

[Mr. Speaker]

according to that interpretation it is against the Constitution.

12 NOON

Shri V. G. Deshpande: I am not putting any interpretation. If a *Sadar-i-Riyasat* is elected, can it be given effect to before this Constitution is changed?

Mr. Speaker: Anyway, I do not think any further argument is necessary on that point. I do not give my consent

INFLUX FROM PAKISTAN (CONTROL) REPEALING BILL

The Deputy Minister of Rehabilitation (Shri J. K. Ebonsle): I beg to move for leave to introduce a Bill to provide for the repeal of the Influx from Pakistan (Control) Act, 1949.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the repeal of the Influx from Pakistan (Control) Act, 1949."

The motion was adopted.

Shri J. K. Ebonsle: I introduce the Bill.

INDIAN LIGHTHOUSE (AMENDMENT) BILL

The Minister of Railways and Transport (Shri L. B. Shastri): I beg to move for leave to introduce a Bill further to amend the Indian Lighthouse Act, 1927.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Lighthouse Act, 1927."

The motion was adopted.

Shri L. B. Shastri: I introduce the Bill.

Shri T. K. Chaudhuri (Berhampore): Sir, may I draw your attention to a matter of form! It is a very small matter, of course. But when you called the name of a Minister or a Deputy Minister, some other Minister stood up and moved his motion. There should be some formality observed with regard to these matters in due deference to the House.

Mr. Speaker: I quite agree that if the motion is in the name of a particular Minister then, it is better that he is present in the House or intimation is previously given to the

Chair that, not he but some other person is going to move. But, unfortunately, as the rule stands regarding motions to be introduced by a Minister, the expression 'Mover of the Bill', I believe, includes any one of the Ministers or any Minister of the Government. I note, in future the Ministry will take care to see that the particular Minister in whose name the notice is given, is present or he informs the Chair before the motion is called out, that so and so will move it on his behalf.

Shri V. P. Nayar (Chirayinkil): In that case the substitute's name may be announced.

Mr. Speaker: It is all right I do not think this was done deliberately but anyhow the formal procedure has to be followed.

INDIAN TARIFF (FOURTH AMENDMENT) BILL—concl'd.

Mr. Speaker: We now proceed with the further consideration of the following motion moved by Shri D. P. Karmarkar on the 13th November, 1952:

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

Mr. Gurupadaswamy was on his legs yesterday.

Shri M. S. Gurupadaswamy (Mysore): Sir, the trouble in India is mainly stomach trouble. She is now sitting like a beggar on a bench of gold. She has got all the latent and potential natural resources, only inferior to the U.S.A. and the U.S.S.R. but still she finds herself in a very difficult position.

[MR. DEPUTY-SPEAKER in the Chair]

The most interesting feature in India today is that her soil is rich but her people are very poor. There is the worst unemployment. According to the recent calculations, nearly 50 million people are completely unemployed and most others are partially employed or under-employed. The per capita income is very low as compared with the per capita income of other western countries. The main reason for this is paucity of industries, and the backwardness of our industrial economy. Our entire economy, Sir, is still in a primordial state; it is not yet developed. It has to be developed now and so it is imperative that India should be rescued from her backwardness; and the right royal road to overcome this backwardness is to launch a planned policy of protection

Sir, our Government seem to be lately fond of the concept of planning.

It is a good sign. But this concept should be extended as far as possible to all spheres of economic activity, particularly to the sphere of international trade. We should now build a strong "Chinese wall" against foreign competition. A "Maginot line" should be drawn around the country, which would resist any foreign competitor. If our industrial expansion programme is not to meet its Waterloo we should have a strong industrial defence. Having secured this fortress of defence around us, we should see that there are no cracks in it either at the bottom, the middle or the top.

