

12.34 hrs.

INDIAN TARIFF (SECOND AM-
ENDMENT) BILL—Contd.

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Manubhai Shah on the 1st December, 1963, namely:—

“That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration.”

Shri Bade may continue his speech.

श्री बड़े (खारगोन) : अध्यक्ष महोदय, मैं कल कह रहा था काटन टैक्सटाइल मशीनरी को सरकार १९४९ से प्रोटेक्शन देती आ रही है और अब उस प्रोटेक्शन को १९६६ तक बढ़ाने का विचार किया गया है। जब किसी इंडस्ट्री को प्रोटेक्शन दिया जाता है तो ध्यान इस पर रहता है कि वह इंडस्ट्री तरक्की करे, बढ़ती जाय और कंप्यूमर जो है उस के ऊपर उस का कोई प्रेशर न पड़े, कीमतें न बढ़ें। लेकिन उन की जो रिपोर्ट है, उस में काटन टैक्सटाइल मशीनरी के बारे में लिखा हुआ है :

“Prices of ring frames, spinning rings, spindles and fluted rollers advanced by 7 to 14 per cent in 1962. The increase was attributed by the industry to high costs of raw materials and components.”

यदि किसी इंडस्ट्री को प्रोटेक्शन दिया जाता है तो इस का भी ध्यान रखा जाना चाहिये कि जो रा मैटीरियल है तथा जो कम्पोनेंट्स हैं, वे सस्ते मिल। मैं देखता हूँ कि यह जो पहलू है, इस की ओर ध्यान नहीं दिया जा रहा है। इस का नतीजा यह हो गया है कि काटन टैक्सटाइल मशीनरी बहुत महंगी हो गई है और प्रोटेक्शन देने का भी यह नतीजा हो रहा है कि उस का कपड़े की कीमतों पर असर पड़ रहा है, कीमतें भी बढ़ती जा रही हैं, कपड़ा महंगा होता

जा रहा है। आप अब प्रोटेक्शन को १९६६ तक बढ़ा रहे हैं। शासन का ध्यान इस ओर जाना चाहिये कि मशीनरी का जो निर्माण होता है, वह अच्छी तरह से होता है या नहीं होता है, मशीनरी अच्छी बनती है या नहीं बनती है। कमिशन की जो रिपोर्ट है उस में यह लिखा हुआ है कि जिस मशीनरी का निर्माण हमारे देश में होता है वह मशीनरी एक तो बहुत रूढ़ी होती है, विदेशों में बनी मशीनरी के सामने वह टिक नहीं सकती है और ज्यादा दिन तक चलती भी नहीं है। उस से भी बड़ी बात यह है कि वह महंगी मिलती है। यदि आप प्रोटेक्शन देते हैं तो यह देखा जाना चाहिये कि और कितने साल तक आप प्रोटेक्शन देते रह सकते हैं। १९४९ से आप ने इस को प्रोटेक्शन देना शुरू किया था लेकिन अभी तक आप ने बन्द नहीं किया है। अब आप ने फर्मला किया है कि १९६६ तक इस प्रोटेक्शन को जारी रखा जाय।

मैं अब पिस्टन इंडस्ट्री के बारे में कुछ कहना चाहता हूँ। आप ने इस को १९५५ में प्रोटेक्शन देना शुरू किया था और उस वक्त आप ५० परसेंट दे रहे थे, अब उस को आप ३५ परसेंट कर रहे हैं। पेज ५३ पर आप ने टारगट के बारे में लिखा है :

“Planned programme of targets of production in the country of each of the commodities in detail, if any, and also indicate as to when self-sufficiency is expected to be achieved.”

इस के बारे में पेज ५४ पर आप ने लिखा है :

“Three existing units have expansion plans. In addition two units have been licensed. The Commission, however, does not expect the new units to come up before 1965-66 and has recommended that the expansion plans of the existing units should be

expedited and that foreign exchange should be issued to them on priority basis."

मैं ने पिस्टन इंडस्ट्री के बारे में सुना है कि इस को फारेन एक्सचेंज नहीं मिलता है जिस की वजह से यह इंडस्ट्री बढ़ नहीं रही है और इस में प्रोडक्शन बराबर नहीं होता है।

