilkar: Yes, Ministry of State Control The officials can enter any office They make surprise visits and find out what is the position—whether the people are really justified in their jobs, whether they are doing some productive work or not whether the targets set before the factories or enterprises are fulfilled or not Then they make a report on which direct and prompt action is taken Here in our country, the Estimates Committee has formerly made reports on this I need not refer to them

Now the new method devised is to implant an officer, of the Finance Ministry, whatever you call him, in every Ministry and every enterprise A friend of mine was telling me that that officer, when he is sitting in the presence of Secretary, he will never speak first, because after all, his future depends on the Secretary who is there So, he will make some observation which will guard the interests of the Ministry, and we are jolly glad that we have done something, that some revolutionary step has been taken, with no result This is the position.

Now we come to the other thing Let us examine a few more things I

[Shri Khadilkar]

will not take more time. Let us take the question of taxation. Here I want to bring to his notice two or three things. We think our taxation is almost perfectly all right and there is not much evasion and we brush aside other views; though Kaldor might have said something, he does not know the Indian conditions. The other day when I went to the Direct Taxation Enquiry Committee I made some suggestions. At that time, other members were also there. We made the observation that in the rural area and in the cities, after the second world war in particular, the tendency to evade tax has taken a very deep root. Secondly, the relationship between the tax-payer and the Government today is perhaps worse. The machinery is also complicated. So, unless measures are taken to plug all the loopholes, to bring tax-dodgers to book, simplify the machinery and establish direct relationship with the tax payer, the progress will be slow. For instance, every tax payer can have a card of his wealth, a sort of identity card, so that from year to year he will be assessed according to that card. Since we have imposed the wealth-tax also, if there is any lacuna it can easily be detected. Why not we do it? I do not know why it is not being done. The Ministry is sitting tight over it. They say whatever is possible is being done. This type of complacency has become a great disease with the Government. When there is something wrong, they just do not feel it.

The other day when Acharya Kripalani observed that there is a crisis of faith, the Finance Minister gave a repartee. I felt sorry when I heard that. I entirely agree with Acharya Kripalani when I study the policies of the Government, a Government wedded to socialism. Let one of them honestly, as a true Gandhian, lay his hands on his heart and say: I have faith in socialism, I have certain convictions. None of them, excepting a few here and there, have any conviction and lack of conviction, particularly in the leadership that heads

the present Government, creates a situation of frustration and demoralisation all over the country. They do not realise it in that sense. It is not a question of argument with Acharyaji. It is not done in that sense—in the true Gandhian sense. It is a crisis of faith and I appeal to the hon. Finance Minister to search his own heart before replying anybody on this point.

An Hon Member: Moral rearmament.

Shri Morarji Desai: I have.....
(*Interruption*).

Shri T. B. Vittal Rao: We could not hear the hon. Finance Minister.
(*Interruption*).

An Hon. Member: Whether your heart is with you or not. (*Interruption*).

Mr. Deputy-Speaker: Order, order. There is no harm if everyone searches his own heart.

Shri Khadilkar: Yes, I have done it.

An Hon. Member: What if anybody has no heart?

Shri Khadilkar: So far as the resources part is concerned we must apply our minds very seriously. It is off and on observed by those who are not very well acquainted with the economic developments, that is, the theoretical part, and the practical results in under-developed economies that we are a backward country and therefore naturally we must resort to inflation or foreign aid and some local effort. Our foreign aid and inflation if taken away, we will do very little progress. I will give some figures a little later, but it is not a question in our country so much of immediate resources. There are those who have examined this problem, like Dr. Oshima. He has observed that in under-developed countries, particularly like India, the possibility is that we

can have a potential economic surplus of 30 per cent to 15 per cent and annual rate of investment from 10 to 5 per cent is possible. He is not a Communist. I am quoting all authorities, these are authors who are coming from the classical school acceptable to the western world, if I may say so. The problem of industrialisation is not essentially a financial problem but one of socio-economic organisation. Therefore, the question of resources impinges immediately on the socio-economic organisation and unless you are prepared to take those steps which are absolutely necessary within the framework of our Constitution, our objectives and our policies you are not likely to succeed in mopping up the resources.

Recently, concerning the resources and foreign dependence a well-known economist—and a leading economist of the Labour Party—had observed as follows. I thought that the Planning Ministry would take serious note of it. Professor Balogh in the 29th November, 1958 issue of the *New Statesman* (London) has passed a vote of censure on your planning—a sympathetic observer like him has done it. Under "The Challenge from the East" he writes and makes a very significant observation.

"The reliance by India on highly complex imported mechanical equipment has been one of the main causes of her exchange crisis which imposed a cut in the Second Five Year Plan and threatens the Third."

Professor Balogh, the most sympathetic observer and a well-known economist—he is the leading economist of the British Labour Party—has made this observation while examining the challenge thrown by China. When you have this observation before you, you have got to follow labour intensive policies and judge your performance from that angle. If you look at it from the employment angle, if you look at it from the production angle, if you look at it from the total national

income and part of it—a growing part of it—going for further investment, from all these angles has your policy resulted in success or failure? I would like to have a re-assessment of policy from this angle from the hon. Finance Minister if he is pleased to make it for his benefit and to the benefit of the nation. I would earnestly request him to make such an assessment.

