

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

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**INDIAN TARIFF (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 object of the Bill, as has been stated in the Statement of Objects and Reasons, is to continue protection to three industries, namely, sago globules and tapioca pearls, coated abrasives, and sericulture.

As required under section 16 (2) of the Tariff Commission Act, 1951, copies of the Commission's reports in these cases, and Government's Resolutions thereon have already been laid on the Table of the House. Short notes giving the main recommendations of the Commission and decisions of Government thereon have also been circulated to the Members of the House. I feel, therefore, that I need not traverse the same ground now.

The sago globules and tapioca pearls industry is at present localised in the Salem town and surrounding villages in South India, and it provides a welcome source of additional income to the agriculturists of that area. The industry is enjoying tariff protection since 1951. During the period of protection, it has made considerable progress, and there has been an increase in the number of units from 40 in 1950, to 125, which are all run on small cottage industry scale. After making a detailed investigation into the industry, the Commission has come to the conclusion that the industry is one which requires encouragement and assistance both as a source of employment to the small man, and as supplier

of processed food for the invalid. Government have accepted the Commission's recommendation for continuation of protection in this case, for another two years, i.e. till 31st December 1956.

Coming to the coated abrasives industry, this industry has enjoyed tariff protection since 1947, and during this fairly long period of protection, it has made steady progress, and there has also been some improvement in the quality of indigenous abrasives. I wish to mention here that coated abrasives are essential consumable stores, and are extensively used in many industries, especially engineering works, automobile works, railway workshops etc. The industry came to be established during the last war. That was a period of scarcity of supply created by war conditions, and although in ordinary times, no one is conscious of the vital importance of a common place item of this kind, yet during the war, there were times when a shortage of abrasives gave cause for anxiety to many important industries including the Railways. So, we feel that we must avoid the recurrence of a similar contingency.

The Commission has recommended that a further spell of protection for another year, i.e. up to 31st December 1955, would enable the industry to consolidate its position. Government have accepted this recommendation to continue protection to the coated abrasive industry. The House will also recognise that what is proposed is only to continue the existing rates of protective duty for a further period of one year, and no additional burden is there on the consumer. The Commission, has, however, excluded emery fillets from the scope of this inquiry, as they are not manufactured at present in India, and it is accordingly proposed to exclude them from the scope of protection.

Now, I come to the third industry, namely, sericulture industry. As hon. Members are aware, it is an old established industry in the country, which is practised largely in the rural

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areas as a useful congenial cottage industry for the agriculturists. Owing to organisational and technical backwardness of the people engaged in that industry, it must be admitted that the progress of the industry has been, unfortunately, halting and slow, and the industry was exposed to severe competition from China and Japan and sometimes from Italy. The rural population employed in it are rather slow to understand improvements in technique and organisation and Government cannot afford to let them down on this account. Despite these difficulties, the industry has survived and efforts to keep it alive, we feel, must continue.

The main centres, as hon. Members are aware, of the sericulture industry are in the States of Mysore, West Bengal, Madras and Jammu and Kashmir. In Jammu and Kashmir, the industry is run as a State monopoly. Other centres are in Assam, Punjab, Himachal Pradesh, Uttar Pradesh, Bombay, Madhya Pradesh, Madhya Bharat, Bihar and Orissa.

The Tariff Commission has recognised the importance of sericulture as a cottage industry deserving every encouragement from Government. After examining the problem in all its aspects, the Commission has recommended that the protection granted to the industry should be continued for a further period of five years, i.e. till the 31st December 1958. Government have accepted this recommendation. Government have also accepted the Commission's recommendation regarding rates of protective duty on silk waste and noils, noil yarn and silk sewing thread. The Commission has recommended reductions in duties in respect of the other protected categories like raw silk, silk fabrics etc. We are not at all sure that a lower rate of duty will not make it impossible for Indian raw silk to withstand competition from imported silk for which there is a considerable amount of consumers preference. What is more important is that even now the market prices of

imported silk are much higher than the landed cost and a reduction of duty might not be passed on to the consumer and might only swell the high profits of the importer. If the lowering of prices to the consumer has to be achieved, a simpler course would be to liberalise imports. This will be separately considered. As things are, there seems to be no reason why the existing rates of duty on raw silk should not be reduced.

