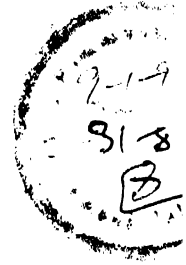
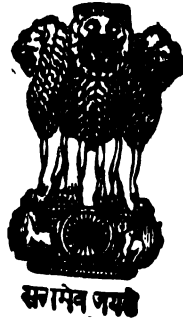


Saturday, 5th May, 1951



# PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

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VOLUME VII, 1951

(2nd April to 16th May, 1951)

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Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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**THE**  
**PARLIAMENTARY DEBATES**  
**(Part I—Questions and Answers)**  
**OFFICIAL REPORT**

3931

3932

**PARLIAMENT OF INDIA**

*Saturday, 5th May, 1951*

*The House met at Half-past Eight of the Clock.*

[MR. SPEAKER *in the Chair*]

**ORAL ANSWERS TO QUESTIONS**

**WEST BENGAL LEGISLATURE  
(VACANCIES)**

\*3845. **Shri Chattopadhyay:** Will the Minister of Law be pleased to state:

(a) how many seats in West Bengal Legislature were lying vacant for more than a year in 1950-51;

(b) for how many of them no elections have been held as yet;

(c) whether they will be filled up before the coming general election; and

(d) the reason for their lying vacant so long?

**The Minister of Law (Dr. Ambedkar):** While the Government of India as such are not concerned with the filling of casual vacancies in the State Legislatures, the following information has been obtained from the Election Commission:—

(a) Seven.

(b) Two.

(c) It is expected that bye-elections to fill the remaining two seats will be held very soon.

(d) The delay in filling these vacancies is stated to be due to the uncertainty which existed for some time in regard to the term of the present West Bengal Legislative Assembly owing firstly to the proposed re-constitution of that Assembly and secondly to the earlier decision to hold the general elections in April-May, 1951.

**Shri Chattopadhyay:** Am I to understand, then, that the Central Government has got no responsibility to see  
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that vacancies in the State legislatures are filled up without any delay?

**Dr. Ambedkar:** No; there is no responsibility. It is entirely a matter for the Provincial Government and the Rajpramukh or Governor.

**Shri Chattopadhyay:** Of these constituencies lying vacant for more than a year, may I know how many are general constituencies and how many trade union constituencies?

**Dr. Ambedkar:** I am afraid I have no information.

**Dr. M. M. Das:** May I know whether it is a fact that during the last two months, four bye-elections have been held in West Bengal?

**Dr. Ambedkar:** I can say nothing on the subject; I have no information, as I said.

**Prof. S. L. Saksena:** Is the hon. Minister aware that in the U.P. also there are seats which are vacant for more than a year?

**Mr. Speaker:** Order, order; the hon. Minister has already said that he has no responsibility. Next question.

**EXTENSION OF LAJPAT RAI MARKET**

\*3847. **Shri Jnani Ram:** Will the Minister of Defence be pleased to state:

(a) whether there is a proposal to transfer to Delhi Municipal Committee certain portions of Red Fort Area for extending the Lajpat Rai Market;

(b) if so, whether any proposal has come from the Delhi Municipal Committee; and

(c) if so, whether the matter has been decided?

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) to (c) The hon. Member is probably referring to a proposal which was made in January, 1951 by the Delhi Municipality to readjust the boundary

between the Delhi Red Fort Notified Area Committee and the Delhi Municipal Committee. The matter was considered at a meeting convened by the Chief Commissioner of Delhi and it was decided not to disturb the present boundaries.

**Shri Jnani Ram:** May I know the area of the space outside the Red Fort?

**Major-General Himatsinhji:** I have not got the actual acreage of the area. However, the area comprises all the open ground in front of the Red Fort up to the Jumma Masjid.

**Shri A. C. Guha:** May I know if the Government has any policy of keeping vacant areas around every fort, and if so, what is the area to be so kept, and what is the reason for that?

**Major-General Himatsinhji:** In the last regime which was an occupying regime it was the policy of the Government to have open spaces in front of defended localities for reasons of visibility and field of fire. Perhaps this policy has been useful in some ways that it has left large open spaces in the middle of cities like the Calcutta Maidan. This policy is naturally subject to review from time to time.

CONTRIBUTION IN D. V. C.

\*3848. **Shri Jnani Ram:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) the contribution of each participating State and the Union in the D. V. C. upto March, 1951;

(b) the amount raised by borrowing shares; and

(c) the amount realised by taxation, if any?

The Minister of Natural Resources and Scientific Research (**Shri Sri Prakasa**): (a) Central Government.

Rs. 4,86,28,167

West Bengal Government

Rs. 6,90,57,633

Bihar Government

Rs. 3,61,63,000

Total Rs. 15,38,48,800

(b) Nil.

(c) Nil.

**Shri Jnani Ram:** Has any attempt been made to borrow money from the open market?

**Shri Sri Prakasa:** No, Sir. The need has not arisen.

**Shri Jnani Ram:** May I know if the contribution of the State Governments of Bihar and West Bengal constitute the amount advanced by the Central Government?

**Shri Sri Prakasa:** Yes, Sir. All that money has been advanced by the Central Government to the State Governments.

**Shri A. C. Guha:** May I know whether the Central Government is to receive any interest and whether that interest is being paid regularly?

**Shri Sri Prakasa:** According to the law, we are entitled to interest. But, no interest has yet been paid.

**Shri Kesava Rao:** May I know whether the two States of Bihar and West Bengal will get the benefit equally or will they get according to their contribution?

**Shri Sri Prakasa:** So far as irrigation is concerned, West Bengal will get 9/10ths of the benefit and Bihar only 1/10th. They will pay also in the same proportion.

**Shri Chattopadhyay:** May I know what share the West Bengal Government have contributed for flood relief and hydro-electric project respectively?

**Shri Sri Prakasa:** I have got the total figures of contribution; not separate figures.

**Shri Jnani Ram:** Has any taxation proposal been prepared by the Corporation?

**Shri Sri Prakasa:** No, Sir. No taxation proposals have yet been made.

**Shri B. R. Bhagat:** May I know how and when repayment of the loans advanced by the Central Government will be made by the Provincial Governments?

The Minister of Finance (**Shri C. D. Deshmukh**): That matter has yet to be settled in consultation with the West Bengal Government.

**Shri Chattopadhyay:** May I know whether...

**Mr. Speaker:** I am going to the next question. This relates to the D.V.C. I think we have had sufficient questions.

**Shri Chattopadhyay:** I want to ask one question about the hydro-electric part of the scheme. There has been no question on that.

**Mr. Speaker:** He says he has not got the break-up here.

**Shri Chattopadhyay:** I want to know whether the hydro-electric part of the scheme will be given effect to or not.

**Shri Sri Prakasa:** Yes, Sir. All parts of the scheme will be given effect to, as time passes and money is available.

### MAINTENANCE OF STAFF CARS

\*3850. **Shri Sidhva:** Will the Minister of Finance be pleased to state what was the maintenance cost, i.e., petrol, drivers, cleaners' salaries of all Staff cars of all Ministries during the period 1949-50?

**The Minister of State for Finance (Shri Tyagi):** Attention is invited to Col. 6 of the statement laid on the Table of the House on 12th December, 1949 by the hon. Dr. John Matthai in reply to parts (a) and (b) of Starred Question No. 515 put by Shri Mahavir Tyagi, M.P., wherein it was stated that the total number of staff cars in Ministries proper was 37 and 106 in the attached offices in Delhi. And the recurring expenditure was Rs. 4045-0-0 per car per annum.

**Shri S. N. Das:** May I know whether the attention of the Government has been drawn to the comments made by the Comptroller and Auditor-General of India regarding the misuse and irregular use of staff cars, in his audit report on the accounts for 1947-48 (Post Partition)?

**Shri Tyagi:** Pointed attention has not yet been drawn. The Government is just now considering the laying down of definite rules which would allay all sorts of misuse of staff cars, if there is any.

**Shri Sidhva:** May I know whether any mileage is charged from the person who uses the staff car?

**Shri Tyagi:** No; no mileage is charged.

**Pandit Munishwar Datt Upadhyay:** May I know whether any complaints have been brought to the notice of Government regarding misuse or irregular use of these staff cars?

**Shri Tyagi:** No, Sir. No such complaint has been received in my Ministry.

**Dr. Deshmukh:** Am I to understand from the reply of the hon. Minister that so far there are no rules at all and that they are being framed now?

**Shri Tyagi:** There are rules. We are trying to stiffen those rules in such a manner as to make it impossible for any officer or other person to misuse it.

**Mr. Speaker:** Next question.

### DELHI SPECIAL POLICE ESTABLISHMENT

\*3852. **Pandit Munishwar Datt Upadhyay:** Will the Minister of Home Affairs be pleased to state how many

officers and how many other members of the police forces have been recruited to the Delhi Special Police Force from different State Police Forces?

**The Minister of Home Affairs (Shri Rajagopalachari):**

Gazetted Officers	... 27
Non-Gazetted Officers	... ...193

**Pandit Munishwar Datt Upadhyay:** Is there any fresh recruitment, and if so what is the number?

**Shri Rajagopalachari:** The numbers I have given refer to the number recruited from the different State Police Forces, as the question was put. There are, besides these, direct recruits, displaced Government servants and re-employed officers and on 1st November 1951, the total of gazetted officers would be 39 and non-gazetted officers would be 462; that is to say, 281 above the 220 that I have given.

**Pandit Munishwar Datt Upadhyay:** Is it proposed to make this institution a permanent one or is it to be kept on a temporary basis?

**Shri Rajagopalachari:** It is not an institution, I would like to say. It is a special police branch for the purpose of keeping watch on corruption in the Central Services scattered all over India. The present intention is to maintain this service.

**Shri Deshbandhu Gupta:** Out of the Gazetted Officers, how many are recruited directly from the State of Delhi?

**Shri Rajagopalachari:** From the information before me, I can give the State-wise break-up of the numbers I have given in answer to the question, that is to say, the numbers taken from the different State Police Forces. As for Provinces-wise division or break-up of the direct recruits, I have not got the figures.

**Dr. Deshmukh:** Has the hon. Minister, Sir, compared the efficiency and freedom from corruption of these different State police officers, and if so, which State is the best in this respect?

**Mr. Speaker:** I think that question is not admissible.

**Shri Rajagopalachari:** Sir, I am not answering the question. Is the hon. Member referring to corruption among policemen? This Police Force is intended to watch corruption in others.

**Pandit Munishwar Datt Upadhyay:** What was the strength of the ordinary police which was already there in Delhi?

**Shri Rajagopalachari:** I must remove a possible misapprehension. The Delhi police, that is to say, the policemen watching over the interests of Delhi citizens is one thing. This Force is called the Delhi Special Police Force on account of the statutory limitation. It is engaged in watching corruption over the whole of India, in respect of the Central Services.

**Shri Deshbandhu Gupta:** Sir, my question is whether any Gazetted Officers have been recruited from Delhi.

**Shri Rajagopalachari:** From the Delhi police?

**Shri Deshbandhu Gupta:** Yes.

**Shri Rajagopalachari:** No, Sir.

**Shri Deshbandhu Gupta:** Is it not a fact that recently...

**Mr. Speaker:** I go to the next question.

#### GALLANTRY AWARDS

\*3854. **Dr. M. M. Das:** Will the Minister of Defence be pleased to state:

(a) the varieties of gallantry awards, which have been awarded to our Armed Forces since August 1947 (giving separate numbers of recipients of each award); and

(b) the money value, lump sum or recurring, attached to each variety of award?

**The Deputy Minister of Defence (Major-General Himatsinhji):** (a) The gallantry awards conferred on our Armed Forces, since the 15th August, 1947 are the Param Vir Chakra, the Maha Vir Chakra and the Vir Chakra. The number of the recipients of each of these awards is as follows:

Param Vir Chakra.	4
Maha Vir Chakra.	44
Vir Chakra.	272

(b) The monetary allowances attached to the three gallantry awards are as follows:

1. (i) Param Vir Chakra Rs. 40 per month.

(ii) Each bar to Param Vir Chakra Rs. 20 per month.

2. (i) Maha Vir Chakra Rs. 30 per month.

(ii) Each bar to Maha Vir Chakra Rs. 10 per month.

3. (i) Vir Chakra Rs. 20 per month.

(ii) Each bar to Vir Chakra Rs. 8 per month.

These allowances are admissible only to personnel holding ranks lower than

2nd Lieut. in the Army, Sub-Lieut. in the Navy and Pilot Officer in the Air Force.

**Dr. M. M. Das:** May I know how many of these awards were posthumous awards?

**Major-General Himatsinhji:** In the Army 2 Param Vir Chakra were posthumous awards, and 18 Maha Vir Chakra. Also in the Army 50 Vir Chakra, and in the Air Force 2 Vir Chakra were posthumously awarded.

**Dr. M. M. Das:** May I know whether the allowances as mentioned by the hon. Minister are given to the recipients for the whole of the rest of their lives or only so long as they remain in active service?

**Major-General Himatsinhji:** I do not personally give any allowance, but it is the Government of India that give the allowances. These allowances are for the rest of their lives.

**Dr. M. M. Das:** May I know whether any gallantry award has been given to any member of the Indian Air Force?

**Major-General Himatsinhji:** Yes. So far 3 Maha Vir Chakra and 30 Vir Chakra have been given.

**Dr. M. M. Das:** May I know whether any awards in terms of money or land are now given by the Provincial Governments as was the practice during the British period?

**Major-General Himatsinhji:** In the last regime, some Provinces gave land, awards to those who got the Victoria Cross or other high decorations. But at present we have no record of any Province doing so. We hope the Provincial Governments will consider this question favourably.

**Dr. M. M. Das:** May I know whether any enquiry has been made by the Defence Department whether the Provinces are willing to continue this kind of grant?

**Major-General Himatsinhji:** These awards were recently instituted. However, we will take up this subject soon.

#### FARMS RUN BY DEFENCE DEPARTMENT

\*3855. **Dr. M. M. Das:** Will the Minister of Defence be pleased to state:

(a) the total number of farms run by the Defence Department for supply of dairy products to the Armed Forces; and

(b) the average monthly quantity of dairy product?

**The Deputy Minister of Defence (Major-General Himatsinhji):** (a) 3a.

(b) About 33,87,000 lbs.



**Dr. M. M. Das:** May I know what is the monthly recurring expenditure on these military dairy farms and what is the amount realised by the sale of their products?

**Major-General Himatsinhji:** I have not got the figures of monthly expenditure. But the profits so far realised are—in 1948-49 Rs. 29,49,649; in 1949-50 Rs. 15,75,624; and from April, 1950 to the 31st January, 1951 the profits come to Rs. 14,37,142.

**Dr. M. M. Das:** I wanted to know whether these military farms are running at a loss or making profits or are self-sufficient.

**Mr. Speaker:** He has actually given the figures of profit.

**Dr. M. M. Das:** What are the different products produced in these farms and are they sold to the civilians also?

**Major-General Himatsinhji:** Mostly they are butter, butter-products, cream. They are not sold to civilians except to Civilian Officers paid from Defence Services Estimates.

**Dr. M. M. Das:** From the figures of profit given by the hon. Minister, I find that the profit has been decreasing in recent years. What are the reasons for this decline in the profits?

**Major-General Himatsinhji:** The main reasons for this decline are—increase in overhead charges, increase in pay and allowances, increase in the cost of grain and fodder, new health schemes for the workers and the expenditure incurred on the maintenance of the calves.

**Pandit Munishwar Datt Upadhyay:** Are these farms run for the sake of the quality of the products?

**Major-General Himatsinhji:** They are run for the benefit of the troops. As we find that the civilians themselves cannot get enough milk from their own supplies, we have found that the best method is to look after ourselves, by running our own farms.

**सेठ गोविन्द दास:** क्या यह बात सही है कि जहां तक मिलिटरी डेरी फार्मों का सम्बन्ध है इन डेरी फार्मों में जो बछड़े और बछड़ियाँ होती हैं वह क्रौरन एक रुपया की बछड़ा और एक रुपया की बछड़ी बेच दी जाती हैं और बछड़े और बछड़ियाँ वहां डेरी फार्मों में नहीं रखी जाती ?

**[Seth Govind Das:** Is it a fact that so far as these military dairy farms are concerned the calves are immediately sold to the public at the rate of one rupee per calf and are not kept in the dairy farms at all?]

**Major-General Himatsinhji:** Sir, I may answer this in English. We have a Young and Dry Stock Farm near Manjri where these Young and Dry stocks are sent. As soon as they become wet, they are transferred to the various dairy farms. The maintenance of this Young and Dry Farm is, therefore, very essential.

**Mr. Speaker:** Is he in a position to answer the question about calves?

**Major-General Himatsinhji:** Sir, they are not sold as stated. Unless they are useless, these calves as soon as they are grown up and become milch cows, are transferred to the various military farms.

**श्री भट्ट :** क्या माननीय मंत्री जी बतायेंगे कि जिस अनुपात में खर्चा बढ़ा है उस अनुपात में मखन और दूध बगैरह की कीमत भी बढ़ा दी गयी है ?

**[Shri Bhatt:** Will the hon. Minister be pleased to state whether the prices of milk, butter and other dairy products have been increased in the same proportion in which the expenditure has increased?]

**Major-General Himatsinhji:** I will give the prices of milk which we sell to the families of troops and civilians serving with the troops. Stations are divided up into various groups:

	Milk per lb.	Butter per lb.
Group I stations in the plains	0-5-6	Rs 3
" II Hill stations	0-6-0	" 3
" III Expensive stations	0-7-0	" 3/4
" IV Very Expensive stations like Bombay	0-8-0	" 3/4

I believe this is not an excessive rate.

#### RETIREMENT OF I. C. S. OFFICERS

\*3857. **Dr. Deshmukh:** (a) Will the Minister of Home Affairs be pleased to state the number of I.C.S. Officers in the service of the Central Government who retired during each of the years 1948, 1949 and 1950?

(b) Were there any such officers in each of the above years who were allowed to continue although they had reached the age of retirement?

(c) What is the number of I.C.S. Officers who would retire in 1951?

The Minister of Home Affairs (Shri Rajagopalachari): (a) Presumably the hon. Member refers to I.C.S. Officers whose last posts before proceeding on leave preparatory to retirement were under the Central Government. On this basis the numbers are:

1948	2
1949	2
1950	4

(b) Yes; two officers, who under the rules in force should have retired after 35 years' service in the Indian Civil Service were continued in service in the public interest.

(c) It is not possible to say how many officers would ask for and be accorded permission to retire during 1951. Under the Rules for compulsory retirement, however, only the two officers referred to in (b) above are due to retire this year.

**Dr. Deshmukh:** With reference to the answer to part (b), what is the term of service during which these people are expected to serve? Is there any time limit or is extension being given from year to year?

**Shri Rajagopalachari:** In respect of the two officers referred to who have been continued, the term of one is not fixed and it depends on what is to be done with regard to the work on which he is engaged and this matter is under consideration. As regards the other he will continue till 23rd November, 1951.

**Dr. Deshmukh:** What are the Ministries in which these two officers are engaged?

**Shri Rajagopalachari:** Now we are driving to the persons concerned, slowly but surely.

**Dr. Deshmukh:** I have no such intention, Sir.

**Mr. Speaker:** Next question.

#### BACKWARD HINDU COMMUNITIES (SCHOLARSHIPS)

\*3858. **Dr. M. V. Gangadhara Siva:** Will the Minister of Education be pleased to state what steps Government propose to take to assist the backward Hindu communities other than Scheduled Castes in the matter of education?

مستتر آف ایجوکیشن مولانا آزاد :

گورنمنٹ آف انڈیا کی جو اسکالرشپ

اسکیم شڈیولڈ کاسٹ - شڈیولڈ ٹرائب

لہڈ اور بھکورتہ کلاسز کے نام سے آج کل

چلائی جا رہی ہے - اس میں بھکورتہ

ہندو کمیونٹیوں کے لئے بھی انتظام کیا

گیا ہے اور ان لوگوں کے لئے اسکالرشپس

دئے جاتے ہیں جو میٹریک کے بعد

اپنی تعلیم کو جاری رکھنا چاہتے ہیں۔

یہ اسکیم سنہ ۱۹۵۴-۵۵ تک کے لئے

منظور ہوئی ہے - لیکن اُسید ہے کہ

اس کے بعد بھی جاری رہیگی۔

[The Minister of Education (Maulana Azad): The Hindu educationally backward classes are awarded scholarships for post-matriculation studies under the Government of India Scheme of scholarships to Scheduled Castes, Scheduled Tribes and Other Backward Classes. This Scheme is sanctioned till 1954-55 for the present but it may continue thereafter, if considered necessary.]

**Dr. M. V. Gangadhara Siva:** Is there any proposal to give stipends to backward community students studying in various boarding houses on the basis of the Scheduled Classes?

مولانا آزاد : یہ وہیارتھوں کی

حالت پر موقوف ہے - جو اسکالرشپس

دئے جاتے ہیں اس میں ساری باتیں

دیکھ لی جاتی ہیں - اگر ایسے

اسٹوڈینٹس ہونگے جو کسی بورڈنگ

ہاؤس میں رہتے ہیں تو ضرور اس

کا بھی دھیان رکھا جاتا ہو گا۔

[Maulana Azad: It depends upon the condition of the students. All these things are being looked into when the scholarships are granted. If there are any such students who live in the boarding houses, then this fact would also have been taken into consideration.]

**Dr. M. V. Gangadhara Siva:** How many students have been sent abroad

on Government scholarship, how many returned, how many are employed and how many are not employed?

**Mr. Speaker:** He is combining so many questions.

مولانا آزاد : یہ اسکالرشپس باہر کے لئے نہیں دئے جاتے ہیں -

[Maulana Azad: These scholarships are not given for sending students abroad.]

**Dr. Deshmukh:** Since the question which my friend Mr. Siva asked was not been answered, may I beg of you to allow me to repeat it? The question was are similar concessions, which are given to the Scheduled Caste students in the hostels, proposed to be given to students belonging to other backward Hindu communities?

مولانا آزاد : یہ معاملہ ابھی تک گورنمنٹ کے سامنے نہیں آیا ہے لیکن گورنمنٹ اس پر فور کر سکتی ہے -

[Maulana Azad: This matter has not yet come up before the Government but they may consider it.]

**Mr. Speaker:** Next question.

हरिजन पदाधिकारी

\*३८५९. श्री जंगड़े: (क) क्या गृह कार्य मंत्री यह बतलाने की कृपा करेंगे कि भारत सरकार के अधीन श्रेणी १, २, ३ व ४ में कार्य करने वाले हरिजन पदाधिकारियों की कुल संख्या क्या है।

(ख) क्या यह संख्या भारतीय संविधान में उनके लिए संरक्षित प्रतिशतता के अनुकूल है?

(ग) यदि नहीं, तो इस के क्या कारण हैं?

(घ) इस प्रतिशतता को उस स्तर तक लाने के लिए सरकार द्वारा क्या कार्यवाही की गई है?

HARIJAN OFFICERS

[\*3859. **Shri Jangde:** (a) Will the Minister of Home Affairs be pleased to state the total number of Harijans who are working as class I, II, III and IV officers under the Government of India?

(b) Is this number in accordance with the percentage that has been reserved for them in the Indian Constitution?

(c) If not, what are the reasons?

(d) What steps have been taken by Government to bring this percentage up to this level?]

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) The information is being collected and will be placed on the Table of the House, when ready.

(b) to (d). The Constitution of India, Article 16(4), permits reservation of appointments in favour of a backward class of citizens. Article 335 enjoining that the claims of the members of the Scheduled Castes and Scheduled Tribes shall be taken into consideration consistently with the maintenance of efficiency of administration in the making of appointments to services and posts. Orders have been issued reserving for the Scheduled Castes and Scheduled Tribes a certain percentage of the vacancies to be filled by direct recruitment. Reservations do not apply to vacancies which are filled by promotion. A vacancy which has been reserved for a candidate of the Scheduled Castes or Scheduled Tribes and for which no suitable candidate from these categories is available continues to be reserved for one more year. After that period if no suitable candidate is available, the vacancy is dereserved and filled in the normal manner. The number of members of the Scheduled Castes actually working in any grade or service is, therefore, not yet relatable to the percentage of reservations provided for them in the matter of vacancies to be filled by recruitment.