Yesterday my hon. friend Shri T. T. Krishnamachari made a beautiful speech with a lot of rhetoric. It was sometimes whimsical. I shall quote a few sentences from his speech. In reply to Dr. Lanka Sundaram he said:

"My hon. friend Dr. Lanka Sundaram reminded me of my promise. I must tell him that I did not make the promise merely to tide over a temporary difficulty. I meant to do something about it when that promise—an evaluation of all the terms of the Indo-British Trade Agreement of 1939 by means of which we have given them some preference which we for lack of a better word at the present juncture, still call 'imperial preference'. I have a preliminary survey today conducted by competent people. Though I am not in a position to divulge the results, I can show to my hon. friend that the document is very impressive because you find quite a lot of photostat copies of statistics. I have a preliminary survey with me in regard to which I find a certain amount of difference of opinion in the evaluation of these statistics. What it shows is that while sentimental considerations and all that would necessitate the dropping of the words 'imperial preference', the advantages are not entirely unilateral."

Dr. Lanka Sundaram (Visakhapatnam): Will you read a little further?

Shri M. S. Gurupadaswamy: I think the House remembers the rest.

Sir, Members of this House have been debating the question of imperial preference for a long time. During the last session, we debated it at great length. Several Members have drawn the attention of the hon. Minister on the present occasion too, but the reply that he has given is not at all satisfactory. He says that

imperial preference based on the Indo-British Trade Agreement of 1939 is not entirely unilateral and advantages accrue to both parties, but then he uses a qualifying word. He says that the advantages are "temporary" in the case of India. This is the type of argument that the Britishers used to put forward. They used to say that imperial preference was beneficial to India and England and in certain respects more beneficial to India than to England. My hon. friend seems to carry the attitude of the old British regime.

An Hon. Member: How do you rebut his argument?

Shri M. S. Gurupadaswamy: In this connection, I would remind you that imperial preference cuts across our policy of protection. It pinches a big hole in the wall of protection that we are erecting. If I am not mistaken, I say this preference will be the first British nail in the coffin of protection. I want therefore, that steps should be taken to put an immediate stop to preference on an imperial ground. Sir, we claim that we do not believe in spheres of influence. We argue that as far as we are concerned any foreign influence in the economic or political field is a danger to peace, democracy and freedom. Now, the hon. Minister cannot deny that imperial preference creates a British sphere of influence in India and through it we give a commercial concession in order to safeguard British interests.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): They have given us similar concessions.

Shri M. S. Gurupadaswamy: But according to you, they are temporary and the balance of advantage lies in favour of England. Sir, when you follow a policy of protection... (Inter-ruption.)

The Minister of Commerce (Shri Karmarkar): If my hon. friend does not mind it, I would like to be enlightened as to how this preference given to the United Kingdom affects our protected industries. It only means that in regard to the goods that we import, we import goods of British origin in preference to other goods, but how does that affect the protection given to our industries, because we fully take all this into consideration when we take protective measures?

Shri M. S. Gurupadaswamy: My reply is that it is a matter of principle. It may or may not affect a particular industry now. It may not have affected it before. But it may affect it in future. Therefore, as a matter of

[Shri M. S. Gurupadaswamy]

principle we cannot endorse imperial preference any longer. The hon. Minister could not coin a better word for it. How could he? This expression has a long history. It conveys certain things. It conveys a sphere of British influence. It shows that Britain wants to continue the economic imperialism and her hold over India. I do not know why my hon. friend is flirting with Britain. I use the word "flirting" deliberately. Is he doing so because it is a country that ruled over us for 250 years? Is he doing so because of the long connections that we had with Britain? He jubilantly and grandiloquently justified the imperial preference. He said that it is not in any way dishonourable, that it does not in any way affect the prestige of the country. Sir, I humbly beg to differ from him. It certainly affects the prestige of our country; it is dishonourable to us. Still he might try to justify it on some grounds.

Sir, let me remind him that during the classic days of Greece, slavery was also justified by Aristotle on principle. During feudal days feudalism was justified on strong grounds; so also imperialism is being justified in many ways. In the same manner, I find the hon. Minister justifying the system of imperial preference.