The Commission has also recommended considerable reduction of the import duty on silk fabrics. Here again, the Government has decided that the existing rates of duty should continue particularly because our import duty on cotton piecegoods is high and it would be hardly justifiable to have a lower import duty on a luxury item like silk piecegoods.

In order to increase the production of raw silk, reduce its cost and to improve its quality, to keep the technical basis of the industry abreast of the latest developments and to consolidate the work already done in different States, the Central Silk Board has drawn up a programme of work for intensifying the work relating to distribution of mulberry grafts, modernisation of reeling machinery, improving marketing conditions through co-operatives, deputation of officers for higher studies etc.

I would not like to detain the House on this fairly simple matter, and if any points arise during the debate, I shall certainly be very happy to reply to them.

Shri S. V. Ramaswamy (Salem): This is a simple Bill.....

Shri A. M. Thomas (Ernakulam): The motion has not been placed before the House.

Mr. Chairman: Yes. Let me place the motion before the House.

Motion moved:

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

Shri S. V. Ramaswamy: This is a simple Bill and ordinarily I would not have liked to intervene in this debate.

Mr. Chairman: It is a very simple measure.

Shri Karmarkar: It is very simple.

Shri S. V. Ramaswamy: Ordinarily, I would not have intervened in this matter at all but for the extraordinary situation created in West Bengal in respect of sago. Sago is manufactured in South India out of tapioca root which is grown in Salem district.....

Shri Matthen (Thiruvellah): Why not Travancore-Cochin first?

Shri S. V. Ramaswamy: Tapioca is grown in my district and in the State of Travancore-Cochin. The tapioca industry benefits not merely agriculturists, but a cottage industry has grown out of this. About 125 factories—small institutions—have sprung up in Salem district and it is giving employment to over 50,000 people. The biggest market for this sago product is the Calcutta market. There for the past 10 or 14 years this has been sold as sago. All of a sudden, in July the Corporation of Calcutta have seized about 10,000 bags of this commodity of the estimated value of about Rs. 40 lakhs. First of all, the Corporation thought that it was adulterated stuff. They could not prove the charge of adulteration and dropped it. Then they fell back upon section 420 of the IPC and charged a number of merchants with misbranding and cheating. The cases are still pending. Finding that even this charge cannot be sustained, the West Bengal Government have now issued a notification dated 13th September 1954 in order to boost up a case which cannot be sustained which, I wish to impress on this House and on the hon. Minister, is directly at variance with the intention of the Central Government. The notification runs thus this

is from the Calcutta Gazette dated September 13, 1954:

"No. 8100/M.IC-107/54.....In exercise of the power conferred by clause (1) of sub-section (1) of section 462 of the Calcutta Municipal Act.....the Governor is pleased to notify the article of food, mentioned below, for the purpose of that clause, that is to say—sago (*sabudana*).

"2. In exercise of the power conferred by paragraph (xiv) of the conditions contained in sub-section (1) of section 462 of the said Act, the Governor is pleased to prescribe in the case of sago (*sabudana*) that it shall fulfil the following conditions, that is to say, it shall be exclusively derived from the starch obtained from the pith of the trunks of the sago palm such as....."

It is some Latin names with which I will not trouble the reporters. By this it is made clear so far as the Calcutta Corporation is concerned that sago means only starch derived from the sago pith.

Now, look at the other picture. It was only on the 16th that I put a question with regard to this seizure of sago in Calcutta—starred question No. 1024. The answer that is given is very relevant and pertinent. I asked whether it was a fact that about 20,000 maunds of sago valued at over Rs. 40 lakhs had been seized by the Calcutta Branch of the Enforcement Police recently. The answer was 'Yes'. Then I asked whether it was a fact that the analysis of this commodity had revealed that it was not genuine sago but tapioca globule of lower nutritive value. The answer to this from the hon. Minister was 'No'. I further asked whether it was a fact that what the people had been purchasing for the last ten years was not genuine sago, but only a fake commodity. The answer, again, was 'No'.

Shri V. P. Nayar (Chirayinkil): How does it arise out of this?

Shri S. V. Ramaswamy: I am coming to that. The point is this, that the Centre is seeking to give protection, but it is protection only on paper.

Mr. Chairman: This legislation seeks to continue protection to sago globules and tapioca pearls.