Now, I take the question of taxation, which I just referred to. There are some problems. For instance, during the last five or seven years, since the beginning of the First Plan, about 40 per cent of the urban income has been mopped up by taxation and hardly 15 per cent or less from the rural area. In the rural areas, there are new commercial crops. Land revenue has not been touched for the last 30 years. If the ruling party is afraid to lose the vote in the coming election and so keeps the backwardness of the peasant and would not even persuade him to share in the national sacrifice and make him more active, this can continue. Otherwise, I would like to request the Finance Minister to examine the position. As the States are not fulfilling their targets, why not have some surcharge over land revenue, where the cash crops are grown? Otherwise have the produce taxed on the basis of income and do away with the land revenue.

An Hon. Member: Who will collect?

Shri Khadlikar: This is absolutely essential. You must examine it from the point of view of economic development and the raising of resources. I will point out to terms of trade as to why this is not possible.

I will now point out how the terms of trade so far as the peasantry is concerned are unfavourable. I am quoting from *Agricultural Situation in India* by Shri N. S. Randhawa. In his study on the parity indices of prices received and paid by the farmer, he comes to the conclusion:

"Out of 18 years, only during five years (1939-40, 1941-42,

[Shri Khadilkar]

1948-49, 1953-54, 1956-57) the terms of trade happened to be favourable to the farmer."

As regards relationship between the farm prices and prices of manufactured goods, Shri Randhawa observes:

"It may be noted with the exception of four years (1939-40, 1945-46, 1948-49 and 1950-51) the terms of trade between farm prices and prices of manufactured goods have been adversely against the agricultural sector to an extent ranging from 2.6 to 36.3 per cent."

I missed one point.

Shri D. C. Sharma (Gurdaspur): Why is he quoting all this? It is all theoretical.

Shri Khadilkar: To strengthen my point of view, it is necessary to quote some authority. Our Finance Minister believes in authority.

Shri Morarji Desai: I have never said so.

Shri Khadilkar: What I submit is, the terms of trade between agricultural production and industrial production being unfavourable, there is great difficulty in raising resources.

In conclusion, I would like to suggest to the Finance Minister and the Planning Commission together. The Economic High Command which is in charge of our destinies, instead of creating conditions where development will be looked upon as something their own for their benefit by the ordinary people and they will feel that they are sharing the burdens because their future is bright, is creating conditions where the people feel in desperation that planning is almost a curse. You are responsible for it. If you remove these conditions and create an atmosphere where everybody in this country will feel that planning is for my benefit, agriculture and industry will walk as the Chinese call it the policy of walking on two legs—the whole plan-

ning will walk—on two legs. If that is done with a balance, I am certain that the present crisis which is likely to create instability and, as I said earlier, likely to crash and bring the worst calamities, would be averted.

With these words, I will again appeal to the Finance Minister to apply his mind. He is known to be austere and austerity-minded. The time has come when he should introduce austerity in the administration. If he introduces that, that spirit will be carried throughout the country, and he will get the best results. With these words, I conclude.

Mr. Deputy-Speaker: The following are the selected cut motions relating to the Demands under Ministry of Finance which may be moved subject to their being otherwise admissible:

Demand No.	No. of Cut Motion
21	257, 258, 261, 2046, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2100, 2101, 2102, 2103, 2104, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135.
22	2088, 2111.
23	399.
24	2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099.
25	2113.
30	2114, 2115, 2116.
33	2105, 2106, 2107, 2108, 2109, 2110.

Need to grant bonus to L.I.C. employees

Shri S. M. Banerjee: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Failure to have uniform rates of sales-tax in the country

Shri S. M. Banerjee: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Failure to expedite the submission of Pay Commission's Report

Shri S. M. Banerjee. I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Delay in submission of Report of the Second Pay Commission

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need for full merger of the dearness allowance in the basic pay of the Government employees

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Failure to evolve effective methods for popularising Small Savings Scheme

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need to place details of foreign countries' help in private sector before Parliament

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

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Failure to check rising trend in prices

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Failure to effectively control credit with a view to check rising trend in prices

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Failure to take effective steps against banks for granting advances against foodgrains

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Failure to check bank advances to Stock Exchange Speculators

Shri Prabhat Kar: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need for prompt disposal of individual representations of Income-tax employees

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need to construct residential quarters for Income-tax staff of all stations

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Delay in the confirmation of staff in Income-tax Department

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Rules for transfer of non-Gazetted staff in the Income-tax Department from one place to another

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Need to give facilities to the office-bearers of the recognised Associations/Unions of Income-tax employees functioning in all States, for their day-to-day activities

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Location of the headquarters of Commissioner of Income-tax, Kerala within the State of Kerala

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Sitting arrangements for class IV employees and notice servers of the Income-tax Department

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Inadequacy of the staff to meet the increasing volume of work due to introduction of new taxes

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Irregular supply of queries to the class IV staff of the Income-tax Department

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Lack of planning in Budget

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Huge surpluses in various Ministries under different heads

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Failure to implement the recommendations of the All-India Rural Credit Survey

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Appalling condition of agricultural credit

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Functioning of the Agricultural Credit Department of the Reserve Bank of India

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Failure to supply adequate credit to the agriculturists

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

*Working of the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Need for decentralisation in the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Failure to settle disputes with field workers in the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