एक मुख्य बात मैं मोटर कारों के बारे में, आटोमोबाइलज के बारे में कहना चाहता हूँ। ये जो आटोमोबाइलज हैं, जैसे फिफ्ट गाड़ी है, मसैडीज बेंज गाड़ी है या दूसरी गाड़ियां हैं ये बहुत ही महंगी हो गई हैं। इस का क्या कारण है इस को आप देखें। मेरा खयाल यह है कि आप ने केवल दो तीन कम्पनियों को इंपोर्ट लाइसेंस दिये हैं और उन को ही आप प्रोडक्शन करने के लिये कहते हैं। स्माल कार्ज के बारे में कोई फंसला नहीं किया जाता है। हिन्दुस्तान एम्बेसिडर जिस की कीमत ११,७५८ हुआ करती थी अब १२,६०० रुपये है लेकिन वह मार्केट में १६,००० में बिकती है। जीपों के बारे में लिखा हुआ है कि बारह हजार कीमत थी जो अब तेरह हजार हो गई है। जहां तक ट्रक्स का सम्बन्ध है, टाटा मसैडीज बेंज जो कि हमारे यहां बम्बई आगरा रोड पर चलती है, मेरी कास्टिड्युएसी में चलती है उसकी कीमत तीन महीन पहले २८ हजार थी और अब ३० हजार हो गई है। जब आप किसी इंडस्ट्री को प्रोटेक्शन देते हैं तो आपको यह भी देखना चाहिये कि कहीं अनड्यू प्राफिटीयरिंग तो नहीं हो रहा है। ये जो टाटा मसैडीज बेंज गाड़ियां निकलती हैं जिन को माल ट्रक्स कहते हैं, जिन में माल बम्बई से इधर दिल्ली आता है और यहां दिल्ली से बम्बई जाता है, इनकी कीमतें जो इतनी बढ़ गई हैं इसका कारण कहीं यह तो नहीं है कि प्राफिटीयरिंग हो रहा है? जब इस तरह से कीमतें बढ़ती हैं तो गरीब आदमी पर बोझ पड़ता है। जब ट्रक्स की कीमतें बढ़ती हैं तो ट्रक वाले जहां पहले आठ आने मन में बम्बई से यहां माल लाते थे, वे उसको एक

रुपया या डेढ़ रुपया कर देते हैं। उन्होंने भाड़ा बढ़ा भी दिया है। क्या आप इस तरह की चीजों की जांच भी करते हैं। क्या आप जांच करते हैं कि गाड़ियां बहुत महंगी क्यों हो गई हैं। तीन महीनों में क्या वजह है कि तीन हजार कीमत बढ़ गई है। जब आप आटोमोबाइल इंडस्ट्री को प्रोटेक्शन देते हैं, तो ये जो चीजें हैं, इनकी तरफ भी आपका ध्यान जाना चाहिये।

अब मैं बाल बेयरिंग के बारे में कुछ कहना चाहता हूँ। पिछली बार जब यह बिल आया था तो मैंने कहा था कि बाल बेयरिंग को जहां आप प्रोटेक्शन देते हैं वहां यह देखना भी आपका कर्तव्य है कि जो पखे हैं ये गर्म होते हैं या नहीं। उष्ण कम्पनी के पखों और किरलास्कर के पम्पों के बारे में ये कम्प्लेंट्स आई हैं। बाल बेयरिंग इंडस्ट्री को आप प्रोटेक्शन देते हैं लेकिन फिर पखे और मशानरी सब गर्म होते हैं। बाल बेयरिंग ठीक नहीं होते हैं। इस और शासन ने अभी तक ध्यान नहीं दिया है। जितनी भी इंस्ट्रीज हैं, वे सब कहती हैं कि बाल बेयरिंग बहुत खराब बनते हैं। प्रोटेक्शन देने के बावजूद भी मंत्री महोदय ने इस और ध्यान नहीं दिया है। माननीय मंत्री जो इसके बारे में आश्वासन दे चुके हैं लेकिन कुछ किया नहीं गया है। इस के वास्ते हम कोशिश करेंगे कि पखे गरम न हों और उन के जो बाल बेयरिंग हैं वह अच्छे हों। लेकिन आज भी उन की वही कम्प्लेंट है कि बाल बेयरिंग जो बाहर से हमारे यहां इम्पोर्ट होते हैं या चोरी से आते हैं वह बड़ा अच्छा काम देते हैं।

आप ने बाइसिकलों को छोड़ दिया। लेकिन बाइसिकल जो है उस से बड़े बड़े व्यापारियों का कोई धन्धा नहीं चलता है। लुधियाने में बाइसिकल तैयार होती है। उस को आप ने निकाल दिया यह अच्छा किया लेकिन आप को देखना चाहिये कि उस

[श्री बड़े]

की कीमतें नीचे रहें। उन की कीमतें काफी बढ़ चुकी हैं।

मर्सिडीज़ बेंज़ और अम्बेसेडर गाड़ियों को आपने लाइसेंस दे कर उन की कीमतें बढ़ा दी हैं। इसका कारण केवल यह है जैसा कि हिन्दुस्तान की जनता कहती है और हमें भी मालूम पड़ता है, कि बड़े बड़े लोगों का आप के ऊपर प्रेशर है या वजन है।

अध्यक्ष महोदय : मेरे ऊपर है।

श्री बड़े : आप के ऊपर नहीं, मंत्री जी के ऊपर है।

अन्तर्राष्ट्रीय व्यापार मंत्री (श्री मनुभाई शाह) : इस बिल का इस से ताल्लुक नहीं है, यह बात तो हेवी इंडस्ट्रीज से सम्बन्ध रखती है।

अध्यक्ष महोदय : इस बिल में आटो-मोबाइल का जिक्र नहीं है, लेकिन इस में आप चले गये। चूँकि सड़क पर चलती हैं मर्सिडीज़ बेंज़ और अम्बेसेडर, इस लिये आप वहाँ चले गये।