**Shri Jangde:** Is it not a fact that it has been seen in the interviews with regard to competitive examinations—the required number of vacancies reserved for Scheduled Castes—the candidates are not selected and therefore the posts are not filled with Scheduled Caste candidates on some reason or another, in spite of the fact that a large number of such candidates appear for such examinations? Is it a fact that because of this it is not possible to fill the percentage required? If so, what steps do Government propose to take to fill up the required percentage?

**Shri Rajagopalachari:** In a general way I can say that if the Public Service Commission or other authorities do not find suitable candidates for the reserved places they have to keep them vacant for one year, as I have said, and then dereserve them the next

year. If the hon. Member means that for inappropriate reasons the candidates are not accepted, I must deny the charge. As for the steps taken to get men qualified the hon. Minister of Education should be asked.

**Shri Kesava Rao:** May I know whether the various Ministries report periodically to the Home Ministry as regards the observance of this ratio?

**Shri Rajagopalachari:** Yes, Sir. The Home Ministry has instructed the sending of returns every year regarding the matter referred to by the hon. Member. There is a regular arrangement for such returns.

**Shri Kesava Rao:** May I know whether it has come to the notice of the Home Ministry that candidates belonging to the Scheduled Castes and Scheduled Tribes who had sat for the written examination and had qualified themselves for I.A.S. and I.P.S., have been refused in the oral examination?

**Shri Rajagopalachari:** It is not for me to answer by way of criticism of those who have been appointed to interview candidates. But I must assure the hon. Member that every thing has been done to take up whoever has come up to the very minimum standard that is prescribed from time to time in regard to qualifications. As a matter of fact, as I answered a similar question on another day, a young gentleman of the scheduled caste who was 48th in the list has been accepted for the I.A.S.

**Shri Jangde:** Is it not a fact that there are certain Scheduled Caste candidates who have passed the I.A.S. or I.P.S. examination or have succeeded in the written examination or the viva voce, who have been rejected or whose candidature has been cancelled on mere technical grounds?

**Shri Rajagopalachari:** No, Sir, it is not a correct charge. If the hon. Member or others who have asked questions in a similar strain mean that personal interviews should be abolished it is a relevant matter, but I don't think that we can dispense with personal interviews in selecting candidates.

#### CANTEEN BOARD

\*3860. **Shri Sidhva:** (a) Will the Minister of Defence be pleased to refer to the answer given to my Starred Question No. 2700 asked on the 2nd April, 1951 regarding the Canteen Board and state what is the amount to be paid to General Revenue on turnover profit of Rs. 48 lacs?

(b) Do these Rs. 48 lacs represent stocks taken over from the British in 1948?

(c) Out of the profit of Rs. 9.5 lacs in 1949-50, how much goes to the General revenue?

(d) What is the total debt due to the Government of India up to date?

(e) How is that to be repaid and until it is repaid what rate of interest is paid?

(f) What is the reserve fixed at present?

(g) Is the Service Welfare Fund to be created or is it in existence?

(h) Which class of service-men will have the benefit of the same?

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) No portion of the initial capital of Rs. 48 lakhs with which the new Canteen Stores Department started on the liquidation of the pre-partition Canteen Stores Department is repayable to the General Revenues, as this capital was provided out of the terminal profits of the old Canteen Stores Department, and not out of the General Revenues.

(b) The sum of Rs. 48 lakhs does not represent the value of the stocks taken over by the new Canteen Stores Department from the old Canteen Stores Department. Altogether, assets to the value of nearly Rs. 82 lakhs were taken over. These were paid for out of the initial capital of Rs. 48 lakhs, and subsequent loans by Government which have all been repaid along with interest at 3 per cent. per annum.

(c) No portion of the profit earned by the Canteen Stores Department goes to the General Revenues. The Canteen Stores Department is run on a commercial basis and its accounts are kept separately from General Revenues.

(d) and (e). Nil at present, as the amounts advanced were fully repaid by the 31st July, 1950 together with interest thereon at 3 per cent. per annum.

(f) There is no fixed limit. A General Reserve Fund has been created with Rs. 10 lakhs allocated out of the profits earned by the Canteen Stores Department during the years 1948-49 and 1949-50.

(g) Yes, a Service Welfare Fund is already in existence.

(h) The amount contributed by the Canteen Stores Department to the Service Welfare Fund will go mostly to the benefit of the men of all the three Services.

**Shri Sidhva:** The hon. Minister stated that the Canteen Stores Department is run on a commercial basis. Is it the object of the Government to make profits or to supply articles to the troops at the lowest prices?

**Major-General Himatsinhji:** The objects are both: firstly, it is for the benefit of the Forces, as the articles are sold at lower rates than that of the market, and, secondly, any profits from the Stores Department go to the Welfare Fund of the troops for the benefit of the troops.

**Shri Sidhva:** When was this Welfare Fund started?

**Major-General Himatsinhji:** I have not got the actual date but it has been going on for some years.

**Shri Sidhva:** What kind of amenities are provided to the troops from this Welfare Fund and how much money has been spent so far on such amenities?

**Major-General Himatsinhji:** The amenities are of all types which are in the interests of and beneficial to the troops. They have recreation rooms, welfare rooms provided with musical instruments etc. Also, money is sometimes paid to their families who need it on account of distress. I have not got the full details with me.

**Shri Sidhva:** May I know how much has actually been paid to the needy families?

**Mr. Speaker:** I think he is going into unnecessary details.

**Shri Sidhva:** It is not unnecessary, Sir.

**Mr. Speaker:** Let not the time of the House be taken.....

**Shri Sidhva:** That was one of my points, whether any amount has been paid to the needy families.

**Major-General Himatsinhji:** All these points are carefully considered.

#### PENSIONS

\*3861. **Shri Sidhva:** Will the Minister of Finance be pleased to state the number of persons who are residing outside India and whose pensions are to be taxed from 1st March, 1951 and the total amount of tax realised from them as income-tax?

**The Minister of State for Finance (Shri Tyagi):** Information regarding the number of persons residing abroad whose pensions are to be taxed from the 1st March, 1951 is not available. The amount of tax expected to be

realised from them is estimated to be Rs. 70 to 80 lakhs per annum.

**Shri Sidhva:** May I know the reason why information is not available?

**Shri Tyagi:** Information is not available because these pensioners were not taxed up till now and therefore we did not feel any need for keeping the numbers of pensioners on our records.

#### QABARISTANS

\*3862. **Shri Deshbandhu Gupta:** Will the Minister of Health be pleased to state:

(a) the area of land occupied by *Qabaristans* situated within the limits of the Old and New Delhi Municipal Committees and the Notified Area Committee, Civil Lines, Delhi and which are not in use; and

(b) whether it is a fact that in Karachi, the Pakistan Government has converted some of the old *Qabaristans* into displaced persons' colonies?

**The Minister of Communications (Shri Kidwai):** (a) 115.34 acres.

(b) So far as the Government of India are aware, no *Qabaristans* in Karachi have been converted by the Pakistan Government into displaced persons' colonies except a cremation ground.

**Shri Deshbandhu Gupta:** May I know whether any inquiries have been made by the Government of India from the Pakistan Government or is the answer based on their information or lack of information?

**Mr. Speaker:** Order, order. He need not allege that there is lack of information on their part.

**Shri Deshbandhu Gupta:** May I ask whether it is based on guess-work or whether Government have made any definite inquiries on receipt of this question?

**Shri Kidwai:** It is based on information we have received.

**Shri Deshbandhu Gupta:** May I inquire whether Government is prepared to make further inquiries in the matter?

**Shri Kidwai:** If Government thinks it necessary it will make further inquiries.

**Shri Deshbandhu Gupta:** Is it realised that this 115 acres of land is mostly in the heart of the town, and may I ask whether Government have any idea of approaching the *mufitis* to find out whether it is permissible to convert it and put it into some other use?

**Mr. Speaker:** Order, order. He is making a suggestion for action.

**Shri Deshbandhu Gupta:** But that is what is done in Pakistan, Sir.

**Shri Kidwai:** Therefore, you think...

**Mr. Speaker:** Order, order. We will go to the next question.

मध्य प्रदेश में ग्रामों, क्रीड़ा क्षेत्रों तथा निवास स्थानों की अवाप्ति

\*३८६३. श्री जांगड़े : (क) क्या रक्षा मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि रक्षा मंत्रालय ने द्वितीय विश्व युद्ध में मध्य प्रदेश के बहुत से ग्रामों, क्रीड़ा क्षेत्रों तथा निवास स्थानों को अवाप्त कर लिया था अथवा अपने नियंत्रण में कर लिया था ?

(ख) यदि प्रश्न के (क) भाग का उत्तर स्वीकारात्मक है तो क्या सरकार ने उन कृषि योग्य तथा निवास भूमि को उनके वास्तविक स्वामियों को पुनः प्रदान कर दिया है ?

(ग) क्या सरकार ने उन के भू-स्वामियों को उस अवाप्ति के लिए जब कि यह भूमियाँ सरकार के नियंत्रण में थी, कोई किराया, क्षतिपूर्ति अथवा इसी प्रकार की कोई अन्य धन राशि दी है ?

(घ) इस भूमि में से कितनी भूमि अब भी सरकार के नियंत्रण में है ?

ACQUISITION OF VILLAGES, PLAYGROUNDS AND RESIDENTIAL AREAS IN MADHYA PRADESH

[\*3863. **Shri Jangde:** (a) Will the Minister of Defence be pleased to state whether it is a fact that the Ministry of Defence acquired or took under its possession, a number of villages, playgrounds and residential areas in Madhya Pradesh for war purposes during the Second World War?

(b) If the answer to part (a) above be in the affirmative, have Government restored those cultivable and residential lands to their original owners?

(c) Have Government paid any rent, compensation or the like to these landlords for the period for which their

lands were under Government occupation?

(d) How much land out of these is still under Government occupation?]

**The Deputy Minister of Defence (Major-General Himatsinhji):** (a) It is a fact that certain lands were occupied in Madhya Pradesh during the Second World War.

(b) So far, an area of 1,96,866 acres of Hired/Requisitioned land has been restored to the original owners.

(c) Yes.

(d) 11,540 acres of Hired/Requisitioned lands are still held on charge of Defence Ministry.

श्री जांगड़े : क्या माननीय रक्षा मंत्री यह बतलाने की कृपा करेंगे कि किन आधारों पर इन की ज़मीनों की क्षतिपूर्ति की गई है ?

[**Shri Jangde:** Will the hon. Minister of Defence be pleased to state the basis on which their lands have been compensated?]

**Major-General Himatsinhji:** The rate of compensation varies from place to place and depends upon the nature, class, productivity and location of the land. The average rate of compensation comes to Rs. 5 to 6 per acre.

श्री जांगड़े : क्या माननीय रक्षा मंत्री यह बतलायेंगे कि अभी तक कितनी ज़मीन ऐसी है, जिसको सरकार ने अपने कब्जे में किया हुआ है ?

[**Shri Jangde:** Will the hon. Minister of Defence be pleased to state the acreage of land that is still under the Government occupation?]

**Mr. Speaker:** He said that 11,000 odd acres are still held on Defence charge.

श्री जांगड़े : क्या माननीय रक्षा मंत्री बतलायेंगे कि अभी कितनी ऐसी ज़मीन है, जिसके लिये किराये की क्षतिपूर्ति उनके स्वामियों को नहीं दी गई है ?

[**Shri Jangde:** Will the Minister of Defence be pleased to state the area of the lands for which compensation by way of rent has not yet been paid to their owners?]

**Major-General Himatsinhji:** The compensation claimed in respect

all the lands have been settled except in eight cases. I have the names and amounts of these here; if the hon. Member desires I will read it.

**Mr. Speaker:** His point is to how many has compensation not still been paid.

**Major-General Himatsinhji:** In eight cases compensation has not been finally settled. I have with me the amounts and names of these cases.

**श्री/जांगड़े :** क्या माननीय मंत्री यह ] बतलायेंगे कि क्या ऐसा नहीं है कि युद्ध के लिये शासन ने बहुत से ग्रामीणों की जो जमीनों, खेती को अपने कब्जे में कर लिया था, उन का कोई उपयोग नहीं किया गया ?

[**Shri Jangde:** Will the hon. Minister be pleased to state whether it is not a fact that many of the lands and farms which were taken by the Government from the villagers during the war, were not used at all by the Government?]

**Mr. Speaker:** Order, order. The hon. Member is asking for opinion.

**Shri Kamath:** Were any representations received from any of these owners that the rent or compensation paid to them was inadequate?

**Major-General Himatsinhji:** No such representation has been received as far as compensation due is concerned because most of the Rs. 32 lakhs odd amount of compensation has been paid. Only a little portion of this is outstanding—about Rs. 3 lakhs—and that is under negotiation.

**Shri Kamath:** What about rent? Have no complaints been received?

**Major-General Himatsinhji:** No, Sir, because they have already accepted the compensation agreed upon.

#### LICENSING OF *Biri* MANUFACTURERS

\*3864. **Shri M. Nalk:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that directions have been issued for compulsory licensing of *biri* manufacturers; and

(b) what are the rates prescribed for different categories of licences?

**The Minister of State for Finance (Shri Tyagi):** (a) and (b). Yes. Licensing was necessary so long as the manufacture duty on *biris* was incorporated in the Finance Bill. As the excise duty on *biris* has since been

withdrawn, in enacting the Bill, manufacturers of *biris* are no longer required to take out a manufacturing licence in Form L-4.

**कृषि-योग्य भूमि का नीलाम तथा विक्रय**

\*३८६५. श्रीमती दीक्षित : (क) एका मंत्री यह बतलाने की कृपा करेंगे कि क्या यह सत्य है कि सागर बावनी किसान सभा, सागर के मंत्री ने ९ अप्रैल, १९५१ को कृषि-योग्य भूमि के नीलाम तथ्य विक्रय किये जाने की प्रणाली के सम्बन्ध में कोई प्रार्थनापत्र भेजा था ;

(ख) सागर में पट्टे पर भूमि ले कर खेती करने वाले पट्टेदारों की संख्या क्या है ?

(ग) पट्टेदारों ने कितने अतिरिक्त कुएं बनवाये हैं तथा उन के द्वारा कितने एकड़ भूमि कृषि-योग्य बनाई गई है ?

(घ) पट्टे की अवधि कितनी है ?

(ङ) इस बात को ध्यान में रखते हुए कि सरकार की नीति मालगुजारी प्रथा को समाप्त कर देने की है, तो क्या उस का विचार इन पट्टेदारों को भूमि स्वामित्व अधिकार प्रदान करने का है, तथा यदि नहीं, तो इस के क्या कारण हैं ?

#### AUCTION AND SALE OF CULTURABLE LAND.

[\*3865. **Shrimati Dixit:** (a) Will the Minister of Defence be pleased to state whether it is a fact that the Secretary Saugor Ghawani Kisan Sabha, Saugor, sent a memorial on the 9th April, 1951, in regard to the system relating to the auction and sale of culturable land?

(b) What is the number of *Pattedars* (lessees) in Saugor who cultivate land on lease?

(c) What is the number of extra wells sunk by the *Pattedars* and what is the acreage reclaimed by them?

(d) What is the period of the lease?

(e) Since it is the policy of the Government to put an end to the institution of *Malguzari*, do they propose conferring rights of landownership on

these *Pattedars* and if not, what are the reasons?]

**The Deputy Minister of Defence (Major-General Himatsinhji):** (a) Yes.

(b) 163.

(c) Nil.

(d) 70 leases were granted by private treaty for a period of 15 years and 93 leases were granted by auction for a period ranging from 1 to 4 years under the C.L.A. Rules, 1937.

(e) No. As all lands in Cantonments belong to Government and are primarily required for the benefit of troops, Government are unable to alienate these lands in favour of these *pattedars*.

**श्रीमती बीक्षित :** फौजी काम के लिए इस जमीन की आवश्यकता कब से नहीं पड़ी ?

[**Shrimati Dixit:** Since when have these lands ceased to be of any use to the military?]

**मेजर जनरल हिम्मतसिंह जी :** बहुत सी जमीन ऐसी है जो फौजी काम के लिये है। आप को मालूम है कि हमारी बहुत सी फौज काश्मीर और दूसरी जगहों पर है। जब वह सिपाही वापस आयेंगे तो उनहीं जमीनों में बसाए जायेंगे। इस लिए उस जमीन को खाली रक्खा गया है।

[**Major-General Himatsinhji:** A major portion of the land is such as is meant for military purposes. You well know a portion of our army is in Kashmir and other places. When these soldiers will return they will be settled on these very lands. This is why these lands have been kept vacant.]

**श्रीमती बीक्षित :** मैं जानना चाहती हूँ कि जब तक फौज लीट कर नहीं आती है क्या तब तक के लिये सरकार उस जमीन को पट्टेदारों को देगी ?

[**Shrimati Dixit:** I would like to know whether the Government would give these lands on lease so long as the army personnel do not return?]

**मेजर जनरल हिम्मतसिंहजी :** आनरेबल मंत्री को मालूम है कि जो जमीन

खाली पड़ी हुई है वह खेती के काम में आती है और वह एक साल से चार साल तक के लिये पट्टा पर दी जाती है। जब हम लोगों को उस की जरूरत होगी वह वापस ले ली जायगी। जमीन लेने के पहले उन को नोटिस दे दी जायगी।

[**Major-General Himatsinhji:** The hon. Member knows that the lands which are lying vacant are being used for cultivation purposes, and they are given on lease for a period which varies from one year to four years. When we will be in need of those lands they will be taken back from these people. Notices will be served upon them before the possession of the land is taken.]

**श्रीमती बीक्षित :** क्या सरकार सोच रही है कि एक साल से चार साल तक के जो पट्टेदार हैं उन को कोई कम्पेन्सेशन दिया जाय, और जिन्होंने लगान जमा कर दिया है उन्हीं को पट्टा दिया जाय।

[**Shrimati Dixit:** Do the Government contemplate to give any compensation to the *Pattedars* who have been given these lands on lease for a period ranging from one year to four years; and to grant leases only to those persons who have deposited the land-revenue?]

**मेजर जनरल हिम्मतसिंहजी :** आनरेबल मंत्री को मालूम है कि वह जो जमीन है वह एक साल से चार साल तक के लिये पट्टा पर दी जाती है। जब मियाद खत्म होजाती है और जमीन मिलिट्री के लिये वापस लेना जरूरी होता है तो वह वापस ले ली जाती है। अगर उस जमीन पर किसी ने घर या कुएँ बनवा लिये हैं तो उस को कम्पेन्सेशन जरूर दिया जायेगा

[**Major-General Himatsinhji:** The hon. Member knows that these lands are given on lease for a period which ranges from one year to four years. When the lease time expires and it becomes necessary to take back those lands for military purposes they are taken over. If some one has constructed houses or sunk wells on such lands compensation will definitely be paid to him.]



## GENERAL ELECTIONS IN MADRAS

\*3866. **Shri P. Basi Reddi:** (a) Will the Minister of Law be pleased to state whether it is a fact that the Madras Legislative Council has by a resolution requested Government to hold the general elections in that State not earlier than February, 1952?

(b) If so, what action has Government taken in the matter?

**The Minister of Law (Dr. Ambedkar):** (a) Yes.

(b) Government do not consider that the reasons urged in the Madras Legislative Council in passing the resolution are sufficiently weighty to warrant the postponement of the elections in that State to February, 1952.

**Shri P. Basi Reddi:** Have any other State Governments made similar requests; if so, what are those Governments?

**Dr. Ambedkar:** None.

**Shri Kesava Rao:** May I know whether Government is aware that November and December are rainy months in Madras and it is not possible to hold elections at that time?

**Mr. Speaker:** They are supposed to be aware of it.

**सेठ गोविन्द दास :** क्या माननीय मंत्री जी इस बात का आश्वासन देंगे कि ३१ दिसम्बर, १९५१ के पहले देश भर के सारे चुनाव हो जायेंगे ?

[**Seth Govind Das:** Will the hon. Minister be pleased to assure us that the general elections will be held all over the country before 31st December, 1951?]

**Dr. Ambedkar:** That is the intention of the Government.

**Shri J. N. Hazarika:** In order to give opportunities to the cultivators to participate fully in the first National General Election, will Government not allow the elections to take place after the paddy harvesting season which is in January and February in certain States including Assam?

**Dr. Ambedkar:** Government has fixed a period of two months. Within that period any State is free to choose any period it likes.

**Shri Brajeshwar Prasad:** Has the attention of Government been drawn to the news published in the morning papers that elections would be held in February next?

**Dr. Ambedkar:** I have read it, but I am not responsible for that news.

**Shri P. Basi Reddi:** Have any other State Governments made similar requests; if so, what are they?

**Dr. Ambedkar:** I have already answered that. My answer was 'No'.

**Shri Venkataraman:** Has the Mysore Government made a similar recommendation like Madras that the elections may be held in February or March?

**Dr. Ambedkar:** No such information has come to my notice.

**Shri Dwivedi:** In view of the fact that the delimitation of constituencies in certain States is still under the consideration of this House, may I know whether elections in those States will be held by the time they are held in other States?

**Dr. Ambedkar:** They will be settled in sufficient time to enable the elections to take place in the period prescribed.

## आदिवासी जातियां (छात्रवृत्तियां)

\*३८६९. **श्री ओरांव :** (क) क्या शिक्षा मंत्री आदिवासी जातियों के उन विद्यार्थियों की संख्या बतलाने की कृपा करेंगे जो सरकारी छात्रवृत्ति प्रदान करने की योजना के प्रारम्भ होने के समय से अब तक सरकारी छात्रवृत्ति पर विदेशों में शिक्षा प्राप्त करने गये हैं।

(ख) ऐसे प्रत्येक विद्यार्थी को कितनी मासिक छात्रवृत्ति दी जाती है तथा इस कार्य में सरकार को कुल कितना मासिक व्यय बहान करना होता है।

## ABORIGINAL TRIBES (SCHOLARSHIPS)

[\*3869. **Shri Oraon:** (a) Will the Minister of Education be pleased to state the number of students of aboriginal tribes who have gone abroad for studies on Government scholarships since the inception of the scheme of granting such scholarships?

(b) What amount of monthly scholarship is given to each such student and what is the total monthly expenditure incurred on this account by Government?]

: منسٹر آف ایجوکیشن مولانا آزاد :

(اے) کوئی نہیں -

(بی) سوال کا یہ حصہ پیدا نہیں ہوتا -

[The Minister of Education (Maulana Azad): (a) None.

(b) In view of (a) above, this does not arise.]

شری एस॰ این॰ दास : क्या इस सम्बन्ध में सरकार के पास कोई दर्खास्त आई है ?

[Shri S. N. Das: Have the Government received any applications in this connection?]

مولانا آزاد : جہاں تک مجھے

معلوم ہے کوئی ایسی درخواست نہیں آئی - انریبل ممبر کو معلوم ہے کہ اسکالرشپ دینے کے لئے ایک بورڈ بنا دیا گیا ہے - اس کے سامنے درخواستیں رکھی جاتی ہیں اور وہ ان پر سوچ بچار کر کے فیصلہ کرتا ہے - میں ابھی قطعی طور پر تو نہیں کہہ سکتا کہ اس قسم کی کوئی درخواست آئی تھی یا نہیں -

[Maulana Azad: As far as I am aware, the Government have received no such applications. The hon. Member knows that a Board has been set up for granting these scholarships. These applications are placed before this Board and after due consideration the said Board takes decisions. I cannot categorically say at this time whether any such applications were received or not.]

شری ج्ञानी राम : क्या गवर्नमेंट बतला सकती है कि विदेशों में एवारिजिनल लड़के कितने पढ़ते हैं।

[Shri Jnani Ram: Are the Government in a position to give the number of the aboriginal students who are studying in the foreign countries?]

مولانا آزاد : میں ابھی اس کا جواب دے چکا ہوں -

[Maulana Azad: I have just answered this question.]

काका भगवन्त राय : जनाब क्या मैं जान सकता हूँ कि इस वक्त बाहर कितने तुलबा पढ़ते हैं और हुकूमत उन पर कितना खर्च करती है ?