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

*Failure to settle bonus dispute with the employees of the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Investment policy of the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Failure of Janta Policy of the Life Insurance Corporation***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Policy of the Reserve Bank regarding exchange control***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Working of the Reserve Bank regarding Rural Credit and Co-operatives***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Need for tightening up of Exchange Control Regulations***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Need for more effective control by the Reserve Bank over advances made by Commercial Banks***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Need for amalgamation of small banks***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Licensing policy of the Reserve Bank of India***Shri Prabhat Kar:** I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Nationalisation of Banks***Shri Prabhat Kar:** I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

*Working of the General Insurance Companies***Shri Prabhat Kar:** I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need for proper control over the General Insurance Companies

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Need for checking malpractices in the General Insurance Business

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Nationalisation of General Insurance Companies

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Working of the Industrial Finance Corporation

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Working of the Industrial Finance Corporation

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Working of the Industrial Credit and Investment Corporation of India

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Working of the Re-finance Corporation

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Frequent Supplementary Demands by various Ministries

Shri Prabhat Kar: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Inadequate accommodation for office premises under the Ministry in Cities and mofussils

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Improper sanitation in the Income-tax Offices

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Need to promote departmental candidates who have qualified in the Departmental Examinations in preference to direct recruits

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Fixation of pay and confirmation of War-Service employees in the Income-Tax Department

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Fixation of pay of ex-state employees and their seniority

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Fixation of seniority of the employees working under the Commissioner of Income-tax, Punjab, Himachal Pradesh and Jammu and Kashmir

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Inadequate supply of stationery and furniture for maintenance of Assessment Records

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Rules prescribed for Departmental Examinations in the Income-Tax Department

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Recruitment and promotion in the Income-tax Department

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Shifting of the Commissioners of Income-tax, Punjab, Jammu and Kashmir from Simla to Amritsar

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need to nationalise scheduled Banks

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Need to revise dearness allowance paid to Reserve Bank employees

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Categorisation of Field Officers under Life Insurance Corporation

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Realisation of income-tax arrears

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Delay in the submission of Pay Commission Report

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Payment of bonus to Life Insurance Corporation employees

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Inter-State Sales Tax

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Application of Sales Tax on an uniform basis

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs 100"

Increasing evasion of taxes

Shri S. M. Banerjee: I beg to move:

"That the demand under the head Ministry of Finance be reduced by Rs. 100."

Failure to check gold smuggling

Shri Prabhat Kar: I beg to move:

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

Failure to check evasion of custom duty on borders

Shri Prabhat Kar: I beg to move:

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

Inefficient working of the machinery for collection of duty in Bijapur District

Shri Sugandhi: I beg to move:

"That the demand under the head Union Excise Duties be reduced by Rs. 100."

Working of the Central Board of Revenue

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Need for reorientation of tax policy keeping in view the poverty of the common man

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Need for change in the procedure of tax collection

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Lapses in the functioning of tax collecting machinery

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Failure to realise income-tax due as assessed by the Income-tax Investigation Commission

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Mounting arrears in income-tax collection

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Failure to take any step regarding evasion and under-payment of taxes

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Failure to check irregularities in the Department

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including Corporation Tax etc. be reduced by Rs. 100."

Delay in disposal of cases of assessments and appeals

Shri Prabhat Kar: I beg to move:

"That the demand under the head Taxes on Income including

- Corporation Tax etc be reduced by Rs 100 "
- Need to associate local advisory bodies in the tasks of finding out tax evaders
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Taxes on Income including Corporation Tax etc be reduced by Rs 100 "
- Need to provide deterrent punishment for tax evaders
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Taxes on Income including Corporation Tax etc be reduced by Rs 100 "
- Failure to suppress opium dens in Calcutta
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Opium be reduced by Rs 100 "
- Need to abolish political pensions to royal families
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Territorial and Political Pensions be reduced by Rs 100 "
- Need to increase quantum of pension incommensurate with cost of living
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Territorial and Political Pensions be reduced by Rs 100 "
- Failure to give relief to low-paid pensioners
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Territorial and Political Pensions be reduced by Rs. 100 "
- Need for collection of comprehensive data for the formulation of the next Plan
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Failure to check wastage of money in various plan projects
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Failure to fulfil plan targets in various States
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Need for co-ordinated work by various Departments for fulfilling plan targets
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Implementation of plan targets
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Need to supervise the working of the Plan projects in the States
- Shri Prabhat Kar: I beg to move
- "That the demand under the head Planning Commission be reduced by Rs 100 "
- Mr Deputy-Speaker: These cut motions are now before the House
- शुद्धी बरिष्ठेन वदेन (मानन्द)
 उवाच्यस्य महोदय, मैं आप से क्षमा चाहती हूँ कि आप ने मेरा नाम पुकारा, तो मैं यहाँ नहीं थी। मेरा ट्रक-काल आया था।

उदाध्यक्ष महोदय : आप ने गिला किया था कि मैं आप को बुलाता नहीं हूँ और अगर मैं बुलाता हूँ, तो आप होते नहीं हैं।