Shri S. V. Ramaswamy: But the definition of sago is given by various States in different forms. When the Centre means one thing and gives protection to a particular commodity, it is left to the States to interpret the meaning of 'sago' in whatever way they like. How then can you have this protection? What is the effect of the protection? It is a dead letter, it is a protection on paper.

Shri A. M. Thomas: Have not those prosecutions been withdrawn?

Shri S. V. Ramaswamy: No. Not even the goods have been released. The prosecutions are still pending.

Shri Karmarkar: I have told my hon. friend that the prosecutions have been withdrawn so far as the West Bengal Government is concerned.

Shri S. V. Ramaswamy: They have not been withdrawn. (*Interruptions.*)

Mr. Chairman: I think there is a distinction being made. I find from the Statement of Objects and Reasons that sago globules and tapioca pearls are different things.....

Shri S. V. Ramaswamy: The trouble is not about the name; it is a question of the content of it. They want to say that it should be confined only to a particular product derived from a particular pith and nothing else. That is not the intention of the Centre. If you will kindly see the answer given by the hon. Minister to part (c) of my question on the 16th, he says:

"No, Sir. Sago, as defined by the Central Committee for Food Standards, is a starch product derived from the sago palm or from tapioca root".

Now, when the hon. Minister gives this answer to my question, it is tacitly understood that the Central Government have accepted this definition of the Central Committee for Food Standards. That is the stand taken. This definition is not accepted by the State Government and they are giving a different interpretation and are ignoring studiously the words 'tapioca root'.

Shri Karmarkar: Sir, may I interrupt the hon. Member because this issue is likely to create confusion.

Shri S. V. Ramaswamy: I have not said anything to create confusion.

Shri Karmarkar: Not what he said; I said only that it is likely to create confusion. My hon. friend need not monopolise for him that whenever I speak about confusion it applies to him.

Sir, the point was like this. It is a fact that the stuff came in the Calcutta market. Since it was a product of tapioca globules it was described as sago and something else. At an earlier stage, proceedings were taken by the police and the stuff was seized. We took up the matter with the West Bengal Government and then, so far as that action was concerned, that was withheld. Now, the Calcutta Corporation, I understand, have some proceedings in view and it is in respect of those proceedings that the stuff is still being detained.

Now, our difficulty with regard to this piece of legislation is, we are now giving protection to a particular type of industry. Here, the local production which is sought to be protected is the product made from tapioca roots. There is no gainsaying that point now. The Calcutta Corporation takes another view of the matter. They say: if this stuff comes within the description of tapioca globules we shall not proceed against that, but if you describe it otherwise we shall proceed against that. Now, our difficulty is, however you may describe this, the

stuff coming from outside, what comes of the name of sago, is manufactured from different raw materials. Here, we manufacture from tapioca roots, in some other places I understand that it is manufactured from beet root.

The point which my learned friend was labouring amounts to this: that we here want to give protection to this tapioca globules industry—Sago or *sabudana*, by whatever name you may call it—and a particular Government or Corporation takes a particular action. Now, I think there will be other forms or methods to pursue this question. It is not going to help my friend by quoting in regard to the action that is being taken.

Mr. Chairman: I am convinced that so far as the present Bill is concerned, whatever is happening in the Calcutta Corporation and all that has nothing to do with it.

Shri S. V. Ramaswamy: The difficulty is this. What is the Tariff Commission's report; what are the terms of reference; what is the resolution of Government; why is it being extended; what is being done in the rest of the country; these are the problems arising out of this. I am reading from the Report of the Indian Tariff Board, 1950. You will be pleased to see that this protection is being sought to be extended on the basis of the Reports of 1950 and 1954. Now, going back to 1950, the terms of reference were these:

"After a preliminary scrutiny, the Government of India, in the Ministry of Commerce, remitted to the Tariff Board for investigation the claim of the sago industry to protection or assistance in their Resolution No. 1-T(4)/49, dated 12th May, 1949."

Then, lower, down in the same report it is given:

"Only tapioca globules are manufactured by the indigenous manufacturers. The imported article is manufactured out of tapioca or

sago, and is sold in India as sago globules, popularly known as *sabudana*. The inquiry is, therefore, confined to tapioca globules, commercially known as *sabudana*."

Now, the report is, therefore, with regard to tapioca and nothing else and the Government by the resolution have accepted this report.