श्री बड़े : मेरा कहना है कि आटोमोबाइल में जो पार्ट्स लगते हैं वे तो इस बिल में आते हैं। जैसे पिस्टन इंडस्ट्री है। पिस्टन आटो-मोबाइल्स में लगते हैं और आज कल बहुत महंगे हैं।

अध्यक्ष महोदय : पिस्टन लगते हैं आटोमोबाइल्स में इस लिये आटोमोबाइल्स आ गये, आटोमोबाइल्स बनते हैं लोहे से इस लिये स्टील आ गया, स्टील बनता है कोयले से इस लिये कोयला आ गया।

श्री बड़े : आप ह लोगों को चेक करने के लिये हैं यह ठीक है, लेकिन मेरा कहना है कि साइकिल को आप ने निकाल दिया है, उस का डिप्रोडक्शन कर दिया है। इसी तरह से आटोमोबाइल्स का किया जाय जिस में

कि जनता को सस्ती कारें मिल सकें। विशेषकर ट्रक्स के सम्बन्ध में मेरा यह कहना है। इसी तरह से काटन टेक्स्टाइल्स हैं, बिग इंडस्ट्रीज हैं, अदर इंडस्ट्रीज हैं, अल्यूमिनियम इंडस्ट्री हैं, जिन के बारे में मैं ने आप से कहा है। इन बातों पर विचार किया जाय और साथ साथ यह देखा जाय कि इस में कहीं ज्यादा प्राफिटमरिग तों नहीं हो रही है। आज कल फारेन एक्स्चेन्ज मिलता नहीं है, रा मंत्रीरियल मिलता नहीं और जो प्रोडक्शन हो रहा है वह रद्दी टाइप का हो रहा है, इस की धोर भी ध्यान दिया जाये।

Shri Heda (Nizamabad) : Mr. Speaker, I express my happiness for the decision of Government to take the bi-cycle industry out of protection. I feel that such a step should have been taken a few years ago, because we have developed this industry to a great extent and all along I was wondering why it was still being given protection. The hon. Minister yesterday referred to the decentralised nature of production in the bi-cycle industry. Because of this very factor, this industry is very important and I look forward to the day when it will fetch us foreign exchange by export just like sewing machines and fans. In fact, this industry is older than many other industries and so it should have been able to give us better service, performance and more of foreign exchange than it has done so far.

The most important parts of the bi-cycle are hub, chain and free wheel, and they are manufactured only by a few units. They are reluctant to make supplies to the decentralised sector of the bi-cycle industry in India with the result that the industry has not developed as fast as it should have if only the hon. Minister takes a little interest and tries to persuade the big plants which can manufacture these vital parts of good quality to supply them to the smaller

units, they would be able to manufacture bicycle at a far lower cost than they are doing today, even in a backward State like mine. If the decentralised sector can look after the internal requirements, the larger units will be able to devote themselves entirely to exports, giving us more and more of foreign exchange.

In the case of textiles, in certain mills we have only the spinning plant. They can only spin the yarn and not weave. Weaving is done by the power loom sector. Some such device could be thought of by the hon. Minister in the case of the bi-cycle industry also.

So far as export is concerned, the performance does not seem to be encouraging. While in 1960 the number of cycles exported was 3,660 in 1961 the number was 12,680. But in 1962 the number has fallen to 3,560, which is lesser than even that of 1960. Of course, the estimate for this year is 20,000, but I do not know how far we will be able to fulfil it.

Shri Manubhai Shah: We have already crossed 36,000.

Shri Heda: I am very happy to hear it. If vital parts like hub, spokes and free wheel are manufactured of a high quality and on a large scale and made available to the market, it will go a long way in increasing our production.

So far as the textile mill machine industry is concerned, it is one of the oldest industries in our country. We are manufacturing practically all the machines in the country. But there is one complaint which has not yet been eradicated, and that is that the quality of our machinery is not as good as is available elsewhere. In fact, we are manufacturing machinery which was available, say, 10 to 12 years earlier in the developed countries like Japan, USA, West Germany and England. I can understand our lagging behind 2 or 5 years, but if we are behind by 10 to

20 years, the industry cannot develop. The hon. Minister is taking particular pains to see that we export textiles, maintain our exports and recapture old markets. But how can he be successful unless the machinery that manufactures these textiles is modern? We know there are many modern and advanced textile mills all over the world, particularly in West Asia and South East Asia. How can we compete with them by manufacturing good textiles if our machinery itself is not good and up-to-date?

So far as the textile machinery manufacturing is concerned, it is only in the hands of a few, and they could easily be persuaded to replace their existing machinery by the later, modern and up-to-date machinery. I know that they are very advanced industrialists and if only an attempt is made, they can easily be made to adopt the new methods and techniques of developing and improving their machinery. Now blanket protection is given to them. They know that there will always be a demand. As one hon. Member was saying yesterday, the demand is so high that many times they dictate terms by saying "you place the order today with 50 per cent deposit, we will supply you after six to twentyfour months". Since they are in that advantageous position, they are not bothered about improving the quality of the machines that they are producing. If only the hon. Minister takes special care and tells them that quality is also as important as quantity, it will go a long way in improving the quality.

