

way in which this Bill has been received. I beg to move that it be taken into consideration.

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

Mr. Deputy-Speaker: There do not seem to be any amendments.

Shri V. P. Nayar: Nobody expected this Bill to come up.

Clauses 1 and 2 were added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri Karmarkar: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

INDIAN TARIFF (THIRD AMENDMENT) BILL.

The Minister of Commerce (Shri Karmarkar): I beg to move:

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

The main objects of the Bill are three-fold; first to grant protection to the titanium dioxide industry, secondly, to continue protection to a number of industries and, third, to discontinue protection to certain industries as mentioned in the Statement of Objects and Reasons.

Sir, I may state at the outset that the case of the titanium dioxide industry has some distinctive and special features of its own. The industry which now consists of a single firm, namely The Travancore Titanium Products, Ltd., has after a promising start

gone into a state of suspended animation. The immediate problem is to bring it to life and activity. The product of the industry, that is titanium dioxide, is an important white pigment used in a number of industries, including paints, printing ink, rubber, enamelware, soap and cosmetics rayon etc. It has, however, to compete with several substitutes which hold a strong grip over the Indian market for instance, lithopone, zinc oxide and white lead.

It is a principal raw material ilmenite, is available within the country in abundance. The range of production of the industry does not cover at present all types of titanium dioxide. The 'anatase' type of titanium dioxide constitutes the main line of its activity. It is, however, equipped to manufacture the other type, that is, 'rutile' grade also. The Tariff Commission considers that the chief obstacle in the way of the speedy development of the industry is the comparative smallness of the internal demand. It is important, therefore, that steps should be taken to enlarge the volume of demand and that we should avoid all steps which would have the effect of raising prices.

The Commission recommended, and Government have agreed that the existing rates of duty namely 25 1/5 per cent. *ad valorem* preferential and 35 1/5 per cent. *ad valorem* standard should be converted into protective duties and that protection should for the present be limited to one year.

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

Sir, with regard to the second part of the Bill, I can state that the protection granted to industries, on the recommendation of the Tariff Commission is limited to a specific period of time. Before the period of protection expires the Commission is expected to make a review of the manner in which protection granted to the industry is operated. On the basis of the report of the Commission, Sir, Government decide whether protection should be continued for a further period of time or withdrawn. Thus this is not a new measure which the

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House has been called upon to consider. As hon. Members will have observed from the Bill, the period of protection granted to 29 industries is due to expire on the 31st December, 1953.

Detailed notes in respect of twenty-four industries will be found in the Notes which have been circulated to Members. Copies of the Tariff Commission's report in respect of the remaining five industries have been laid on the Table of the House during the current session, as required under section 16(2) of the Tariff Commission Act, 1951. Copies have also been placed in the Parliament Library for the purpose of reference by Members.

Hon. Members might like to know why protection in respect of twenty-four industries is being extended for a short period, that is for one year, till the end of December 1954. I may therefore briefly explain the position. Owing to the number of important enquiries which the Tariff Commission have had to undertake during the current year it has not been possible for them to submit their reports on all these industries. They have, however, expressed the view that it will not be desirable to allow protection to lapse in the case of any of these industries without proper investigation and that the duration of protection in respect of these twenty-four industries should be extended for another year, that is till 31st December 1954, by which date they hope to complete their investigations into these industries.

Of the twenty-four industries, protection has been granted to seventeen by mere conversion of the revenue duty into an equivalent protective duty. The extension of the period of protection in respect of these seventeen industries for a year will not therefore be open to the criticism, we hope, that it involves an additional burden on the consumer.

Now I come to the remaining seven industries where protection was initially granted by an increase in the revenue duty in force prior to the grant

of protection. They are soda ash, calcium chloride, coated abrasives, artificial silk and cotton and artificial silk mixed fabrics, cotton textile machinery, electrical accessories made of plastics and bicycle industries. The rates of duty before protection and those in force at present have been indicated in the Notes which have been circulated to Members.

All these industries are of sufficient importance to this country and it would not be proper to drop protection without proper investigation by the Commission. Should, however, the Commission find that the existing protection is inadequate or excessive in respect of any of these industries enjoying protection, it will be open to them to recommend a modification of the existing duty. This can be effected at any time by a notification under section 4(1) of the Indian Tariff Act, 1934, without having recourse to legislation.

The Tariff Commission have also recommended the discontinuance of protection in respect of pencils, fountain pen ink, ferro-silicon and certain categories of buttons as the measure of protection needed by them is less than that afforded by the normal revenue duty.

Government have accepted the recommendations of the Tariff Commission, and the Bill seeks to give effect to the decision. It will, however, be open to the industries to apply for protection if they find themselves unable to meet foreign competition.

Sir, I should not like to take the time of the House by dilating further on the various aspects covered by this Bill, and I should feel very happy to answer such of the points as may be raised in the discussion. Sir, I move:

Mr. Chairman: Motion moved:

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

Shri M. S. Gurupadaswamy (Mysore): Mr. Chairman, Sir, before I

go to the points in the Bill itself I want to make one observation, and that is that both these Bills, namely The Indian Tariff (Second Amendment) Bill and the Indian Tariff (Third Amendment) Bill might have been clubbed together. I do not know why Government had not thought of bringing one Bill to cover all these items.

Shri K. K. Basu (Diamond Harbour): Because they are on shifting grounds.

Shri Karmarkar: No, we are firm.

Shri M. S. Gurupadaswamy: Sir, the hon. Minister seems to have anticipated my speech and he said something about the silk industry while he was replying to the last debate. Thereby he seems to have tried to avoid a discussion on this industry. But the industry is so important and the problems facing it are so complex that I want to make a few observations.

Protection to artificial silk and cotton and artificial silk mixed fabrics has been there since many years. The report says that the quality of artificial silk goods is improving. But I want to know what is the exact policy of the Government with regard to the silk industry as a whole—both artificial silk and the pure silk industry. Is it to promote competition between these two branches of the industry? There is protection for the pure silk industry since 1934. There has also been protection for artificial silk fabrics since 1934.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): Sir, are we discussing silk now?

Shri M. S. Gurupadaswamy: Yes we are.

Shri V. P. Nayar (Chirayinkil): Why are you so much against silk?

Shri Karmarkar: No. He is also interested in silk—Bengal.

Shri M. S. Gurupadaswamy: Sir, my main point is this. We have protected both these industries, and there is

keen competition between the two branches of the industry as a result of which the pure silk industry has suffered a considerable loss and could not stand on its own legs. Even today it cannot stand on its own legs. That is because too much importance is being given by Government to the artificial silk industry. By that I do not mean that artificial silk industry should not exist at all in the country. Let it exist. But first of all, our natural silk industry should be assured of its existence.