I may, in this connection, Sir, quote George Bernard Shaw, from my book "International Politics". It shows how the mind of the Britisher works, how the mind of Great Britain works, and the Commerce Minister should take a lesson from it. This is the quotation:

"There is nothing so bad or so good that you will not find an Englishman doing it. But you will never find an Englishman in the wrong. He does everything on principle. He fights you on patriotic principles; he robs you on business principles. He enslaves you on imperial principles."

Mr. Deputy-Speaker: Is it necessary to go into the character of Britishers here on a discussion of this Bill and refer to George Bernard Shaw? I think it is not correct on a platform like this to go into the character of nations or their Governments and people. It is very offensive. We take offence at even small matters, like the exhibition of a picture somewhere for which the Governments or the people of that country are not responsible. We write to the embassy of that country asking them not to exhibit such pictures. We are not here speaking to ourselves. This is a world platform. Let us, therefore, not be offensive in our remarks about other

nations. It does not serve any useful purpose. Nor, do I think is it relevant to the question of imperial preference. I can certainly appreciate a suggestion from the hon. Member that the question of imperial preference has been agitating the minds of men and it is high time that Government appointed a Committee of this House, or composed of other non-officials as well, to go into the matter.

So far as this Bill is concerned, the hon. Minister has already explained that a short period of extension is sought because the Tariff Commission was not in a position to go into the cases of these industries. To say that the question of imperial preference is one which has been outstanding for a long time and there is unanimity of opinion that it is not favourable to India is one thing; to go into the details of each industry is another. But to quote Bernard Shaw about a nation or particular set of people is most irrelevant. I do not want such references to be made here by any person. As a rule we ought to be chary of casting aspersions on foreigners. It is unnecessary and irrelevant.

Shri Nambiar (Mayuram): May I seek clarification on a point, Sir? Imperial preference is a method of exploitation and this exploitation has been carried on for a long time.

Mr. Deputy-Speaker: It is not a question of exploitation. It is an offence to the self-respect of our country to say that we are being exploited by outsiders. We are free agents—we can continue these preferences or not.

Shri S. S. More (Sholapur): If it be a fact.

Mr. Deputy-Speaker: It is a fact. Hon. Members may think they are not free. I think I am free.

Shri M. S. Gurupadaswamy: Sir, I quoted this passage not with a view to cast aspersions against any people, or any nation.

Seri Bansul (Jhajjar-Rewari): Only to advertise his book, perhaps.

Shri M. S. Gurupadaswamy: I am not here to advertise my book either. I do not canvass the hon. Member to purchase the book.

Anyway, Sir, it is enough for me if the House agrees that the continuance of imperial preference is harmful to the nation, to the dignity of the people as well as to the economy of the country. I want the hon. Minister to take immediate steps to see that this sinister system does not continue any longer.

Yesterday I mentioned the factors which should guide Governments protective policy: they are the period of protection and the quantum of protection. It is said that the Tariff Commission could not find the time, sufficient time, to make detailed enquiries about the industries, and so there is no other alternative except to extend the period of protection by a year or so. That may be a good reason, but I am constrained to point out that if the time before the Commission was short, Government should have seen to it that the matter was gone into by the earlier body, the Tariff Board. Government has failed to do that; hence the necessity of bringing forward this *ad hoc* measure. A short period of protection does not do any good either to the industry protected or to the Government. A longer period is always necessary whenever we decide upon the protection of an industry.

I wish to point out that there should be planning even in the matter of this kind, and we must have a five year period or a ten year period of protecting certain types of industries. That will give a better idea of our policy. Unless there is planning, in the matter of protection we cannot evaluate the effects of a protective policy, which we are pursuing, nor can we be able to induce our industrialists to go on with their work of industrial expansion. So I strongly urge upon the Government to have planning, planning for five or ten years.