[Kaka Bhagwant Roy: Sir, may I know the number of students who are studying abroad and the amount the Government is spending over them?]

مولانا آزاد : اس کے لئے نوٹس چاہئے -

[Maulana Azad: I require notice for that.]

काका भगवन्त राय : क्या जनाब के पास कोई शिकायत आई है कि जो वजीफा दिया जाता है वह नाकाफी है।

[Kaka Bhagwant Roy: Sir, have the Government received any complaints to the effect that the stipends so granted are insufficient?]

مولانا آزاد : نہیں -

[Maulana Azad: No.]

डा॰ देशमुख : क्या अर्जी न थाने का यह कारण है कि अर्जी मांगते वक्त गवर्नमेंट ने इस के लिये कुछ पैसा नहीं रखा था।

[Dr. Deshmukh: May I know whether the reason of not receiving any such applications was that the Government had allocated no money for this purpose when the applications were invited?]

مولانا آزاد : انریبل ممبر کو معلوم

ہے کہ سہ ۱۹۴۸ - ۴۹ میں جب اسکالرشپ کی نئی اسکیم بلائی گئی اور رقم تیس لاکھ سے دس لاکھ تک پہنچ گئی تو اس وقت ان کمیشنرز کو بھی اس اسکالرشپ کی لسٹ میں شامل کیا گیا اس وقت سے درخواستیں مانگی جا رہی ہیں اور کوشش کی جا رہی ہے - لیکن یہ ظاہر ہے کہ ابھی یہ ٹوائے تعلیم میں بہت پہنچے ہیں -

انہیں پوری طرح چولکے اور بھدرا  
ہونے کے لئے وقت چاہئے -

[Maulana Azad: The hon. Member knows that in the year 1948-49 when a new scholarship scheme was framed and the amount of scholarships was raised from three lakhs of rupees to ten lakhs, these communities too were included in the scholarship lists. Applications are being invited from that time onwards and efforts are being made to this effect. But it is apparent that these people are very backward in education and more time is required for their waking up.]

**Dr. Deshmukh:** Is it a fact or not that foreign scholarships which were given some time back to scheduled tribes and scheduled castes have now been stopped?

مولانا آزاد : جو اور سیز اسکالرشپ  
کی جو جنرل اسکیم تھی وہ ختم کر  
دی گئی اور اس کے بعد ایک دوسری  
اسکیم بنائی گئی - لیکن شہدوں  
کاسٹ اسکیم کے ماتحت جو اسکالرشپ  
دئے جاتے ہیں وہ باہر کے لئے نہیں دئے  
جاتے - ملک کے اندر کی تعلیم کے لئے  
دئے جاتے ہیں - اس سوال میں جن  
لوگوں کی نسبت پوچھا گیا ہے ان  
کے لئے باہر بھیجے کا سوال پیدا ہی  
نہیں ہوتا - باہر ہم انہیں لوگوں کو  
بھیج سکتے ہیں جن میں تعلیم اچھی  
طرح پھیل چکی ہو اور کافی تعداد  
میں ایسے وڈیارتھی پیدا ہو چکے  
ہوں جن میں سے چلے ہوئے آدمی اونچے  
درجے کی تعلیم کے لئے باہر بھیجے جا  
سکیں - اس حد تک ابھی اس  
کمونٹی میں تعلیم نہیں پھیلی ہے -

[Maulana Azad: The general scheme of the overseas scholarships was wound up and after that a new scheme was launched. The scholarships that are granted under the Schedule

Castes Scholarship Scheme are not for the overseas studies. These scholarships are granted to them only to continue their studies in the country. The question of sending these people, about whom information has been sought in the question, abroad does not arise at all. We can send abroad only those classes of people in which education has well spread and which possess a large number of such students who can be sent abroad for higher education after making due selection. Education has not spread to such an extent in this community as yet.]

#### EDUCATING ELECTORS THROUGH RADIO

\*3870. **Shri Kishorimohan Tripathi:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that Government propose to educate the electors through radio about their duties in respect of the coming elections; and

(b) if so, from when the said programme will be broadcast?

**The Minister of State for Information and Broadcasting (Shri Diwakar):**

(a) Broadcasts on the Constitution of India, adult suffrage, preparation of electoral rolls, procedure of election and similar aspects of the coming elections have been arranged by all the stations of All India Radio; in addition a number of short talks in simple terms have also been included in the programmes in various Indian languages.

(b) Broadcasts of this nature are being put out since April, 1950.

**Shri Kishorimohan Tripathi:** Do Government propose to issue some pamphlets in respect of the complicated election rules and other matters connected therewith in the different languages of India?

**Shri Diwakar:** So far as the Constitution is concerned, some pamphlets have already been published and as regards other pamphlets I think there is yet time to do it.

**Shrimati Durgabai:** May I know, Sir, apart from arranging talks on such subjects, whether Government have taken any other steps through their Films Division to have some films on such subjects to educate the rural population?

**Shri Diwakar:** There is already a documentary film called "Rights and Responsibilities of Citizens" in which the importance of elections and taking part in them have been shown. There will be after about two months another documentary film which will show the mechanism of elections and voting.

**Shri Kamath:** Have Government, Sir, taken any decision so far on the question of giving equal facilities to all political parties on the radio during the general elections?

**Shri Diwakar:** There is yet time to consider that matter.

**सेठ गोविन्द दास :** जहां तक रेडियो के कार्यक्रम का सम्बन्ध है माननीय मंत्रीजी ने कहा कि एक साल से वह काम जारी है। मैं यह जानना चाहता हूँ कि ज्यों ज्यों चुनाव नजदीक आते जा रहे हैं क्या इस कार्यक्रम को बढ़ाने की कोई योजना बनाई गई है ? और अगर बनाई गई है तो वह किस तरह की है, और क्या गवर्नमेन्ट यह जरूरी नहीं समझती कि जब चुनाव नजदीक आ रहे हैं तो उस योजना को जल्दी कार्यरूप में परिणत किया जाय ?

[**Seth Govind Das:** So far as the radio programmes are concerned the hon. Minister has said that this sort of work has been going on since the last one year. I would like to know whether any plan has been thought out to make this programme more and more elaborate as the elections come nearer. If so, what is its nature? Do the Government consider it necessary to implement this scheme at an early date in view of the fact that the elections are approaching near.]

**श्री दिवाकर :** वह जो प्रोग्राम है उसे जैसी आवश्यकता होती है वैसे बढ़ाया जाता है।

[**Shri Diwakar:** This programme is made more and more elaborate as the need may be.]

**श्री द्विवेदी :** कुछ ऐसे स्थान भी भारतवर्ष में हैं जहां पर रेडियो नहीं है और पम्फलेट से भी काम नहीं चल सकता। क्या वहां मोबाइल बैस द्वारा प्रोपेगन्डा का काम किया जायगा।

[**Shri Dwivedi:** There are certain places too in India where there are no radios and the pamphlets also cannot serve any purpose there. Will the

propaganda work be carried out there through the mobile vans?]

**Shri Diwakar:** State Governments are already doing that work.

#### NATIONAL SAMPLE SURVEY

**\*3871. Shri Kishorimohan Tripathi:** (a) Will the Minister of Finance be pleased to state the period for which the National Sample Survey establishment has been sanctioned?

(b) What is the field of Survey and how long will it take to complete it?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) The National Sample Survey project was sanctioned in May, 1950, up to the end of February, 1951. It has subsequently been extended for a period of three months, and the question of further extension is under consideration.

(b) The survey is conducted in a number of villages selected by the stratified random sampling method and spread over the whole of the Union of India, with the exception of Jammu and Kashmir. The first round of survey has been completed and the second round is now in progress. The question of how long the survey will continue has not yet been decided. Collection of statistical data is a continuous process and the longer the data are collected the more valuable would the result of the survey be.

**Shri Kishorimohan Tripathi:** May I know, Sir, if Government contemplate at the end of the survey to make the feature a permanent one?

**Shri C. D. Deshmukh:** It is very difficult to say unless we assess the value of the results. I may add that the continuance of the National Sample Survey has been strongly urged by the three foreign experts on national income who recently visited India.

**Shri Kishorimohan Tripathi:** What are the names of the States which have submitted their interim report?

**Shri C. D. Deshmukh:** No separate reports have been called for from the States. The work is carried out by the survey itself. I have not got the information in regard to the number of States covered. But it is my belief that the whole of the Union has been covered by the first survey.

**Shri Kishorimohan Tripathi:** May I know the maximum number of villages selected in each State and the minimum number?

**Shri C. D. Deshmukh:** I am sorry I have not got that information here.

**Dr. M. M. Das:** What are the different items of data that Government intend to collect by these sample surveys?

**Shri C. D. Deshmukh:** The data would be relating to food-grains production, national income, the range of which should be clear from the report which I am going to place on the Table of the House shortly, and allied matters.

#### RED CROSS SOCIETY

\*3872. **Shri S. C. Samanta:** Will the Minister of Health be pleased to state:

(a) whether it is a fact that with the consent of the Government of India the Red Cross Society purchased a piece of land near Factory Road, New Delhi to provide accommodation to the members of its staff;

(b) whether Government contributed any sum for the purpose;

(c) whether pre-fabricated houses are under contemplation;

(d) whether architects have been appointed to chalk out plans to construct (i) double storeyed houses or (ii) pre-fabricated houses; and

(e) whether Government received through proper channel any representation from the Hospital Services Section of the Red Cross regarding residential accommodations at the time of their moving down to Delhi?

**The Minister of Communications (Shri Kidwai):** (a) Yes.

(b) No.

(c) and (d). No decision has yet been taken by the Society in the matter.

(e) No.

**Shri S. C. Samanta:** May I know, Sir, what amount of control has the Central Government over the Red Cross Society?

**Shri Kidwai:** Whatever control is provided under the Act is exercised by Government.

**Shri S. C. Samanta:** May I know, Sir, why the construction is then delayed in spite of the hardships to which the staff is put on account of the acute housing problem in Delhi?

**Shri Kidwai:** As I said, the Society is autonomous and has its own reasons for the delay.

**Shri S. C. Samanta:** Is it a fact, Sir, that the proposal of constructing pre-fabricated houses stands in the way of the improvement?

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**Shri Kidwai:** I do not think so.

**Shri Chaliha:** May I know whether the Director of Hospital Services of the Red Cross Society has got accommodation at Delhi?

**Shri Kidwai:** This has nothing to do with the main question.

#### TRAINING OF STUDENTS UNDER COLOMBO PLAN

\*3873. **Shri M. Nalk:** (a) Will the Minister of Finance be pleased to state whether it is a fact that in pursuance of the Colombo Plan the Canadian Government have offered to train up one hundred students from India, Pakistan and Ceylon?

(b) If so, what is the share of India therein?

(c) What are the subjects in which training is sought to be imparted?

(d) When is the scheme going to be given effect to?

(e) What will be the method of selection?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) Yes, but the number is 60.

(b) 25.

(c) A statement giving the required information is laid on the Table of the House. [See Appendix XXIV, annexure No. 15.]

(d) By June, 1951.

(e) The matter is under consideration.

**Shri M. Nalk:** What other countries have offered similar facilities?

**Shri C. D. Deshmukh:** All the Dominion countries have offered facilities. Some of the proposals are in a more advanced stage than the others. I believe I answered a question in regard to certain scholarships from Australia a few days ago.

**Shri M. Nalk:** May I know how the students are selected—from the universities or from the services?

**Shri C. D. Deshmukh:** I understood the question to refer to selection. I said that the matter is under consideration, as to how exactly they ought to be selected. There are various categories, e.g., the selection for fellowships would be different from the selection of the scholarships and so on.

## WRITTEN ANSWERS TO QUESTIONS

## CONTRIBUTION OF STATE GOVERNMENTS

\*3846. **Shri Lakshmanan:** Will the Minister of Finance be pleased to state:

(a) the amount of contribution which Government get from out of the finances of the States into which former Indian States have merged; and

(b) whether the amount of contribution of the State Governments are fixed or variable?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). No contribution is at present being recovered as the amount has not been determined. A contribution will be payable by the States in reimbursement of the guaranteed privy purses of the rulers to the extent to which there is an excess of 'federal expenditure' over 'federal revenue' in the merged States during a prescribed basic period immediately preceding the merger. This contribution, if any, will be reduced by 20 per cent. each year from 1950-51 onwards and will be extinguished altogether from 1954-55.

SUBORDINATE ACCOUNTS SERVICE  
EXAMINATION

\*3849. **Shri Rathnaswamy:** Will the Minister of Finance be pleased to state:

(a) how many candidates sat for the Subordinate Accounts Service examination from the Accounts and Audit offices in Madras in the years 1949 and 1950 and how many passed the examination;

(b) how many of those passed have been appointed so far; and

(c) whether there were any Scheduled Caste candidates from the applicants and if so, how many appeared and how many passed?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) 290 and 74 in 1949 for part I and II respectively. 110 passed in part I and 48 in part II. 187 and 78 in 1950 for part I and II respectively. 49 passed in part I and 31 in part II.

(b) 79 candidates who passed part II of the examination in those two years have been appointed to the Subordinate Accounts Service.

(c) Yes. 5 in 1949 and 8 in 1950 for part I examination and one in each year in part II. Of these one candidate passed in 1949 and one in 1950 in part I and one in part II in 1950.

## GEOLOGICAL SURVEY OF INDIA

\*3851. **Shri Lakshmanan:** Will the Minister of Natural Resources and

Scientific Research be pleased to state whether the Geological Survey of India has any supervisory powers over the geological staff in the employment of the Governments of Hyderabad, Mysore and Travancore-Cochin?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** No, Sir.

## PREVENTIVE DETENTION ACT

\*3853. **Shri M. P. Mishra:** Will the Minister of Home Affairs be pleased to state:

(a) the total number of persons detained under the Central Preventive Detention Act throughout the country as on 31st March, 1951;

(b) the number of persons detained for subversive activities calculated to overthrow the Government by violent means; and

(c) the number of persons detained on grounds of anti-social activities like black-marketing and profiteering?

**The Minister of Home Affairs (Shri Rajagopalachari):** Excluding the States of Rajasthan, Saurashtra and Tripura from which the figures are still awaited, the position is as follows:

(a) 2512. A statement giving the detailed information is placed on the Table of the House. [See Appendix XXIV, annexure No. 16.]

(b) The number of persons detained for reasons connected with the security of the State or the maintenance of public order was 2444.

(c) 68.

## NURSERIES IN DELHI

\*3856. **Shri Rathnaswamy:** (a) Will the Minister of Education be pleased to state how many nurseries are at present functioning in Delhi and other Centrally Administered Areas?

(b) How many of them are run by private agencies and how many are State controlled?

(c) What is the total grant given to the private nurseries in 1950-51?

**The Minister of Education (Maulana Azad):** (a) to (c). A statement is laid on the Table of the House. [See Appendix XXIV, annexure No. 17.]

## JUDGES OF ALLAHABAD HIGH COURT

\*3867. **Shri Shiv Charan Lal:** (a) Will the Minister of Home Affairs be pleased to state how many Judges of the Allahabad High Court have either been transferred to other High Courts or have died in 1950-51?

(b) Have new Judges been appointed in their places and if not, when do Government propose to fill up these vacancies?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) One Judge was transferred on appointment as Chief Justice of the Rajasthan High Court, with effect from the 2nd January, 1951. Another Judge died on the 26th January, 1951.

(b) Proposals for filling the two vacancies are under consideration.

#### BASIC SCHOOLS IN DELHI

\*3868. **Shri Kshudiram Mahata:** Will the Minister of Education be pleased to state:

(a) whether there are primary and Secondary Basic Schools in Old and New Delhi;

(b) if so, the number; and

(c) whether it is the policy of Government to open or encourage Basic Schools in rural areas?

**The Minister of Education (Maulana Azad):** (a) There are Junior Basic Schools in Old Delhi but none in New Delhi. There are no Senior Basic Schools in Delhi or New Delhi.

(b) The number of Junior Basic Schools in Old Delhi is 10.

(c) Yes, Sir. Compulsory Primary Education has already been introduced in the rural areas of Delhi and by 1954-55, it is expected that all existing Primary Schools in rural areas will be converted into Junior Basic Schools.

#### FOREIGN CAPITAL

\*3874. **Shri M. Naik:** (a) Will the Minister of Finance be pleased to state what is the foreign capital now employed in India?

(b) What is the amount of foreign capital withdrawn and invested since India achieved independence?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) I presume the hon. Member refers to foreign business investments in India. According to the Reserve Bank of India's report on the Census of Foreign Liabilities and Assets, the book value of such investments as on the 30th June, 1948 was estimated at Rs. 398 crores.

(b) Fresh foreign capital invested in India since 15th August, 1947 is estimated at about Rs. 8 crores. This figure does not include any reinvestments of profits earned by foreign companies. The amount of capital repatriated since July, 1947 is estimated at about Rs. 44 crores.

#### PATENT DRUGS AND MEDICINES

\*3875. **Shri Deogirikar:** (a) Will the Minister of Health be pleased to state whether there is any Government machinery to examine the genuineness or otherwise of imported patent drugs and medicines?

(b) Is it a fact that the patent medicines and drugs prohibited in other countries are allowed to be sold in Indian Union?

(c) What is the total value of patent drugs and medicines imported into India in 1950?

**The Minister of Communications (Shri Kidwal):** (a) Yes; the machinery consists of the Customs Controllers and Assistant Drugs Controllers at the ports and the Central Drugs Laboratory, Calcutta.

(b) At present there is no ban on the import into India of those patent and proprietary medicines whose sale is prohibited within the country of their origin. Steps are, however, being taken to amend the Drugs Rules, 1945, suitably for this purpose.

(c) The information is being collected and will be laid on the Table of the House in due course.

#### RETIRED INCOME-TAX OFFICERS

\*3876. **Pandit Thakur Das Bhargava:** (a) Will the Minister of Finance be pleased to state the number of retired Income-tax Officers who are at present practising as Income-tax Practitioners?

(b) How many of them were enrolled as such during the years 1948-49, 1949-50 and 1950-51?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). The information required is not readily available and cannot be gathered without a reference to Income-tax authorities all over India which will require time and labour.

#### INCOME-TAX OFFICERS (CORRUPTION)

\*3877. **Pandit Thakur Das Bhargava:** Will the Minister of Finance be pleased to state whether any of the Income-tax Officers were proceeded against on charges of corruption during the years 1948-49, 1949-50 and 1950-51 and if so, with what result, year-wise?

**The Minister of Finance (Shri C. D. Deshmukh):** So far as Class I Income-tax Officers are concerned, there is no case in which disciplinary action was taken in the years 1948-49, 1949-50 and 1950-51. There are, however, three cases in which investigation is proceeding, but till the investigation is complete it is not possible to say

anything definitely except that Government will not shield a corrupt officer.

As regards Class II Officers, the information is being collected from the Commissioners of Income-tax and a reply will be laid on the Table of the House.

#### FIRING ON SUCHETGARH SECTOR OF JAMMU

\*3878. **Shri Kamath:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that very recently our patrol on the Suchetgarh Sector of Jammu was fired upon by enemy troops from across the border;

(b) the date, circumstances and other details of the firing; and

(c) whether the enemy fire was returned, and after how long repulsed?

**The Deputy Minister of Defence (Major-General Himatsinghji):** (a) Yes.

(b) and (c) On the 4th April, 1951, at about 11 A.M., a patrol of ours saw about 15 Pakistani civilians cutting grass at a place, six miles South-east of Suchetgarh on our side of the border. The latter started running away on seeing our patrol. Simultaneously, small arms fire was directed at our patrol from across the border. The firing lasted for about fifteen minutes.

There was no casualty. The United Nations Observers Team who were informed arrived and went across the border. There was a short spate of fire as the United Nations Observers' jeep was approaching the border, but it soon stopped. Our patrol did not find it necessary to return the fire.

#### DELHI JOINT WATER AND SEWAGE BOARD

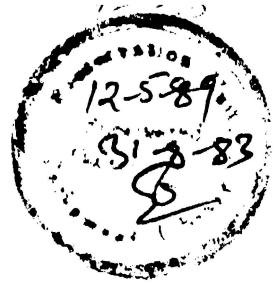
275. **Shri Deshbandhu Gupta:** (a) Will the Minister of Health be pleased to lay on the Table of the House a statement showing the quantity of the filtered water produced by the Delhi Joint Water and Sewage Board each year and the average cost of production per 1000 gallons every year till the end of 1950 since the formation of the Board?

(b) What was the average cost of production incurred by the Delhi Municipal Committee during the three years prior to the taking over of their plant by the Joint Water and Sewage Board?

**The Minister of Communication (Shri Kidwai):** (a) and (b). Two statements containing the information required are laid on the Table of the House. [See Appendix XXIV, annexure No. 18.]



Saturday, 5th May, 1951



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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Third Session

of the

PARLIAMENT OF INDIA

1950-51

**THE**  
**PARLIAMENTARY DEBATES**

**(Part II—Proceedings other than Questions and Answers)**  
**OFFICIAL REPORT**

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**PARLIAMENT OF INDIA**

*Saturday, 5th May, 1951*

*The House met at Half Past Eight of the Clock.*

[MR. SPEAKER in the Chair]

**QUESTIONS AND ANSWERS**

*(See Part I)*

9-30 A.M.

**PAPER LAID ON THE TABLE**

**FIRST REPORT OF THE NATIONAL INCOME COMMITTEE**

**The Minister of Finance (Shri C. D. Deshmukh):** I beg to lay on the Table a copy of the First Report of the National Income Committee. [Placed in Library. See No. IV.O.OI(1)].

**Mr. Speaker:** Copies of the Report of the National Income Committee just laid on the table of the House have been received from the Ministry of Finance and have been placed in the Parliamentary Notice Office. Hon. Members may obtain a copy of this Report from the Notice Office on request.

**TARIFF COMMISSION BILL**

**The Minister of Commerce and Industry (Shri Mahtab):** I beg to move:

“That the Bill to provide for the establishment of a Tariff Commission and to regulate its duties and functions, be referred to a Select Committee, consisting of Shri Gokulbhai Daulatram Bhatt, Shri S. N. Das, Pandit Munishwar Datt Upadhyay, Prof. K. T. Shah, Dr. Panjabrao Shamrao Deshmukh, Shri V. S. Sivaprakasam, Shri

99 P.S.D.

O. V. Alagesan, Shri Annarao Ganamukhi, Shri Raj Bahadur, Kaka Bhagwant Roy, Shri M. L. Dwivedi, Thakur Lal Singh, Shri G. A. Thimmappa Gowda, Shri Jai Sukh Lal Hathi, Pandit Thakur Das Bhargava, Shri P. Kunhiraman, Shri Arun Chandra Guha, Shri Chimanlal Chakubhai Shah, Dr. C. D. Pande, Sardar Sochet Singh, Shri Dattatraya Parashuram Karmarkar, Shri Mohan Lal Gautam, and the Mover, with instructions to report by the last day of the first week of the next session.”

This is a very important measure which I am recommending to the House for its acceptance, in view of the fact that if this motion is accepted Government will be committed to a permanent or continuous policy of protection not only in the interests of nascent industries but also in the interests of the development of new industries in this country. On this occasion it will perhaps be worth while to recall the past history of tariff in this country and its chequered career since 1919. Before 1919 the question of any kind of protection to Indian industries was practically not existing even in the thought world of the then Government. Only in 1919 the Fiscal Autonomy Convention was held, and in 1921 the Fiscal Commission was set up and they recommended in favour of discriminating protection. They also suggested that a permanent Tariff Commission should be established. These recommendations of the then Fiscal Commission were not apparently accepted by the then Government, although in 1923 a Tariff Board was set up in order to consider the cases of several of the then existing industries. One of the conditions for granting protection at that time was that the industries must possess sufficient natural resources and those natural resources were mentioned in the following words:

“The industry must be one possessing natural advantages such as

[Shri Mohan]

an abundant supply of raw material, cheap power, a sufficient supply of labour and a large home market."

The other conditions which were attached to the grant of protection were:

"It must also be one which without the help of protection either is not likely to develop at all or is not likely to develop so rapidly as is desirable in the interest of the country."

And finally:

"It must be proved that the industry will eventually be able to face world competition without protection".