So it is very necessary even now to consider whether we should grant protection or continue protection to the artificial silk industry and, if so, to what extent and to what period. I feel that the rate of duty is very high and that the artificial silk industry should not be given such a high rate of protection. The giving of such a high rate of protection to that industry will not only place a burden on the consumer but will also encourage that industry to compete more effectively with the natural silk industry.

There is also another point which matters. Can we not give help to this industry by import control? Why should we resort to protection? This protection has been there since many years. Why can we not dispense with this protection to the artificial silk industry and try to help it by import control? It can be done. I do not know why the Minister comes often before the House and asks for protection in respect of the industry.

Now, the natural silk industry has been in a very bad state in spite of the protection, help and support given to it. I want to say that the industry will suffer in the long run and is going to be ruined if more serious and concrete steps are not taken to protect and help the industry. The hon. Minister was saying just now that in Japan and other places there are very many advanced methods of production, that advanced techniques have been adopted, and so there has been considerable improvement in those countries. True. But what has been done in this country? My position is the same as of the Minister. I am

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saying what he is saying and he is saying what I am saying. I want to know what he has done. He has been saying for the last two years that he is taking very serious steps, very far-reaching steps to protect this industry. What has he done? I know that the Silk Board is there. It has not even met once. I think it is going to sit next month. The funds meant for this industry could not be utilised. The funds lapsed. What is the reason? This is the kind of protection that the hon. Minister is giving to the silk industry. Not only is protection necessary, but other steps are necessary. Moreover, in granting protection to the various branches of industry, care should be taken to see that the rate of protection is discriminatory and does not in any way permit unhealthy competition between two branches.

I should like to refer to another important aspect, namely the plastics. This industry is growing in the country and today, it has become a great menace to the silk industry.

Shri Karmarkar: Is it suggested that plastic industry is competing with the silk industry?

Shri M. S. Gurupadaswamy: I am referring to plastic fabrics. People are nowadays taking to plastic fabrics. People were once wearing Mysore silk and other pure silk varieties. Now they wear plastic sarees, shirtings, etc. I urge upon the Government that they should control production of the various varieties. That should be planned and controlled. Today, there is no planning, there is no control. All sorts of things are allowed to be produced with the result that other sister industries are destroyed. It is very necessary that there should be a proper control and planning of the production of the various types of goods, particularly plastic clothes which have become a serious menace and a bad competitor of the silk products. Therefore, I say that the hon. Minister should have given more thought to this aspect of the problem before giving more protection to

this industry. Otherwise, we will be inviting trouble to ourselves.

Regarding the bicycle industry, various references have been made in the past. The industry is not producing enough of bicycles to meet the local demand. The problems in this industry are many. I do not want to discuss all the problems. They were discussed in the last session also. I only want to say that in spite of the protection and support given to this industry, it has not proved worthy of protection. The quality of the products, the rate of production and the management of the industry, all go to show that this industry is not run on proper and scientific lines. I was told that there are many foreign experts who have been employed by this industry. In spite of all the foreign technical help and their advanced knowledge and skill, this industry has not been able to produce good standard bicycles. It is very necessary that the Government should take immediate steps to put this industry on a sound basis.

I do not want to speak on all the items. But, before I close, I want to make one general observation. The Tariff Commission is not able to conduct enquiries in regard to so many industries. We have been asked to give protection for a further period of 1 year. Time and again, this type of demand is coming on the part of the Minister. Even in the last session he said that there was no sufficient time for the Tariff Commission to enquire into the various industries, and so let us grant protection. Does that make policy, to say that because the Tariff Commission could not enquire into the problems of a particular industry and cannot give its recommendations we have to continue the protection? We are groping in the dark. We do not know what is happening to the industry and at what stage of development the industry is, whether it is developing well on proper lines or whether it is doing badly. Unless we know the full picture, it is difficult for the House to grant protection. This is a very important matter. It affects the entire

industrial structure of the country. There seems to be a grave drawback in the working of the Tariff Commission. It may be over-burdened; it may not be working properly, the staff may not be enough; or the Members of the Tariff Commission are incompetent and not up to the mark. I cannot say. It is necessary for us to know what is going on behind the screen of the Tariff Commission. We have protected a large number of industries wholesale. We are entitled to know why they have not been able to enquire into these problems and why they have not been able to give us their reports. The other day, when we were discussing about the coffee industry, the Minister said that it is not possible to refer the matter to the Tariff Commission because the Tariff Commission will take a long time. What for is it meant, I want to know.

Shri V. P. Nayar: To take a long time.

Shri M. S. Gurupadaswamy: If the Government could not get done the things that are expected to be done by the Tariff Commission, why should there be the Tariff Commission in existence? Let us set up another Committee for each industry and get its report. I am very sorry for the way in which the Minister helplessly comes to the House asking us to give protection to certain industries. That is a very unfortunate way of doing things and does not reflect any sound policy. I feel that hereafter at least he should make up his mind not to come to the house asking us to give protection without giving the background. He must have all the facts in his possession and he should be able to give us a full picture before we give protection. This is a very important matter and I take it very seriously. I hope hereafter at least he will follow this policy.

Shri V. P. Nayar: I shall just raise a point of order, Sir, and sit. Sir, I am glad that at least now the Government of India has appreciated the difficulties of the titanium industry in Travancore-Cochin. But, I do not

concede for a moment that their approach is correct. You know, Sir, that the titanium dioxide industry in Trivandrum is the only one of its kind in the whole of India, or perhaps, in the whole of Asia. If you take into account the world production, you know, Sir, that it is a British monopoly because the British Titanium products control the bulk of the production of titanium dioxide. There was some survey of the mineral sands of Travancore-Cochin and there was ilmenite. The monopolists in the world could easily find out that if they did not come and start a factory for the manufacture of titanium dioxide, which is in very great demand for the Indian industries as also industries outside India, there was a chance of some national enterprise coming up because this was a very precious article. So these firms which had an earned monopoly moved the Government, in those days, and I think Government also invested some money, and they raised some funds from the public and started this industry. But what was the result? One of the main reasons why the titanium dioxide factory had to close down in Travancore-Cochin, was that it was mismanaged at the top, because the British people there were getting fantastic salaries of Rs. 4,000 and Rs. 5,000. I think there were about 800 workers in this factory, and when this factory was closed for a period of one year, they had no work and they had no wages, but all the British staff there had their full salaries plus their allowances and everything. That was the way in which the titanium dioxide factory was managed. But what do we find now? We have made repeated demands, we have written personal letters, and raised the issue several times on the floor of the House, and now Government have come forward to say, well, we are going to consider how this titanium factory should be protected. And how do they protect this industry? We find in the Bill, that titanium dioxide of British manufacture will have a protective duty of 25-1/5 per cent. *ad valorem*, while that of non-British manufacture, will have a protective duty of 35-1/5 per

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cent. *ad valorem*. If I understand *ad valorem* duty aright, it is very clear that non-British manufacturers of titanium dioxide will have to pay an additional 10 per cent. duty, over that on the titanium dioxide of British manufacture. Am I correct?