One word more and I am done. One of the bad effects of traffic protection has been that many a time the manufacturer imports the entire components and only re-assembles them here and because the import is completely stopped, he sells his article at a high price, making a good profit. There is the well-known case of tractor. For a complete tractor which can be imported for about Rs. 7,000, the Indian manufacturer was allowed to import components worth as much

[Shri Hoda]

as Rs. 5,000. He was only manufacturing mudguard and purchasing the tyres from the rubber companies here. But he was selling his tractor for Rs. 12,000 to 14,000. Now, some years have passed by, he is still not manufacturing more than 25 per cent of the components and yet the cost price of the tractor has gone to more than Rs. 22,000. So, if the tariff protection is misused or abused by certain industrialists who have not got the national interest in their minds, the hon. Minister has to be hard upon them and see that the protection is not misused or abused and the quality is maintained. I hope that so far as textile machinery is concerned, the quality will be maintained.

Shri Muthu Gounder (Tiruppattur): Mr. Speaker, Sir, the hon. Minister said yesterday that the industries in India are at an infant stage and so they need every protection, tariff protection and all sorts of protections. He always takes pride in saying that the industry is at an infant stage. It is said, our democracy is infant, our Plan is infant and all our schemes are at an infant stage. We take pride in saying anything as an infant. But to call a boy of 15 years an infant is rather meaningless. I do not want to use any more harsh words on it. After 15 years of Independence we are still at an infant stage. So far as industries are concerned, 15 years' time is not a short span of time. We can do marvellous work in the industrial field. Even in Japan, they did a marvellous work in the first half of this twentieth century. Britain started heavy industries somewhere in 1910 and before 1935, it was able to produce millions of cars within a span of 25 years. We started industries in 1950 and now after the lapse of 14 years, we are still at an infant stage. It does not bring any credit to our planners and to our industries. When we give protection to such industries, we should know how far the industry has progressed and how far the industry has made im-

provement so far. After all, we are now not giving the protection anew. This protection has all along been in force for the past so many years. We are only now giving an extension of time for three more years.

When we look back to the conditions of our industries, we are able to find that there is no marked progress or marked development in their field. But we are only able to see industrialists getting fat and there are lot of improvements in their status. Their bank balances must have increased, but not the industry. Because we are giving this tariff protection and other protections, the industrialists do not have the initiative or the desire to improve the standards of their industries. So, before we give any extension of time for the tariff protection to be given to certain industries, we should consider whether the industry has progressed well. We are now concerned with only 11 industries, I suppose. All these eleven industries are in the private sector except the one sericulture industry. Now, take for example, the spark plugs industry. My hon. friend Mr. Warior has dealt with cycle industry and other friends also have dealt with cycle industry. By producing spark plugs in our country, we have saved about Rs. 40 lakhs, that is, we are producing spark plugs worth Rs. 40 lakhs. Of this sum of Rs. 40 lakhs, we have to import goods from other countries worth Rs. 25 lakhs. After all, we are able to save only Rs. 15 lakhs as far as spark plugs are concerned. 60 per cent of the total ex-factory cost of a plug is by importing some of the steel and other things. We are importing steel as well as insulators from outside. We have still to pay a good amount of foreign exchange for making our spark plugs. Therefore, what we save is, after all very meagre or it is not so considerable considering the import of raw materials that we are getting from outside. If we take into consideration the cost of our indigenous product, it comes to Rs. 2.65 nP. per plug, whereas the wholesale market

price of an imported variety is Rs. 1.00 nP. The hon. Minister said yesterday that by his personal experience also he is able to say that the spark plugs industry has improved. We know that Indian plugs are not comparable with the foreign plugs. The motor owners, the bus owners and the lorry owners are still for foreign plugs because Indian plugs are not upto the mark. No doubt, we might have produced some more quantity of plugs, but the quality is as bad as anything else. Because it is produced in India, because it is an indigenous product, we cannot simply say that it is quite all right. We as ordinary men are able to experience it fully, whereas the hon. Minister may not have the chance of coming into contact with such poor quality of plugs.

As far as these piston rings are concerned, these piston rings, I think, are manufactured even in Madras. We know, the quality has not improved much, but the share-holders and those industrialists are now becoming millionaires though when they started the business they were only lakhiers. The quality is still bad. When we put in these Indian made piston rings they only serve for only 2,000 or 3,000 miles, whereas if you put in foreign made pistons or foreign made rings, they serve for some five or six years. The quality is not comparable to that of the foreign countries. The hon. Ministers and the Members on the Treasury Benches always take a convenient comparison with Burma or Cambodia or Thailand or some African colonies which just got independence. We should muster enough courage to compare our industries with those of Japan or Egypt or Israel. Even those countries are far ahead of us, as far as industries are concerned. Within 15 years, we could have made a marvellous progress. But I find we are still lagging in spirit and in making revolution in the industrial field. Simply planning will not do. If the hon. Ministers or the Members of the Ruling Party are really interested in them, they

can bring a revolution in the industrial field and they can make it comparable with that of any other country. Now, Japan is not a country where coal and iron are all available. Although they have got coal, they are importing iron ore from India and other countries. They are always able to export a lot. After the War, Japan and West Germany were nothing; they had collapsed. They were not having any foreign markets; their industries and other things were at standstill. Within 10 or 15 years, by utilising the Marshal Plan or some other plan, Japan and West Germany are now more stronger and more affluent than what they were before the War. So, these countries after facing such a calamity during the War have now become more strong. I think, now Japan and West Germany are the richest countries next to America. Japan is also a rich country as far as industries are concerned. Even after fifteen years of experience, we are still having our industries in an infant state, and we call everything as infant, and we are satisfied with calling everything as infant. If only we have a mind, we can bring about improvement.