So protection in those days was granted under these handicaps, as I would say. The Tariff Board examined as many as thirtyseven industries from 1923 to 1939, and those hon. Members who were Members of the then existing Central Legislature must be remembering now the excitement which was created then when protection was given to the steel industry specially, and to the sugar industry. The industries which received protection in those days were mainly: Iron and Steel, Cotton, Sericulture, Bamboo paper, Matches, Sugar, Heavy Chemicals. Today, out of those industries, only two industries are enjoying protection up till now. Then, during the war many new industries were set up in this country because imports of foreign goods did not arrive—practically stopped in many cases. Therefore, under the stress of circumstances many new industries sprang up in this country, and a promise was given to these new industries that when the opportune time would come the question of protection would be considered in favour of them. So in 1945 again a Tariff Board was set up to consider the cases of these industries. There too, although the first condition that the industry must possess the necessary natural advantages was dropped, another condition was attached to the granting of protection and that was that "the industry is established and conducted on sound business lines". And the further conditions were that "having regard to the natural and economic advantages enjoyed by the industry and its actual or probable cost, it is likely within a reasonable time to develop sufficiently to be able to carry on successfully without protection or State assistance" or that "it is an industry to which it is desirable in the national interest to grant protection or assistance and the probable cost of

such protection or assistance to the community is not excessive".

A number of industries have been investigated since then and a number of industries also have been given protection as recommended by the Tariff Board. The Bill which I have placed before the House goes far from the previous history of tariff policy, and the Bill here is very different in its scope from the Tariff Boards which we had since 1923. The Bill, particularly clauses 11 and 12, will give an idea as to the scope of this Bill. And that scope has been deliberately given to the proposed Tariff Commission.

First let me briefly deal with the main policy behind this Bill and also the responsibility involved in recommending a step as has been proposed in this Bill. As I have already stated briefly, the Indian industries have passed through a stage of hostility on the part of the Government at the initial stage, and then a stage of hesitancy on the part of the then Government at the next stage. Now, the question of hostility does not arise today. The question is whether the policy of hesitancy will be continued or whether a definite policy should be laid down. While deciding upon that we have to take into consideration the present opinion, as expressed by many important persons, with regard to the use or abuse of the protection given to many industries. If the House will commit the Government to a permanent policy of protection, not only in the interests of nascent industries, the already existing industries, but also in advance for the coming industries, the question is whether it is not desirable at the present moment to recall the opinions expressed frequently with regard to the abuse of the protection by several industries. Tariff protection naturally means an indirect burden on the consumers. Now should the consumers bear that burden even indirectly, and in whose interest? At one time it was said that industry is the backbone of a nation and therefore industry has to be supported. Today it might be said that this was the slogan when the consumers were treated as hewers of wood and drawers of water in the days of bourgeois economy. In these days of planned economy should it be considered necessary that the industries should be given protection at the cost of the consumers? If so, is it not a step in favour of the bourgeois, if I may use that terminology on this occasion? Here two points have to be taken into consideration. Situated as we are here in India, if we think of a fully planned economy as in the case of some manufacturing countries, we may not think of any kind of tariff protection.

In that case the entire industry has to be controlled fully and not in the way we have been doing and then that perhaps will require a different set of circumstances and a different type of administration but placed as we are in the midst of the conditions prevailing not only in this country but also outside, according to me, we have to see that industries are developed in this country, although steps may be taken to control those industries in such a way that they might not exploit the general consumers in the interests of a few. Those steps are absolutely necessary. The two things we should have to take into consideration are provided in this Bill. First of all protection is proposed to the industries which are existing today but which cannot compete with the industries abroad and also to the industries which should be started here but which are not started because sufficient protection is not assured to them. In these cases there is no doubt that situated as we are, it is the duty of the Government, it is the duty of the nation and it is the duty of the consumers also to see that the industries are developed here in this country and at the same time, it is the duty of the Government and it is the duty of this House, representing the general consumers as they do, to see that the protection which is given to those industries is not abused in any way. A number of cases may be cited to suggest that in many cases protection has been abused in the sense that the prices have been kept high and no improvement has been made in the industries in order to reduce the prices to help the consumers but I must say—and I have said it in reply to many questions in the House—that up till now Government had no machinery to enforce any kind of watch or control over those industries which have been given protection. Now the protected industries have been enjoying protection and there was no machinery to find out whether that protection is taken advantage of by the industries in order to develop themselves and ultimately enable them to reduce the prices in the interests of the consumers. This Bill provides for a machinery of that type. The Tariff Commission which I am proposing will have the necessary powers to enforce a continuous watch and control over those industries and to look into their records, to go into the conditions prevailing in these industries and to take such steps as may be found necessary in order that the industries might not abuse the protection which is given to them.

Another new proposal which has been introduced in the Bill is this: Not only the existing industries will

be considered for protection but also the coming industries. I have in view several industries which have been thoroughly examined for the last several years and which are essential industries such as synthetic petrol, steel and many other essential industries which require some assurance of protection in advance so that the parties might come forward and start the industries, so that the capital may be forthcoming for the industries. Since there is no arrangement at the present moment to have these schemes and industries examined by competent persons and assure some kind of protection in advance, nothing has been done up till now. The scope of the Tariff Board does not contain the advance assurance of protection and this Bill makes provision for that kind of advance assurance of protection, after due examination by the Tariff Commission.

These are the two points which I would request the House to keep in view and particularly clause 11. So far as the protection to the existing industries is concerned, the House is well acquainted with the procedure followed up till now, but so far as the coming industries go, the House will bear in mind the new provision which has been introduced, that is to say, the Tariff Commission has been given the power; a definite function has been assigned to that body to go into the questions of the proposed industries and examine their schemes and to recommend if any advance assurance of protection can be given to them or not...

**Shri Sidhva (Madhya Pradesh):** With your permission, Sir, may I request the hon. Minister to elaborate the point about the proposed new industries which are to come into force? May I know if protection will be given to both the big and small industries? If protection is to be given to the small industries, may I know with what guarantees?

**Shri Mahtab:** Exactly that is the point I am making out. I can give you definite instances of two big industries. One is manufacturing synthetic petrol in this country. A regular scheme has been submitted to Government and the capital also will be forthcoming provided a definite assurance of some kind of protection is given to them. I need not say what sort of protection they want. Probably I will not be able to tell the House the exact amount of protection they want; they want protection in the shape of some concession in excise duty on their production, but there is no machinery now to examine that

[Shri Mahtab]

scheme and to give that advance assurance of protection. Similarly with regard to steel. At least two schemes are now before Government, and if any kind of advance protection can be assured to them, they will come into being but there is no scope at the present moment to give them any advance assurance of that type. With regard to the coming industries it is not only the big industries which are to be examined by the Tariff Commission but also small scale industries are to be examined by the Tariff Commission, if they consider it necessary. I would refer the hon. Member to clause 11 (1) (a) which reads as follows:

"The Central Government may refer to the Commission for inquiry and report any matter requiring in its opinion—

(a) the grant of protection (whether by the grant of subsidies or the levy of protective duties or otherwise) for the encouragement of any primary or secondary industry in India (including any industry which has not started production but which is likely to do so if granted suitable protection);"

Even today protection is given to many small scale industries. The difference here will be that although an industry has not been started, if an assurance of protection is given, the industry will be started. In that case also, the case may be referred to the Tariff Commission for their examination. The difference has been made between the two cases, one is with regard to the existing industries and the other with regard to the proposed industries.

Then, hon. Members will find from the provisions of the Bill the powers which have been given to the Tariff Commission to collect information, and to secure the co-operation of the industries in their work. That power is necessary and is required for the purpose of keeping a regular watch on those industries which receive protection from the Government. If the House decides upon a regular watch being kept on the industries enjoying protection, then, these powers have inevitably to be given to the Commission in order that steps may be taken. In this connection, I may say frankly that the recommendations of the Tariff Board up till now have not received the same type of examination as they ought to, because of want of machinery and because of want of that kind of detailed examination. I may give a few instances. In many cases, the Tariff Board has recommended not

only protective duties, but also facilities with regard to railway freight and with regard to other measures which Government might take. But, since those points which are besides levying duties have not been dealt with in detail, it has not been possible for the Government to take steps accordingly. For instance, in the case of certain industries, the Tariff Board has recommended that the railway freight should be reduced. This is a general recommendation. They have not the opportunity to examine in detail the question of railway freight not only with regard to that particular industry, but the whole general scheme of railway freight. Since they have no materials before them, they could not examine it, and therefore the recommendation was of a general nature and it was not possible for the Government to closely examine and take action on that. Here, the proposal is that the Tariff Commission will have the necessary material before them, examine in detail all kinds of protection and also all kinds of assistance which they will recommend to the Government and it will be easy for the Government to take action on the recommendation of the Tariff Commission.

I shall briefly refer to sub-clause (2) of clause 11 which provides for immediate action. The provision is this:

"Where in the opinion of the Central Government, it is expedient in the public interest that immediate action is required, it may take action to impose, vary or abolish any protective duty or to grant, vary or abolish any subsidy without obtaining the report of the Commission, but where it does so, the matter shall be referred to the Commission for inquiry and report as soon as may be after the action is taken."

Here is a provision for immediate action. Immediate action is necessary nowadays because of the ever-changing situations with regard to imports and ever-changing positions with regard to the availability of various types of essential goods and essential raw materials which are necessary for our industries here. This kind of measure should not be construed to mean that any additional power is being taken over by the Government. But, in the course of ordinary work, it is just possible that in the absence of a power like this, a definite harm may be done to the industries here, as can be proved from many past instances. You will find that clause 11, sub-clause (1) (c) provides for action to be taken in

relation to the dumping of goods in the market occasioned by excessive import, manufacture or otherwise. Here also, hon. Members might have heard or may be aware of various complaints on behalf of local manufacturers against heavy imports. As a matter of fact, there is no machinery here at the disposal of Government to know exactly how much is manufactured locally, how much really is the demand and how much should be imported. Here trouble arises. If the local production is just sufficient or a little less than sufficient, and if there is no import, the prices rise. If imports are allowed, the local industries suffer. It is a very difficult position which Government have to face on almost every occasion so far as imports are concerned. Here is a body, the Tariff Commission, who will examine the details of production, the demand of the country and recommend to the Government how much imports can legitimately be allowed into the country of those articles. If we keep in view this provision, then, sub-clause (2) of clause 11 should not create any difficulty. Sub-clause (2) simply gives the power to Government to take action which will be referred to the Tariff Commission later on; but it gives the Government the necessary power to take immediate action when necessary. Assuming that Government misbehaves, or wants to patronise any particular industry without any sufficient reason, and immediately levies a duty or stops imports or takes some steps which will put the consumers in a very inconvenient position, and will adversely affect the interests of the consumers, when the matter is referred to the Tariff Commission, the Tariff Commission being a responsible body, being a competent body to give judgment on this matter, and if they come to the conclusion that the action of the Government was not justified, in that case, there are many platforms on which the Government can be criticised. Any Government having a sense of responsibility will not dare take that kind of step which will ultimately land them in vigorous criticism not only in this House but also in the Press and platforms. Therefore, that is not a very objectionable proposal which has been made here in sub-clause (2) of clause 11.

Taking the whole Bill, as it is, a permanent Tariff Commission committing the Government to a permanent policy of protection, is a very important step according to me. If anybody asks me how this will stand when the entire industry of the country will be planned and when the entire industry of the country will be controlled, I personally cannot say ahead,

how this will stand in those circumstances. But, I can say that even in those circumstances, even though this law as it stands, may not be operative, the usefulness of a body like the Tariff Commission will be more clear then, because this is a body competent to examine the case of each industry, examine the details of protection which those industries require against competition with other industries, and therefore the existence of a Tariff Commission will be useful not only in the present circumstances, but in the circumstances which many hon. Members can visualise today, namely, a fully controlled economy of the country. It may be called by another name; but the usefulness of a body like this will be more clear in those circumstances.

Then, with regard to the two types of industries, the existing industries which are struggling, or even well established industries, well established in their own sense, but which cannot compete with other more advanced industries of other countries, the question of their protection will be considered by the Tariff Commission. Then, there are the proposed industries. Their case too will be considered by the Tariff Commission. Another power has been given to the Tariff Commission and that is, the Tariff Commission has been empowered to start investigation *suo motu*, on their own initiative; even though the case has not been referred to the Tariff Commission, if the Tariff Commission thinks that the case of an industry has to be investigated and a recommendation made to the Government, the Commission has been empowered to take up investigation on their own initiative also. Therefore, you will see that the Tariff Commission has been given full powers as I have described in the Statement of Objects and Reasons. This body is a quasi-judicial body. It is a body which will be constituted under the authority of this House and therefore, there is no likelihood of this body being influenced in any way by any interested party. The qualifications which have been prescribed for membership of this Commission will ensure the selection of highly competent persons, persons of admitted integrity. Also the emoluments proposed will go to show what type of persons are in view for the constitution of this body.

10 A.M.

Now, I need not go into the details of the various provisions of the Bill at this stage. I have placed before the House the broad features of the Bill and also the policies. There is more than one policy involved in this Bill. I might enumerate them for the benefit of the House, so that hon. Members

[Shri Mahtab]

may take them into consideration while discussing the provisions of the Bill. First there is the policy of giving permanent protection to local industries to which Government are committing themselves by this Bill. This may mean an indirect burden on the consumers; but the consumers will have to take up that burden for a little while in their own ultimate interest.

**Shri Sidhva:** What is meant by permanent protection?

**Shri Mahtab:** Since this is a permanent body, Government is committed to the policy of giving permanent protection not to one industry but to the policy of giving protection to all deserving industries. Since this is a permanent body at no stage will any industry here be allowed to suffer due to competition from industries abroad. If one industry brings down the price of its products to the level of the imported product, then the consumers will not be hard-hit in any way. When imported goods come to compete with local products, this Commission will come into the picture. Even if the Government did not refer the case to the Commission, the initiative could be taken by the Commission.

**Shri Sidhva:** But permanent protection for ...

**Mr. Speaker:** What the hon. Minister really means is that the country will be committed to the policy of protection as against free trade.

**Shri Mahtab:** That is it, Sir. The Government is permanently committed to this policy. That is number one.

The second policy is that not only will this apply to the existing industries but it will apply also to the proposed industries. The next policy is that the Tariff Commission has been given the power to keep a close watch on the industries which have received protection so as to see that they do not abuse the protection. These are the broad features of the Bill. It is just possible that these principles are not fully contained in the provisions of the Bill and that these provisions may be considerably improved. But that is the work of the Select Committee. I therefore recommend this motion for the acceptance of the House. After listening to the discussion that will take place I shall try my utmost to clear any points that might be raised.

**Mr. Speaker:** Motion moved:

"That the Bill to provide for the establishment of a Tariff Commission and to regulate its duties

and functions, be referred to a Select Committee, consisting of Shri Gokulbhai Daulatram Bhatt, Shri S. N. Das, Pandit Munishwar Datt Upadhyay, Prof. K. T. Shah, Dr. Panjabrao Shamrao Deshmukh, Shri V. S. Sivaprakasam, Shri O. V. Alagesan, Shri Annarao Ganamukhi, Shri Raj Bahadur, Kaka Bhagwant Roy, Shri M. L. Dwivedi, Thakur Lal Singh, Shri G. A. Thimmappa Gowda, Shri Jai Sukh Lal Hathi, Pandit Thakur Das Bhargava, Shri P. Kunhiraman, Shri Arun Chandra Guha, Shri Chimanlal Chakubhai Shah, Dr. C. D. Pande, Sardar Sochet Singh, Shri Dattatraya Parashuram Karmarkar, Shri Mohan Lal Gautam, and the Mover, with instructions to report by the last day of the first week of the next session."

**Shri M. A. Ayyangar (Madras):** I welcome this measure most heartily. I expected that this would be taken up soon after the Fiscal Commission had made its report and I find that the Government have not delayed the matter, but have brought it as early as possible.

The Fiscal Commission made deviations from the original policy of discriminating protection and that has been referred to by the hon. Finance Minister. Hitherto, from 1921 the previous Government was chary of giving protection to our industries. We were tied to the coat tails of the United Kingdom and many other considerations than the best interests of India weighed with the authorities, though this was not openly stated. Discriminating protection was being given in a niggardly fashion. A number of conditions were imposed—that the raw materials should be available in the country, that within a reasonable period of time the industry must be able to stand on its own legs—and it was assumed that there was a permanent conflict between the consumers on the one hand and the trade on the other. Further there was no permanent body to go into these matters. The Tariff Boards were like *ad hoc* bodies appointed from time to time. During the war a number of industries came into existence on the assurance given to them by the Government that they would be protected after the period of war was over. Thus Government was committed to this policy and so the Fiscal Commission was appointed to go into this matter and to make their recommendations for the future. They have advisedly taken into consideration the question of protection to all the industries, not only as a fiscal measure, but also as assistance given to industries as a measure

of relief. This is done in various other countries. For instance, though cotton is not grown in Great Britain, Lancashire is one of the biggest producers of textiles in the world. Likewise though Japan does not produce cotton, by mere import, they have the textile industry as one of the biggest industries of their country. Similarly though the raw materials may not be available in this country, some industries may get established here and the cost of the raw materials may be small compared to that of the manufactured product. Therefore, the grounds for the grant of protection have been liberalised. As a matter of fact, though it is not so stated, many industries ought to be established in this country and in the initial stages if there is the prospect of their establishing themselves, they should be given protection and the measure of protection is a matter which has to be decided by the **Tariff Commission**. I am glad the Government have accepted the recommendations made by the Fiscal Commission, though they have not said so. That is their intention, inasmuch as they have embodied these conditions in clause 11 of the Bill. This is a tacit admission, recognition and adoption of the principles recommended by the Fiscal Commission. I am glad also to see that the Government have tried to implement those recommendations in this Bill, by establishing a permanent Tariff Commission. *Ad hoc* commissions would not be useful. For one thing, as the Fiscal Commission has recommended, it is necessary to watch the progress of the industry, the manner in which the protected industries are carrying on their development and how the conditions under which the protection was granted are varying, whether the expectations raised at the time of the grant of protection are being fulfilled, whether only the least possible burden is being placed on the consumers and so on. It has also to see whether once it has established itself, the industry is prepared to reduce the quantum of protection and whether methods of rationalisation etc. are being adopted or whether they are still continuing the same old methods and appealing to Government for continuing the protection. These are matters which have to be watched from time to time. For want of an agency and the Government itself being preoccupied with other matters, not being itself technically qualified to do that with the advice of an expert body, the existence of a permanent Commission is absolutely necessary. And that is the recommendation made by the Fiscal Commission which has been accepted by the Government and in this Bill they want to implement it. I welcome

the decision taken by the Government and also the manner in which they are trying to implement it.

So far as the qualifications are concerned the Government must be free to appoint such persons on the body as are qualified. Though the qualifications cannot be set out in detail to be applied to all cases. The Government must take care to appoint eminent persons well versed in industry and commerce and other administrators also, who can hold the scales even.

As regards the functions of the Commission under Chapter III I would like to make reference to one or two matters. Once the Tariff Commission is established I would like that all cases for protection required by industries should be referred to the Tariff Commission and this should be made obligatory. Though it is not stated in those terms, that is implied in sub-clause (2) of clause 11, which says "where in the opinion of the Central Government it is expedient in the public interest that immediate action is required, it may take action to impose, vary or abolish any protective duty or to grant, vary or abolish any subsidy without obtaining the report of the Commission." From the language it is clear that under ordinary circumstances when in the opinion of the Government an industry requires protection they will refer the matter to the Commission. I would urge upon the Select Committee to consider the desirability of imposing this procedure as an obligation on the Government, namely, to refer all cases which in their opinion require protection to the Tariff Commission. Clause 11 says that "the Central Government may refer to the Commission for inquiry and report any matter requiring in its opinion the grant of protection". Sub-clause (2) empowers the Government under particular conditions and circumstances to grant protection, even without referring to the Commission and then thereafter placing the matter before the Commission. The word "may" in sub-clause (2) will have meaning only if it is interpreted to mean "shall". Instead of leaving it vague I would urge upon the Select Committee and the Government to consider the desirability of changing the word "may" into "shall" when once there is a permanent expert body, the members of which are appointed for a period of three years and who are also expected to watch the progress of the protection granted, the Government must be obliged to refer the matter to the Tariff Commission, except in such exceptional cases, for which provision is made in sub-clause (2).



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The preamble to clause 11 says:

"The Central Government may refer to the Commission for inquiry and report any matter requiring in its opinion the grant of protection."

It is said that the Government must make up its mind that a particular industry requires protection and thereafter alone they refer the matter to the Commission. On the other hand I would urge that in all cases where an industry or group of industries, large in number, make an application to the Government, the Government shall leave it to the Commission to say whether protection ought or ought not to be granted. Where it is a case of a small industry or one of many factories in an industry asking for protection *prima facie* it need not be referred to the Commission. All that I am urging on the Government is not to take upon itself the question of deciding whether a particular request ought to be referred to the Commission or not, having once created an expert body like the Tariff Commission. The power to find out whether an industry requires protection before sending up the matter to the Commission, even that should be referred to the Commission.

Then as regards reference to the Commission of additional matters, even those matters which are referred to in sub-clause (a) of clause 12 should also be reported on by the Commission. In an enquiry on the grant or otherwise of protection these other matters have necessarily to be taken into account such as the quantum of protection, its duration, protective tariffs and subsidies and their effect on the general level of prices. Naturally the Commission will take into consideration these matters before they recommend the kind, quantum or the period for which protection has to be granted. This is inherent in any inquiry. Let it therefore not be said that only on a further reference by the Government these matters must be reported on. The cost of living of any specified class of people and the different sectors of the country's economy etc. are matters which are for the Parliament to consider and come to a conclusion before giving its final approval to the grant or withholding of protection. Under those circumstances I would ask the Select Committee to include (a) in clause 11 for the purpose of report and not merely make it optional for the Government to ask for a report. So far as sub-clauses (b), (c) and (d) of clause 12 are concerned those are matters which the Commission need not go into, un-

less asked for by the Government. I would urge upon the Select Committee to see that, so far as sub-clause (a) is concerned the Commission must include in every one of its reports either recommending or withholding protection for any particular industry, their findings on the items mentioned there.

As regards the principles to be taken into account in making any inquiry under clause 11(1) (a) I agree with the number of principles set out. They have been taken from the Fiscal Commission's report. In addition I would urge one or two things to be taken into consideration.

Hon. Members are aware that the grant of protection or the imposition of a higher duty is not the only thing that gives protection to an industry. As a matter of fact even if the protective duty is removed the exchange and quantity controls are giving the necessary fillip to industries. I can refer to one instance. So far as the sugar industry is concerned, though the duty has been removed it is next to impossible to get sugar from foreign countries. Till recently we had no foreign exchange and Cuba is in the hard currency area. So there are various other factors such as deficiency in exchange that may operate in the manner of protection. They will have to be taken into consideration in the grant of protection.

So far as the Pay Commission is concerned, the dearness allowance must vary according to the index of prices and so on. Likewise to some extent a variation may also be recommended so that the additional measures of protection granted may vary from time to time. Instead of the Tariff Commission looking into the matter again and again the protection which they recommend for a period of three or five years may be a variable quantity, which may be adjusted from time to time. The Select Committee may take that also into consideration.

**The Deputy Minister of Commerce and Industry (Shri Karmarkar):** On a point of clarification. Does the hon. the Deputy-Speaker suggest that it should be the function of the Tariff Commission also to prescribe quantitative control as a measure of protection?

**Shri M. A. Ayyangar:** No, as a matter of fact the Fiscal Commission did not recommend quantitative control at all. I would earnestly urge upon the Tariff Commission, in making recommendations regarding grant of protection, to take into consideration quantitative and other controls that

are already existing. I ought not to be understood to mean that protection ought to be granted by way of quantitative controls—far from it. On the other hand, if on account of exchange difficulties quantitative controls are imposed and there is already a kind of protection enjoyed by an industry, then the exchange difficulties may at some time ease and quantitative controls may be removed. It all depends largely on the international situation. Therefore, if today an industry seeks protection and having regard to the existing conditions protection is granted, then let it not be once again referred to the Tariff Commission in a short time as to what should happen if these controls are removed. Possibly, under those circumstances it may require an additional amount of protection. Instead of going into these matters after six months or as soon as the controls are lifted, I suggest that these factors must also be taken into account and provision should also be made for the increase or decrease of the quantum of protection according to the changed facilities. If the exchange facilities drop down additional protection may have to be granted, and if there are more stringent controls protection may have to be increased. Similarly provision on a sliding scale should also be made for an envisageable period of time, say, for three years, within which having regard to the fluctuations protection also should automatically be either increased or decreased.