सुधी मरिणबेन फतेल : ट्रंक-काल का तो कोई इलाज नहीं है।

अभी पिछले शनिवार और रविवार को मैं मोटर से भरतपुर, अलवर गई थी। रास्ते में मैं ने दोनों तरफ खेतों को पानी से भरा देखा। किसी जगह कमर तक पानी भर था और किसी जगह कंधे तक पानी भरा था। मैं ने तलाश की, तो इस तरह से बीस हजार एकड़ में अभी भी पानी भरा पड़ा है। करीब दो लाख एकड़ में पानी था। पांच महीने पहले बाढ़ आई थी। अभी नव उस का कुछ रास्ता नहीं निकला है। मुझे ऐसा लगता है कि इस में अपने आयोजन-पंच को कुछ दखल देना चाहिए। पंजाब, राजस्थान और उत्तर प्रदेश तीनों की सरहद वहाँ होने के कारण हम मामले में कुछ होता नहीं है। अपने इषर के इरिगेशन मिनिस्टर भी बहा गए थे। इंजीनियरों को ले गए थे। उन्होंने देखा। उस का रास्ता एक ही है कि पानी को किसी तरह से नदी में बहना चाहिए और यह करने के लिए कुछ उत्तर प्रदेश के खेत और कुछ राजस्थान के उस में जाते हैं। और इन राज्यों को इस के लिए राजी करने के लिए हमारे आयोजन-पंच को दखल देना चाहिए। एक तरफ हम अधिक भ्रम उत्पन्न करने के लिए कोशिश कर रहे हैं, आन्दोलन कर रहे हैं और दूसरी तरफ ऐसी चीज में अगर हम चुप बैठेंगे, तो हमारा काम कैसे चलेगा? इस साल की रबी की फसल तो बेचारी की खत्म हो गई। किसान हमारी तरफ देख कर भगवान के अंगुसे बैठे हैं और अब दो महीने के बाद फिर वर्षा की श्रुति शुरू हो जायगी। अगर हम कुछ कड़ी करेंगे, तो इन का हल क्या होगा? और यह अच्छा है कि वहाँ के किसान भले हैं और किसी के साथ में फंस नहीं हैं, नहीं तो बेकारण हमारे ऊपर ऊब्रम भ्रम जायगा। खाली इंजीनियर बार

बार जाये और देखता रहे, कागज पर प्लान करता रहे, इस से हमारा काम नहीं चलेगा। इस में तीनों राज्यों के चीफ मिनिस्टर या इंजीनियरों को बुला कर, मशविरा कर के इस का रास्ता निकालना चाहिए। इतना ही नहीं, इस को फालो-अप करना चाहिए और शीघ्रता से यह काम हो जाय, यह देखने की बहुत जरूरत है।

एक और बात पर मैं आप का ध्यान दिलाना चाहती हूँ। बम्बई राज्य में ताप्ती नदी पर की काकड़पारा की योजना १९४९ में शुरू हुई थी। और पहले वह दिल्ली सरकार के पास थी। तब वायदा किया गया था कि १९४४ में वह बिल्कुल पूरी हो जायगी और उस में उर्कई की योजना के लिए लोगों ने पैसा भी जमा करके दिया है। इन तरह से पैसा जमा करने का काम चम्बल में कुछ हुआ है, परन्तु बाकी किमी जगह में लोगों की तरफ से पैसा जमा करने का काम नहीं हुआ है। उस के बाद एस्टीमेट्स कमेटी की रिपोर्ट से यह काम राज्य के सुपुर्दे किया गया और आज तक यह काम पूरा नहीं हुआ है और अभी भी मालूम नहीं कि कब पूरा होगा। इस से वहाँ के लोगों को काफी सदमा पहुँचा है। और खाली सदमा छोड़ दें, परन्तु अगर यह योजना पूरी होती, तो हमारी कंश क्रॉप्स और फूड क्रॉप्स कितनी बढ़ जाती, यह काकड़पारा योजना की किताब को पढ़ें, तो आप को पूरा ख्याल होगा। मेरी विनती है कि इस तरह से जहाँ भी किसी कारण से राज्यों में कोई काम न होता हो, किमी कारण से उन के पास कोई चीज की कमी हो, या रुकावट पड़ती हो, तो इस में आयोजन-पंच को बीच में पडना चाहिए और पूरा करवाना चाहिए। आखिर इस के प्रोवर्हेड चांजिज तो किसानों पर ही पड़ेंगे और पीछे आप ब्रैटरमेंट चांजिज उन से ज्यादा लेंगे, यह बड़ा अन्याय होगा, यह मुझे लगता है। परन्तु हमारा जो भ्रम पैदा करने का प्रयत्न है, यह प्रयत्न इस तरह से डिलाई से काम चलने से

धीर भी डीला हो जाता है ।

ऐसा ही एक मामला मही नदी का है । मही कानाल के लिए राजस्थान में कठाना डैम बांधना पड़ेगा । अगर इस में भी सेन्टर से दखल न दिया जायगा, मतलब यह कि अगर राजस्थान सरकार और बम्बई सरकार दोनों को बिठा कर इस का फैसला नहीं किया जायगा, तो यह भी इसी तरह से ढिलाई में पडता जायगा और काम ठीक से नहीं होगा और भीषण नहीं होगा ।