13 hrs.

As a farmer, I have been experiencing difficulties on account of sub-standard quality. As far as electric motors are concerned, we are able to produce just what we want. I have got experience of these electric motors. In 1939, I purchased a foreign electric motor; I think it was a Skoda motor made in Czechoslovakia, and that motor is still working in my farm, whereas I had purchased some four or five electric motors about four or five years back, and they are giving trouble. I am having some electric motors in my field, and although my village consists of a population of only about 1500, we are having about two hundred electric motors there with pump-sets. The Indian electric motors which we have purchased are not working for more than three months; the starters or the switch-gears as they are called are

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very sub-standard, and they do not at all work properly, and often they burn motors quickly, and we have to depend upon such mechanics as we have locally to rewire them and so on. But the foreign motor which I had purchased in 1939 is still intact and quite good.

I do not take any pleasure in putting down our country's products as inferior when compared with other countries' products, nor am I interested in bringing a bad name to our indigenous products, but unfortunately, the quality of our indigenous products is such that I am constrained to point this out, and I am sure the hon. Minister will himself admit that the quality of our products is not good.

As far as automobiles are concerned, what we are producing is only piston rings and spark plugs. In the new Fiat car which we are having in India the silencer or exhaust-pipe would not last for more than 6,000 k.m. That means that if you purchase a new Fiat car and run it for 6,000 k.m. you have simply to re-in India the silencer or exhaust-pipe. There appears to be no value in the ISI marking. It appears that the ISI simply go on putting their seal or stamp on it. There is thus quite an inefficient administration in the ISI, and as such, the marking by the ISI is not at all very useful. But the silencer or exhaust-pipe attached to a foreign-made Fiat car or any other foreign car would last at least for 40,000 k.m. Does that not show that our product is of sub-standard quality? When I am saying all these things, I am not only saying the truth, but I am saying it from my own experience. I am having one old model Austin car and also a new model Fiat car. I prefer the old model Austin car because it gives a better performance than the latest model Fiat car.

We have been waiting for the past fifteen years for a small car for the people. If we go on producing sub-

standard goods, then we cannot hope to have it. Even our present Finance Minister, Shri T. T. Krishnamachari, was able to give us an assurance some time back that scooters would be produced at a cost of Rs. 1,500. But probably he said it when he was not a Minister. Now, he is completely silent on that subject. We were very much enamoured of the idea of the people's car, and the people were anxious to get it at Rs. 5,000 or so. But I am sorry to say that we are not hearing anything about it at all. We are not able to see any reference to it even in the newspapers, and everything is now closed on that. The big people like the Ministers are going in their foreign-made cars, whereas we people have only to go by taxis most of the time, and we cannot aspire to go in a car of our own at all because the cost will not come down, and if at all the cost comes down, the quality will be sub-standard. So we have to experience all these difficulties for ever.

In conclusion, I would request the hon. Minister to see that not only production goes up but at the same time the quality is also kept up, so that we middle class people also can aspire to get a car and we may be satisfied that we are owning an Indian car at least. If the prices go down then the prices of spare parts also would go down, and then we shall be able also to maintain a car from the meagre income that we get.

With these words, I support the Bill.

Shri David Munzri (Lohardaga): I rise to support the Indian Tariff (Second Amendment) Bill. I shall confine my remarks particularly to the aspect of quality control. That leads me to think specifically of the implementation of the ISI marking scheme.

The ISI is an organisation to formulate specifications for different types and qualities of store just like the

IRSS and the BSS, and its funds come out of subscriptions from the various industries. Unfortunately, the ISI besides being a specification-making body has taken upon itself the responsibility of testing and certification also, even though the ISI has no laboratory with requisite apparatus and proper equipment, much less the experience of testing ferrous and non-ferrous items.

The principle involved is that the examinee has to examine his own paper, the producer has to certify his own product, and the ISI would simply authorise the producing concern by giving a licence for ISI marking on their own product.

The DGSD has been appointed agents of the ISI for the implementation of marking scheme, which is fantastic. Recently, it seems to me that there has been a definite lacuna whereby our trade in the long run will suffer in the absence of statistical quality control and other quality control methods which are prerequisites.

Besides, there is every likelihood of loss of revenue to the extent of over Rs. 20 lakhs per year for certification alone. The loss of Government income on testing and certification is much too larger. I wonder whether in regard to such a huge loss of revenue or rather involvement of huge amounts, the Ministry of Finance or the Ministry of Planning has ever been consulted. I think that the House is entitled to know whether there is any competent authority working at present, which is recognised by the Government of India for certifying tested quality materials and issuing test certificates for the stores tested and inspected on metallurgy.