Though it is an elaborate Bill it deals only with fiscal matters. I would urge upon Government and the Select Committee to consider some of the non-fiscal assistance that has been recommended by the Fiscal Commission in the grant of protection. After all, having regard to the conditions under which industries are working today, fiscal protection has gradually become less and less important; it is one of the several matters which go to help an industry. More than one chapter in the report has been devoted to non-fiscal matters the adoption of which will help industry. Those matters also may conveniently be referred to the Tariff Commission. The subjects on which evidence is placed before it will certainly include, for instance, raw material, coal and power, transport, labour conditions etc. These are all the various other things on which industry depends to a large extent. If transport, for instance, becomes a bottleneck then whatever amount of protection may be given may not be adequate. Similarly coal and power. These are also matters on which the Tariff Commission may be asked to recommend or to advise Government as to what non-fiscal measures

should be adopted to give assistance to the industry in addition to the fiscal protection that under this Bill the Tariff Commission is asked to advise on.

There is a provision here that the Tariff Commission is asked to watch the progress of the industry. I would add that one of the conditions that may also be looked into or one on which the protected industry should satisfy, is that no heavy dividend is paid. The protected industries have practically a monopoly; they exclude all foreign competition and inside the country also they have a monopoly though among themselves they are entitled to compete. But there is a provision here that any kind of cartels should be avoided. I am glad that though the word "cartel" is not used any kind of cornering is taboo. Apart from this I would suggest, as I stated earlier, that the industry should not be allowed to make heavy and enormous profits. That is one of the matters which I would urge upon the Select Committee to go into and which I would request the Government to consider favourably.

As regards labour conditions, in their anxiety to establish themselves some of these protected industries try to improve themselves on sweated labour. Conditions of labour also ought to be satisfactory; it should not be at the expense of labour that a protected industry ought to establish itself. That also may be taken into consideration.

I welcome this Bill. I hope that when it emerges from the Select Committee some of these suggestions may also be carried out and it will be a measure which I hope will help to a very great extent the establishment of a number of industries in this country which have not hitherto been established. Before closing, I welcome the idea of advance protection also which may be considered. Some of my friends thought that that was a new proposition that was placed before the House. No doubt at that stage protection was given in advance by the Government even without any formal or *ad hoc* inquiry. Later on a committee was appointed. In the case of manufacture of motor cars, when an Indian firm has already bought the machinery, it urged on Government for grant of immediate advance protection. I am glad that that principle also has been recognised by Government and suitable provision has been made for such advance protection. But a number of industries will come up for advance protection and their cases have to be examined very carefully. As pointed

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out by Mr. Sidhva, whether advance protection is given to small or big industries, in exceptional cases advance protection has to be given but the Government has to be chary as regards the terms and conditions. I would suggest that Government should refer even such matters to the Tariff Commission before advance protection is given.

**Shri T. T. Krishnamachari (Madras):** In supporting the motion before the House I have one complaint to make in regard to the manner in which Government arrange the business of this House. Looking at some averages in regard to discussions in the House of Commons in the United Kingdom, I found that out of 145 days—the average number of days in a year when the House of Commons sits—more than half the number of days are utilised for purposes of discussing policy. I quite recognise that that is a concession to the Opposition that exists in the House of Commons and in this House we realise that there is no Opposition. Nevertheless, I think important matters like the discussion of the economic policies of Government come up before us, only on occasions, few and far between and even during the discussion of the Budget the time is taken up largely in discussing matters which though of great importance, nevertheless have a very narrow scope. I therefore welcome this Bill as providing an opportunity for discussing the policy of Government underlying this measure, and if the Chair will not rule me out of order I would like at this juncture to review the policy of Government in regard to industries in general and in regard to trade and commerce.

As my hon. friend, the Deputy-Speaker put it, this Bill before us is a result of the report of the Fiscal Commission. I would again like to mention to the House that that report has not been discussed by this House; no opportunity has been given to this House to discuss that report. The Report is an important one and I would like to take this opportunity of paying my meed of tribute to those persons who constituted the Commission and particularly to the Chairman for producing a balanced, if not a revolutionary report consistent with the narrow terms of reference under which they were operating.

I would like to take this House to a time just before the appointment of this Commission. The basis of this Commission's Report happens to be the Industrial policy statement of the Government of April 1948. That policy

statement was, I think, discussed to some extent in this House. Apparently the Government still stand by that statement. But there have been various amendments of that policy statement; definitions by various members of Government etc. which do not make it possible for persons like myself and other people in the country to understand exactly what the Government's policy is in regard to the general economy of the country. It is mentioned that this economy is to be a 'mixed economy'. Frankly, I cannot understand what this means. In this I seem to be in the company of people who ought to know better than I do on this particular issue. They also cannot understand what exactly this means. What is a mixed economy? Government have not chosen to define it for our benefit. But it seems to me that if that policy statement still holds good and the interpretation by the Fiscal Commission of that policy statement in para. 11 of its Report is the correct one, then what seems to hold the field is that private enterprise properly directed and regulated has a valuable role to play in the economy of this country.

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

I would like to submit that if private enterprise has a valuable role to play—and I have no quarrel with that dictum—it means that this economy is an economy which will be directed to the improvement of private enterprise. State enterprise comes in only by the way where it is absolutely necessary. If this is true, I am afraid then that the Government have not given directions to the Fiscal Commission in its terms of reference to review the position of an economy which will be dominated by private enterprise and therefore in common parlance will be a capitalist economy, and to recommend those conditions that are necessary for the development of that economy and those restrictions that are necessary for preventing abuse in that economy.

I think the lessons of management of a country's economy furnished by that great country where private enterprise is not merely a dictum, is not merely a doctrine but is almost a religion—I refer to the United States of America—those lessons have been completely lost sight of when the Government proposed their terms of reference to the Fiscal Commission. I lay emphasis on this particular fact, not because I wish to make this a platform for voicing my own views whether I like private enterprise or I dislike it, or whether I plead for the State taking over the management of

industries or I do not want that to be done, but merely because if the policy of Government is clearly that private enterprise should be encouraged then we have to import into this country that climate which will not merely encourage the entrepreneur but also check the evils which private enterprise is so notoriously capable of producing in the economy of a country.

I found a casual reference in the speech made by you when you were sitting along with us a few minutes ago in regard to cartels. I lay emphasis on this particular point because I take your speech as being an encouragement to me to refer to this particular matter. The problem that has beset the American economy in its being conducted as a private enterprise economy where the consumers' interests are paramount has been this question of cartels and monopolies or what is called in economic jargon 'oligopoly'. That country has been striving all along to prevent concentration of economic power in particular hands, not so much because of the political significance attached to it but because of the economic evils that go along with it. That country which is pledged to private enterprise economy has realised abundantly that the consumer has to be protected. So far as we in this country are concerned, I find that no attempts have been ever made on those lines which in my opinion, however imperfect might be my knowledge of economics, are the only ones by which you could save the consumer from the rapacious greed of the entrepreneur. If conditions in America from the date of the Sherman Act in the last century, from the date of the Clayton Act of 1914, from the date of the appointment of the temporary National Economic Committee in 1938, have warranted an enquiry into the working of oligopoly, I believe that in this country it is very necessary because the whole set-up of the economy of this country is one that might be called an approach to oligopoly. Whether the concentration has been on vertical lines or horizontal lines, whether it is by means of holding companies or by an injudicious use of patent rights or by interlocking, the fact remains that about a dozen interests, at the outside, control the economy of this country. If that is so and no provision is made against an abuse of power by those interests in the statutes, I am afraid.....

**Mr. Deputy-Speaker:** May I invite the hon. Member's attention to page 3, Clause 11(1) (d) (iii) which says "acting in restraint of trade to the detriment of the public"? That provision is generally intended to cover such cases.

**Shri T. T. Krishnamachari:** I am very grateful to you, Sir, for pointing my attention to this provision, but as the Chair would realize, that is only in regard to one particular phase of it, that is to say, charging unnecessarily high prices and acting in a manner which results in high prices being charged to consumers through limitation of the quantity production, deterioration in quality etc. But really the working of oligopoly is something different.

**Mr. Deputy-Speaker:** But 11(1) (d) (iii) is independent; it deals with "acting in restraint of trade to the detriment of the public" and covers cartels and monopolies.

**Shri T. T. Krishnamachari:** I am not for a moment saying that one interpretation of these provisions might not mean that the Government has the avoidance of oligopoly in mind, but what I am saying is that initially the problem has not been recognised. It has been incidentally recognised and perhaps it would be recognised incidentally on more than one occasion as time goes on. The basis of my complaint is merely the set of circumstances that prevailed before the appointment of the Fiscal Commission. I am not laying any charge against the Government; I am merely laying a charge against ourselves as Members of this House for not recognising the existence of the evil which in a capitalist economy has to be dealt with. If it is not a capitalist economy that is functioning in this country it is a different matter altogether. What I am saying is that if the industrial policy statement of the Government is correctly interpreted as it can only be interpreted as being one that more or less plumbs for, or leans heavily in favour of, private enterprise, then all the other set of actions taken in a country where private enterprise is a religion must necessarily follow and it could not merely be achieved by means of an indirect reference to the Tariff Commission and by its recommendations thereon but by the Government being conscious of the fact that it is its paramount duty to see that the evil is checked and nipped in the bud. I might also add that in spite of the fact that for over sixty years the American Government has been battling with this evil, it is being defeated at every step and today it has to be recognised that monopoly interests more or less control in America the major portion of the industry of that country. Not that I mean that by governmental action we could successfully prevent the operation of these factors. But the absence of governmental action directly, not incidentally as it is proposed in this Bill, would probably ag-

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gravate the evil rather than help the consumer. That is one point that I would like to mention.

The second point that I would like to mention is this. I do not know if I am treading rather on forbidden ground, but I would like to say that the appointment of the Fiscal Commission itself was not the result of a deliberate policy followed in the natural course of events but an incidental one arising because of certain conflicts between certain Ministries of Government. I do not want to dilate further on that subject, but that is so. I happened to be at that time enjoying, as I do on very rare occasions, the confidence of some members of Government and I did represent to them that the appointment of a Fiscal Commission at that time was not perhaps opportune for the reason that any Fiscal Commission that is appointed must have wide terms of reference, as fiscal policy as understood to be today and the terms of reference that emanated ultimately, as I thought would emanate at that time considering the conflicts that had arisen, would necessarily be narrow. What I had in mind was that the modern definition of fiscal policy is something very wide and not that definition that was given to it in 1921 by the British rulers in this country or perhaps even acknowledged at the time all over the world.

Today fiscal policy is something which is intimately connected with public finance. public finance is supposed to be the stabilising medium of a fiscal policy. Therefore, I felt that an investigation of the tax structure of the country would be very necessary, because without it fiscal policy cannot be properly formulated or controlled. It would be recognised by Members of this House that even within its limited terms of reference the Fiscal Commission must have come up against the problem whether their recommendation would not materially reduce the revenues Government are getting from customs; whether recommendations in regard to incidental advantages to be given to industry, such as, you, Sir, suggested when you were speaking would not mitigate against the revenues that would accrue to Government in the matter of implementation of its excise policy. Inevitably the question of regulation of industry, encouragement to industry and protection given to industry impinges in various ways on the tax structure of the country. Therefore, I felt, and I believe it was recognised by one of the eminent members of the Cabinet at that time that there was some force in the argument that the

terms of reference have to include more or less a revision, or recommendation for the revision, of the tax structure of the country, but he felt that in the circumstances in which the Government was placed, the Fiscal Commission could not be saddled with any such responsibility.

During the last few weeks I have heard in this House hon. Members very seriously putting forward the need for a taxation enquiry committee. I do feel that when that committee comes into being, perhaps, there will have to be some kind of reorientation of our own ideas on fiscal policy because the claims of Government, so far as tax revenues are concerned, are paramount and will have to be given first place, as it must undoubtedly be given first place, because no Government can function without the money necessary. Therefore, I felt when the Fiscal Commission was going about doing its work that while here was a Commission manned by distinguished men, devoting their time to a problem, it has not been made use of to the fullest extent possible by giving them additional terms of reference, which may perhaps occupy them another six months more, but which would enable us to have a comprehensive view of the fiscal position of this country and the future needs thereof.

Reverting back to this question of statement of a comprehensive policy after the statement of industrial policy in April 1948, we had several other factors which have come into being since then and are now operating. We had a statement regarding the appointment of a Planning Commission. We know that there is an Economic Committee of the Cabinet that functions more or less as an expert body and oftentimes takes decisions about which I do not want to advert. Then there are *ad hoc* decisions taken by *ad hoc* committees composed of members of Government and perhaps members of various State Governments. Oftentimes it does happen that because of these meetings, because of these decisions, because of the advice tendered at these meetings, some action is being taken. That is why I feel that my complaint was justified that there has been no comprehensive review periodically of the economic policy of Government by one member of Government dealing with economic subjects and that is a handicap to us today in stating our views not merely on this question of tariffs and fiscal protection, but also on the question of industry in general and the place that private enterprise should have in it such as is necessary in the discussion of a measure of this nature.

Coming to the report of Commission, I have read it with the care that is very necessary in scrutinising the report of a Commission of this nature. I have also tried to read through the written memoranda submitted by various bodies and certain individuals to the Commission. Of course, the oral evidence tendered has not been published: so one does not know what was said. But I find that while one set of memoranda submitted by the commercial bodies is as good as the other, there is one theme running right through all these and I have no doubt that so far as that type of written memoranda was concerned the Commission had no difficulty in making up their mind or in assessing what the vested interests or the commercial and industry community in this country wanted. But I lay emphasis, however, on one particular piece of written evidence that was submitted to the Commission which in my humble opinion, is the most provocative of all. That was the written evidence submitted by Prof. Gadgil of the Gokhale Institute of Economics, Poona, which as is characteristic of him is both a bold and realistic review of the position of the economy of this country. It stresses the fact that it would be impossible for the Commission to compromise on fundamentals and he did point out that a regime of indirect control as at present functioning is not socially useful, but on the other hand, is utilised perhaps incidentally as an instrument of further entrenching of the power of particular interests. He also pointed out another factor which is as it were a forecast of the tenor of the written memoranda from various commercial bodies, namely, that vested interests require only that part of controls that help them and reject other controls which do not help them.

I am very happy to see that the Commission has not fallen into the pitfalls that inevitably must have faced them and have steered clear of them all. So far as their recommendations are concerned, they take a balanced view of the various points of view that were presented to them. But as the hon. Minister put it in a different language this Bill before the House is indicative of a policy of permanent protection. His statement might be altered in a slightly different way, namely, that in 1922 the interference of Government in industry was exceptional; today it is a normal feature. Because if the Government and the House are committed to a policy of protection where necessary, they are also committed to making Government controls and interference

a normal feature of the day. Therefore the vested interests in this country have to recognise, when they praise this measure as being beneficial to them, that the consequence of this measure is that they must also accept the control of Government in regard to the economy of this country, even though the economy is avowedly and to a very large extent an economy of private enterprise. It is from this point of view that I would like to say something about the criticisms on this Bill, not yet voiced in this House but voiced outside.

One particular set of criticisms against this Bill, and perhaps against the policy of the Government is this—and very possibly it was also one of the reasons why a Fiscal Commission had to be appointed—and that is the question of quantitative restriction of imports. Sir, you made a reference to it in your speech. I would like to amplify it a little further. Quantitative restriction of imports is today the order of the day. It is the order of the day because of the balance of payments position. It might be that it will continue for a long time. The restriction of imports is dictated, or rather the restriction of certain categories of imports is dictated, by the views held by Government—whether they are good or bad is not a matter relevant for this discussion. But what is sought to be done is that that discretion of Government is being utilised in regard to a particular set of factors, namely the adverse balance of payments position, and should be used for the benefit of a particular set of people. And I see that this has been urged by various communications in the press, various criticisms of Government policy, and also various communications that have been sent to Members of the House—or copies of communications sent to Government that have been sent to us. I am very glad that the Fiscal Commission has more or less set itself against it. The reasons given by the Commission are valid and sound. They are all the reasons that can possibly be given. I am very happy also in this connection to observe that this Government, against which so many people have got so much to say as being a Government controlled by capitalists, run by capitalists, influenced by capitalists, has asserted its own independence on a previous occasion—I believe in 1948. The Tariff Board in regard to protection to the bobbins industry recommended, and the wording was:

“We recommend that so long as the licensing of imports of bobbins is continued for balance of pay-

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ments considerations the desirability of maintaining and expanding indigenous production should be kept in view and the quantum of imports should be regulated accordingly."

Those were the recommendations of the Tariff Board in 1948. The House will perceive that they are not on all fours with the recommendations of the Fiscal Commission. There has been a slight departure, although the departure is only in so far as the restrictions continue for balance of payments considerations. But I am very happy to see that Government in their Resolution on this particular Report have declined even to countenance a temporary type of quantitative restriction which would give an incidental advantage to an industry as being something unethical. It is a matter in which one can feel proud of that Government would not be influenced even to accept the recommendation of the Tariff Board in this particular matter. I do hope that the future policy of Government would continue to be the same, for the one reason that it is against all economic principles to place quantitative restrictions on imports unless it be that an overriding consideration like the balance of payments position is there.

The second factor is, whether in the administration of tariffs consequent on the recommendations of the Tariff Board or in any other manner which would affect the position of the consumer in this country, the paramount consideration which the Government will have always to keep in view, according to my humble view, is that this in a country with a low standard of living, in a country where the marginal rate of consumption propensity is very high, the consumer's interest has to be constantly watched. This position of the consumer is there. Today what he considers is necessary, or what he likes to buy today, he would not buy tomorrow if his purchasing power shrinks or the goods are not easily available in the market as the elasticity of his demands permit him to do so. Any country with a low standard of living is bound to have a high marginal rate of consumption propensity which more or less automatically follows. And if consumption propensity is further curtailed for reasons that are sentimental, for reasons ethical, or for other reasons like protecting the vested interests and so on, unless all this is absolutely necessary, let us bid good-bye to all hopes of raising the standard of living of this country. I would like to say in this connection that we politicians in this country generally feel

that all luxuries are bad things. And after all what is a 'luxury'? A luxury of today is a necessity of tomorrow. What was luxury some time back is a necessity today. If perhaps thirty years back even public service motor vehicles were a luxury, today they are an absolute necessity. Therefore when we say that luxury items should be banned, we do so irrespective of the change in the ideas of the people at large and irrespective of considerations of raising the standard of living of the people. It might even be that lipsticks and face-powder are necessities today and they do help to some extent to raise the standard of living of the people. I would say that there is no use laughing about this because our ideas are progressing to what were medieval ideas. We go about with a catalogue of "don'ts"—don't do this, don't do that or don't do something else—with a fiat prohibiting the use of a number of things but nothing constructive to offer. We would prohibit for the common man a few luxury things which he indulges in, but we offer no substitutes for him. Therefore, if actually this House and the Government are wedded to a policy of raising the standard of living of the people, it is not quite so easy for us to ignore certain types of 'luxury' goods which are not very costly. Therefore, this question of quantitative restrictions based on a demand by an industry is a thing which has to be straightway declined for the reason that the paramount consideration of the Government should be to raise the standard of living of the people—leave alone the question of patronage, pressure politics and all that which may make Government impose quantitative restrictions. Therefore I am very happy that the Fiscal Commission has set itself against any such thing, even though it may appear to our modern industrialists that the Fiscal Commission is retrograde in its recommendation and that they are following blindly the provisions of the Havana Charter which is now dead. All that might be said, I should like to congratulate them on the bold stand they have taken in the matter, where the natural inclinations of the average man are to sail with the stream of the demand rather than set himself against it.

I would like to say a few words in regard to the operative portions of this Bill. The composition of the Tariff Commission does not follow the recommendations of the Fiscal Commission. Not that I would like to accuse the Government of having done something which is very heinous. But I would like to say that considering the work of the Tariff Board, particularly between the year 1945 and today, I think

the recommendation of the Fiscal Commission with regard to the strength of the Board is a very correct one. I do not know why Government has thought it necessary to change it. I agree that any Bill that comes before us when it becomes an Act involves a certain amount of expenditure so far as Government is concerned. This democratic process, this process of building up the economy of this country is an expensive process. We cannot get away from that. All that we could see is that the expenditure is usefully directed towards ends which would benefit the country. If the curtailment of the personnel of the Board is for reasons of economy, I think the ideas underlying the policy in this regard are misplaced.

11 A.M.

I would like to refer to an indiscretion on my part on a previous occasion when discussing measures that are recommended by the Tariff Board. What I said then was in the nature of a criticism of the working of the Tariff Board and I believe the criticism was more or less in the nature of calling the reports perfunctory and the inquiry not being adequate. I could now say that I had no intention of casting any aspersions on the Tariff Board but I did realize then and I do realize now that the amount of work that the Tariff Board was asked to undertake from 1945 onwards was far too much and in the very nature of things their work could not be anything but perfunctory. If you saddle the Board with too much work and keep its strength at three members and with a staff not adequate for the purpose, the reports are bound to be perfunctory. We should see that we do not fall into that error again. One particular recommendation of the Fiscal Commission is very noteworthy in this connection that there should be a statutory limit of seven members, that is five in the initial stages allowing the Government to raise it later on to seven. Actually the Bill provides for the appointment of temporary members. I think that is rather not a particularly elegant way of dealing with a demand of this nature. I would rather that Government agree, if it is proposed by the Select Committee—and I hope it will be proposed by the Select Committee—that the Fiscal Commission's recommendations in this regard should be accepted in its entirety, the strength of the Tariff Commission should be raised to five with statutory permission for Government to raise it to six or seven as the case may be later on.

I would like also that clause 8 here which gives the power to the Tariff Commission to employ adequate staff

is amplified on the lines of the recommendations of the Fiscal Commission. The Fiscal Commission gives the nature of the personnel that is required by the Tariff Commission, scientific personnel, economic investigators, cost accountants, etc. It would be better to include this detail in clause 8 for this reason because I know the difficulty of the previous Tariff Commission was that they had no staff of trained personnel. After all, much of the work has to be done by the trained personnel and scientific and engineering talent is necessary, if the Tariff Commission is to assist in the successful working of all industries and if we deny this merely because some Under Secretary of the Government says: "The Tariff Commission is costing a lot of money", we can as well not have a Tariff Commission. The inquiry will be imperfect if the Commission is not provided with the trained and technical personnel for purposes of conducting the inquiry.

I would like to say here that the Government might in future direct the work of the Tariff Commission by permitting individual members to inquire into the cases of industries of a minor nature or in cases where the work is revising the working of a protected industry, and a bench of three members in respect of the enquiries where the bigger industries are involved and the decision of the Commission in all cases is ultimately arrived at by the entire Commission sitting together. These are matters of detail but I would like that in order to give an assurance that the Commission will be furnished with the necessary staff the recommendations of the Fiscal Commission are incorporated in clause 8 and that is not left more or less in a nebulous way leaving it to the discretion of an Under Secretary or Deputy Secretary, who will say when the Commission wants an increase in the staff: This could not be done and that could not be done. Otherwise it is not worthwhile to have a Tariff Commission at all.