Secondly, the quantum of protection is also very important. I find there are complaints that the quantum of protection to certain industries is much; I also find some complaint that it is not sufficient in the case of certain other industries. The best way of solving this difficulty, again, is to have a planned approach to the problem of protection.

In this connection I want to refer to one industry which has not been touched upon by any Member so far, and that is the silk industry. The silk industry, as you know, Sir, is in a crisis today. All the classes who have definite parts to play in the growth of this industry have suffered a terrible financial strain. The cocoon growers are not getting good price for their cocoons. The price fixed by the Tariff Board was, I think, Rs. 1-3-7 or so per lb. but the ruling price of cocoons today is somewhere about twelve annas per lb. So the cocoon growers today are uprooting the mulberry plantations in our parts. This uprooting business, I as already started. If the Government want self-sufficiency in silk yarn and fabrics then they

should take immediate steps to see that the cocoon growers get proper prices, at least the price fixed by the Tariff Board. Even that price is inadequate when compared to the cost of production of cocoons. Anyway, if at least that price is assured and if the price of cocoons is stabilized at that level there will not be a danger of loss of cocoon production and consequently there will not be a danger to the programme of self-sufficiency which we have in view.

There is another kind of crisis that has enveloped this industry. Many of the handlooms have closed their business because there is no demand in the market for their goods, and many of the people have become unemployed on account of this crisis. I beg to suggest to the hon. Minister here that some sort of reservation of silk sarees should be made to the handloom industry. That may be necessary. A sort of protection to the handloom industry should take this form; that is reservation of silk sarees may be done.

Also as regards imports from foreign countries I have got one or two points to make. The Government in the past has allowed indiscriminate silk imports from Japan, Italy and other countries. As a result of this indiscriminate import, though there is protection to this industry the prices of indigenous silk have gone down and the stocks which are accruing in mills and handlooms are not being cleared away. There is no effective demand in the country for silk yarn and fabrics. To meet this crisis I want the Government to stop further imports of silk yarn and fabrics from foreign countries.

I also want the Government to minimize the imports of artificial silk goods and yarn. What we are seeing in the industry is that natural silk fabrics are not purchased because they are costly. So the mills and the handloom weavers have taken to mixed fabrics. They mix artificial yarn with natural yarn and produce goods. This is not of course economical in the long run even from the point of view of the consumers. These mixed or artificial fabrics, as you know, do not last long. That way, though the prices we pay for the pure fabrics are a little bit higher, in the long run they prove to be more economical. The Government should take steps to see that these various kinds of fabrics are marked out properly. They should be stamped. Mixed fabrics are today sold as pure fabrics. That should not be allowed to happen. An early decision is necessary to sample out the various varieties of silk goods.

[Shri M. S. Gurupadaswamy]

Sir, with regard to the fixation of cocoon prices I have to say something more. According to the 1949 enquiries the minimum prices of cocoons and the labour charges for the manufacture of local filatures have been given at Rs. 1-1-0 and Rs. 8 per lb. respectively. But in my view the rate fixed for the cocoons is very low and the rates fixed for the latter is too high. I therefore suggest that it would be better if the prices for cocoons are fixed at not less than Rs. 1-6-0 per lb. or Rs. 1-7-0 per lb. and the rate fixed for labour charges for the manufacture of silk filatures is reduced to Rs. five or Rs. six per lb. If this is done the minimum price fixed, at Rs. 32 per lb., for local filature will not be affected in any way. So a revision in this direction is necessary.