Shri Karmarkar: Yes, that is right.

Shri V. P. Nayar: Some time back, in answering a point raised by comrade Shri K. K. Basu, the hon. Minister stated that there are no imperial preferences. Should I call this as an impartial preference? What else is this but an imperial preference? You say that the British monopolists who have a monopoly on the manufacture of titanium dioxide can import titanium dioxide by the payment of about 25 per cent. *ad valorem* duty, while the non-British manufacturers, who are outside the pale of British influence, and do not have a monopoly on titanium dioxide, must give about 35 per cent. *ad valorem* duty for their imports. Yet, the hon. Minister has the gumption to say, and the shrewdness to say that we do not have any imperial preferences, or preferences for U.K. I would like him to answer this point. When you charge a particular *ad valorem* duty at a particular percentage, in the case of British manufacturers, when it comes to non-British manufacturers, you enhance the duty. Should we say that it is an impartial protection? I leave it to him to say what it is.

We know that the demand for titanium dioxide is on the increase, because it is increasingly being used for the manufacture of certain other articles, for which titanium dioxide is very necessary. For instance, I find that titanium dioxide is being used as a paint pigment of high covering power and stability, especially in the glass and ceramic articles. The other day, in reply to a question by me, the hon. Minister stated that several ceramic factories had closed down, and several glass factories were also closing down. If there is going to be an increase in the demand for titanium dioxide, this is not the way in which Government should tackle

the situation. Titanium dioxide is also being used in the manufacture of stainless steel utensils, especially for the stabilisation of carbon as carbide. I also learn that titanium carbide is a very important abrasive. From all this, it is very clear that titanium dioxide has a very important role to play in industry. As in many other matters, in this case also, Travancore-Cochin can claim a monopoly, but here is another matter in which Government have shown a stepmotherly treatment to Travancore-Cochin, because in the case of such a vital industry as this, which is the only one of its kind in the whole of Asia, the Government have been sitting idle for a long time; and my hon. friend the Commerce Minister was heard to say that the industry was in a process of suspended animation—very attractive words indeed, but what were the Government doing? They were really in a state of animated suspension without taking any decision (*Interruptions*).

This is not the way Government should tackle a difficult situation that has arisen in an industry. If only they had known earlier the position of the titanium industry, and how the industry came to a crisis, certainly they would not have waited all this time. I know the precise reason why this matter is being not only pursued, but given wide publicity also, but that is a matter which is not to be discussed here by us now. Anyhow, I am very glad that at least now the Government of India have opened their never-opening eyes to Travancore-Cochin. Then there is another important matter.....

Shri A. M. Thomas (Ernakulam):
Tapioca?

Shri V. P. Nayar: I give tapioca to you.

I cannot understand why in the case of certain other articles also which Government seek to protect there should be a difference in duty as between articles of British and articles of non-British manufacture. For instance, in the case of jute baling

hoops of British manufacture, the protective duty is 30 per cent. *ad valorem*, while in the case of hoops of non-British manufacture, it is 40 per cent. *ad valorem*; similarly in the case of cotton baling hoops of British manufacture, the duty is 30 per cent. *ad valorem*, while in the case of hoops of non-British manufacture, it is 40 per cent. *ad valorem*. I want to know why there is such a discrimination. Why should this Government which says that there is no protection, that there is nothing peculiar to the British manufacturers, no concessions are being given to British people, etc. treat British manufacturers in a particular way. Whether it is higher or lower, I do not mind; but why is it that there is discrimination between British manufacturers on the one hand, and non-British manufacturers on the other, for identical articles which both of them import into India? If you are bound by a convention or an agreement which justifies this, please, for the sake of India, scrap it at once, and do not continue this discrimination any more.

The hon. Minister stated that he has included certain industries which will continue to enjoy the protection, simply because the Tariff Commission has not been able to arrive at a decision. My hon. friend Shri M. S. Gurupadaswamy was telling us that perhaps it may be that the Tariff Commission members were inefficient members or it may be that the Tariff Commission members do not know what to do. When I was hearing him, I was reminded of a very popular saying in our place, that an ordinary carpenter who is accustomed to doing work with wood cannot construct a masonry house and it will take some time for him to find it out how it is done. It was precisely the case with one of the members of the Tariff Commission. I find the hon. Minister of Commerce and Industry looking at me, and so I shall stop saying only this that without any reference to the people who are really competent to go into the matter, members are appointed to

the Tariff Commission, with the result that they are not able to take a decision. Perhaps they are overburdened with work—I do not say that their work is very light—but this is the sort of approach that Government should not adopt. Whether it is beneficial or not, simply because the Tariff Commission has not been able to take a decision in respect of the continuance or otherwise of protection in respect of about thirty or forty industries, to give all of them the benefit of doubt is not the way Government should approach this problem. If the Tariff Commission could not themselves go into this matter, it is open to Government—they appoint umpteen Commissions every year—to appoint a committee of competent men to go into the matter.

Now, what are the industries which continue to be protected. In the list, we find preserved fruits. I am certainly agreeable to preserved fruits being protected. But what is the state of affairs in which we find this industry today? There are factories down in Travancore-Cochin which never manufacture this, because they cannot afford to compete with others. I shall illustrate it by a very simple case. In Travancore-Cochin, pine apples are available in plenty. There is no canning factory there. It is the only place in India where you can have the cheapest and the most tasty pine apples in abundance. But no factory is there. If there is a factory, it cannot sell; it cannot manufacture. When I asked the Food Minister the other day, he said that the Government of India had not even contemplated starting a pine apple canning factory. They do not even have figures to show what percentage of the fruits produced in India go putrid, and are not useful to the consuming public. Sir, it is a very basic defect in approach.

Then they say that preserved fruits also will enjoy some protection. It would appear that India is producing only about 2,000 tons of preserved

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fruits and that to satisfy the demand of millions of our people!

Then there is another industry in which, I know, the vested interest is that of the foreigner—the aluminium industry.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): We are listening.

Shri V. P. Nayyar: I do not propose to waste my lungs unless either of you hear me. I do not claim that both should hear.

Shri T. T. Krishnamachari: We are discussing the hon. Member's statement.

Shri V. P. Nayyar: I am sorry that they are capable of doing only one thing at a time.

Shri T. T. Krishnamachari: I can do a little more than that.

Shri V. P. Nayyar: Let us hope so.