एक तरफ हम फर्टिलाइजर की बात करते हैं और लाग चारो तरफ ऐसी शिकायत करते हैं कि फर्टिलाइजेशन खाद नहीं मिलती है । दूसरी तरफ और मिल्क कालोनी में जो गोबर है, उस में से कितना समुद्र में जाता है यह सोचा गया है ? हम मारे गोबर का उपयोग किस तरह से किमान कर सके, इस का सोचना चाहिए । आज रेलवे फ्रेट इतना पडता है कि किसान यह सारा गोबर नहीं ले जा सकता है । अभी कुछ रियायत रेलवे मंत्रालय ने दी है, तो उस का अर्थ कर्मचारी कही-कही ऐसा करते हैं कि हम तो खाली मेन लाइन्ज पर देंगे । ब्राड-गेज है, अगर मेन लाइन पर का स्टेशन न हो, ब्राड गेज से ब्राच लाइन में ले जाना हो, ताप्ती बैली ब्राच लाइन में ले जाना हो, तो वे कहते हैं कि हम नहीं देंगे, उस में हम रियायत नहीं देंगे । इस बारे में सोचने की जरूरत है और इस में जो रास्ता निकल सकता है, वह निकालना चाहिए । इतना ही नहीं, परन्तु देश भर में और जगह जहा भी प्राय को डेयरी बनानी हो, अगर धारे के पैटर्न पर डेयरी बनानी हो—दिल्ली में हो, कलकत्ता में हो, नागपुर में हो, कही भी हो—, एक स्थान पर जानबरो को जमा करना हो, तो यह सोच लेना चाहिए कि जो गोबर निकलेगा, उस का पूरा उपयोग कैसे होगा, किस तरह से उस का निकाल होगा, क्योंकि सब जगह समुद्र नहीं मिलने वाला है और अगर मिले भी,

तो भी यह बड़ी कीमती चीज है, इस को फेंक दिया जाय इस तरह से नहीं होना चाहिए ।

जब तक हमारे यहा अन्नकी पाबन्दी नहीं थी राशनिंग नहीं थी, तब तक देहात में काफी लोग पडे थे, जो रोज गेहूँ नहीं खाते थे, जो कोर्स ग्रेन खाते थे और याज की जितनी मेहनत मजदूरी करते थे । आज हम ने पाबन्दी के कारण सब को—करीब-करीब काफी लोगो को—गेहूँ और चावल की भादत डाल दी है । अब ये इतने मिलते नहीं हैं, तो तकलीफ होती है । जो कोर्स ग्रेन देश में उत्पन्न होता है, उस की भी साथ-साथ गिनती की जाय, तो मुझे ऐसा लगता है कि जितनी कमी होने की हम दृष्टत करते हैं, उतनी हमारे यहा अन्न की कमी नहीं है ।

मेरी समझ में नहीं आता है कि रेलो के हेरफेर में जो तकलीफ होती है, उससे क्यो लोगो को बचाया नहीं जाता है । देहातो में जो अन्न पैदा होता है उसको जमा करके शहरो में ले जाया जाता है और बाहर से जो आता है परदेश से जो आता है, उसको गावो में दिया जाता है, यह किस तरह का बितरण है, मेरी समझ में नहीं आया है । साथ ही साथ मैं यह भी कहना चाहती हूँ कि बाहर का जो गेहूँ आता है ब डबल रोटी बनाने के लिए या किमी और काम के लिए तो अच्छा होता है परन्तु हमारी जो रोटी होती है, उसे बनाने के लिए वह अच्छा नहीं होता । मेरा यह अनुभव है । मैं ममझती हूँ कि जब शहरो के लोग सब प्रकार की सुविधायें भोगते हैं, तो अगर कुछ अन्न के बारे में असुविधा भोग ले, थोड़ी सी असुविधा भोग ले, तो उममें बुरा मनाने की कोई बात नहीं है । हा, उनके पास अन्नबार है, वे पडे लिखे हैं, और मचा सकते हैं लेकिन जो देहातो के लोग हैं, जो कि पैदा करते हैं वे ये सब कुछ नहीं कर सकते हैं । इस बास्ते में चाहती हूँ कि उनकी और प्रायका अधिक ध्यान जाना चाहिये । रेलो में इतना अन्न हेरफेर किया जाता है

[शुद्धी मणिवेन पटेल]

इस में मैं समझती हूँ इस तरह कि कुछ कम हो सकता है सोचने की आवश्यकता है।

मुझ से पहले जो एक माननीय सदस्य बोले उन्होंने कुछ रिट्रैक्टमेंट का बिक्र किया और कहा कि ज़ाली एक अफसर नियुक्त करने से क्या होता है। मैं चाहती हूँ कि मुझे समझाया जाए कि अगर रिट्रैक्टमेंट किया जाता है, तो यही लोग बिल्काली हैं कि किसी को निकाला न जाए और वे बेकार हो गये हैं और उनके लिए कुछ किया जाना चाहिये और जब रिट्रैक्टमेंट नहीं किया जाता है तो कहा जाता है कि स्टाफ बहुत ज्यादा है और रिट्रैक्टमेंट होना चाहिये। इस बास्ते मैं चाहती हूँ कि मुझे बतलाया जाए कि यह मामला किस तरह से हल किया जा सकता है। एक तरफ यह कहा जाए कि रिट्रैक्टमेंट हो और दूसरी तरफ यह कहा जाए कि लोगों को निकाला नहीं जाना चाहिये, ये दोनों बातें कैसे सम्भव हो सकती हैं? मुझे तो यह विरोधाभास ही लगता है। पहले तो सरकारी नौकरी में घुसना ही आसान नहीं है और अगर किसी तरह से कोई घुस जाता है तो उसको निकालना और भी तकलीफ़ का काम हो जाता है। मैं समझती हूँ कि आपने इस तरह का हुक्म तो दिया ही होगा कि किसी भी व्यक्ति की नियुक्ति करने से पहले बिल मंत्रालय को पूछ लिया जाना चाहिये। मैं यह नहीं जानना चाहती हूँ कि क्या छोटे क्लर्क या थपड़ासी की नियुक्ति करने से पहले आपकी रजामन्दी लेना आवश्यक है? आप के यहाँ यह भी एक तरीका है कि पहले पहल किसी को टेम्पोरेरी तौर पर रखा जाता है, छः महीने या बारह महीने के लिये और बाद में उस को पक्का कर दिया जाता है। इस तरह से हर साल कितने व्यक्ति सरकारी नौकरियों में आते हैं, इस का पता लगाने की भी ज़रूरत है। मेरा क्याल है कि अब हम आजाद हुए थे तब हमारे