Shri Manubhai Shah: I am very grateful to the hon. Members from whom the support to the Bill has been practically unanimous.

My hon. friend Shri Warior led certain points yesterday regarding the aluminium industry and the ACSR conductor industry for which the biggest unit is in his State.

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Normally, I do not discuss the individual units here, but since the hon. Member has made a reference to this, I must say that this is one of the best units in the whole world. The Kundara unit making the aluminium conductors makes these conductors of the highest quality well renowned not only in this country but even abroad; in recent years they have sold these conductors to foreign countries with a great amount of satisfaction. It will, therefore, be inappropriate for us to run down our own industries. Certainly, a mother has to tell the child where it goes wrong, but a general denunciation is not fair. If the price factor is the one thing to which he has any objection, I can tell him this that the cost of manufacture of electrolytic aluminium in this country, because of the beginning of metallurgical industry here, is somewhat higher than that in the gigantic projects in Canada or in other parts of the world where electricity costs almost half or even one-fourth of what it costs in our country.

It is true that industries sometimes produce expensive articles, but in my humble view, it will be very necessary for the House to scrutinise and analyse the faults or the defects and point them out where they actually belong to. But to merely criticise in a general way that the industry is producing high-cost stuff will be totally wrong.

Of all the developing countries in this region, in Africa and Asia and even in Latin America, we can proudly claim to be the most highly industrialised country with the largest number of units from pin to a locomotive. I am prepared to meet every hon. Member on every point regarding industrialisation of this country and convince him that there is nothing to be ashamed of either in quality or in price.

My hon. friend Shri Heda referred to cotton textile machinery manufacture. I would like to tell him that the Ruti automatic loom which we produce here is considered to be the

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most sophisticated and the best automatic loom in the world, and the production especially is a matter of pride for us because we are producing it in our country.

As far as the industry in the spinning sector is concerned, the REITERS with the collaboration of very important South Indian firms are starting a factory in Coimbatore for manufacturing the best spinning spindle, ring frame, draw-frame etc. anywhere obtainable in the whole world. As a matter of fact, the orders booked by REITERS throughout the world are so many that their order books are full for 5 years or more. So much is the demand.

Shri Bade: Your Tariff Commission report itself says that it is the worst type.

Shri Manubhai Shah: I am coming to Shri Bade. I am now dealing with Shri Heda's observation. I value very much his opinion and therefore I wanted to inform him that we are not allowing any model which is 20 years old. Obsolescence cannot be allowed to plague the new industrial sector which is developing in this country. Sakamoto, Dronier, Kovo, Rutei—these are some of the *magnum opuses* of textile machinery in the world. The Casablanca system, high draft, 8½ inches lift—these are the things we are producing. It is true that there are a few units which are old, which have taken up old models. But throughout the world, there are countries which have old units functioning. Therefore, the line method of production cannot be adopted everywhere; it is conditioned by the technical design, technical computation, the type of specification or design which is developed in the country. But we have taken care to see as we go along the line that newer and newer units with the latest modern machinery in every field of technical development are developed.

As a matter of fact, we also check up whether the process to be adopted,

not only the product, is according to the latest design in the field or not. It is the fate of all under-developed countries that obsolescence plagues them because naturally the technological growth of a country is limited by its social, economic and technical circumstances. I can assure the House that it is a matter of pride for this country that the best type of technological improvements have been developed in this country within the shortest possible time. I am comparing the comparable. I am not comparing our country with the U.S., Japan, Germany or the Soviet Union, because we began our industrial revolution 200 years too late. Whereas in the 18th and 19th centuries the various countries of U.K., Europe and America and the Soviet Union started it 40 years ago—began their development in this field. We were under a foreign power, we were under imperialist domination, whose only interest was to introduce Manchester machinery here, whose interest was only to bring power plants from their country and from the various countries of the world to this country. Here in the automobile industry, there was a veritable jungle. 396 models were being imported at the beginning of freedom. It was from that veritable jungle that we made it 150 models. I am referring to this because some hon. Members have said a lot of things about the automobile industry; of course, it is not germane to the Bill but I am mentioning this because a wrong impression should not get abroad this. The fault must be pointed out where it belongs, but not in a general sweeping. From 150 we have brought it down to 3 models of cars.

Some people may argue: why not make it two? It makes no difference because unless there is a production of 300,000/400,000 per unit, there is not going to be any substantial change in the economy of scale. Therefore, it is very necessary that from this august House, real inspiration and

encouragement should go forward to private, to the medium scale, small scale, largest scale and heavy industry sector that we, as knowledgeable people, support this progressive industrial development.

Shri Bade mentioned about ball bearings. I have heard this from him three or four times previously. The days he is complaining of are long past. The fans now being made in this country are being exported in large quantities. As regards sewing machines, we are actually carrying coal to Newcastle. We are exporting sewing machines to a country which is the home of the biggest sewing machine manufacturers in the world. I will not name the brand here. This is well known. We prevented them from coming here. We are proud that we are selling it to them. We sold the other day machine tools to Germany which is the mother of the machine tool industry because there they have achieved advanced technological development in that field. We sell it to them through HMT. We are proposing to sell more machines to those countries.