Then, Sir, the aluminium industry is not one in which Indian investors—Indian industrialists—have a say now. The aluminium industry as far as I understand—I speak subject to correction; it is open to the hon. Minister to contradict me—is an industry in which there are British, Canadian and American interests, not ordinarily, but predominantly. (*Interruption*) The Deputy Speaker asked the hon. Minister of Commerce sometime back why in such an industry it was that when they had the technical know-how with them, when they had the advantage of bringing their own plant and when they had the additional advantage of getting the cheapest labour in the world here in India, it should be protected. Of course, we found him in as tedious a task as perhaps Magellan was in his circumnavigation of the world. He did not meet the point. I want him now to give a categorical answer. Last time when he gave an answer in reply to a point raised by the Chair, I could not follow him. He

missed the exact point and went round and round. I want to ask why this aluminium industry, for example, has to be protected in view of the fact that the predominant interests in the industry are not Indian but foreign.

Then, Sir, there is, again, the bicycle industry. We know as a matter of fact that recently Raleighs, perhaps the world's biggest manufacturers of cycles, have planted themselves in India's cycle manufacturing industry in association with an Indian firm, Sen's Sen-Raleighs, you know, can have all the advantages of a long period of experience; they have all the advantages of the technical know-how, the skill—everything—which the bicycle manufacturing industry requires. They come to India for the sake of some concessions, for the sake of some protection here or some protection there and they get hold of an Indian industrialist and the poor Indian industrialist, without knowing that later on he will be completely eaten up by the British investor, goes and gives his name and then a factory is set up. You will certainly admit, Sir, that in England where Raleighs function, they cannot get labour as cheap as they can in India. I should think it is at least four times more costly to have labour there. Yet with all that, they come to India and price their cycle at Rs. 350. Anyone who wants to go in for a cycle will have to pay through his nose. In spite of that, the Government say that this industry must be protected! I am not at all against protecting any industry which is owned by Indians. But if an industry is protected in which there is a very large share of foreign capital and in which such foreign capital claims to have all the technical know-how, all the advantage of continuous experience for years and so on, then, Sir, I am certainly against that.

Shri T. T. Krishnamachari: Will the hon. Member permit to say this? This is only an interim protection—extension of protection already granted. Actually, we expect the report next year and I hope we will be able to place it before the House.

Shri V. P. Nayar: If the hon. Minister took it that mine is a final argument, he is certainly wrong. Mine is also an interim argument. I was only saying, Sir, that this sort of approach in trying to give protection to an industry, even if it is for a single day....

Shri S. V. Ramaswamy (Salem): Then, is this an interim debate? (*Interruption.*)

Shri V. P. Nayar: Even if the protection granted is only for a day, it is very dangerous to the development of Indian industry. (*Interruptions.*) When Government go on continuing the protection given to industries in which there is either a monopoly of foreign investors or there is control of the foreign investors, I must submit, Sir, we must oppose that policy, because it is very dangerous to the growth of Indian industry. If I go on saying anything about this, then the hon. Minister will get up and say 'We are accustomed to hearing these views of the hon. Member. He has been repeating it almost every time'. But I would ask the hon. Minister to tell us why it is that it has been necessary for the Government of India to afford protection to industries in which foreign capital is interested, in which foreign capital which is interested claims to have been in the field elsewhere for a long time and in which the foreign capital claims to have all the technical know-how.

Dr. M. M. Das: Does my hon. friend know that the foreign investment in the case of Sen-Raleigh may be only in the form of technical know-how and nothing else?

Shri V. P. Nayar: He must know better because he is nearer the place.

Shri Bhagwat Jha Azad (Purmea cum Santal Parganas): That is why he is confusing.

Shri V. P. Nayar: My position is sufficiently clear and I hope, Sir, when the hon. Minister replies, he will reply to this point also.

Then there is also another point: 'Protection to the following industries will be discontinued from the 1st January 1954'. There is one industry in that—pencils. We know that although India possesses soft-wood at the cheapest price in the world, although India has the cheapest labour in the world and although we have enough graphite or black-lead or whatever it is, which is cheaper than in any other country still the cost of pencils manufactured in India does not compare favourably with that of imported pencils so far. And the Government of India do not confine their orders for their requirements of pencils to Indian pencils. The pencils we get here are imported.

Shri T. T. Krishnamachari: Old stock.

Shri V. P. Nayar: Yes. I also know that the fate of some pencil factories is hanging fire for a long time. We have all the materials that are necessary for manufacturing pencils here but pencil factories are being closed. I would very much like the hon. Minister to tell me how many pencil factories we have in India and how many have been closed during the last two or three years.

Shri T. T. Krishnamachari: There the issue of protection does not now exist because the protection that was given was 31-5/8 per cent. Now the duty has been raised to 66-2/3 per cent. So there is no need for protection to that industry.

Shri V. P. Nayar: The hon. Minister knows fully well that before the war when Japanese pencils were imported, we used to get that pencil with the trade mark 'cross umbrella' for half an anna a dozen, and it was by far the best pencil for that price in the market. Even some countries which are so proficient in the matter of pencil manufacture can still afford to pay this duty. import their pencils here and compete and finally oust the Indian manufacturers out of the field. That is possible.

Shri T. T. Krishnamachari: We have other methods to stop it.

Shri V. P. Nayar: As a matter of fact, you are afraid of Japanese competition in ever so many articles. Why not in this also. I do not think a protective duty like this will save the industry, unless you do something else.

Then, Sir, there is the fountain pen ink industry. This is also an industry in which the foreigners are gradually coming in. There is a Parker Quink manufacturing enterprise. I do not know where they have started their factory. But I presume it is somewhere in Madras. Sir, the hon. Minister was telling us that we ourselves do not have a particular liking for Indian articles. How can we do it? They want to dump their goods into India at favourable prices and when we find that they have the same quality, we are inclined to buy. Now the position has changed. Now, when the Indian ink manufacturers have improved their quality and when we have in the market certain varieties of ink which can compete with some other varieties, they have come over to India and they have started manufacturing ink in India, where they get all the raw materials cheaper, where again, as I said before, they get labour also cheaper, with the result that Parker Quink will again be in the field, and the absence of protection to the Indian ink manufacturing industry may go against the interests of that industry. So there is no reconciliation between this policy and that. This matter should have been thought out much more carefully by the hon. Minister for Commerce. With these few words, I resume my seat.

Shri S. V. Ramaswamy: I wholeheartedly support this measure, Sir. The previous speaker took objection to the way in which protection was being extended to 24 items on the list. He seemed to think that the Tariff Commission was not quick in the disposal of these inquiries....

Shri V. P. Nayar: I never said that.