Mr. Chairman: The Government is not disputing that and it has been made clear by the hon. Minister. What is manufactured in India is manufactured from tapioca roots.

Shri S. V. Ramaswamy: Sir, it is not such an easy matter. The Government of West Bengal themselves have done it differently. When a matter is *sub-judice* when the prosecution is launched on a particular basis and finding, that the case cannot be sustained, this Government of Bengal itself lends itself to the contingencies of the Corporation and then changes the law.

Mr. Chairman: What the Government of West Bengal is doing is irrelevant so far as this Bill is concerned; which seeks to give protection to sago as well as to tapioca.

Shri Karmarkar: His comment is all right, but the forum is wrong. It should be taken up in the West Bengal Legislature.

Shri S. V. Ramaswamy: I may be wrong. My contention may not be upheld. But I am seeking the hon. Minister to accept the position.

Mr. Chairman: How is it relevant for this purpose?

Shri S. V. Ramaswamy: For this purpose, let it be defined, let it form part of the Tariff Act. I have a right to urge that. And it is for that purpose I am seeking to move an amendment. My amendment No. 5 is exactly, word for word, what the hon. Minister said in reply to my question.

The Tariff Commission Report was accepted, and as you would be pleased to see, paragraph 5 of the Report says that this is made out of tapioca root. And mostly all these factories are

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located in Salem district, and the tapioca comes from Travancore-Cochin and adjacent places. There can be no mistake whatsoever that what the Government wanted to protect was sago made out of tapioca.

The question is this. We go and purchase sugar. Sugar might be produced out of cane, beet or potato starch. You might ask for alcohol. It might be made out of molasses or rice or some other starchy stuff. We do not go and enquire how it is made, how it is derived. That is not the point.

Shri A. M. Thomas: According to my friend the prosecutions are pending. In that case, will not all these observations be *sub judice*?

Shri Matthen: What have they got to do with this Bill?

Shri S. V. Ramaswamy: You have not evidently been following. You just now came into the House.

Mr. Chairman: If you look to the Statement of Objects and Reasons, even the Government make a distinction between sago and tapioca.

Shri V. P. Nayar: They are not the same.

Shri S. V. Ramaswamy: Tapioca pearls are different. It is the 1954 report of the Tariff Commission on which this Bill is based. It is only after accepting that report that they are following it with this bill. Throughout that report the term 'tapioca globules' is treated as synonymous with sago globules.

Mr. Chairman: That is your opinion.

Shri S. V. Ramaswamy: It is not my opinion but that of the Tariff Commission which the Government have accepted.

Shri Karmarkar: If my friend will pardon another interruption I might inform the House that we are sending our opinion to the West Bengal Government and other Governments. But taking it even a point further—I am

not trying to reduce it to an absurdity—but suppose we put a foot-note under some relevant clause of this Bill "Explanation: The action being taken at Calcutta is absolutely wrong in our view". Suppose Parliament says so, assuming it for a moment, it cannot bind the West Bengal Government.

Mr. Chairman: Parliament cannot say it.

Shri Karmarkar: And Parliament cannot say it.

Shri S. V. Ramaswamy: I am not referring to the particular cases pending in Calcutta. You intend to protect a particular commodity. You have in your mind a commodity which is well defined by the Central Committee for Food Standards. You have accepted that. If that is so, say so in the Tariff Act itself. Define the thing you are going to give protection for. If you will read amendment No. 5, that is very clear.

Mr. Chairman: We shall come to it later.

Shri S. V. Ramaswamy: That will show why I am moving it and why I am speaking on this Bill.

The point that I once again wish to urge is this. The intentions of the Government are very good. They want to encourage a small-scale industry and they want to give protection to it. Well and good. I am submitting to this House and trying to impress on this House that the protection that they give is only protection on paper. In effect, it is a dead letter. Unless, therefore, the Centre itself through the Tariff Act gives some indication of what it means, and what it intends to protect, each State will be at liberty to interpret the provision as it likes and therefore, the Act will, in effect, become a dead letter. Therefore, I submit that the Government may be pleased to accept this, though not in the form in which I have suggested, but in some other form, so that what they intend to give protection

to may be made clear and so that it may not be open to any State Government to interpret as it likes, except to follow the definition given by the Centre.