Only one word more I would like to say in regard to protection being given to industries that have not begun to manufacture and I am very happy that you referred to that particular point. I remember that about 13 months back when this question was mooted in the House, I was one of those who did not like the idea of protection being granted before an industry started. Naturally one is rather nervous about assessing anticipations. It is a very difficult thing to do and I am afraid that my fears voiced in the House on that occasion have more or less come true. I must say that Government have not furnished this



[Shri T. T. Krishnamachari]

House with the report of the Expert Committee that went into the question of protection to the motor industry. I think that was very necessary considering the various assurances given by Government on that occasion and I would like to add that those assurances, formidable as they looked at that time, satisfying as they looked even to cantankerous objectors like myself are today a complete dead letter. The Government did nothing in regard to the control of the price of spare parts. Actually the prices of spare parts shot up, in some cases they went up 300 per cent. and in others 400 per cent. I am sorry to say that one of the initiating firms that was responsible for the granting of protection before manufacture raised the price of motor parts by more than 200 per cent. The assurance given in regard to aid being given to users of public service vehicles was afterwards completely ignored. I can quite understand my hon. friend Dr. S. P. Mookerjee who gave the assurances having left the Ministry and Dr. Matthal who reiterated those assurances having also left they could not be held responsible. The result is that the assurances find a place in the proceedings of this House in cold print in the Library of the House and the Government of the day has taken no notice of them.

Then I come to the report itself, which has a bearing on a particular provision in this Bill. I read the report—it was due to the courtesy of a Member of the Select Committee on the Finance Bill that I got a copy of the report for perusal. I would like to say that when I read the report, I was reminded of a common saying in my part of the country where a man who was walking in the road found one horse shoe. He took it up and said: Yes I must now get a horse. I have got one horse shoe; I will get three more horse shoes and then I will get a whole horse. The report says that a particular factory has got the machinery for machining certain types of parts, gears, crank-shafts and things of that sort. But it has no facility for making forgings. Another factory equally big has got machinery for making forgings, but they have not got the machinery for machining parts which will make crank-shafts etc. So it seems that something occurs somewhere and in course of time it is expected that something else will happen, so that we will produce the whole horse. The logic is more or less like that of a person who has found a horse shoe, though it may be an exaggerated version of the attitude of these industries. The report itself is not a very

encouraging report. It only envisages that if the promises that have been made to the members of the Committee are fulfilled, certain parts are likely to be manufactured in the course of the next two years, but I think that there is a case for reference to a body like the Tariff Commission immediately. It might be stated this question has been referred to the Committee which is an Expert Committee composed of members of the industries; and there is no need for further scrutiny. But I would not agree. The Committee was composed of experts in the trade and as they were rivals in many cases and I suppose gentlemanliness made them produce a seemingly favourable report. I would ask the Members of this House to merely read the report and judge for themselves. The Members of Parliament have not been furnished with the report and could not judge for themselves even though the recommendations were incorporated in the Finance Bill and we passed it. Therefore, anticipatory protection for which provision has been made in this particular Bill might be a bull factor in the starting of industries in the future but it is a weapon which has got to be very carefully used. If it is used merely because somebody has suggested it or some Minister has taken it up and is treated as a matter of izzat with the Government, it is not going to do the country any good.

There are one or two remarks that fell from the hon. Minister on which I would like a little more clarification. In regard to sub-clause (2) of clause 11, the hon. Minister said that it authorises action by Government without reference to the Tariff Commission. As you yourself put it, Sir, such a contingency might arise and the Government may act in the manner suggested. But, the trouble is, oftentimes, they act not very wisely and it cannot be rectified. The wording of that particular clause being put in a statute might be interpreted by some Government official to mean that that action may be taken by Government without any reference to this House. I do not think that that is the correct attitude and I hope that is not the intention of Government. We have in this House been passing measures giving Government powers to act without any reference to this House, and adding safeguards by means of making them bring the matter to this House and get the approval of the House by means of resolutions. I am not very well versed in law; but I do take it that any power put in a statute to which the House has given its approval would necessarily empower the Government to act

in terms of that particular clause in the statute notwithstanding anything contained in prior statutes. Therefore, I would like an assurance from the hon. Minister that that is not the idea and I would also like the Select Committee to make that point clear by revising and redrafting the wording of clause 11 (2), so that any action taken by Government would only be subject to the approval of this House and the particular exception made in that sub-clause is merely to make it obligatory on Government to refer the matter to the Tariff Commission ultimately when action has been taken by it without such reference and nothing else.

That raises the other issue that you yourself, Sir, raised, in regard to sub-clause (1) of clause 11. I have no desire to controvert the position taken up by you. But, I do feel that there will be a little difficulty if the whole thing is made mandatory, because a certain amount of screening of requests for protection has to be done and there has got to be some agency for that purpose. Unless this screening is to be done by the Tariff Commission itself, it will mean that any Tom, Dick and Harry would apply for protection. I do remember the days when I had the misfortune to serve on the State Aid To Industries Board in my State and the type of applications one got for State aid, always makes one feel whether screening by some Government agency is not necessary before any reference to the Tariff Commission. You rightly pointed out, Sir, that if the wording in sub-clause (1) of clause 11 is changed from 'may' to 'shall' the words in the opinion of Government would have to go. I do not know if we can accept that kind of position. Without providing some machinery for screening either at the Government headquarters or with the Tariff Commission, if it is made obligatory on the part of Government to refer every application for protection to the Tariff Commission for report the Commission would probably not be able to do the useful work that we want it to do.

That is, more or less, all that I have to say with regard to the wording of this particular measure.

**Mr. Deputy-Speaker:** Clause 16 seems to be on the same lines and subject to the same objection that the hon. Member has referred to in respect to sub-clause (2) of clause 11.

**Shri T. T. Krishnamachari:** Yes.

**Mr. Deputy-Speaker:** The objection that Government is empowered to take action without reference to Parliament 99 P.S.D.

seems to hold good in the case of clause 16 also. It appears as if Government can take action without reference to Parliament at any stage. It is enough if it is laid before Parliament.

**Shri T. T. Krishnamachari:** That, we have empowered Government in a measure that we passed in this House recently. We hedged that power by making it obligatory on the part of Government to bring it to the House and get it passed or varied by means of resolutions of this House.

**Mr. Deputy-Speaker:** This means that it is enough if it is placed on the Table of the House. This may supersede the other.

**Shri T. T. Krishnamachari:** The permission that we have given so far is that if any recommendation is made by the Tariff Board and urgent action is necessary, Government can take action. This actually goes beyond that. That is why I urge that we will have to scrutinise this particular clause as it more or less defeats the terms that we have put in the Government's original proposal in section 4A of the Tariff Act and hedged it by various conditions. I feel that sub-clause (2) of clause 11 should not be allowed to go through as it is. I do hope that the Select Committee will consider the matter.

Subject to these comments and also with the request that I make to the Government that during the life time of this Parliament, greater opportunities should be given to this House to discuss the economic policy of Government and particular phases of that policy, instead of merely incidentally while considering the Demands for Grants where the discussion is more or less canalised into particular channels, I would like to accord my support to the motion before the House.

**Shri Ramalingam Chettiar (Madras):** So far as this Bill is concerned, the country is practically unanimous that it has not come too early; if anything it ought to have come at least a few years earlier. Also with regard to the provisions that have been made as regards the functions of the Commission, I hope there will be general satisfaction, except to the extent to which I will refer a little later.

As regards the constitution of the Commission itself, as has been remarked by the previous speaker, there have been so many references to the Tariff Board that they have not been able to do their work expeditiously to the satisfaction of the persons who wanted matters to be examined by the Tariff Board. It is in view of

[Shri Ramalingam Chettiar]

that that the Fiscal Commission recommended the expansion of the Board by increasing the number. It is rather unfortunate that Government has not found its way to accept the recommendation of the Fiscal Commission and raise the permanent strength of the Commission to at least five and a temporary membership of two has been recommended. In this connection, I would like to say that it is necessary that there should be a provision for the Commission working in benches or committees. For instance, if there are going to be five members, three may go on with one enquiry and the other two may be assigned some other enquiry. Because, the work that will go before them will be so heavy that if all the five are going to work on the same matters, I think it will be sometimes waste of time and sometimes it will become very difficult to get through the work before them.

**Mr. Deputy-Speaker:** In the nature of judicial benches.

**Shri Ramalingam Chettiar:** Yes. They may have for instance two benches instead of one. Three may work on some cases and two may work on other cases which are not so important.

**Shri Bhatt (Bombay):** Industry-wise.

**Shri Ramalingam Chettiar:** Case-wise. The Chairman may allot each case either to a bench of three or to a bench of two as he thinks that the matter requires. That would expedite matters. I hope that the Select Committee and Government will agree to raise the number of the members and also to make arrangement for proceeding in benches instead of the whole Commission acting with reference to every matter.

The second point that I would like to refer to is the omission—rather the implied omission I should say—in the Bill of all reference to cottage and small-scale industries. Hitherto all the applications that have come before the Commission have had relations only to the bigger industries. We have been talking so much about decentralised economy and so on for helping the cottage and small-scale industries. But actually very little attention is paid to them either in the administration or in the matter of giving help to these small-scale industries. As instances I may mention the handloom industry, the soap industry, the match industry and so on. These require protection and re-

quire also some other support. But the attention that these have been receiving has not been very much and there is no provision for anyone or for the Tariff Board to go into the needs of these various small-scale and cottage industries so as to render them help and stabilise them. In the observations that the hon. Minister has made to-day he has not referred to the urgent need in the country for providing employment to those who are prepared to work. He referred to the development of industries and he referred also to the consumers. But what about the question of finding employment in the country? In any question that comes up before the Commission one of the main issues will be how any proposals made are going to affect employment in the country. If the result of the recommendation is to reduce employment such a recommendation should not be made. One of the important questions now before the country is to find employment for everyone who is prepared to work. Without that all questions of raising the standard of living or improving or developing the industries or doing anything else will have to wait. That is my view. So if you take that view, Government will have to pay more attention to these small-scale and cottage industries. We have to pay more attention to them because they employ a very large proportion of our population. This matter will have to be considered. In this connection, when we are considering the restricting or banning of imports we have to consider the demarcation of the work of cottage or small-scale industries on the one side and the bigger industries on the other. Unless we are prepared to do that, I do not think these cottage and small-scale industries can survive. So the omission that I referred to in the beginning ought to be rectified.

**Pandit Thakur Das Bhargava (Punjab):** May I know whether this demarcation of the limits will be a function of this Commission?

**Shri Ramalingam Chettiar:** Yes. They deal with the question of restricting and banning of imports and they can also restrict or ban the manufacture in the factories of certain goods which are being produced in these cottage industries. Otherwise these small-scale industries cannot carry on. I would mention only the case of the handloom industry which is the biggest after agriculture in our country. The Government and the people have already found the necessity for placing that industry on a proper basis. What did they find?

They found that unless some demarcation is made between the activities of the mills and those of the handloom industry, there is no chance of the handloom industry surviving. So by a sort of executive order—I do not know whether that order will be maintained if it goes before a court of law—it has been decided that the factory should not produce certain kinds of goods and that these should be left entirely to the handloom industry to produce. Well, such things ought to be possible under this Bill, and the necessary changes to enable that sort of thing being done should be made in the Bill.

**Shri Sondhi (Punjab):** What about the Fundamental Rights?

**Shri Ramalingam Chettiar:** The hon. Member asks whether the Fundamental Rights will not come in the way. If they do not do so in the matter of restricting the imports, certainly we can also say that the factories should not manufacture certain kinds of goods. I do not agree with the previous speaker—Shri Krishnamachari—when he says that for raising the standard of living, we should allow the import of everything, irrespective of how that would affect employment in the country and how it will affect the production of the small-scale and cottage industries, whose goods may not come to the standard he wants them to, for raising the standard of life. They have to do this demarcation and I hope the Select Committee will bear in mind the suggestion that I have made.

I am glad the Bill makes provision for the Commission to watch the progress of the conditions that have been laid down or the expectations that have been entertained with reference to the development of those industries to which protection or some other help is given. But that should not be in the nature of a sort of casual thing. The conditions themselves should be definite and the Commission ought to be in a position to watch whether they have been fulfilled in the way in which they were expected to be when the protection was given. Also the provision that help may be given in the form of a grant, subsidy, levy of protective duties or otherwise is too vague. It should be more specific. What exactly is meant by the word "otherwise" I do not know. This should be specifically stated. As I said, one of the provisions should be for restricting the nature of goods to be made in factories. These things ought to be specifically mentioned. And.....

**Shri Sondhi:** The hon. Minister is not listening, I think.

**Shri Ramalingam Chettiar:** My hon. friend here tells me that the hon. Minister is not attending to what I am saying here. Perhaps he thinks that it is not necessary to listen to what men like me may say, because he knows everything and.....

**Mr. Deputy-Speaker:** Order, order. I am afraid the hon. Member is rather uncharitable. As we know, hon. Ministers even when they may not be looking at the hon. Member who is speaking can be attending to what is being said. Their ears are certainly pledged to the hon. Members I am sure they are attending, and one of them is taking down notes also.

**The Deputy Minister of External Affairs (Dr. Keskar):** Is it expected, Sir, that the hon. Minister should continuously be looking at the Member who is speaking, so as to show that he is attending to the speech?

**Hon. Members:** Definitely.

**Mr. Deputy-Speaker:** It is not necessary to make such remarks. The hon. Minister is taking elaborate notes.

**Shri Sidhva:** Yes, he has his pencil in his hand.

**Shri Ramalingam Chettiar:** Anyway it is not I alone who made the remark. Attention was drawn by several other Members to the fact that the hon. Minister was at any rate busy otherwise.

So the word "otherwise" should be more clearly defined and that is a very important matter. It is absolutely necessary that the particular matters I mentioned should be there.

The Commission is very rightly allowed to entertain applications by itself and take note of the matters which they would examine themselves. It is a very salutary principle and is a matter which has been asked for by all people concerned. It will to a certain extent answer the objection raised by you, Sir, that the Government has not to refer every case before them to the Commission. When Government does not agree to refer to the Commission the case of an industry which feels that its position should be examined, it is open to the particular industry to appeal to the Commission itself and if the Commission felt that it is a matter which should be examined by them they will do so. So I welcome the provision.

**Mr. Deputy-Speaker:** That does not include sub-clause (a).

**Shri Ramalingam Chettiar:** That is and I hope the Select Committee will include that sub-clause in clause 13 under which the Commission itself may take up matters for enquiry. I hope the Select Committee will look into it and rectify it.

I am positive, that the one matter which has been forgotten and ought to be provided for is the matter of cottage industries and small scale industries which are languishing for want of attention all these years. I may say that this is not a mere matter of sentiment. I have been saying, that time after time. Even when the Tariff Board went into matters they did not consider the necessity of the cottage industries. They only considered the need for helping particular industries and big factories, with the result the cottage industries suffer. Only the requirements of large industries and big factories were considered by the Tariff Board. I hope attention will be paid to this question too so that the cottage and small scale industries will be supported and helped. Also they should keep in view the question of employment as one of the principal objects which the Commission will have to consider in making their recommendations.

**Shri Himatsingka (West Bengal):** I lend my wholehearted support to the Tariff Commission Bill. In doing so I also suggest that the constitution of the Commission as envisaged should be changed. The number of members suggested in the Bill is four but the Fiscal Commission has pointed out that it should at least be five with power for Government to add two more. There are so many enquiries to be made by the Commission that if the number is not increased it will take a long time to make reports. In matters of protection quick decisions and quick reports are essential things to be kept in view. The wholesome suggestion made by the Fiscal Commission regarding the number should be accepted and I hope the Select Committee will also take that into consideration.

On the question of the appointment of officers and staff, unless the Commission is properly staffed with adequate and competent personnel to make the necessary enquiries regarding the various matters connected with the report, it will be more or less a false economy and ultimately it will cost more to the country and the results will be very poor. So this false economy should be done away

with and the Commission should be provided with proper and adequate staff.

If the Commission consists of five or six members there may be two benches. Or three of them may form one bench and one or two other members may make individual enquiries into the cases of other small industries and make their report to the whole Commission. If the Commission agreed they may submit the report to the Government. That will expedite matters and enable the Commission to make their recommendations much earlier than it would otherwise be possible.

Regarding functions you will find that under clauses 11 to 15 various duties and functions have been assigned to the Commission. Therefore, it is certainly necessary that they should have proper machinery to carry out the obligations and duties entrusted to them. As regards the powers of the Commission I suggest that the power of the Commission *suo motu* should also include sub-clause (1) of clause 11. Whenever they think fit, even if the Government had not referred a particular case, the Commission should be entitled to inquire into the case of any industry needing protection. If they make enquiries they would submit their report to the Government and therefore ultimately it is for the Government to accept or not the recommendations of the Commission.

As regards the action to be taken on the Commission's report, there I feel that Government must be free to take such action as they think fit. But I feel that the Government must come to their decisions quickly. At present a number of reports have been made by the Tariff Board but no action has been taken by the Government on them. When a report by the Commission is made, whatever decision the Government want to come to should be made as quickly as possible. If they do not agree with the report they should say so rather than keep in cold storage leaving the industry in suspense.

One good suggestion has been incorporated in the Bill, namely giving protection to an industry which has not started production but is likely to do so. That is a wholesome suggestion. Till now it was difficult, if not impossible, for the Government to consider the case of an industry which has been planned or proposed to be started or just started, which was not in a position to show the cost accounting and other matters necessary to be gone into before pro-

tection could be recommended by the Tariff Board. There are a number of industries, as mentioned by the hon. Minister, which cannot even be proposed to be started unless they are assured of some amount of protection in advance. Therefore, it is well that that clause has been included in the Bill and power has been given to the Commission to recommend protection to be given even when they are not in a position to give full facts and figures as is possible in the case of an industry which is already on its legs.

One point has been raised regarding the question of restriction of imports. As you know, we have very great difficulty regarding balance of payments and that is one of the main reasons why quantitative restrictions have to be imposed and have been imposed in various commodities. The consumers' interests have certainly got to be kept in view. After all, if an industry is not in a position to produce things of quality or in sufficient quantities to meet the needs of the country, or at a price which is payable or at a price at which foreign articles can be had, it cannot claim to be protected for all times. But if the position be such that unless imports are restricted to a certain extent, on account of the prejudice that still exists in the country in favour of imported articles, it will be necessary on many occasions to have quantitative restrictions provided such restrictions do not act to the detriment of the interests of the consumers. You know that even today in the case of various imported articles like bicycles and other things there is a prejudice in their favour; though their price is much higher still people feel that they get better quality.....

**Shri Goenka (Madras):** Is it not a fact?

**Shri Himatsingka:** Naturally, imported articles which are being manufactured for years, which have a history of over fifty or sixty years, certainly they will be of much better quality than anything that can be manufactured in this country in the first, second, third or fourth year of manufacture. But if simply because the quality is not up to the mark you allow the country to be dumped with imported articles, that position will always remain. You cannot manufacture a thing unless it can be sold; it cannot be sold unless it is of the same quality as imported articles; the vicious circle will go on. You are not in a position to manufacture a particular article of the same quality as the imported one and therefore it

cannot be sold and if it cannot be sold the factory cannot run.....

**Shri Khandubhai Desai (Bombay):** You are being protected.

**Shri Himatsingka:** Exactly. It may be that in certain cases protection by itself may not be sufficient. If you take the case of motor cars, so many varieties of motor cars are being imported into the country at the present moment costing such heavy amounts that I feel you can allow one, two, three or even four factories to be set up. But we should see to it that only one or two varieties, or three varieties at the most, of motor cars are manufactured so that there may be standard parts which may be available to all the consumers and the factories may be in a position to manufacture a large number of cars and component parts so that the overhead charges may be spread over a large number of cars and component parts. Otherwise the costs will be so prohibitive that we can never compete with foreign motor cars. Therefore, on many such occasions in the case of an industry which the country wants to start and which has to compete with established industries in foreign countries, you have to restrict, if you really want your country to stand on its own legs, and if you want your country to be able to supply the necessities at fair prices and good quality, you will have to think of restricting imports. It may be that the consumers have to pay a certain price for such things for a number of years but ultimately, in the interest of the industry and in the interest of the country it will be much cheaper in the long run because then you will be able to stop such imports for all time to come and the country will be in a position to stand competition from all quarters and to supply the article at cheap prices. If you look to the history of some of the industries which were started in this country you will find that that is the position. At the present moment prices of piecegoods are very high. Piecegoods are being sold at prices which in many cases are such that ordinary people cannot afford to buy them. Even then if you compare these prices with prices ruling in other countries ours is the cheapest in the whole world. That is one reason why exports from this country are possible to all the other countries. The cloth that is manufactured here if it were not cheaper than that of other countries, would never have been exported outside. Similarly, in the case of sugar. Even when the price of sugar is so high it is cheaper than that of most

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other countries. If you take the case of steel which was given protection at the beginning, you will find that Indian steel is very much cheaper than steel from other countries.

**Shri Goenka:** But not sugar.

**Shri Himatsingka:** Let us not forget the price of sugar. If you fix the price of sugarcane at rupees two a maund.....

**Shri Goenka:** Price of cane is fixed on the basis of cost of production.

**Shri Himatsingka:** If we really protect the cane grower and make the mills pay rupees two a maund then certainly you will have to take twenty or twenty-one rupees into account for cane in fixing the price of sugar. Therefore, let us not come to wrong conclusions by having a prejudice against something. Then take the case of cement. We are more or less self-sufficient in cement and are in a position to supply it at proper prices. Therefore, there is no doubt that the consumers will have to suffer for a number of years to enable the country to stand on its own legs. That is an inevitable thing for a country which is going to industrialise. Therefore, let us not have that prejudice. Of course, this Commission should be charged with the duty of looking into, from time to time inquiring into, the behaviour of the particular industry that is being given protection. That is to say, whether they are charging proper prices, whether they are making very exorbitant profits, whether they are distributing large dividends and so on. If an industry is given protection it should be its duty not to charge high profits, to see to it that things produced are of good quality, to see to it that they are in a position to sell them at prices which are reasonable and competitive. If they fail to do so after a certain period of time laid down by the Commission, it will be open to Government to take away protection and to leave the industry to its own fate. But if we do not grant protection in the beginning for some time, it will be impossible for the country to industrialise and stand up to competition. If we do not do it, what is the position? Are we going to go on importing all our requirements from foreign countries? How are we going to make payments? The question of the balance of payments position arises because even now we have to import a very large amount of articles from outside, especially machinery. That is one of the articles for which protection should be given

in advance. Supposing this country begins to manufacture boilers or any other heavy machinery like machine tools, or any other thing which the country needs for industrialisation, it will be absolutely necessary to give protection to that industry because naturally the things that will be produced here will not be of the same quality, will not be of the same kind or as polished as the imported articles.

These are things where the consumer will have to suffer something for a number of years in order that ultimately both he and the country may gain.

The powers of the Commission have been defined in Clause 20. They are, as they should be, very wide. The Commission will have all the powers of a court while trying a suit. It can ask for production of documents; force attendance of witnesses and so on. In view of this, I feel that sub-clause (3) need not be put in the form in which it stands at present. It will scare people and may become an instrument whereby trouble may be created. Since the Commission has the powers of a court, if any one who is called upon to furnish any information or give evidence or produce any document fails to do so, he may be proceeded against in various ways and he is liable to imprisonment or fine or to contempt of court proceedings. My opinion is that sub-clause (3) is unnecessary because the powers given in the other sub-clauses are wide enough to meet all situations.

**Mr. Deputy-Speaker:** Perhaps the hon. Member means that if the person concerned does not produce sufficient evidence, his industry will stand to lose.

**Shri Himatsingka:** Exactly. After all, when an industry asks for protection, it will be its duty to make out a proper case and if it withholds any documents this will prejudice the Commission in making its report on that industry. In 1928 there was a case when the oil industry wanted protection, but as most of the concerns were foreign they withheld certain documents. But at present, all the concerns will be Indian and when they go to the Commission for protection it will be to their interests to place all the facts before it and enable it to come to a conclusion entitling them to protection.

**Mr. Deputy-Speaker:** Supposing the duty has to be reduced and it is not in the interests of the industry to produce all the facts?

**Shri Himatsingka:** Still, as you know, Sir, as a lawyer of repute, there will be an adverse inference if the Commission issues a summons to produce a certain document and the industry which is supposed to have it fails to produce it or deliberately withholds it. Then, it will also be liable under other sections of the criminal Procedure Code. At any rate, the adverse inference will be there.

In the end, I give my wholehearted support to this Bill and I am sure that some of the defects which have been pointed out here will be attended to in the Select Committee.