Shri S. V. Ramaswamy:...and it was a case of benefit of delay being given to that.

Shri V. P. Nayar: That was what he (the hon. Minister) said; that was not my opinion.

Shri S. V. Ramaswamy: Whatever it is, my hon. friend is not correct in charging the Tariff Commission for the delay. They have lots of work to do and because of their heavy work they have not been able to complete their enquiries.

Shri V. P. Nayar: If I may interrupt. I told him I never said these words. I only said that the hon. Member said that it is possible. He refers specifically to the speaker before him and unfortunately that happens to be this humble self.

Shri S. V. Ramaswamy: Both are before me. I shall not take much time except that I wish to congratulate the Government for extending protection to these 25 items mentioned in the schedule. In passing through the list, one can easily find that the Government is very solicitous of those industries which have sprung up recently. It may also be noted that some of these industries are small-scale or cottage industries and I am very glad that the Government has come forward to extend protection to those industries for another year. Take for instance No. 2 on the list—sago globules and tapioca pearls. It is common knowledge that there are about a hundred factories in Salem alone, my own constituency. This industry has had a very chequered career. When the Japanese occupied Malaya and other places, the import of sago was totally restricted. Formerly we used to get these globules only from Malaya and we had no indigenous industry. Sago plays a very important part in our food. Therefore, this industry was developed in Salem District and the raw material for this industry, namely, tapioca, is largely grown in that district. Subsequently, however, the import of foreign sago was allowed and so many factories had to be closed down. Subsequently again that industry came in for another trouble. There was acute food shortage owing to the failure of rains for six continuous years in the southern

parts of India and the Travancore-Cochin State banned the export of tapioca, with the result that further factories had to be closed down. Luckily for us, nature has been kind to us this year and rains have come down plentifully. The result is that we have no apprehension that the production of tapioca will resume its normal level. But this extension is necessary in order to help that industry to tide over the difficulties and the loss which has been incurred during the past five or six years. I for one am thankful to the Government for having extended the protection for another year. This extension will give a great fillip to the further production of tapioca roots in my district and generally in the southern districts of Madras State. This is necessary, because there is a scheme for the production of artificial rice, and an important constituent of artificial rice is tapioca root. My friends from the Travancore-Cochin State may perhaps have a different view because there it is used directly as food by the poorer classes, and they might feel that the protection given will affect the quantum of tapioca roots available as food in the Travancore-Cochin State. I wish to assure them that they need be under no apprehension with regard to that, because we ourselves in the southern districts of Madras will grow enough tapioca not merely for the production of sago globules and tapioca pearls but also for the artificial rice.

The other industry in which I am very much interested and to which protection has been extended is artificial silk and silk fabrics. This again, Sir, is largely based upon the production in the cottages and in the villages. It is very proper and right that the Government should have come forward to extend the protection by another year to these commodities.

My friend on the other side was criticising the extension of protection to the first item, namely, preservation of fruits. I submit, Sir, this is very necessary, because this is a new industry and in order to help the growth of this new industry, it is very necessary to continue this protection. It would ap-

pear to me that the extension will not be enough and I believe next year also when they come with another Bill, the protection will have to be further extended. Side by side with this protection, I take this opportunity of urging upon the Government to develop this fruit preserving industry in the places where fruit is grown in plenty. Take, for instance, my own place, Salem. Salem mangoes are famous throughout the world.

Shri K. K. Basu (Diamond Harbour): Why not supply us?

Shri S. V. Ramaswamy: I shall bring it next time. They are so delicious, sweet and juicy. I do not know why a fruit-preserving factory has not been started. So much of mangoes are wasted for the reason that these fruits do not keep. I believe that one difficulty in starting a factory is that production of this fruit can only be seasonal. Nevertheless, it is worth while starting a factory in Salem for the preservation of mangoes.

There are other items like hurricane lanterns and sewing machines and electric motors, and so on. All these, to my mind, are calculated to help the newly started industries and once again I congratulate the Government on bringing this measure.

Dr. M. M. Das: Mr. Chairman, Sir, my hon. friend, Mr. Nayar from Travancore-Cochin accused the Central Government for giving protection to the cycle industry. He cited the Sen-Raleigh Company which is unfortunately situated within my constituency in West Bengal.

Shri N. Sreekantan Nair (Quilon *cum* Mavelikkara): Any shares in it?

Dr. M. M. Das: My submission is that without knowing any detail, the terms and conditions of the agreement and the articles of association between the indigenous firm and a foreign firm, it is not proper, it is not just, it is not fair, to assume that the company is a foreign company and that the total capital comes from foreign countries. Sir, it is not a very weak factory in comparison with those sister factories

[Dr. M. M. Das]

in other countries of the world. The Sen-Raleigh company, like all those cycle manufacturing companies in India, deserve, and they really deserve, protection from the hands of the Government. Like my hon. friend from Travancore-Cochin, Sir, I am also interested in titanium dioxide. If the State of Travancore-Cochin holds the monopoly in the production of this chemical, my State, West Bengal, consumes the lion's share of this product in her big paint factories.

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If he feels that Travancore suffers from the British commercial policy regarding the titanium factory, my state of West Bengal also suffers from the policy of big paint manufacturers who come from foreign countries and who use this titanium dioxide.

Sir, this titanium dioxide factory, the Travancore Titanium Products, Ltd., came into existence only a few years back. It is not a very big factory. The total annual production is about 1,800 tons per year. The hon. Minister of Commerce stated a few minutes back in this House that the demand of titanium dioxide in our country is not large. I think the demand will be round about, according to Government information, 500 tons per year. But facts show that this information is not quite correct. I asked the hon. Minister to give us figures of consumption of the different paint manufacturers of this country by way of imports of titanium products when this factory was closed. Our information is that the demand of titanium dioxide in this country is much greater than the so-called 500 tons per year.

Sir, this Travancore Titanium Products, Ltd., began production in the latter part of 1951 on a very low scale and produced only 150 tons of titanium dioxide. During the first half of 1951 they produced about 232 tons of titanium dioxide. But even this small quantity of titanium dioxide could not be sold in the market and the factory had to be closed. Sir, this phenomenon can be explained by the fact that the

managing agents of this factory are a foreign concern, who have got importing interests of titanium dioxide in this country and who are big titanium dioxide manufacturers in England.

Sir, the hon. Minister himself has said that this titanium dioxide has got its competitors in the country. They are lithophone, zinc oxide and white lead. Now in this Bill we find that a protective duty has been imposed only on titanium dioxide. If titanium dioxide produced in our country suffers from its competitors like lithophone, etc., then, how will it be possible to protect our titanium dioxide industry by imposing a protective duty upon titanium dioxide alone? Why should not a duty be imposed upon lithophone. I want to know this from the hon. Minister. Unless a protective duty is imposed upon lithophone and similar other products that act as substitutes of titanium dioxide, this industry cannot be saved.