Shri V. P. Nayar: I do not want to enter into a controversy whether the West Bengal Government's action was justifiable or not.

Mr. Chairman: As a matter of fact, I think we cannot go into that.

Shri V. P. Nayar: Yes; for obvious reasons.

Mr. Chairman: Hon. Members may avoid it. It would not be in the interests of anybody to refer to it.

Shri V. P. Nayar: The point seems to me to be this. I perfectly sympathise with my hon. friend Shri S. V. Ramaswamy because it creates a problem for his constituency.

Shri S. V. Ramaswamy: For your constituency also.

Shri V. P. Nayar: I am coming to that. There is a vast section of people in Bengal who have been taking tapioca pearls for sometime now, thinking that it is sago. There was some error somewhere. The Government have not used the machinery at their disposal to correct the misunderstanding. Whether it is sago derived from a palm which belongs to the natural order of Palmaceae or from tapioca derived from another plant of the order of Euphorbiaceae, so far as the people were concerned, they were accustomed to take sago and also tapioca globules as sago. That is what has been done. I do not propose to enter into more details on this.

The Bill, although it is simple, is not so very simple as it seems to be, because it involves a principle. About that principle I have to say something.

You may remember that during the discussions which we had on the Commerce Ministry's demands in April last, the hon. Commerce Minister, I see him now in conference with Shri S. V. Ramaswamy.....

Shri Karmarkar: I am attending to you.

Shri V. P. Nayar:.....assured us that certain preferences which had to be given were being studied. Preferences were being given to certain countries in the matter of duties. Under various agreements,—I also find in the resolutions—there has to be a distinction in the duties to be imposed on imports from various countries. One reason as you find in the Resolution of the Government dated 18th May is, that by virtue of the Indo-British Trade Agreement, some sort of a discriminatory duty is necessary. In that connection, the hon. Commerce Minister also said that by June or July, this House will be informed about the various implications of the Agreements such as the General Agreement on Trade and Tariffs. We, I am sorry to say, are yet to receive his considered views.

This question of discriminatory or preferential duty on imports from various countries raises another question. I could have understood if the enquiry was solely confined to how to protect the tapioca globule or sago manufacturing industry of Salem. The Tariff Commission, which, unfortunately had nobody who knew anything about tapioca or about the people who grew tapioca, went into the question and came to the conclusion—it is very interesting to see that—that for raising tapioca in this country, two or three persons have to be sent from Madras abroad. You will find why we from Travancore-Cochin speak on this Bill. You will be surprised to find—may I crave the indulgence of the Mr for some time?.....

Mr. Chairman: Yes.

Shri V. P. Nayar:.....that tapioca for Travancore-Cochin is a very very important matter. You will find that in such a small State as Travancore-Cochin, we have already over 525,000 acres under tapioca cultivation and we produce roughly about 1.5 million tons of tapioca in a year, even a fraction of which is produced in Mr. Ramaswamy's constituency. Hundreds of

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thousands of our people depend solely on tapioca, and tapioca prices form such a very important factor in the economy of our State.

Shri S. V. Ramaswamy: Grow more and more tapioca.

Shri V. P. Nayar: Yes, for you, more and more brains first.

It is a problem which really affects our economy. The Tariff Commission has spent money. It has had a public hearing, of all places at Bombay, so that our cultivators from Travancore-Cochin could go and give evidence at Bombay as to how this problem has to be tackled. I am sorry to say that the Tariff Commission in this particular matter has not had the services of anybody who knew anything about tapioca.

Even, with all our limitations, when we grow 1.5 million tons of tapioca, we get only an average of two to three tons per acre, while in other places outside India tapioca at present is produced to the extent of ten to twelve tons. We must understand that is not because our farmers do not know the art of cultivation. Tapioca was introduced. It was not an indigenous crop in India. It was introduced and we have cultivated it. We have made very great progress on that, but so long as this Government cannot assure to the farmers a steady and fair price for the tapioca which they grow, it is impossible to increase the yield. If my hon. friend Mr. Karmarkar goes to Travancore-Cochin, I can at random show him.....

Shri Karmarkar: I am coming.