With regard to the activities of the Central Silk Board, there is a feeling in my mind, even after the Amending Act, that the Board is not functioning properly. The Board met last time here in Delhi and I read that they have made certain grants for research and such other things. I feel that the help that is given by the Board is infinitesimally small when compared to the hugeness of the problem. More grants are necessary. Moreover, a proper survey by the Government of the exact requirements of silk is called for. Now, the Government says that the country needs about four or five million lbs. of silk. I do not think that is a reliable figure. In view of the fact that the demand has fallen, we have now to make a re-survey of our requirements. If we make a re-survey of our requirements then it may be possible for us to come to a conclusion whether we require any import at all. I have made a survey in my own way and I feel that import now is not necessary. And our silk industry is capable enough to produce all the requirements of the country. So this preliminary survey should be undertaken immediately by the Government. Normally cocoon growers grow eight crops in a year if there is good rain. I was told that in foreign countries like Japan and China and Italy, researches have been conducted and they have come to the conclusion that ten or eleven crops may be taken in a year. So the Government should utilise the knowledge of foreign countries in this regard. Further I want to say that mulberry plantation suffers on account of lack of water, lack of rainfall. In Mysore one or two factories have now attempted to supply water to mulberry fields by pumps. They carry pumping sets along with diesel engines on a lorry, they go to villages and supply water from the local wells to the neighbouring mulberry fields. I want

Government to give proper financial assistance to this effort and encourage production of mulberry plantation and of cocoons. By doing so we will be solving the problem of deficiency which we are confronted with and make this country self-sufficient in this particular industry. Sir, with these few remarks I close.

Shri B. Das (Jajpur-Keonjhar): Sir, last year, when the Tariff Commission Bill was being discussed this House went into the details of the functions of the Tariff Commission and various apprehensions were expressed on the floor of this House. It was expected that the then Commerce Minister or his present successor—my friend Mr. Karmarkar is here and he was hearing all these speeches—would examine the implications of all these speeches. It is most unfortunate that Mr. G. L. Mehta had to go to the diplomatic sphere. My friend Mr. T. T. Krishnamachari watched Mr. G. L. Mehta being stolen away by the External Affairs Ministry. When we were discussing in 1951, we had not the Tariff Commission very much in our minds. Then we had got a trained businessman, a versatile man as the future Chairman of the Tariff Commission and if he would be there at least for three years, the Tariff Commission would meet the anticipations of the Government and of the people at large, particularly of the industrial community. Government suffers at times from weaknesses and the Commerce Minister was no match to the Prime Minister and Mr. G. L. Mehta had to go. Last year I myself sounded a note of warning that no I.C.S. Administrator should be fixed as the Chairman of the Tariff Commission. My friend Mr. Krishnamachari had to praise Mr. Ehat. I knew Mr. Ehat as a Member of the old Legislative Assembly. He was a very good man and an excellent Administrator and I think he was also Chief Secretary to the Bombay Government under our old friend Mr. B. G. Kher. I think the Commerce Minister ought to make every effort to satisfy the intentions and hopes of the commercial and industrial community and is seeing that the best services will be rendered by a mixed Commission like the one at present constituted. Yesterday I heard objections were made to the Tariff Commission not possessing full machinery nor has the Commerce Ministry the machinery to assess the requirements of the industry or of the consumers. Sir, you know I am in this House from 1924 dealing with every tariff measure and I have supported every protective measure but I am sorry to say I never anticipated that the Commerce Ministry today will follow blindly those traditions that are left behind by those who do not

want that India should prosper economically. My friend, Mr. Guha yesterday said that we may give subsidy to certain protected industries. Certainly subsidy is not new, it had been given in microscopic quantity to some of the industries but our present Government and its predecessors have failed to explore that. I remember the protective tariff. I remember the days when the sugar industry was protected and when Government wanted to levy excise duty, there were howls in the Assembly. Protected industries do not like to pay excise duty although we have drawn excise duty on sugar and iron. The previous Government was not a national Government. It did not look to the consumers' interests.

Babu Ramnarayan Singh (Hazari-bagh West): Not even this Government.

Shri B. Das: This Government has to examine that. That is why we have the Tariff Commission. The Tariff Commission is there to assess the requirements of the country, for industrial development and for the consumers getting goods at the lowest price. I feel dissatisfied on this point. I would request the hon. Minister who belonged to the industrial community in the past, when he was not a Minister, to appoint a Parliamentary commission. Let us define what should be the duty of the Tariff Commission. Let us examine whether the Tariff Commission has got the proper machinery, the proper technical, commercial and intellectual surroundings to gauge and assess the requirements of the nation.