Sir, I have told the House that the managing agents of Titanium Products Travancore are foreigners. They have importing interests in this country, of titanium dioxide. After this factory was closed due to the fact that its products could not be sold in the market, within one or two months the paint manufactures were refused the supply from this factory. How all these products could vanish into thin air within two or three months after this factory was closed is a mystery to me.

Therefore my submission to you and to this House is that by imposing a protective duty upon titanium dioxide only we will achieve nothing. Government will not be able to achieve its purpose. I mean to give protection to this industry. What the Government should do is to impose a protective duty upon all the foreign products that form substitutes of titanium dioxide in this country, such as lithophone, white lead, etc.

My hon. friend Shri Gurupadaswamy has spoken in detail about the silk industry in our country. During

the discussion of the Silk Bill we have also in this House pointed out to the Government as to what should be the proper way of giving protection to the silk industry. One thing that I want to impress upon this House is that the name "artificial silk" which is used by artificial products such as rayon should be immediately banned. I do not understand why our Government allows the producers of these artificial products, rayon and others, to use this name "artificial silk". This name "artificial silk" produces a false impression upon the minds of the consumers who purchase these articles, rayon and others, as silk and are cheated. The ultimate effect is that an aversion is created in the minds of the consumers against pure silk. Pure silk is washable. It is many times more durable than artificial silk. This artificial silk is not washable. With one or two washes the stuff made of artificial silk gives way.

Therefore, the proper way of giving protection to these industries is not only by imposing some protective duties but by adopting other concrete methods.

Sir, I do not want to take the time of the House further and I thank you for the opportunity you have given me to express my views.

Shri N. Sreekantam Nair: Mr. Chairman, Sir, I was surprised to hear that this protective duty on titanium dioxide is going to help the industry. As a matter of fact, the Titanium Factory in Trivandrum, with which I am associated as President of the Workers' Union, is about to be reopened. But whether it is being reopened on the basis of the stability of the industry is a matter of doubt. So far as I am concerned I do not believe that the factory is being reopened now with any safeguard for the industry to continue its production for a long time. Because the elections are coming and the Congress wants a few votes, they think that by opening the factory they can get those votes. Anyhow, I am glad they are reopening the factory.

An Hon. Member: There is politics behind it.

Shri T. T. Krishnamachari: Sir, I would like to mention this—not that I am taking offence at what he is saying—but the firm have orders on hand which will keep them going for a year.

Shri N. Sreekantam Nair: Yes, Sir, orders are there. But it is a question of price and the possibility of working with profits. As a matter of fact, all of us represented to the Government. It was advertised that only the Government of Travancore-Cochin made representations and everything was settled. I have no complaint against that. But, what is the real position? As my learned friend Dr. M. M. Das said, the company is being controlled by a director of the British Titanium company, which is one of the largest producers in the whole world. They have imported into this country outmoded and useless machinery which produces as the hon. Minister said, anatase titanium dioxide. As a matter of fact, the much better rutile titanium dioxide cannot be produced in these plants. It was for putting up the rutile plant that the company asked for a loan of Rs. 15 lakhs from the Industrial Finance Corporation, which was denied all these months and which was finally sanctioned. Even by working that rutile plant, as has been pointed out,—you know the British company's interests have to be protected first and foremost—it will be impossible to work that factory at any profit. Though I have no objection to anything British because it is British, though I would not argue that a British company should not get any preference at any cost, I would say that if any country has to be differentiated against in this industry, it is Britain. In so far as titanium dioxide is concerned, the duty should be twice as much for Britain as is imposed on any other country. That is the position with regard to this titanium dioxide industry. The 25 1/5 per cent. *ad valorem* duty is not going to protect the industry. As a matter of fact, it was there in some form or

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other, and we found it very difficult to compete in the market. The cost price of titanium dioxide produced in Trivandrum was thrice what the market price was in 1952, in India. So, I think that the duty has to be pitched much higher if any benefit is to be derived by the company. As the hon. Minister said, there is order for one year. After this artificial propping up, it may be dropped. The industry may go down if the duty is not raised at least for some time to come and if the British company is not deprived of the managing agency position.

Another important aspect to which I should like to draw the attention of the House is regarding sago. The hon. Member from Salem was suggesting that the duty should be retained. Of course I am going to argue that the duty should not be retained. I would like to point out, though I am a trade union worker and this involves the employment of a few hundred workers, the 109 factories that are now producing in this country, produce 30,576 tons of sago flour, whereas the domestic requirement is only 12 to 15,000 tons per annum. So, we will be producing too much. We are producing it from tapioca. That is perhaps the only staple food of the millions of poor people in my part of the country. In the name of providing employment for a few hundred people, you are actually depriving millions of poor people in my part of the country of their staple food. There are many families, as a matter of fact, who never take a single rice meal in a week. They depend on some kind of fish, dried fish or rotten fish and tapioca. That is the cheapest food. Because the people are poor, overpopulated and unemployed, to the common man, tapioca is the staple food. Now, the position is, that because the ban has been lifted by the Travancore-Cochin Government, tapioca is bought in bulk by outsiders and the price of tapioca has gone up. Not only is there dearth of tapioca in the country, but the prices have gone up far beyond the reach of the common man. If there is no protective duty,

naturally outside imports may compete with internal production and the price may fall. If the price of tapioca falls, that is at least a natural protection, a natural check in this capitalist world of checks and balances. Even if that capitalistic check and balance is not allowed in the case of tapioca, certainly the fate of millions of poor people in my part of the country will be miserable. I would request the Minister to consider this position. Why should the sago industry get a preferential treatment and a protective duty? There are a hundred and odd factories there, and the total number of workers involved will be about a few thousands. But they and millions of poor people like them will be the persons worst affected, when the price of tapioca rises beyond the reach of the common man. If tapioca is allowed to be exported, or used for the production of sizing flour or sago, naturally its price goes up beyond the reach of the common man. So this is a thing which should not be encouraged. The only possible course open is to restrict the internal production, and for that, it is best to allow external competition. Indeed we are not only producing sago in sufficient quantities to meet the needs of the country, but we are in a position to export as well; so let us at least curtail the overproduction. I can assure the hon. Minister, if he does not know it already, that nobody could compete with us in producing sago out of tapioca. Even in that case, a certain quantity of tapioca can be set apart for this purpose. It is because there is no such control now on the quantity of tapioca to be used for the manufacture of sago, the price of tapioca has gone far beyond the reach of the common man. This is a matter that must be considered by the hon. Minister.