Shri V. P. Nayar:.....several places in which ordinary farmers, without using your sulphates and nitrates, have produced by the sweat of their labour ten to twelve tons per acre, but there must be a proper incentive for our agriculturists to grow tapioca. It is not by protecting a small industry in this way, in this incomplete way, that you can raise the hopes of the tapioca

cultivators. Tapioca cultivation has to be tackled, and has to be tackled in an entirely different way. This Government is not looking into the problems, the seriousness of the problems.

I find the Commerce Minister is very clever at statistics.

Shri Karmarkar: Thank you very much.

Shri V. P. Nayar: I find that the export of starch from India has been gradually declining in the last so many years. For easy reference I can point out to the House that in 1951-52 it was to the tune of Rs. 27.89 lakhs; in 1952-53 it was reduced to Rs. 20.84 lakhs; in 1953-54 it was only Rs. 16.62 lakhs.

Industrial starch, as you know, is a commodity which can be indigenously produced and can also be produced in such quantity and exported to the very great advantage of the cultivators. Industrial starch, on the other hand, is still being imported. You have got so many laboratories in this country. You claim that you have the National Physical Laboratory, this laboratory, that laboratory. Why is it not possible for the Government to lay down the standards of tapioca starch, for industrial starch. You only have to specify that the textile industry, for example, will take only starch of such and such mesh and to show the process. That you have not so far done. You have not tried to improve the local starch, the industrial starch which is produced from tapioca. On the other hand, you are still allowing tapioca starch to be imported.

You are having this duty "*nam ke vaste*." This does not materially affect the position at all, because we find only 200 or 300 tons are imported. Instead of that, if the tapioca starch industry on the whole had to be protected, and if Government had any scheme, it would have meant would have enabled the tapioca cultivators, who in my State alone come to thousands upon thousands, to get a fair price. This Government has not had that

perspective. There may be something else.

But here you find if it is a British colony, 35 per cent. *ad valorem* and five per cent. extra; if it is some other colony, it is forty per cent. and five per cent. extra. There is still that "imperial preference" working. But my contention now is that Government has seen the problem only from its narrowest angle. Government have not looked at the problem of tapioca, in so far as the hundreds of thousands of our cultivators are concerned. The hon. Minister may get up and say that this is only a matter which is specifically related to the tapioca globule or starch manufacturing industry at Salem. But I want Government to change their attitude.

Shri A. M. Thomas: Starch manufacturing industry is at Salem.

Shri V. P. Nayar: In regard to tapioca globules or pearls, I want Government to change their attitude. Here is a commodity which has very great potentialities for export. The hon. Commerce Minister sometimes shows himself to be very keen on developing our exports. Here is an article from which industrial starch can be produced, and I can assure you that no country in the world can compete with India, if we take up to that, and at the same time, it will also fetch a very fair price to the growers.

Now, the situation is slightly different in Travancore-Cochin. Two years or three years back, or even last year, the situation was different. The Travancore-Cochin Government and the people had and still has to depend upon supplies of rice from outside. Whenever there is short supply of rice in Travancore-Cochin, the alternative food which the people took was tapioca. Government had, therefore, imposed a ban on the export of tapioca. Now, as Shri Kidwai, says, we have plenty of rice, and according to Government's computations, the problem of rice is a problem of export. When the Government of India say that they can sell to Travancore-Cochin any amount of rice,

why should there be any longer any control on the export of tapioca. I can assure the hon. Minister that if rice is available at cheap prices, at fair prices, people would take rice. People do not take tapioca just for the liking of it and in preference to rice. They only supplement the rice by using tapioca at best as a *sabji*, which some people, especially the people in the lower income groups are taking with fish. But if this Government say that there is enough rice, why not allow this tapioca to be exported. There is very great market for its products. It is not a question of there being no market. This is a problem which we will have to tackle.

Perhaps, if tapioca starch is manufactured, for purposes of export, its price may go up, and it may result in one section of the people having to pay more for tapioca which they consume, but it is very easy for Government to subsidise such tapioca intended for consumption.

In this matter, I would like the hon. Minister to tell us why in case protection was necessary to this industry, Government were so narrow-minded, and why Government did not have the broader perspective to approach the problem in the correct way and try to have ways and means to see that the interests of the tapioca cultivators, the starch manufacturers, the globule manufacturers, the "pearl" manufacturers etc. will all be safeguarded. It appears that in this matter Government did not have that perspective at all. That is why the Tariff Commission was asked to go into certain questions only, and strangely enough they came out with the recommendation that two persons from Madras should be sent, but none from Travancore-Cochin, because we produce only 1.5 million tons. This sort of attitude should go.