**Shri Khandubhai Desai:** While according my full and wholehearted support to this Bill, I would like to offer some observations arising out of the debate that has ensued in the House. This Bill has been based substantially upon the recommendations of the Fiscal Commission. There are some deviations which I shall try to point out in the course of my speech. I should say that the Bill envisages a change in the policy which has been hitherto followed, and the Fiscal Commission is very definite that the policy of discriminating protection which was the order of the day for the last twenty or twenty-five years, though it has achieved some results, has not helped the industrialisation of the country as we desired it. The protection given to various industries has worked to a certain extent but it has not in the opinion of the Commission taken into consideration either the interests of the consumers or the general economic development of the country as a whole. Though the terms of reference of the Commission were somewhat restricted on the face of it, yet there was enough scope for the Commission to go into the whole question of protection as affecting the general economic policy and development of the country. That was the reason why the question of protection, particularly to large scale industries, has been kept in the background of the existing economic conditions in the country.

A reference was made during the course of the debate by my hon. friend Shri Ramalingam Chettiar to the fact that the Bill does not take into consideration the question of cottage industries. I would like to point out that this particular Tariff Commission is not the proper forum for looking into that question. If that question has to be looked into, I think there is enough material in the Fiscal Commission Report to establish and initiate a separate machinery

for giving proper impetus, protection and encouragement to cottage industries. At this stage, if the question of cottage industries is made a part and parcel of the functions of the Tariff Commission, the fear is that it would not receive that close attention which the Fiscal Commission contemplated for the encouragement and protection of cottage industries. If the Report of the Fiscal Commission is gone through very carefully and studied, it will be found that the protection of large scale industries has been put on the basis of the background of agricultural production and of cottage industries. The whole Report has gone very exhaustively into the question of employment. After all, if you give protection to an industry, though it looks like protection to the industry, as a matter of fact it is a protection given to the general economy of the country with some definite objective and purpose. What are really the objective and purpose of the industrial development of our country? The objective and purpose of the industrial development of our country do not lie in either augmenting the profits of the few or giving large dividends to shareholders or making a few people richer. The real protection to the industry will have its true national significance only if that industry contributes towards raising the standard of living of the common man; if it gives employment to the large number of millions who are today either under-employed or unemployed; if it brings about the general economic development of every individual in the country. The Fiscal Commission has gone into the whole question of protection with that background. The policy hitherto followed has been very minutely scrutinised by the Commission and it has come to the conclusion that though some industries like sugar, textiles and three or four others had developed before the war period, they have developed at very great cost to the country. The *ad hoc* Tariff Board which was giving protection to these industries did not look into the question as to how that particular industry has behaved after protection had been given. It is a matter of common knowledge that after very high duties had been imposed on the import of commodities competing with the production of the indigenous industries, they slept, never cared for the efficiency, never cared for the improved technique of production and never cared for the improvement of quality. After the termination of four or five years the same industries used to come before the Tariff Board again asking for a further period of protection. That was



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in the opinion of the Fiscal Commission, a very unfortunate affair and it rightly thought that taking into consideration the interests of the consumer as well as those of the industries, some more obligations and duties should be imposed on the industries coming for protection.

It must also be realised that the employers, the manufacturers and the commercial and industrial interests said that if any obligations or duties were imposed upon an industry asking for protection, it would not create the climate, and that private enterprise, according to them, would not come in for any industrial expansion. That argument, in my opinion, is ante-deluvian and the Fiscal Commission naturally had to strike a proper balance between the view-points which had been placed before it and make certain recommendations. One of its main recommendations was with regard to the setting up of a permanent Tariff Commission which this Bill is seeking to implement.

Certain criticisms have been made that provision has not been made in the Bill for the adequate protection of the consumer against cartels or trusts which have proved harmful to the interest of the consumer. But I think a very definite provision has been made in regard to this in clause 11 (1) (d) which is specifically meant to safeguard the interest of the consumer against such a contingency that may arise. Provision has also been made in the Bill that the Tariff Commission will have a permanent office; it will have a permanent Secretariat; it will have technicians and a complete mechanism and machinery to look into the question as to how the industry is utilising the protection. As I envisage, from day to day, from period to period, it will be probing into the question of development of a particular industry. If an industry has not carried out the obligations which are definitely laid upon it, under the Bill, the Tariff Commission is entitled to recommend to Government to cancel protection and one would not have to wait for long years to see that the industry has not carried out the obligations imposed upon it.

Then there is also a provision in the Bill—which I do welcome—that the Tariff Commission, on its own initiative, will look into the question of quality. It will also see whether an industry enjoying protection at the hands of the country and the consumer has made proper arrangements for training of proper technical staff, so that it

will be a permanent asset to the industrial expansion of the country.

These are some of the obligations which are welcome and I am happy that substantially the main recommendations made by the Fiscal Commission have been embodied in this Bill.

Coming to the personnel of the Commission, I would like to understand from the hon. Minister the reason why he has not found it possible to accept the recommendation with regard to the number of members of the Tariff Commission. It was recommended by the Fiscal Commission that there should be five members on the Commission, including the Chairman. Here it has been laid down that statutorily there will be three members and not more than two may be added according to the necessity which may arise. The Fiscal Commission made its recommendation keeping in view the fact that the work which the Tariff Commission would have to do for the next few years would be very heavy. Apart from the six large industries which have been enjoying protection for the last twenty or twenty-five years, on a rough estimate I think about seventy additional industries have got protection during the last seven or eight years. Now all these industries have been given protection either by way of subsidy or by way of tariff duties; but the products of those industries and the method of their working, as is well known, is far from satisfactory and I am afraid the three members on the Commission would be found to be very inadequate for the work. The Fiscal Commission contemplated that the Tariff Commission immediately it is appointed would look not only into the applications of the new industries for protection, but also into the working of protection given to existing industries. And if that function is to be properly discharged I visualize that at least two members of the Commission would for the next three or four years have to devote themselves entirely to this aspect. It is not only that these two members will be vigilant about the scrutiny and examination of the industries which are already enjoying protection but in the course of their examination and scrutiny I am sure they will find out certain facts, certain implications and certain matters which will help them in the future also while giving the protection to know exactly what sort of duties and obligations should be imposed upon those industries. So it is not only a question of giving protection to an industry but after giving the protection to the industry it has to be seen how that protection is actually utilised.

And existing industries which are enjoying protection should also be properly looked into so that the doubts in the public mind about the grant of protection to the existing industries which are already enjoying protection may be allayed and public opinion may be satisfied. So I would strongly recommend to the Select Committee that they may look into this aspect of the question, and if they realise that the recommendations of the Fiscal Commission have been made with a particular objective I am sure and I have no doubt in my mind that they will increase the number of the members of the Tariff Commission to the number that has been recommended by the Fiscal Commission.

There is one other point to which I would like to make a reference. It has been laid down in clause 11 (2) of the Bill that the Government on its own motion may take some action with regard to an industry which it wants to protect, and after taking such action it will refer the question to the Tariff Commission. That is obligatory. But, after getting the report, whether that particular report and the action taken thereon will come up before Parliament or not, I have got my own doubt. (*An Hon. Member*: See clause 16). Clause 16 says that the Government will take action, but whether before taking this action the sanction of the Parliament will be taken or not I do not know. Of course clause 16 (2) says that the report shall be laid on the table of Parliament, but I do not know whether before taking any action on it Parliament's sanction will be obtained or not. Because the report as a whole will come before Parliament, but Government may have accepted some of the recommendations of the Tariff Commission, may have rejected some or may have modified some.

**Shri Goenka**: The report might come up before they take a decision but they may not take a decision at all.

**Shri Khandubhai Desai**: There is one lacuna to which my friend Mr. Goenka has referred. The Fiscal Commission has laid down that after the Tariff Commission makes a report to the Government, within two months of the presentation of the report to the Government, the Government must take action—not in the sense that it must carry out the recommendations, but if the Government comes to the conclusion or decision that no action should be taken and that the report is rejected, then also it must be made known publicly that no action has been taken.

**Shri Sondhi**: It will be disposed of.

**Shri Khandubhai Desai**: Then, in rejecting the recommendation of the Tariff Commission with regard to protection—that is, suppose the Commission recommends that protection should be given but Government comes to the conclusion that no protection is necessary—Government is perfectly entitled to say that, but what the Fiscal Commission has recommended is that this must be made clear to the industry. And this must also be made clear to the country that "here is an industry to which we are not giving protection". The decision must be taken and it should not be that the report of the Tariff Commission which is Government's own creation should either be put on the shelf or no decision is taken or it is delayed for a long period. I would like to place before the House the reason why such a recommendation was made. Suppose the Tariff Commission has made certain recommendations regarding protection. Say, it has recommended that a particular commodity imported into India should be taxed to the extent of 15, 20, or 25 per cent. on the existing conditions. Suppose no action is taken on that and the report is set aside for the time being, and suppose the very Government after six or eight months—even though the conditions might have changed and the industry might require less protection or no protection—says that "on the report of the Tariff Commission we want to take this action". After eight or nine months possibly that action may be quite out of date, or it may also happen that the protection may not be necessary then. Still the protection may be given. The result would be that the consumers would suffer or the industry would have got inadequate protection. I am putting forward both the aspects of the neglect in not giving effect to the recommendation or taking a final decision in the matter of dealing with the report submitted by the Tariff Commission. So I would recommend to the Select Committee to incorporate in clause 16 that salutary recommendation which the Fiscal Commission has made that within two months of presentation of the report to Government it must be obligatory on Government to take a decision in the matter. If Government rejects the recommendation and comes to the conclusion that no protection is necessary, it must announce it accordingly. But afterwards, after eight or ten months, if protection is found necessary, then the question should again go to the Tariff Commission for scrutiny and report. In any case the report of the Tariff Commission should be considered by

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the Government within two months and its decision announced.

My friend Mr. Himatsingka has again placed before this House his own idea about quantitative restrictions on the import of certain commodities. It has been rejected by the Havana Charter. But the Fiscal Commission has rejected this method not because the Havana Charter has done so. But the question has been very thoroughly discussed and the conclusion was reached independently that quantitative restrictions on any commodity will be detrimental not only to industrial expansion and industrial development but highly detrimental to the interests of the consumers in the country. The quantitative restriction imposes a sort of burden and load on the consumer without any advantage which might accrue to him after five or six years. The question of protection to an industry and the burden that it imposes on the consumer is only justified on the condition that it gives employment, that within a reasonable distance of time that industry will be able to meet the requirements of the country at a cheaper price and at comparable good quality. The quantitative restrictions on the import of any commodity is calculated to demoralize to an extent the technique, the intelligence, the organization of the industry because it has got a sort of blanket protection. It will not give them any encouragement; it will not even induce them to use the best technical skill, the best technical knowledge and the quantitative restriction will give a sort of blanket monopoly, so to say, to the extent of the goods which it is able to produce, a sort of monopoly to deprive the consumer of not only quality but quality at cheaper price.

I think there is some lacuna in the Bill which I think should be made up. Certain duties and obligations have been placed on the Tariff Commission and certain directions have been given in trying to arrive at the quantum of protection that should be given to the industry. It is laid down that from time to time it will watch the progress of the industries with regard to the quantity of production, the quality of production, etc. But there are certain commodities which this country owing to its peculiar conditions both technological and others, will not be able to produce for a number of years and a question has come to our notice in the course of discussion over the last Finance Bill that certain parts of the motor vehicle may be manufactured in this country but a very large part of this manufac-

ture, it may not be possible to manufacture and a sort of blanket duties have been placed on them. There may be some industries in this country which may be given subsidies instead of protection. Of course a provision has been made that protection can be given either by custom duties or by subsidies. A provision may also be made that something like the pooling of prices also may be one of the methods by which the burden on the consumer can be reduced and at the same time the industry is given required assistance. The Fiscal Commission has recommended that protection in the first instance should be given for seven years so that proper time is given to the industry to develop and the seven years' period, in my opinion, is a sufficiently long period for any industry to show its mettle, but it must be definitely laid down that no such protection will be given to any industry which is not expected within that period to supply more than 50 per cent. of that particular commodity to the country; otherwise even for the problematic advantage in the case of a small industry rising up which might be able to give only five or ten per cent. of the requirements of the country, to impose that burden on the whole community is wrong. Of course, it does not apply to certain industries which are necessary for defence purposes because it has been laid down that in the interests of the country such industries may be heavily protected, but as far as consumers' goods are concerned, I think the Select Committee may look into this question and see if it can fit in the Bill something in the way I have suggested.

Now, my hon. friend, Mr. Ramalingam Chettiar referred to the question of cottage industries. There are one or two points to which I would like to make a reference. As I said the question of cottage industries stands entirely on a different footing. The Fiscal Commission has made very strong recommendations with regard to the encouragement of the cottage industries and as far as the Fiscal Commission is concerned, it has looked into this question much more thoroughly than it has the question of large scale industries, because the economy of the country will depend for the future, as far as the question of unemployment is concerned, only on the development of the cottage industries. I also do visualize a time when the functions of this Tariff Commission would to an extent conflict with the interests of the cottage industries. If you want to develop cottage industries

just as you want to develop large scale industries against the competition of the foreign products, I do visualize that certain products of the cottage industries would have to compete with the indigenous articles themselves. That is a question, which, in my opinion, is not a fit matter for this Tariff Commission to look into. That is a question which depends entirely on its own merits and separately and I think that before long the Government would also look into those questions and bring before this House some machinery which will protect, encourage and expand cottage industries.

Finally, this Bill is one part of the report of the Fiscal Commission but I think there are many other subjects recommended by the Fiscal Commission which should be taken up during the next year or two. The whole protection or the so called facilities that are being contemplated in this Bill would vanish if all the other actions and the steps which the Fiscal Commission has recommended are not also simultaneously taken into consideration and so I would recommend that though this Bill is necessary,—it has come before this House early because this Commission has to be established—if you really want to look into the question of the industries which are already enjoying protection, you will have to implement the recommendations of the Fiscal Commission, which, as I said earlier, are the background of their policy, for example, the protection that should be given, the industrial raw materials which will be necessary for those industries, the question of employment, the question of extension of service with regard to agricultural development, the question of extension of service with regard to industries and cottage industries, technical schools etc. If all these things are not tackled simultaneously, this protection would be of no avail and that is, in my opinion a very important factor which Government must take into consideration if it wants to see an all round development of the country on a proper and healthy basis. With these words, I heartily commend this Bill to the House.

**श्री श्री रनबीर सिंह :** मैं इस बिल का समर्थन करने के लिये खड़ा हुआ हूँ। मैं यह मानता हूँ कि जिस देश के अन्दर हुक्मसत्तादी तौर पर लाइसन्स फ्रेयर का राज्य हो, या सीमा कंट्रोल इकानामी हो तो इन दोनों [हालतों में आर्थिक तौर पर जो

पिछड़े हुए देश हैं उन के लिये ऐसे कमीशन की पूरी आवश्यकता है। आप जानते हैं कि हमारे देश ने मिक्स्ड इकानामी (mixed economy) को मंजूर किया है और ऐसी हालत में ऐसे कमीशन के बनाने की बड़ी भारी आवश्यकता है। यह बिल उस कमीशन को जन्म देता है। इसलिये जहाँ मैं इस का समर्थन करता हूँ इस के साथ साथ मैं उन भाइयों से सहमत नहीं हूँ जो यह समझते हैं देश के अन्दर दो ही मफ़ाद हैं या दो ही स्वार्थ हैं। मेरे कहने का मतलब यह है कि एक तो नुस्ते निगाह यह है कि देश के अन्दर कारखानों की तरक्की हो और दूसरा नुस्ते निगाह यह है कि जो इस्तेमाल करने वाले हैं उन तक चीज़ें सस्ती पहुँचें। लेकिन सिर्फ़ यह दो ही मफ़ाद या स्वार्थ या इंटरैस्ट (interest) देश के अन्दर नहीं हैं। देश के अन्दर, जैसा मेरे लायक दोस्त श्री रामलिंगम् चेट्टियर जी ने कहा, एक तीसरा इंटरैस्ट लेबर (labour) का भी है। मज़दूरों के इंटरैस्ट का ख्याल करने के लिये उन्हें जनाया। मैं इस के साथ साथ यह समझता हूँ कि यही तीन इंटरैस्ट देश के अन्दर नहीं हैं। देश के अन्दर चार इंटरैस्ट हैं जिन के ऊपर एक साथ अगर कमीशन ने गौर नहीं किया तो जो पिक्चर (picture), जो तस्वीर वह कमीशन बनावेगी वह तस्वीर पूरी और होलसम (wholesome) नहीं होगी। इसलिये मैं समझता हूँ कि किसी भी टैरिफ़ कमीशन (Tariff Commission) के लिये कोई भी केस (case) तय करने के लिये इन चारों स्वार्थों को ध्यान में रख कर गौर करना निहायत ज़रूरी है। वह चार स्वार्थ ये हैं : देश के अन्दर कारखानों की तरक्की हो और इस के साथ साथ देश के अन्दर यह भी

[ चौधरी रनबीर सिंह ]

ख्याल रखना कि कंज्यूमर्स (consumers) को बहुत ज्यादा क्रीमत न देनी पड़े। फिर इस के साथ साथ ख्याल रखा जाय कि देश के अन्दर मजदूरों की या मजदूरी की समस्या सुलझे और यह देखना होगा कि बेकारी की समस्या बढ़ती नहीं है बल्कि घटती है। इस के साथ साथ चौथा इंटरैस्ट काश्तकारों का इंटरैस्ट है। पैदा करने वालों के इंटरैस्ट का भी ध्यान रखा जाय। मुझे गिला है कि अभी तक हमारे देश के अन्दर जिस चौथे मफ़ाद के बारे में या स्वार्थ के बारे में मैं ने कहा है उस के ऊपर पूरा-पूरा ध्यान नहीं दिया जा रहा है। जहां हम इस बात की कोशिश करते हैं कि कारखानों के लिये कपास मिले और अपने देश से और दूसरे देशों से कपास हासिल करने की हम पूरी कोशिश करते हैं, वहां हम ने कभी यह सोचने की कोशिश नहीं की कि आया जिस से हम कपास लेते हैं उस के लिये यह कपास पैदा करना फ़ायदेमन्द है या नहीं, आया वह मुकररां भाव पर कपास की पैदावार कर सकता है या नहीं। ऐसे हालात में अगर कमीशन की ऐसी रिपोर्ट हो कि उस के अन्दर इस बारे में गौर किये बग़ैर कि कपास की पैदावार बढ़ सके कोई ऐक्शन (action) लिया गया तो मैं नहीं समझता कि कपड़े के कारखानों की उस से तरक्की हो सकती है। या दूसरी तरफ़ आप खांड के कारखाने लीजिये। हिम्मतसिंहका जी ने खांड के कारखानों का जिक्र किया। खांड के कारखानों में यह मफ़ाद देखे गये कि देश के अन्दर खांड की पैदावार बढ़े और दूसरी तरफ़ बह सस्ती हो। इस के खिलाफ़ काश्तकारों का मफ़ाद जो देश का मफ़ाद कहा जा सकता है, क्योंकि देश के अन्दर ज्यादा तादाद काश्तकारों की है, उस

मफ़ाद का ख्याल न रखते हुए अगर हम अपनी कोई पालिसी (policy) या नियम बनावेंगे तो वह कोई बहुत अच्छा नहीं होगा। बल्कि मेरा ख्याल है कि वह अधूरा होगा। इस के लिये हमने जो चार धारारों इस बिल में रखी हैं उन के अन्दर यह रखा है कि जिस आदमी को इस कमीशन का मँम्बर बनाना है उस के अन्दर यह गुण होने चाहियें:

"The persons to be appointed as members of the Commission shall be men of ability and standing who have shown capacity in dealing with problems relating to commerce or industry or in administration or who have special knowledge in any matter as renders them suitable for appointment on the Commission."

तो मेरा यह कहना है कि या तो जो यह शब्द रखे हैं "कामर्स एंड इंडस्ट्री" इन को उड़ा दीजिये या ये दो शब्द रखने हैं तो इन के साथ ऐग्रीकल्चर (agriculture) का भी शब्द जोड़ दीजिये।

बी जे० आर० कपूर : ऐग्रीकल्चर भी इंडस्ट्री है।

चौधरी रनबीर सिंह : मेरे लायक दोस्त कपूर साहब कहते हैं कि ऐग्रीकल्चर भी इंडस्ट्री में आता है। मैं तो ऐसा मानता हूँ। लेकिन मेरे मानने से क्या बनता है?

देश में जो हालात ह यानी देश की पालिसी अब तक जिस तरह चलती आई है उस में ऐग्रीकल्चर को इंडस्ट्री नहीं मानते हैं। जो नुमायन्दा इंडस्ट्री के नाम से हमारे सामने आता है अगर वह काश्तकारों के या ऐग्रीकल्चर के मफ़ाद को भी सामने रखते तो शायद उनकी सलाह में मान लेता और इस के लिये मैं अपना दबाव नहीं देता। लेकिन जैसे आज हालात हैं उस में इंडस्ट्री के नाम से या कामर्स के नाम से जो लोग आगे

आते हैं वह काश्तकारों के मफ़ाव का बिल्कुल ध्यान नहीं रखते । इसलिये मैं यह चाँहूंगा बल्कि मेरी सब से बड़ी ख्वाहिश यह है कि इस के अन्दर सिलैक्ट कमेटी (Select Committee) यह लिख दे कि इन में एक काश्तकार ज़रूर होगा या ऐसा आदमी ज़रूर होगा जिस को ऐग्रीकल्चर का पूरा ज्ञान हो या चार मੈम्बरों में से कम से कम एक ऐसा आदमी ज़रूर हो जो काश्तकारों के इंटरेस्ट को आगे रख सके । लेकिन अगर ऐसा कोई प्रवीजन (provision) वह नहीं रखना चाहते हैं तो मेरी यह ख्वाहिश है कि कामर्स ऐंड इंडस्ट्री को यहां से उठा दिया जाय, या फिर ऐग्रीकल्चर को भी शामिल किया जाय ।

अब मैं जो तीन धाराएँ उनके बारे में भी कहना चाहता हूँ कि आज हमारे देश में और दुनिया में जैसे बदलते बदलते हालात हैं उन को ध्यान में रखते हुए जितने मੈम्बर कमीशन के रखे जा रहे हैं उन के लिये यह प्रावीजन किया है कि तीन मੈम्बर हों या चार हों और ज़्यादा से ज़्यादा दो और को सरकार किसी मौक़े पर ज़रूरत पड़े तो बढ़ा सके । मुझे, उपाध्यक्ष महोदय, इस में डर है कि यह वक़्त की ज़रूरत को शायद पूरा नहीं कर सके । यह भी ठीक है कि जिस वक़्त यह बिल बनाया गया था, मेरा ख्याल है कि बिल को उस वक़्त ड्राफ़्ट (draft) करते वक़्त आम हालात को नज़र में रख कर उन्होंने इस को बनाया था जब कि देश के अन्दर सात साल के लिये या आठ सात साल के लिये या पांच छः साल के लिये एक नीति बनाई जा सकती थी और वह नीति शायद कामयाब भी रहती । लेकिन आज की बदलती बदलती दुनिया के अन्दर यह भुमकिन है कि यदि जिस साल कमीशन

कैसबा करती है कि इस तरह के प्रोटेक्शन् (protection) दिया जाय, या इतना टैक्स (tax) लगाया जाय, वह अगले साल ही बिल्कुल आउट ऑफ़ डेट (out of date) हो जाय और फ़ायदेमन्द न रहे । न वह इंडस्ट्री के फ़ायदे में रहे और न कंज्यूमर्स के ही फ़ायदे में रहे । तो ऐसी अदलती बबलती हालात में यह ज़रूरत होगी कि शायद कई दफा सात आठ मੈम्बर भी उस कमीशन में बनाने पड़ें । जैसा कि मेरे लायक दोस्त चेट्टियर जी ने कहा, कि मुस्तलिफ़ बैच उन की बना दी जाय और सरकार को यह ताक़त दी जाय कि अगर ज़रूरत पड़े तो वह दो नहीं, चार नहीं, पांच या छः मੈम्बर बढ़ा सके । तो यह कहते हुए मैं फिर एक और बात कहे बिना नहीं रह सकता और वह है हमारे देश की आर्थिक अवस्था । इस को ध्यान में रखते हुए हमारे देश की सब से बड़ी पोलिटीकल (political) पार्टी ने एक वक़्त में यह प्रस्ताव पास किया था कि किसी आदमी को भी ५०० रुपये से ज़्यादा तनख्वाह वह नहीं देगी । यह दुखस्त है कि हम उस की पूरे तौर पर लागू आज तक नहीं कर पाये या नहीं कर सके । इस के एक दो कारण हैं । एक कारण तो उस का यह भी है कि कांस्टीट्यूशन (Constitution) के अन्दर हम ने जो पहले के सरकार के नौकर थे उन्हें सेफ़गार्ड (safeguard) दिये और उन के स्वार्थों को हमने सुरक्षित बनाया । अब अगर यह हाउस शायद इस बात की कोशिश करे कि उन के स्वार्थों के अन्दर कुछ कमी करे तो शायद वह ठीक नहीं मालूम दे ।