In the case of titanium dioxide, henceforward the duty must be put up at a much higher rate, and the British company which is managing the factory should be made to quit. The prices of tapioca should not be permitted to shoot up.

These are the two points I would like to urge for the consideration of the hon. Minister.

Mr. Chairman: Before I call upon other hon. Members, I have to make one announcement. The Report of the Commissioner of Scheduled Castes and Scheduled Tribes will be taken up for discussion tomorrow.

An Hon. Member: At such short notice?

Dr. M. M. Das: Tomorrow?

Mr. Chairman: Yes.

Shri Bhagwat Jha Azad: Mr. Chairman Sir, the other day while reading a book, I found something in regard to the classification of speakers. One category consists of persons who start with some definite sayings, with this or that, but after three or four minutes of such definite statements, suddenly jump to if, whether, and, but, and howsoever, and start shooting in the air, so that others may think that they are speaking something very important and high. I feel that in the case of whatever Bills are brought forward by the Minister of Commerce and Industry, our hon. friend Shri V. P. Nayar, who is a very common participator in the discussions on these bills, always believes in that principle. After praising the Commerce and Industry Minister for what he has done in respect of the titanium dioxide industry, for a few moments, he immediately started saying, this is not the way to deal with things, this is not the proper way to tackle the problem, this is not the right way of approaching the problem, etc. But after all this, I found that he was not telling us what was the proper way. At least for our information, if not for that of the hon. Minister, he should have told us what in his opinion was the right way to deal with this problem.

Shri V. P. Nayar: Meet me in my room, and I will tell you.

Shri Bhagwat Jha Azad: Shri M. S. Gurupadaswamy, who is now probably alone carrying the burden on his

shoulders with regard to defending the interests of the consumers, has been very critical of this Bill. He said that bringing these Bills, the Government are not caring for the interests of the consumers, and the poor consumers are very hard hit. This was the line of his argument. In the case of almost all the Bills, three or four common points are often brought in, viz., foreign investments, the consumers' interests and some things which I have already mentioned, of the V. P. Nayar line. Shri M. S. Gurupadaswamy feels that probably he alone in this House represents the interests of the consumer (*Interruptions*). Probably on this side also, there are Members representing the consumers.

After all this, I find that there is nothing in this Bill which should have evoked such a storm from hon. Members, as to have brought in the question of foreign investment, the consumers' interests, and certain other things in the language of my hon. friend Shri V. P. Nayar, which of course, I cannot understand, but which probably the hon. Minister knows much better.

With these words, I support the Bill which has been brought forward by the hon. Minister of Commerce and Industry, and which is designed to give protection, in the natural course, to certain industries, and to withdraw it in the case of certain others.

The list which is before me in this Bill clearly shows that the industries which are given protection or to which extension of protection is granted are such industries which are very important for the industrial growth of this country. In such a case, I do not think there is any occasion to raise such a stormy debate by Mr. V. P. Nayar in which of course he has become an expert by now. (*Interruptions*)

Shri A. M. Thomas: It was not as stormy as usual.

Shri Bhagwat Jha Azad: Regarding foreign capital, I too cannot tolerate that foreign capital should be invited. True. And I also feel that whenever

[**Shri Bhagwat Jha Azad**]

capital is coming forth in our own country from our own nationals, to be invested in some industries, naturally they should be given protection. But if our friends are not coming forward with capital for such industries which are the dire necessity of this country, there is no harm if foreign capital comes in, and in order to have speedy industrial growth, we may extend some protection to such industries, of course with a limitation. I feel there is no harm in that. But by now this foreign capital has become a mania with our friends. They dread it, but they should know that in the early backwardness of the Russian economy, they had also to take in foreign capital.

Shri K. K. Basu: You do not know the facts.

Shri Bhagwat Jha Azad: I suppose that Mr. Basu has not got the monopoly of knowing all the facts. There are others also who know the facts. I suppose he should see his own magazine which gives these facts. In Russia also in the early days they borrowed foreign capital. Of course, it may be 40 crores. I do not mind. But I suppose others also know the facts.

Therefore, I feel, Sir, that these amending Bills which are brought forward in this House are so simple and just by way of routine that we should from all sides extend our wholehearted support to them. With these few observations, Sir, I support this Bill.

Mr. Chairman: Mr. Basu. He should finish in five minutes.

Shri K. K. Basu: It is very difficult to finish in five minutes. Sir, as I said while speaking on the other Bill, generally speaking we support the principle of protection to our national industries. But again, Sir, as I emphasised before, the main criterion for this protection should be whether it will help the process of industrialisation of the country.

Sir, the Minister replying to the debate on the other Bill said that to a certain extent foreign capital should

come. Let us analyse from our point of view how much foreign capital should come. Naturally, if our Government of the day feels that there is dearth of capital and foreign capital should be invited, then it may be invited in such industries where there is no national or Indian counterpart.

Sir, my learned friend has said that foreign capital is necessary. I do not want to go into details but we must know what proportion of foreign capital is employed in the development of our national economy and the process of industrialisation of our country. In the list of articles that are sought to be protected, we find one article—cocoa powder and chocolate. We know our children, who are practically under-fed, have lived and have taken many other food products and they might have done without chocolate. Even in this industry today we find that the famous Cadbury & Co. have established a factory here. All our national industries, big-scale or small-scale, will have to face this competition.

Take the case of cotton belting. The other day, in reply to a question, it came about that in West Bengal there are two factories who used to manufacture belting. Now it is reported—and the Minister himself admitted the other day—the Dunlop Company have been allowed to manufacture this belting. Of course, it may be rubber belting, but we see from the report of the Tariff Commission itself that even the manufacturing capacity or the installed capacity is not fully utilised when there is demand for it in our country. I could very well imagine had it been the case that the entire demand has been met or it is not possible for this installed capacity to be reached because they work to the maximum capacity to supply indigenous needs.

I apprehend the position about the sheet glass factories. The report itself says that for sheet glass there are Indian concerns. Now we have the Indian and foreign combine in the Hindustan Corporation. You know

very well, Sir, that these companies with their long experience of running big business concerns and having a certain amount of administrative and industrial efficiency, come over with the help of national capital and they possibly exploit our cheap labour and try to compete with indigenous producers. They don't come in the open market. They take all the advantages of our fiscal laws and all the advantages that we in the Parliament of India make for the protection of our national industry. Even conceding their logic, that there may be occasions where Indian capital is not available and they have to bring a certain amount of foreign capital, you will have to do it only in those industries where there is no Indian counterpart or if there were any national industries, they work to the maximum so that there is no further possibility of their development. But here we find that the national industries are there and that there is demand for the quantities that they can produce. We feel that this aspect has to be taken into consideration in granting protection to industries.