पास सात या नौ हजार के करीब थपड़ासी थे लेकिन आज उन की तादाद १६,००० के करीब पहुँच गई है, यह किस तरह से हुआ है; यह मैं जानना चाहूँगी। अगर उन का रिट्रैक्टमेंट करने की बात आये भी, तो मैं मानती हूँ कि हम उस में कभी सफल नहीं हो सकते हैं।

यह भी कहा जाता है कि जो काम है वह कोऑपरेटिव ढंग से होना चाहिये, सभी की कोऑपरेशन ली जानी चाहिये और सब को उस में हाथ बटाना चाहिये। अधिकतर लोग किसी के भी पक्ष के वे चाहे क्यों न हों, इस चीज को मानते हैं और चाहते हैं कि यह हो। परन्तु अगर इस में सफलता पानी हो तो फिर इस विभाग में चाहे वह केन्द्र का हो या राज्यों का हो, जो कर्मचारी हैं वे ऐसे होने चाहिये जो कि इस चीज में श्रद्धा रखते हों और ऐसे ही अधिकारी नियुक्त किये जाने चाहिये। अगर ऐसा किया गया तो हमें इस में सफलता मिल सकती है।

17.34 hrs.

[MR SPEAKER in the Chair]

परन्तु अगर ऐसे कर्मचारी रखे गये जिन की बिल्कुल इस में श्रद्धा ब हो, जो बिल्कुल ही इस के खिलाफ हों और कुल्लम कुल्ला इसका विरोध करते हों और ऐसे कर्मचारियों के हाथ में इस विभाग की बागडोर दी गई तो हमें अपने काम में सफलता नहीं मिल सकती है। बल्कि मैं तो समझती हूँ कि ऐसे व्यक्ति इस काम में रोड़ा ही घटकाते हैं। मैं भरतपुर गई थी और वहाँ मुझ से इस बारे में शिकायत की गई कि तीन महीने हो गये अभी तक सोसाइटियों को रजिस्टर नहीं किया गया है। इसी तरह की शिकायतें मेरे पास और राज्यों से भी आई हैं। इस बास्ते मेरी प्रायोजना-पंच से और माननीय मंत्री महोदय से बिनती है कि कृपा कर के इस बारे में ध्यान जरा दें और राज्यों में भी आप देखें कि किस तरह है

काम हो रहा है और उस की जांच करे । वह देखना थाप का कर्तव्य है कि इस विभाग में जो कर्मचारी हों वे काली इस में विलचस्पी रहने वाले हों और कुछ ग्राहक वाले भी हों और ऐसे हों जो सहकार से, सहानुभूति से काम करें, ऐसे न हों जो हमेशा ही दखल देते रहें और रोक जमाने की कोशिश करते रहें ।

भाप देश में शिक्षा बढ़ाना चाहते हैं और सब की यह इच्छा है कि देश में शिक्षा बढ़े और जल्दी से जल्दी सभी बच्चे, स्त्री, पुरुष शिक्षा पावें और इस के लिये सब तरह के कोशिश की गयी जा रही है । हम मंत्री की यह इच्छा है कि जल्दी से जल्दी हमारे लोग शिक्षा पा कर के काम करने लायक हो जायें । इस के लिये हर प्रकार की कोशिश की जा रही है । परन्तु एक बात मेरी समझ में नहीं आती है कि जब हमारे यहां यह आग्रह रहेगा कि हर एक बात अंग्रेजी में सीखनी चाहिये और अंग्रेजी में सिखानी चाहिये और हमारी यूनिवर्सिटी कमीशन भी यही कहे कि अंग्रेजी का इतना स्टैंडर्ड होगा, तभी हम पैसा देगे तो यह काम कैसे बनेगा । इस सम्बन्ध में आयोजना पत्र को क्या मोचना नहीं चाहिये कि पालिसी बना करके कमिशन से यह कहे कि उसके मूलाधिक जो पैसा दिया जाता है, उसका बितरण वह करे । मैं समझती हूँ कि अगर यह कहा जाए कि कोई भी भाषा हो, उसका स्तर यह होना चाहिये इतना होना चाहिये इस प्रकार की शिक्षा देनी चाहिये और यह नहीं कि अंग्रेजी में इतना स्तर हो तभी पैसा मिलेगा, तो ज्यादा अच्छा होगा । यही कहना कि अंग्रेजी का इतना स्तर हो तभी पैसा मिलेगा, यह समझ में आने वाली बात नहीं है ।