Shri T. T. Krishnamachari: I must engage a psychiatrist for the purpose.

Shri B. Das: I am not satisfied with the Tariff Commission. I will support you in any measure that you bring forward. But, you have no machinery to assess the needs of the country and the present Tariff Commission is not competent to help you in achieving your noble object. You and I do not differ in any thing. But, the machinery is weak. I do hope that my hon. friends Mr. T. T. Krishnamachari and Mr. Karmarkar will have an expert Committee and if necessary appoint a Commission to see how the industrial gains of protected industries can be collected for the benefit of the consumers through excise duties. Whenever the issue has been raised—I have raised it a dozen times—on the floor of the House, there have been howls. If the intention of the present Congress Government is to serve all interests, they must not fight shy of the howls of the capitalists and industrialists that excise duties should not be collected

in a larger proportion. It is also time now—I am glad that my hon. friend Mr. Tyagi is here—that the Finance Minister should disgorge some money. The Finance Minister does not disgorge money and always fights shy whenever subsidies are recommended by the Commerce Minister or any other Minister. That problem my hon. friend Mr. Tyagi, with all his great intelligence and acumen will have to examine. He will find that that will be much better to the country than taxing a few motor cycle parts or raising the tariff on motor parts, whereas the production of cycles and motor cars will not be commensurate with the amount of revenue that the hon. Finance Minister is getting in the exchequer.

A few minutes ago, I listened most attentively to your ruling over the discussion on imperial preference. My hon. friend Mr. Karmarkar observed yesterday that we are not dealing with imperial preference. For some time now I am a man of high blood pressure. Whenever I see any reports of Commonwealth Conferences where representatives of the Commerce Ministry will soon meet British Ministers, I get upset. The British Prime Minister Mr. Churchill has been all the time saying that he will repudiate Britain's obligations to India. I do not know how he will ask the Bank of England not to pay the Sterling balances that our Reserve Bank has deposited there. But, we have heard this in the past few months; again we heard it from that Commonwealth Minister—I forget his name...

Mr. Deputy-Speaker: Is there still talk of repudiation? We have not heard.

Shri B. Das: Six months ago, before Mr. Churchill became the Prime Minister, he had the check to say that. We have heard that from the Commonwealth Minister—I forget his name.

Mr. Deputy-Speaker: Have we not recovered a large portion?

Shri B. Das: We have. That is our life line. If that 600 crores we have got in England is knocked out, I think the planning will be dead and the poor Finance Minister will be weeping. But, that is not possible because Churchill and Co. will vanish from the Government of England.

The point I was saying is this. The Commonwealth...

Mr. Deputy-Speaker: Is Parliament concerned with their internal Government?

Shri B. Das: I am coming to their so-called Commonwealth policy where this Republic is unfortunately being tied up. That Commonwealth Minister says we shall have discussions on imperial preference. I am grateful to my hon. friend for this draft clause which speaks "of British manufacture", and "not of British manufacture". I wish the word 'British' vanishes from our Statutes. I know the hesitancy; I know the difficulty though I say I do not understand. I am criticising the Government: I am trying to help you. Do not kill old men like us by continuing imperial preference. I would ask you and Mr. Karmarkar to tell me what protest telegrams were sent by the Commerce Ministry or by the Government of India when these answers were given and vague statements were made in the House of Commons by Mr. Churchill and Lytton or some other gentleman—I forget the name. I do hope before the Government of India decide to send representatives of the Commerce and Industry Ministry and the Finance Ministry, they will be very careful. Why should we participate in Commonwealth Conferences, to be dubbed as a Commonwealth country although we are a Republic? There must be correspondence going on between this Ministry and the British Government. It is no use four years after Independence to prefer here articles of British manufacture. I heard my hon. friend Mr. Karmarkar say that there are advantages to India. What are the advantages? Are we ruled by the commercial people? Have I no national honour? Has India no national honour that it will always be dictated by England and dominated in the national policy, industrial policy and commercial policy by the UK? It is no use evading the issue. My hon. friend Mr. T. T. Krishnamachari will have to take us into confidence before he wastes national money in sending Commerce Ministry officials for the so-called Commonwealth Conferences. It is a disgrace.