Take the case of factories making electrical holders. I know in West Bengal there are a number of medium-size concerns manufacturing these, but we hear that Balmer Lawrie Company have also been allowed to manufacture in India—it is a British concern. We also hear that Siemens Ltd. has established a factory here—it is a well known German firm. What are we protecting now? Surely we don't want protection to be given to a British concern or a German concern or any foreign concern here. That aspect has also to be borne in mind. The principle must be laid before us. It is not a temporary phenomenon, as the Minister said, for three or four months. What will happen after three or four months? Here for developing a particular industry, we need three years' protection. Give it that protection. Otherwise, what will this industry do? No new capital is forthcoming and there is hardly any possibility of greater enterprise to develop or im-

prove the quality. We want to emphasise this aspect also. The only purpose of protection should be to help the industrialisation of our concerns.

Similarly, take the case of the iron and steel factories. I do not know, Sir, whether the jute interests are Indian or British. But they also pay from our Indian revenues. As I said, take again the tea-chests. The British tea-garden owners want to import this from outside in preference to our Indian product. There is no point in Government coming forward and legislating and imposing a duty. They must see that the industries are really protected and conditions created wherein they can be developed.

Sir, take again the case of non-ferrous metals. Here, it is said that we manufacture copper materials, to some extent, but we do not know whether it is enough. It will not be enough, but we know copper is mined by foreign interests. Nevertheless, we have the Indian Copper Corporation. We want to know whether the Government of the day has come forward to explore all the mining possibilities of the country and whether they are trying to develop them. There is point in saying that we produce it, because possibly we will have to melt it from outside. Just to give protection for one or two years, under pressure of public movements, is no good. You cannot solve the problem by giving protection for one or two years.

Then, Sir, I do not want to go into details, but I would like to mention the case of aluminium. To what extent is foreign domination still rampant in this industry? There is no point in allowing foreigners to exploit our potential productive system or exploit our cheap labour. One point I would like to emphasise here, and I would like the hon. Minister to bear that in mind. There are a number of manufacturers in our country who produce quite good and serviceable electric motors. But even there, as I said, the G.E.C. and the Balmer Lawrie Company come in the way of our markets and affect our national production. Here also we stand

[Shri K. K. Basu]

in the same position of importing the parts, but there is no protection. I know, Sir, this big concern might import parts and then assemble them here, and take advantage of our labour and our conditions here. Therefore, unless the Government revises its policy, there is no point in coming forward and saying that they extend the protection once, twice or thrice and then say, our work is complete. In reply to the debate on the other Bill, the hon. Minister said that we are thinking about the installed capacity of the ginning industries. We are in the midst of the five year plan, and two and a half years have passed away. Still, we are to exploit the potentialities of our industrial units and the Tariff Commission has been appointed with five or more persons, and if you can appoint so many men, we want to know when the potentialities in our country can be utilized for the development of our industries. There is no point in coming forward every six months, debate and discuss the things, and give temporary protection. I would emphasise this aspect, and request that all these aspects be taken into consideration.

Regarding the bicycle industry, I want to know the position from the learned Member. Whatever the interests of the Government are in this industry, the foreigner is there in it. In Bihar and other places, we have had complaints, and reports have come, because this company cannot get their goods sold. I fully appreciate the point that there may be occasions when the industrial output is low, the industrial development is slow, when we may bring in foreign experts as advisers and not as administrators to control and run the industry, who know every aspect of the industry. We always need industrial advisers from outside. But they must be advisers, not our masters, and on our own terms. There is no point in having a mania for foreigners any longer. We have the experience of 150 years and we know the position of our cottage industry in our country and it has been long enough in the

public eye. I would emphasize that we must have a real policy. If necessary, we must have a quantitative restriction. Take, again, the pencil and fountain-pen industry. In the year 1930 or 1932, when Gandhiji came, we were in the primary stage of our school career, probably in the first class. In those days, in preference to fine foreign pencils we used to patronise the indigenous makes. That was because we had the spirit. From those days of 1905 when the Swadeshi Movement swept across the country till quite recently people preferred to wear cloth like sacking to help and develop the textile industry of our country, which now is in a position to export to foreign markets. How is it that today that spirit is not to be seen. Our Minister comes forward and says: "Well, people prefer foreign goods". Why do they prefer foreign goods? We find that Japanese pencils and German pencils are available at a cheaper price. Still we allow protection to go on. Take the case of fountain pen ink industry. For the past one fortnight we are every day receiving representations. In my part of the country a firm which has been in this line for the past seventy-five years (P. M. Bakchi & Co.) says that they are not in a position to produce good quality ink as to compete with foreign makes, because the main ingredients of this product are not allowed to be imported, because no license is issued for them. While this is so in the case of Indian manufacturers, we are allowing the Parker Company to establish their factory to drive away even those Indian manufacturers who are in the field today. Therefore I say there must be a proper approach and outlook to the problem. Maybe that our plans cannot produce the total requirements of the country. In this case allow import of a fixed quantity of the items, so that our industries may thrive. I feel that all these aspects of the problem should be taken into consideration.

For instance, in the case of certain chemicals, some firms like Tatas are

the only manufacturers. In such cases Government should see whether they are behaving properly, whether they are taking proper advantage of the protective system afforded by Government. Take again the case of the sugar industry. The industry has now enjoyed protection for the past twenty-two years, but still it is not in a position to stand on its own legs. Therefore, we feel that Government must have a proper policy. They must watch the situation *vis-a-vis* the protection extended to them and see to what extent positive help should be given. I know in the case of the hurricane lamp industry, a well established manufacturing plant which grew up during the years of war has gone into liquidation, or is on the verge of collapse.

Then again take the case of preserved food industry. The hon. the Defence Minister said the other day that we have still to import canned or preserved food for our defence services.

Dr. M. M. Das: That is absolutely wrong.

Shri K. K. Basu: That was what he said the other day.

Shri V. P. Nayar: Why don't you correct him then. It was the Defence Minister who said it.

Shri K. K. Basu: The hon. Minister says: the protection suggested is only for a year, because the report of the Tariff Commission is not ready. But where protection is afforded, whether it is by quantitative restriction, or otherwise, it should be a positive one, so that spirit of Swadeshi may thrive. Otherwise, I don't see any future for our industries. Even the British Government under the impact of public opinion afforded some protection to some industries; but no sooner the cry was over the industries were allowed to languish. That is why I suggest we must have a positive policy in this respect so that our industries may thrive.

Shri Karmarkar: Mr. Chairman, Sir.

Mr. Chairman: The House will now adjourn till 1-30 tomorrow.

Shri Karmarkar: I suppose, I have begun today.

Mr. Chairman: Yes.

The House then adjourned till Half Past One of the Clock on Tuesday, the 15th December, 1953.