एक और बात मैं कहना चाहती हूँ। आज कम कुछ लोगों ने यह पेशा प्रस्तुत कर लिया है कि बूलेकमेल किया जाए । कहीं से भी कोई व्यक्ति निकाला गया हो तो वह प्राथमिक सरकार को बेनाम बा

इस्तफत करके बिट्टी मिलता है किसी के बारे में कुछ और किसी दूसरे के बारे में कुछ और इस सारी चीज की तलाश की जाए, जांच की जाए, यह तो मैं समझती हूँ और कहीं से भी कोई भी बात मिले, उसकी जांच अवश्य होनी चाहिये लेकिन साथ ही साथ इसकी तलाश भी करने की जरूरत नहीं है क्या कि जिस व्यक्ति से यह खबर मिली है, वह व्यक्ति कौन है, कंसा है और उसने कोई बूलेकमेल की है या नहीं ? ऐसा कोई प्राथमिक अगर करता है कोई व्यक्ति ऐसा धंधा करता है, बूलेकमेल करता है तो उसके खिलाफ कार्रवाई नहीं करनी चाहिये आपको क्या ? यह मैं आपके सोच विचार के लिए आपके सामने रखती हूँ ।

अन्त में एक बात मैं कहना चाहती हूँ। शाल के प्राश्निक तक कागज चलते रहते हैं, फाइलों पर फाइलें चलते रहते हैं कि किस तरह से पैसा देना है, क्यों देना है और क्यों नहीं देना है लेकिन जब मार्च आता है, तब पैसा दिया जाता है, लोन दिया जाता है, ग्रांट दी जाती है और भाप चाहते हैं कि ३१ मार्च से पहले वह खर्च होना चाहिये । यह कैसे हो सकता है ? जब ऐसा होता है तो गूठे बिल बनाये जाते हैं, भागे की तारीख डाल कर कुछ किया जाता है या जल्दी में चीज खरीदी जाती है या बनवाई जाती है और इसका नतीजा यह होता है कि अच्छी चीज नहीं मिलती है या बनती है और काम ठीक तरह से नहीं होता है, पैसा जाया जाता है । इस बारे में मेरी एक खास गिनती है कि ग्रांट हो चाहे लोन हो, अगर से पैसा दिया जाए या राज्यों से दिया जाए, किसी भी संस्था को दिया जाए, किसी भी काम के लिए दिया जाए, सड़को के बनाने के लिए दिया जाए, नहरों के लिए दिया जाए, स्कूलों के लिये दिया जाए या मकानों के लिये दिया जाये, कृपा करके जनवरी में वा उस से पहले देने की कृपा कीजिये ताकि ऐसी व्यवस्था

[सुश्री मणिबन पटेल]

हो सके कि पैसे का ठीक तरह से सदुपयोग हो सके ।

घाप ने मुझे जो समय दिया है, उस के लिये मैं घ्रापना धन्यवाद करती हूँ ।

Shri Liladhar Kotaki (Nowgong)
Mr Speaker, Sir, I am very grateful to you for giving me this opportunity to participate in this debate. My esteemed friend, Shri Mathur, raised a doubt as to the relationship of the Planning Commission to this House. To me it seems that the relationship is very intimate because the Chairman of the Commission is the Prime Minister who presents the Plan before this House and the Plan has to be adopted by this House. Secondly, whatever be the Plan that has to be sanctioned and financed by the Finance Minister and he has got a great deal of control over the Commission's activities.

Now, we have already begun thinking over the Third Plan and therefore, it is necessary that we look back so that we can take our next step in the right manner. It was true that the First Plan was taken up in a hurry and its main objective was to set right certain imbalances then prevailing in our economy. The Second Plan was more thorough and it laid down clear objectives before the country as to on what lines our country should be developed in a planned manner. I need not go into the details of those things, suffice it to say that it aims to establish a welfare State in the country on democratic lines as laid down by the Constitution and it also aims to establish a socialist pattern of society in the country. In doing so, the Second Plan made certain clear provisions, namely, that in developing our country care should be taken to see that there is no inequality and whatever disparities there might have been should be removed so that a real socialist order can be brought about through these Plans. Although

the Plan must be a continuous one and also flexible it is quite relevant to see whether the trends have been on the right lines. In the First Plan it was aimed that agriculture which is the main base of our country should be given the topmost priority because the objective of the Second Plan to industrialise the country must have a sound agricultural base. Now, in the fourth year of the Second Plan, which is the ninth year of our Plan period, we find that we did not actually succeed in achieving the objective of the First Plan. That is quite clear. The one glaring fact is that if we succeeded in the First Plan, we ought not to have been going on importing the foremost item of agriculture—viz food. We have so far imported foodgrains to the tune of Rs 1,500 crores and on the rural sector we have spent up till now about Rs 1,500 crores more. After spending so much of money, even today we are dependent upon the foreign countries to feed our countrymen. While we go on importing foodgrains, how can we say that we have succeeded in establishing the agriculture base of our Plan.

Secondly, as to the removal of inequalities and disparities: how far have we succeeded in that?

Sir, from the reports of the various ministries and also of the Planning Commission—also from the reports of the various evaluation committees, study teams and so on—it is very difficult to find out this basic information as to how far we have succeeded in correcting these inequalities and disparities. Therefore, I am at a loss to give the exact nature of the problem, but I have no doubt in my mind that we have not succeeded in offsetting these imbalances and inequalities to any appreciable extent.