Shri T. T. Krishnamachari: I do not propose to send.

Shri B. Das: I am very glad that he has made this declaration. That is a declaration. I do hope my hon. friend Mr. Tyagi or Mr. Deshmukh will be able to say the same thing that they are not going to send their representatives.

Shri Karmarkar: They are going themselves.

Shri B. Das: I will you all joy, Mr. Tyagi, to London; but I do not wish

him to attend this Commonwealth Conference.

The Minister of Revenue and Expenditure (Shri Tyagi): There are not only this, but many important matters also, and the Finance Minister is going especially because the matters are very important from many points of view.

Shri B. Das: Thank you very much. All things are important. But you are a brave fellow. You were the lion on our side when you were a non-official!

Mr. Deputy-Speaker: If by "you", the hon. Member means me. I am a timid man.

Members will kindly address the Chair.

Shri B. Das: In the eventuality of our Government not participating in the Commonwealth Conference, I suggest most earnestly and respectfully and affectionally to my friend Shri T. T. Krishnamachari to appoint a small Committee to look into the assessment about the gains to India over the so-called advantages of ten per cent. to certain goods imported from the United Kingdom, balancing it with the national humiliation, and the perpetuation of humiliation for years to come. I do feel that the Government should shake off the yoke, commercial tyranny and domination of the United Kingdom. We may suffer for one year, but after that, our trade and industry will prosper so much that we will not regret for a moment, and we will feel happier that we have shaken off the tyranny of the English commercial domination.

Shri Nanadas (Ongole—Reserved—Sch. Castes): Sir, protection is accorded to infant industries so that they may withstand the cutthroat competition from foreign countries and develop. I too, like my hon. friend Mr. Gurupadaswamy, believe in the traditional saying in this connection, viz., "Nurse the baby, protect the young and free the adult". Yet, I cannot believe that industrialisation of our country can be brought about by protection alone. Our present policy of protection is only a first-aid to alleviate the pains of the indigenous capitalists and industrialists, and thus befool the country. It does not deliver the goods, but as it has come to stay, I wish to deal with some of the inconsistencies in our tariff policy.

First of all, I wish to deal with imperial preferences. Many of the speakers who preceded me have ex-

posed the evils and inconsistencies of this imperial treatment meted out to British goods. I endorse the views of my hon. friends and ask the Government why this imperial preference has to be continued, even after achieving independence. During the British regime, the imperial preference theory had systematically stifled the growth of our industries. Then, of course, as a subject nation, we were helpless. But, now we are an independent nation having diplomatic and friendly relations with almost all countries of the world. It is a matter of shame that a country like ours having diplomatic and friendly relations with other nations, should show favouritism to a particular country. I am afraid that it will adversely reflect on our status as an independent nation. I therefore suggest that the time has come when we must bid good-bye to imperial preferences and the like.

Secondly, Sir, preferential treatment is inconsistent with the principle of protection. It has worked much against the interests of our industries, and also our revenues. It will also adversely affect our position in the international field, as it is undemocratic to discriminate between one nation and another. Hence, imperial preference must be done away with at once.

At the very outset, I gave my support to the protection, but my support is conditional. I am for giving...