As regards what Shri Gounder said, I am not proud to sell these only to Africa and Asia. But perhaps due to some type of approach and psychology, the mentality of his party which all the time thinks about the past and of the feudal order, he is not able to get away from that. We are not proud to sell these merely to Asia and Africa, even though we love Asian and African countries. We are going to set up textile mills, jute mills, rolling mills etc., in these countries of the world with which we have social affinity. The other day the Prime Minister of Nigeria was here. We have promised to set up 4 industries there—a furniture industry, a soap-making industry, jute industry and a paper factory. We are proud to go there with our own machines. We are not buying the machines from elsewhere and going there.

It will be wrong to believe that we ignore defects. I will be the last person to deny that there are defects.

But as growth is there, it should be designed according to that. No architect can say that he can construct a building in his own image immediately; he starts on his designs, and then later on it is perfected. Over the years we have found that the complaints are getting fewer and fewer.

Shri Gounder complained that the new fiat car he bought is not so good as the one he bought 20 years ago which he still prefers to use, because there are some foreign components in it. I am also using a fiat car and I have had no serious complaint in it. I bought it from the bazaar; it was not specially manufactured for me. Also, we keep a tally. We have given to every buyer of a car a card on which he writes to us if there are complaints. It is our good fortune that over the years we have got less and less cards of complaint. That does not mean that we have solved the problem. Immediately we get a complaint, we look into it and try to rectify the defect. Quality is a function of growth. Unless mass production is established, you cannot raise the quality level. When mass production methods are employed, there are automatic control methods, quality control methods, testing at every point etc. and there are laboratories set up for the purpose.

The word 'infant' was used by me, as Shri Gounder knows, to new industries which are given protection. Out of 28 industries which were given protection 12 have been deprotected. These have come of age; they have attained adulthood and youth and we do not want to protect them. The cycles produced by Hercules, Sen-Raleigh, Atlas and Hind are things of which we can be proud. The other day in a German exhibition, I saw some cycles exhibited. I heard from the foreign buyers that our cycles are of the top class. As a matter of fact, some of them were speaking of them in terms beyond our expectations.

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I merely want to tell the House that if there are complaints, they should certainly be pointed out. If a carding engine is bad, or if a loom is not functioning, it is our duty as humble servants of the people to see that those faults are remedied. We take proper action against those people who are responsible for it. There are quality control measures. We have enacted a law which is in operation for the last one year. This measure applies not only to exports but also to the internal trade, because no foreign trade can be good unless the internal trade is good. Unless the local manufacture is good, from where are we to pick up the good articles for export?

In the current year most of the exports in this line related to engineering goods. We have exported Rs. 20 crores worth of engineering goods. We have exceeded the target. This industry is the hope of our future. We hope in the next five years to export Rs. 200 crores worth engineering goods. This can be achieved. I am not exaggerating; I am not given to that. I can say from my personal experience that in this one year we exported Rs. 20 crores worth of engineering goods and among them are many many complicated machinery. From arithmetical progression it may go up to geometrical progression in production. All this requires nurturing and proper servicing, maintenance and so on. They are not like jute or cotton textile goods or consumer goods which are purchased today and thrown away tomorrow.

My hon. friend, Shri Gounder, also mentioned about the Skoda engine. The U.S. has purchased diesel engines from three manufacturers in this country. Though he had a bad experience, we have had no complaints about it at all. As a matter of fact, in their TV programmes, they are praising this engine. This is done by

the U.S. which is one of the biggest producer of stationary diesel engines in the world. If he has got very good experience with Skoda, I have no quarrel. It is a good firm. But we have here comparable firms, better firms than that, which produce better engines. If you see these engines at work in the fields where there is minor irrigation, lift irrigation and so on, you see them in hundreds of thousands in use today. These are 100 per cent indigenously produced engines. I am prepared to join issue with him on that. If you say it is 90 per cent foreign and 10 per cent Indian, I would say it is 95 per cent Indian. Maybe a nut here or a bearing there or a little non-ferrous metal, the raw material of which we are not yet producing, may be foreign. Therefore, it will be rather an exaggeration to say that the quality of the goods produced by our industries is not satisfactory.

I am grateful to the House for pointing out the defects where they exist and I can assure the House that they will be taken into account in full, and we shall look into each individual criticism to rectify matters in future.

Shri Bade: Protection has been discontinued to bicycles because they have come to perfection, and they are also exporting. Why is not the same thing done in the case of cotton textiles? Because they want to favour somebody, they are continuing protection.

Shri Sham Lal Saraf (Jammu and Kashmir): Yesterday some of us made the point that profiteering should not be resorted to in the case of the protected industries. That point may be replied to.