This will be clear from one factor. The national income of our country is very low, no doubt. It is Rs 10,800 crores, the per capita income being only Rs 281 as at the end of the First Plan. But, then, 50 per cent of the

national income is contributed by 80 per cent. of our population who belong to the rural areas. This is one indication to show that the national income is not evenly distributed.

Then, there are many other indications to show that the bulk of our population and the vast majority of our areas have not developed to the same extent as we have developed in some other sectors. Our economy may be broadly divided into two sectors, namely, industrial and agricultural. In the industrial sector we have achieved quite a good progress. Yesterday and also today we have listened to the debate on the Demands relating to the Ministry of Commerce and Industry, and from the hon. Minister for Industries we have heard that we have actually attained very commendable progress in the industrial sector.

But can we say so as far as the agricultural sector is concerned? I have already pointed out our success so far as foodgrain is concerned. The other day we discussed about the Community Development Ministry which comprises of all the developmental activities for the rural areas. The very fundamental point of village organisation so far as the success of community development and, for that matter, the development of the rural area is concerned has not yet been reached. We have not yet properly established the village panchayat. We have not yet been able to form the multi-purpose village co-operatives. These are the two very indispensable adjuncts for the success of community development activities. This is also laid down in the Second Plan itself.

Therefore, I believe that these trends are very important for consideration by the Planning Commission and the Government, so that these shortcomings and drawbacks could be corrected when we plan for the third phase. Apart from what should be or would be the size of the Third Plan, I believe that these trends should be properly looked into and be

assured that we do not widen the difference between the various sectors of our community and also the various regions.

Coming to the regions, I hope I will not be misunderstood if I illustrate the point by referring to certain areas, because we have heard in this House and outside that there is a general complaint from all over the country, more particularly, from the rural areas and more so from the more remote and backward areas that the Government have not been able to do as much as was necessary. I will not name the areas or the sources from which these grievances come. But I believe there is a good reason for many areas to feel so, and I for one belong to that class of people having grievances.

An Hon. Member: I am also one of them.

Shri Liladhar Kotoki: I represent an area which is backward. It is unfortunate not only because it is backward industrially but also because it is a region which has been most adversely hit as a result of partition. Even before partition, it was an area where no development schemes were undertaken. The House will realise the truth of this point which I have raised, from one fact, and that is before Independence, this was a region where there was not even a single basic institution indispensable for an autonomous State. For instance, there was no university, there was no agricultural school, not to speak of a college, there was no medical college, and there was nothing of the sort there.

Shri D. C. Sharma: Is he describing my constituency or his constituency?

Mr. Speaker: I am glad he speaks for both, and I need not call upon Shri D. C. Sharma to speak at all!

Shri Liladhar Kotoki: I speak of all those areas in the country which are in a similar fate. I said so at the very beginning. I am illustrating all

[Shri Liladhar Kotoki]

this by mentioning my region of which I have got certain information and knowledge. I represent Shri D. C. Sharma also in that.

As a result of partition, as you know, Sir; the meagre transport facilities have been totally cut off although a link has been established now. Absence of such facilities stood in the way of any industrial schemes being taken up by the private sector or even by the Government. This region is full of mineral, forest and agricultural resources, but yet it is surprising that there is not a single industry there.

What is the reason? The reason is that the few schemes that have been taken up so far have been left to the private sector. Licences are given but none would come there because the profit is very small and the private sector would not take up any industry unless they could make sufficient margin for their enterprise, by way of profit, etc. The only industry that has come up so far is a co-operative sugar mill, and that had to be helped by the Government by participating in it by way of taking shares and other ways. It may be said that we are going to have an oil refinery, that also has come after a great deal of hesitation. Although the industrial policy resolution says that new industries should be set up where raw materials are available, and yet, when we get the raw material of crude oil, the refinery in full could not be established where the raw material is found, because the industry is of such a peculiar nature. That is why I said in the beginning I come from an unfortunate area.

I would like to place before the House a few more instances before I conclude my observations. Electricity is a very important factor for industrial development. It is not possible to industrialise unless we get cheap power, particularly in an area where due to transport difficulties, the

cost is bound to be higher. In Assam, the hydro-electric potential is 11,036,000 KW, out of the 40 million KW. in the country as a whole. It is surprising that out of this potential, we have so far a per capita installed capacity of 0.97 KW at the end of the first Plan. It is supposed to be 5 KW at the end of the Second Plan, whereas the target for the country as a whole is 50 KW. Out of 38183 KW that we have so far generated and propose to generate, the majority goes to railway collieries, oil fields, etc., and not to any industrial project.

Let us take the case of jute. There also, although we produce about 11 lakh bales in the State, there is not a single jute mill as yet. So, how can we say that the development of the country has been taken up so as to remove the imbalances and disparities and to establish a socialist society in all the regions of the country?

So, my submission is that while we take up the Third Plan, we should take good care to see that these defects in the Second Plan are removed, so that all the areas are developed as quickly as possible and we may have a fairly balanced development in the country in the near future

17.57 hrs.

BUSINESS ADVISORY COMMITTEE

THIRTY-SEVENTH REPORT

Shri Shree Narayan Das (Darbhanga): Sir, I beg to present the Thirty-seventh Report of the Business Advisory Committee.

Mr. Speaker: The House now stands adjourned till 11 A.M. on 18th April, 1959

17.58 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, April 18, 1959/Chaitra 28, 1881 (Saka).