लेकिन इस के साथ साथ दूसरी बात हो और यह ठीक भी हो कि जिस वक़्त हमने पांच सौ का प्रस्ताव पास किया था, उस वक़्त आज जैसी मंहगाई नहीं थी, लेकिन फिर भी मैं यह कहे बिना नहीं रह सकता कि

[ **बीबरी रबीर सिंह** ]

३,५०० रुपये का चेयरमैन (Chairman) और तीन हजार रुपये जो उस के मॅम्बर (Member) की तन्ख्याहं है तजवीज की है, वह ज़रूर फ़ालतू है और हिन्दुस्तान की आर्थिक उन्नति के नुकते नज़र से ठीक नहीं मालूम होती। मेरा यह कहना है कि जो यह तन्ख्याह रखी जाती है, यह हमारे सामने उस दिमाग को लाता है जिस दिमाग ने अभी तक जो प्रस्ताव पास किया था, उस को मंज़ूर नहीं किया है। हमारा ख्याल जो हमने प्रस्ताव में ज़ाहिर किया वह अच्छा है, लेकिन उस के ऊपर चलने की अगर हम कोशिश करना चाहते हैं, तो उस की मैं तो समझता हूँ एक ही तरकीब है कि जितने नये ओहदे, जितनी नई नौकरियाँ और जितनी नई पोस्टस् (posts) क्रियेट (create) करें, उन के अन्दर तन्ख्याह फ़िक्स (fix) करते वक़्त हम उन ख्यालों को ज़रूर अपने ध्यान में रखें।

इस के साथ साथ मैं श्री चेट्टियर ने काटेज इंडस्ट्री (Cottage Industry) के बारे में जो कुछ कहा है, उन से सहमत हूँ और मैं समझता हूँ कि उस तरह इस देश की आर्थिक अवस्था सुधर सकती है। अगर कम्युनिज़म (communism) के ख़तर को कोई चीज़ रोक सकती है, तो वह काटेज इंडस्ट्री है और दरअसल अगर हमारी आर्थिक तरक्की हो सकती है, तो वह तभी हो सकती है जब कि देश के अन्दर खेती और घरेलू उद्योग धंधों की तरक्की हो। बल्कि मेरा यह भी ख्याल है आने वाले वक़्त के अन्दर यह जो बहुत बड़े बड़े कारख़ाने हैं और उन को तरक्की देने की नीति है, यह शायद कायम भी न रह सकेगी। उस समय जब देश के अन्दर हाइड्रो इलेक्ट्रिक स्कीम (Hydro-Electric Scheme) कामयाब हो

जायेगी और तमाम जगह बिजली बली जायेगी, तो मजबूरन हमें नीति को बदलना पड़ेगा। अच्छा यही है और अक्लमंदी इसी में है कि जो आने वाला भविष्य है, उस को हम पहले से देखें और उस को ध्यान में रख कर ही हम अपनी नीति बनायें। मैं जहाँ सिलेक्ट कमेटी से यह प्रार्थना करूंगा कि वह उस के अन्दर यह प्राविज़न (provision) करे कि मॅम्बरों में से एक मॅम्बर ज़रूर ऐसा हो जो काइतकारों के इंटरैस्टस् (interests) का ख्याल कर सके, उसी के साथ साथ मैं यह भी कहूंगा कि वह इस किस्म का भी कोई प्राविज़न करे जिस से इस देश के अन्दर काटेज इंडस्ट्री की रक्षा हो और जैसा मेरे लायक दोस्त श्री खंडूभाई देसाई ने अपना ख्याल ज़ाहिर किया कि वह दूसरी ऐजेंसियाँ (agencies) साथ में बने, या दूसरे किस्म के कमीशन (commission) बनें, मुझे उस में कोई आपत्ति नहीं है। लेकिन मैं समझता हूँ कि टैरिफ़ कमीशन (Tariff Commission) के लिये कोई नीति बनाने के लिये यह बहुत ज़रूरी है कि वह सारे स्वार्थों को देखे। हो सकता है कि टैरिफ़ कमीशन की नीति या उस के जो ख्यालात हैं, वह पहले आ जाय और लेबर कमीशन (Labour Commission) या ऐग्रीकल्चरल कमीशन (Agricultural Commission) के ख्यालात देर में आयें और सरकार, हो सकता है कि, कोई अपना फ़सला टैरिफ़ कमीशन की राय पर ही कर दे, और वह शायद हिन्दुस्तान के लिये लाभदायक साबित न हो बल्कि उल्टे घाटे वाला साबित हो। इसलिये यह ख्याल करना कि उस कमीशन को उन स्वार्थों पर गौर करने की आवश्यकता नहीं है, सहमत नहीं हूँ। आज की इकोनॉमिक (economic) हालत को देख

हुए, जब कि पूरी तरह से कोई कंट्रोल्ड इकोनामी (controlled economy) नहीं है, इस मिक्स्ड इकोनामी (mixed economy) के अन्दर एक आदमी जो पैदा करता है, वह कितनी उस में मेहनत लगाता है, या कितनी उस की वह तरक्की कर सकता है, यह उस के हाथ की बात नहीं रही, बल्कि यह सरकार और उस की नीति बनाने वाले के हाथ में बहुत ज्यादा हो गयी है। यही नहीं देश के अन्दर एक ऐसा वक्त आया था जब कि मुझे याद है कि सन् १९३० में ऐसी हालत पैदा हो गई थी कि अनाज का पैदा करना किसी आदमी के लिये किसी तरह से भी फ़ायदेमंद नहीं था, फ़ायदेमंद तो वह आज भी नहीं है, लेकिन क्योंकि वह अपनी मजदूरी का कोई अलहिदा खाता नहीं रखता, वह कितनी ही सस्त मेहनत व मजदूरी करता है और उस को उस के एब्ज में कितना सिला मिलना चाहिये, यह सोचने की शक्ति और ख्याल शायद अभी उस में पैदा नहीं हुआ है, इसीलिये वह शायद उसी में लगा रहता है। लेकिन सन् १९३० में एक ऐसा वक्त आया था जब वह ऐसा सोचने पर मजबूर हुए और उस का सबूत इस बात से मिलता है कि लैंड रेवेन्यू (Land Revenue) को वसूल करने में जितनी दिक्कत और आपत्ति उस वक्त आई उतनी शायद पहले कभी नहीं आई। इसलिये सरकार उस वक्त मजबूर हुई कि उन को कोई प्रोटेक्शन (protection) दे और उस के वास्ते उसने एक प्रोटेक्टिव ड्यूटी (Protective Duty) भी लगाई ताकि इस तरह से देश में काश्तकारों के इंटेरेस्ट्स को सुरक्षित किया जा सके। ऐसी ज़रूरत, मैं समझता हूँ, कि अब आगे भी आने वाली है। इसलिये मैं ने जैसे पहले निवेदन किया कि इस कमीशन के मੈम्बरों में कम से कम

एक भारतीय ऐसा बकर होना चाहिये जिसे हिन्दुस्तान की खेतीबाड़ी का पूरा पूरा ज्ञान हो। बस मुझे इतना ही निवेदन करना था।

(English translation of the above speech)

Ch. Ranbir Singh (Punjab): I rise to support this Bill. In a country where economically the doctrine of *laissez faire* is prevailing or where there is semi-controlled economy then in both these cases such a Commission is necessary for those who are economically backward. You well know that our country has accepted the principle of mixed economy and it is therefore very necessary to set up such a Commission. This Bill gives birth to that Commission. Therefore while supporting this Bill, I do not agree with those hon. friends of mine who think that there are only two interests working in the country. I mean to say that one point of view is that there should be an all round progress of the industries and the other point of view is that the consumers must get the industrial products at cheaper rates. But these two interests are not the only ones in our country. There exists, as my hon. friend Shri Ramalingam Chettiar has stated, a third interest also and that is of the labour. He has asked us to consider the interest of labour also. Besides this in my opinion only these three interests are not the only ones in the country. There are four interests working in the country and if the Commission would not simultaneously take them into consideration the picture that would be drawn by them would not be wholesome and complete. Therefore I think that for deciding any cases it is quite necessary for the Tariff Commission to take into consideration the various points of view of these four interests. These four interests are as follows: there should be an all round progress of the industries and the consumer may not have to pay more for the products of these industries. Besides it should also be taken into consideration that the conditions of labour and the wages earned by them should also be improved, and it should also be seen that the unemployment instead of increasing may decrease. In addition to these, the fourth interest is that of the cultivators. That is to say the producers' interests may also be taken into consideration. My complaint is that very little heed is being paid towards this fourth interest referred to by me. While we try to see to our industries getting the supplies of cotton and try our best to get supplies of cotton from



[Ch. Ranbir Singh]

internal as well as external sources, do we ever care to think for a minute whether the production of cotton is profitable or not for him also from whom we purchase cotton and whether he can grow cotton for selling at the fixed rates or not. Under such circumstances if the Commission presents such a report, where any action may have been suggested for increasing the production of cotton in rural areas without taking this aspect of the matter into consideration then I do not think that any improvement in the textile industry is at all possible. On the other side, take the case of the sugar factories. Shri Himatsingka has made a mention of the sugar factories. In the case of these sugar factories also the interests that were taken into consideration only were that there should be an increase in the production of sugar and that it may be available at cheaper rates. But if any rules and regulations are framed without taking into consideration the interest of cultivators, which may be said to be the interest of the entire country, because a majority of the population of our country consists of these cultivators, then they would not prove to be any good. But in my opinion that would be an incomplete thing. For this purpose in the four clauses, that we have laid down in this Bill, it has been provided that the persons who are to be appointed as Members of this Commission should possess the following qualifications:

"The persons to be appointed as members of the Commission shall be men of ability and standing who have shown capacity in dealing with problems relating to commerce or industry or in administration or who have special knowledge in any matter as renders them suitable for appointment on the Commission"

My submission is that either the words "Commerce and Industry" should be deleted or else if these words are to remain then the word "agriculture" should also be added.

Shri J. R. Kapoor (Uttar Pradesh). Agriculture also is an industry.

Ch. Ranbir Singh: My hon. friend Shri Kapoor says that agriculture also falls in the category of the industries. I believe that to be true. But what is the good of only my believing? In the present day conditions of the country and according to the policy so far followed, agriculture is not considered to be an industry. If the persons who represent here the industries had also looked to the interests of agriculture also then I would have

accepted his suggestion and would not have pressed my point. But as the matters stand today the persons who come here as a representative of industries and commerce, never care to look into the interests of agriculturists. Therefore I would like to submit and it is my keen desire that the Select Committee in its report should specifically lay down that one of these Members must be an agriculturist or one who may have a thorough knowledge of agriculture or at least one member out of four must be such a person who may be able to place before the Commission the interest of agriculturists. If they do not like to make any such provision then I submit that the words 'commerce and industry' should either be deleted or the word 'agriculture' be also included.

Now I would like to submit regarding the other three clauses. In view of the changing conditions of our country and the world outside a provision should be made regarding the number of the members of this Commission, that the number should be three or four and at the most two more members may be appointed by the Government if and when it may be deemed necessary. I very much apprehend, Sir, that perhaps this may not serve the purpose of the day. It is also true that when the Bill was drafted, I think, they had drafted it keeping in view the conditions prevailing at that time. The conditions in the country were such that it was possible to frame a policy for seven or eight years and it was just possible that it would have been successful also. But in this changing world conditions of today it is quite possible that the Commission's decision for a particular year regarding the manner of giving protection and the amount of the taxes to be levied may become out of date, or prove unprofitable the next year. It may not prove beneficial either to the industry or the consumer. So in these changing conditions it may sometimes be deemed necessary to appoint seven or eight members on the Commission. As my hon. friend Shri Chettiar suggested they should be divided into several benches and the Government should have the power of appointing not only two or four, but five or six additional members on the Commission if and when it may be deemed necessary. Stating this much I cannot remain without submitting one thing more and that is about the economic condition of our country. In view of this the major political party of our country had once passed a resolution that they would not give anybody a salary of

more than Rs. 500/- per month. It is quite true that we have not yet been able to implement that resolution. There are one or two reasons for that, one of the reasons is that in our Constitution we gave safeguards to those who were in the service of the previous Government and thus preserved their interests. It may not perhaps be proper if this House were to try to curtail their interests.

But there is another thing along with it, and which is right also, that when we had passed that resolution, the dearness was not such as is prevailing today, but still I cannot help saying that the proposed salary of Rupees 3,500/- of the Chairman and Rupees 3,000/- of each of the Members of the Commission, is definitely excessive, and does not seem to be commensurate from the view point of India's economy. My submission is that the fixing of these salaries, reveals that mentality which has so far not accepted the proposal that has already been passed. The ideas which we had expressed in our resolution are otherwise good, but there is only one way if we want to implement them, that we must take them into consideration while fixing the salaries of all the new posts which we may create in future.

Here I also agree with Shri Chettiar in respect to whatever he submitted about the cottage industries and I think that only by such measures the economic condition of the country can improve. If anything can prevent the danger of Communism it is cottage industry alone. In reality our economic condition can only improve with the development of agriculture and cottage industry of the country. I am also of the view that the policy of giving protection to these big industries may not prove successful in the future. When the Hydro-Electric Schemes of the country would start functioning and electricity would be available everywhere, we will be compelled to change our policy. It would be prudent to chalk out our policy keeping in view the future requirements of our country. Whereas, I would request the Select Committee to make a provision for the inclusion of such a Member who may take into consideration the interests of the cultivators, also I would urge upon them to make such a provision by which, in future the cottage industry may be protected. I have no objection to the view expressed by my hon. friend Shri Khandubhai Desai that other agencies and Commissions should be set up. It is for them to set up such agencies or commissions. But I am of the opinion that it is very essential

for the Tariff Commission, that while formulating any policy, it should take all interests into consideration. May be, that the policies and the views of the Tariff Commission may be available prior to those of the Labour Commission or Agricultural Commission, and the decisions may be taken by the Government on the recommendations of the Tariff Commission only and this action instead of doing any good to the country may prove harmful. I, therefore, do not subscribe to the view that the Commission need not take into consideration all those interests. Considering the present economic condition of the country, in the absence of any complete controlled economy, whatever a man produces under this mixed economy, whatever efforts he puts up for this production and however he develops it, the results achieved do not come under his control but are very much in the hands of the Government and those who make their policy. I remember there was a time during the year 1930, when the production of food grains was not at all beneficial to the interest of cultivator, even today it is not in his interest, but as he does not maintain a separate account of his labour and is probably neither aware nor has capacity to think of the compensation that he should get in lieu of his labour, this is why he perhaps continues to labour and toil. It was in 1930, when the cultivators were forced to think this matter, as is evident from the fact that a great deal of difficulty was experienced in realising the land revenue in that year, as such a difficulty was faced never before. Therefore the Government was compelled at that time to give them some sort of protection and a protective duty was imposed, so that the interests of the cultivator could be protected. I think such a necessity is going to arise in future also. This is why I have submitted earlier that there must be one such member of the Commission who may be well versed in the matters of agriculture. That was all I had to submit.

**Shri Karmarkar:** I thought it might be useful if at this stage in the debate I should refer to some particular points that have been made. I should say at the outset, and very respectfully, that I greatly appreciate the very high level of the debate that has taken place on this Bill. The principal points underlying the Bill have been accepted: firstly, the need for protective measures for newly established industries; secondly, the need to set up a statutory Commission of this kind with somewhat wider powers than what the Tariff Board has been en-

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joying; thirdly, the need to safeguard the interest of proper growth of industry by exercising a wholesome check on the industries protected; fourthly, to see to it also that the consumers' interests are protected, by providing for a periodic examination of the protected industry partly from this viewpoint also. All these points of view which are the basic principles underlying this Bill have met with general approval on the floor of the House this morning. Many other important points have also been made and within the short time at my disposal before we rise, I will try to deal with them and put before the House the points of view that were before us when we framed the Bill as we framed it.

Firstly, I should say that it is a matter of general agreement that apart from the protection given in the fiscal sphere there is much that could be done for industries in the non-fiscal sphere. I should say with all respect that you rightly raised the point that industries should also be helped in non-fiscal spheres also. As you know there are so many ways of patronising an indigenous industry—by way of Government purchases, for instance, by way also whenever necessary of putting restrictions on the import of a like commodity, and in many other ways. And I am quite sure that Government at any time will always feel it its duty to give all types of help to any growing industry. But whether the definition of that non-fiscal help would be relevant or not in this measure which is designed with a view to limit itself to protections granted by fiscal measures, will be for the Select Committee to consider and I have no doubt that the Select Committee will give proper attention to this point.

Secondly, you, Sir, made another point. You referred to what I might say the option that appears to have been implied in the clause where the Bill says that Government may grant advance protection. That point is also an important one. The principal object of devising this mechanism for judging as to whether and if so how far protection should be given to a particular industry is to see that industries which are *prima facie* in need of protection are given protection. It was a different thing in the past. In the future, almost every industry, every new venture, will naturally ask Government to give it protection. It is for consideration whether Government or the Tariff Commission should be compelled to take note of every such request or whether it would be

wiser to give Government the discretion to consider the requests and put in only such requests as *prima facie* indicate protection before the Tariff Commission for its enquiry. Doubtless, it would be a heavy responsibility on Government to ignore the claims of an industry. But as against this, supposing we make it compulsory for Government to accept every application, just as we have in the case of import licences made it compulsory and anyone who wants to invest Rs. 20 or 25 or 100 can compel us to give his case our attention even though the application may be frivolous, similarly if we are compelled to take cognizance of every request, it may well be that we may be flooded with proper requests and requests which need not be considered. It will be for the Select Committee to consider which is the better of the two points of view.

My hon. friend Mr. Krishnamachari referred to the industrial policy. He knows the industrial policy very well. It is the subject matter of an elaborate document dated 1948 and as the House knows, Government stand by that document still. Whenever it is mentioned in that document that we are for a mixed economy, what is meant is that judging the position as it stands at present Government have come to the conclusion that certain industries should be absolutely in Government hands; certain others will be relegated to private enterprise but will be largely regulated; and yet a third category of industries will be entirely within the sphere of private enterprise subject of course to general Governmental inspection. That is the broad policy that has been enunciated and Government stand by it still. That is what is known as mixed economy. It is possible in an absolutely free enterprise where there is no check, cartels may develop, but as you rightly pointed out, Clause 11 (d) (iii) provides sufficient precaution about it so that there will be no encouragement for cartels to develop on account of the protection given.

Again, something was said about the emergency action to be taken. That again is naturally contemplated under circumstances where any delay by way of reference to the Tariff Commission is likely to result. In view of that, Government want to have the power of giving or varying or reducing protection that has already been given. A relevant point was made as to whether under the provisions as they exist it is possible for Government to evade coming before this House. We on this side entirely agree that if there is any clause in this Bill

which enables Government to take action and then evade coming before the House, we should avoid it. But as the House is aware, we have to come before the House at the time of the Appropriation Bill and the Budget and we have to get the Tariff Bill passed if we want to make any change either in the nature of the duty or in the duty itself. However, I am quite sure the Select Committee will give due importance to this question. It is neither the intention of our friends who criticised us on this point nor is it our intention to have any loophole whatever by which Government will ever be in a position to evade coming before the House. Apart from all other protection that is there by way of confidence that the House reposes in us, our greatest confidence is in having the full concurrence of this House, especially in such a matter as giving protection to industries. It would and never could be our intention to allow any measure to be passed which allows a loophole that enables Government to evade the attention of this House. Whatever action is taken, whether it is emergent action or considered action, has to come before the House at some stage or other and I am quite sure the Select Committee will give due attention to this.

My hon. friend Shri Ramalingam Chettiar was very particular about cottage industries in common with some other hon. Members. I should think that the bringing in of the cottage industries into this Bill is a little beyond the mark, unless the House is in a position to suggest specifically and get into the case of any cottage industries and recommend discriminative treatment in respect of them as against the interests of large scale industries. I think cottage industries would otherwise be an entirely different subject altogether. What we seek to do through this Bill is to enable ourselves first to consider the interests of indigenous industries—whether they be large scale or small scale—and provide a mechanism by which we shall be in a position to give them necessary protection.

**Mr. Deputy-Speaker:** Does not clause 14 (1) (e) make provision for it?

**Shri Karmarkar:** I think it will be covered if you stretch it a bit. But even normally whenever we give protection either to a small scale industry or large scale industry, we take into consideration the production of that particular commodity in the country and the quantity imported. As you know in the case of indigenous raw

silk, our measure of protection has been liberal, taking into consideration all these factors. One of the considerations was that in granting protection, we cannot ignore the large amount of raw silk being produced in the country itself. So, Sir, in a way, as you observed the production by way of cottage industries is certainly taken into consideration.

Much was said about quantitative restrictions and the point of view made by one side has been answered by the observations made by my hon. friend Shri Khandubhai Desai. I will not say much about it, but our position has all along been that we have never looked upon quantitative restrictions, as a suitable measure of protection. An industry has to develop itself from strength to strength gradually. Quantitative restrictions always give a sort of sudden push, and when for some reason or other those restrictions disappear, that particular industry would have to walk lamely. So, quantitative restrictions are not adopted solely as a measure of protection. If they come in suitably along with other factors they are tried. The Tariff Board has in many cases recommended quantitative restrictions on account of short supply of commodities and also on account of foreign exchange restrictions. By itself quantitative restrictions would not promote the cause of an industry nor has it been the view of the Government of India that quantitative restrictions should be adopted as one of the principal means of protecting an industry.

At the same time, I need hardly invite the attention of the House to the fact that this was a very live subject at the International Trade and Tariff Conference and on behalf of industrially backward countries, India took up the matter and suggested that such countries should be allowed to impose quantitative restrictions even as a measure of protection. As a result of the discussion it was conceded that in respect of two categories of industries, namely industries developed during the war time and in respect of industries for which raw materials exist within the bounds of the country, it should be open to a country to impose quantitative restrictions even for protective purposes.

1 P.M.

Another point which was made during the course of the discussion was about the strength of the Commission. We do not hold any strong or categorical views about it. Ultimately, as you know, Sir, what it comes to is this. What the Fiscal Commission has recommended is five plus two, if necessary and what we are proposing

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is four plus two, if necessary. It is all a matter for the Select Committee and for the House to deal with. The consideration that the Government took into account in this matter was the times through which we are passing, and we thought we would rather better do with four and, in case it was necessary, with an additional two. But if the House is so inclined that we can afford more it is for the House to decide. There is a large amount of work. Already three are there, they are doing very good work, and we are thinking of having in addition one more. And in case we have some more work, we have provided for two more. I think that is a basis on which the Select Committee and the House may well proceed. There is no difference between the status of the additional members and the original members. Their status, rank and emoluments would be the same—whatever are prescribed in this behalf. On that point it is only a question between a

maximum of six and seven and a minimum of four and five. I am sure the Select Committee will consider the matter. But if there is little work for five members, then this House will have opted itself out of the alternative of commenting upon us, of coming upon us next year with the remark: "You have got five members but there is not adequate work for them". We would like to proceed cautiously but in this matter we are entirely at the disposal of the Select Committee and the considered opinion of this House.

These are the principal points that have arisen and I am sure these and the other points will be carefully considered by the Select Committee and that the measure as it emerges from the Select Committee will be a measure of which we as a Legislature could well be proud of.

*The House then adjourned till Half Past Eight of the Clock on Monday, the 7th May, 1951.*