I would also like the hon. Minister to take this House into confidence and tell us what the implications of this discriminative tariff duty will be. He has promised us once, and that promise has been broken, I suppose. I do not

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think he will promise us again, and break it once again. Why should there be a discrimination? What is the purpose? If Government are really interested in the sago industry, if the Commerce Ministry wants that the tapioca globule industry should thrive in the face of competition from imports, when they raise the duty on imports, why should they show a discrimination even at this time, in the year 1954? Times without number, Government have stated that they are going into the details of the operation of the various trade agreements. So, I want the hon. Minister to tell us why this sort of discrimination is necessary even now, when after all, we are getting only about 200 tons or so. As to the duty, I would have preferred if the hon. Commerce Minister had come out and said that instead of this thirty per cent., we would have about one hundred per cent. duty. In any event, you are trying to discourage imports. Why not have the heaviest import duty, so that nobody can import? Here is a matter where there seem to be some interests somewhere which Government really want to protect. Otherwise, they would not come forward with a proposal like this. It may be that it is worth only Rs. 10,000 or Rs. 20,000. But it is a question which involves a principle, and I expect the hon. Minister to tell us as to what is the basis of laying down that this discriminatory duty shall prevail.

Mr. Chairman: I may bring it to the notice of hon. Members that the Business Advisory Committee has allotted a total period of two hours for this Bill. So hon. Members will kindly be as brief as possible.

Shri Achuthan (Crangannur): Five minutes may be given to each Member.

Mr. Chairman: I think that would be better.

Shri Matthen: May I say a few words?

Mr. Chairman: Mr. A. M. Thomas.

Shri A. M. Thomas: Mr. Chairman, Sir, this is really a simple Bill and I give my enthusiastic support to it. All the same, I wish to make certain observations concerning the industries sought to be protected especially the tapioca industry with which my State is intimately concerned.

The Tariff Commission went into the question of protection to tapioca globules as long ago as 1950 and it made certain recommendations. There were as many as ten recommendations, and I should submit that the record of the Government in the implementation of these recommendations is not at all satisfactory and is not creditable on the part of the Government.

I have already stated that there are as many as ten recommendations, and among the recommendations, we find recommendation No. 5 which says:

“Government should give every assistance which the industry may need in securing facilities for the training of skilled workmen in Singapore and Penang”.

Then recommendation No. 6 says:

“If and when the production of tapioca globules is stepped up appreciably and there is a substantial decrease in the cost of production, necessary facilities should be granted to the industry for exporting the surplus left over after meeting fully the domestic demand”.

Then the 7th recommendation to which I wish to draw the attention of the House is this:

“The Governments of Madras and the United States of Travancore-Cochin should take concerted steps to increase the output of tapioca root in their respective States and maintain up-to-date records relating to tapioca production in their States”.

Sir, I should submit that these three recommendations which I have brought to the notice of this House have not at all been implemented, and that will be seen from the Tariff Commission's

own report which it has submitted later. In its report, I find that with regard to recommendation No. 5, which I have just now read out, 'The industry has not approached Government for securing facilities for training skilled workmen in Singapore and Penang'. I should submit that this should be characterised as a failure on the part of the Government. It ought to have been the duty of the Government to invite applications from those candidates who want to go to Malaya and Singapore, especially from States like Travancore-Cochin and Madras, and not to have waited for the industry to approach the Government and then send the candidates. With regard to recommendation No. 6, the Tariff Commission records:

"There has been an increase in production, but no reduction in costs. Indigenous production has been wholly consumed in the country".

5 P.M.

So that it would be clear from that statement that no serious attempt has

been made either by the Central Government or the State Governments to step up production of tapioca. Then, with regard to recommendation No. 7, it is stated:

"No steps have been taken by the Government of Madras to increase the output of tapioca roots in their States. No information has been received from the Government of the State of Travancore-Cochin in this respect. Figures relating to the production of tapioca have, however, been furnished to us by both the Governments."

I should submit, Sir, that especially when the problem of food was being handled by the Centre, the Centre ought to have given a little more attention on this side.

Mr. Chairman: It is 5 o'clock now. The House stands adjourned.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the 21st September, 1954.