Shri Manubhai Shah: I would not that would be too much of an exaggeration. I say the quality is very good and comparable with any other country. Protection is not only a function of quality. There is the quan-

titative growth which we have to shelter for some time, till we become self sufficient. I beg of the House to remember that ten years ago we were producing not even Rs. 50 lakhs worth of textile machinery, while now it is Rs. 20 crores, and in the last one year there was a big jump from Rs. 13 to Rs. 20 crores. Still we have to import Rs. 26 to Rs. 28 crores of machinery. So, we have to go a long way to produce Rs. 45 to Rs. 50 crores worth of machinery. It is there that patience has to be exercised. So, protection is both for quantitative and qualitative expansion, quality being more important. I can assure Shri Bade that when the Tariff Commission comes to believe from the facts of the case that each unit has risen to an optimum level of economy of scale, management, production control and various other things which I have already mentioned, there will be no more protection.

For instance, in the cycle industry, we are one of the major cycle producers of the world with 1.5 million units; maybe we will go to 2 million if there is demand and export. Certainly it can be de-protected. So, protection is not granted for one day more than is justified. That is why every year we come to the House and take the consensus of the House. Massive reports of the Tariff Commission based on unit-wise inspection and generic group-wise inspection are made available to the House.

About profiteering, we have been trying to control prices, and the Tariff Commission is going into it. It has both merits and demerits. By too much of control, we may harm the very process of development.

Shri Sham Lal Saraf: What about motor cars?

Shri Manubhai Shah: If you permit me, I may take the time of the House. This has been debated on a separate resolution. The duty imposed by the State alone on a motor car

comes to Rs. 3,000 to Rs. 4,000 per unit. Then, our economics of scale are less. The cost of our raw materials, steel and various other things which go into motor cars are also very high. Barring the complaint about blackmarketing because of shortage, if you see the price fixed by the Tariff Commission for each model, I do not think it is unconscionably high. Of course, there is room for reduction. But, in recent years, because of foreign exchange difficulties, commercial vehicles have been given a higher priority over passenger cars. Therefore, production of cars has further gone down, instead of increasing. The management and capital cost being what they are—the hon. Member is very knowledgeable—naturally the overhead slightly goes up. This is not to justify the existing pattern of prices. To the extent possible, both the Tariff Commission and the Government have been going into this matter closely, and wherever we feel there is need for price control or distribution control, we have never hesitated to bring them, irrespective of the units concerned, or their ownership. It has never been a matter of any pressures as my hon. friend mentioned. We are under no pressure whatsoever. We have got to control wherever we feel necessary. But more control is not an instrument of economic production. We should have controls where necessary, and no control where it is irksome or irritating.

With these remarks, I request the hon. House to support the Bill.

Mr. Speaker: The question is:

"There the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

The motion was adopted.

Mr. Speaker: The question is:

"That clauses 1 and 2, the Enacting Formula, and the Title stand part of the Bill."

The motion was adopted.

Clauses 1 and 2, the Enacting Formula and the Title were added to the Bill.

Shri Manubhai Shah: I beg to move:

"That the Bill be passed."

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

13.26 hrs.

COMPANIES (AMENDMENT) BILL

The Minister of Finance (Shri T. T. Krishnamachari): I beg to move*:

"That the Bill further to amend the Companies Act, 1956, as reported by the Select Committee, be taken into consideration."

I shall very briefly indicate at the outset the more important amendments recommended by the Select Committee in regard to the five important provisions contained in this Bill.

The first of these important provisions relates to the setting up of a Tribunal. The Select Committee has recommended some changes which are towards improving the character of this measure. According to these, the Chairman of the Tribunal will always be a person who is or has been or is qualified to be a High Court Judge and every Bench of the Tribunal will consist of not less than two persons, one of whom is a person well-versed in law. These changes ensure the Tribunal and its Benches having a pronounced judicial bias. The recommendation regarding the functions of the Tribunal relates to the Tribunal being invested with the powers of a court under sections 155 and 240 of the Companies Act; these relate to powers to direct rectification of the Register of Members of a company and to compel

production of books before an Inspector as well as enabling him to examine a person on oath. As a sequel to conferring these specific powers on the Tribunal, the provision in the Bill which sought to empower the Central Government to notify from time to time the powers of the court which could be conferred on the Tribunal has been removed, and thus the criticism that the Executive could at will enlarge the scope of the functions of the Tribunal has been, if I may say so, more than adequately met. The powers of the Tribunal will, therefore, now be confined to those conferred on the Court under sections 155, 203 for the limited purpose of granting leave, section 240 and 397 to 407 which relate to oppression and mismanagement, besides pronouncing whether a particular person in regard to whom a reference has been made by Central Government to it, is fit and proper to hold a managerial office.

Regarding the second provision in the Bill which relates to the setting up of a Board, the only change that has been effected is to replace the word "entrusted" by the word "delegated" in clause (4) of the Bill.

In the next provision relating to the conversion of loans granted by Government to a company into shares of that company, two important changes have been made. One is to the effect that such conversion will be directed only if in the opinion of Central Government it is necessary in the public interest so to do. The other is in regard to the existing loans which do not contain any terms for such conversion. Such conversion will not be directed unless there has been default in the payment of any instalment of the loan or interest thereon or there has been breach of any other terms of the agreement and the company has been given at least three months' time to remedy such a default.

*Moved with the recommendation of the President.