Mr. Deputy-Speaker: The hon. Member may continue his speech after lunch.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Shri Nanadas: Sir, I was speaking about protection. My support for protection is conditional. I am for giving protection to the national industries on which the Government has got control. Industries should be developed in our own country by all means to wipe out poverty and to raise the standards of our people. But protection should not form a permanent burden on the community. It should be given to an industry for a specific period, as an emergency measure, and it should not be against the interests of the consumer, which are paramount in any industrial development. But as I look into the Indian

customs tariff I am constrained to believe that the tariff policy is one of conspiracy by the Government and the industrialists against the consumer. In the name of developing the indigent infant industries the Government have sacrificed the general interests of the community to a handful of industrialists. It should not be so, the sooner we rectify the defect, the better will it be for our industries. The consolation that protection will help our industries cannot satisfy the poor consumer. The benefit accruing to the industry by protection is going to increase the bank balances of the handful of industrialists and will not go to the community at all. Protection in many cases has been misused for making easy profits.

Babu Ramnarayan Singh: Always.

Shri Nanadas: It has been fully illustrated by my hon. friends Mr. Chacko and Dr. Saha. Hence I think I need not dwell upon this point any further. This kind of indiscriminate protection I oppose. For protection to be properly utilised, the State must control the industry; if necessary, the protected industry should be nationalised so that the community may reap the full fruits of protection. Hence protection should not be granted or extended to any industry without any discrimination. Protection should be extended only on the condition of safeguarding the interests of labour and the consumer. If this is not acceptable to any industry, then that industry should be nationalised and then protected. The granting of unqualified protection to industry in private hands is absolutely undesirable, because past experience has shown that our industrialists did not live up to the expectations of the community. They have been weighed in the balance and found wanting; for instance, the textile industry, though it made huge profits, did not modernise the plants and raise the standards of the labour by increasing wages. Hence I suggest that protection should not be accorded to any industry without prescribing the standards and conditions for achieving the above object. Protection therefore should be conditional. The main obstacle in the development of our industry is the inferior quality of the home-made manufactures. In many cases, the quality has not attained prescribed standards, so much so there is large prejudice in the market for home-made goods. If protection is granted conditionally, the quality and standards of home-made goods can be improved. The Government therefore must take steps suitably to improve the quality and standards.

[Shri Naradas]

The aim of protection is to develop our indigenous industries. The question is whether this aim is fulfilled or not. To my mind it appears that it is not. Protection has accorded a safe market for the foreign industrialists in India. The hon. Shri Krishna-nachari was pained when some of my friends pointed out that the benefit of protection was enjoyed by foreign industrialists. I would like him to dispute the statement by facts and figures on the capital invested by the foreigners in the protected industries before and after protection. We are taxing the common man to add to the profits of a foreigner. Most of the industries that are enjoying protection are financed and controlled by foreign capital. The well-established concerns of the foreign countries have come to India and started factories just to counteract the effects of protection given to indigenous industries. The ultimate result is that, instead of protecting the indigenous industry, you are allowing it to be ruined and ousted by foreign industrialist. For instance, the Swedish Match Company has successfully ousted the indigenous match industry when protection was granted. This kind of mischievous system of protection, I totally oppose. I therefore urge upon the Government to devise ways by means of which the benefits of protection should not accrue to foreign capital, because the ultimate aim of the foreign industrialist is not the development of our Indian industries, but profits and profits alone. His policy is to "make hay while the sun shines." If the advantages of protection, cheap labour and raw materials are not there, I am sure, many of the foreign industrialists would not stay in India even for a moment. As I said earlier, the indigenous match industry has been ousted by the Swedish company; so also the indigenous cycle industry is going to be ousted by foreign *cum* Indian concerns. Sir, the Sen & Raleigh Industry of Calcutta and the T. I. Cycle Company of Madras are sure to oust our indigenous cycle industry from the field. The cycle industry, Sir, is one of the biggest and most important protected industries. The cycle is the poor man's conveyance. It has become one of his most important necessities of life. It comes next to food, clothing and shelter. Even at the abnormal rates our annual demand for cycles is estimated at five lakhs. If the prices are reduced to a reasonable level, say, Rs. 100 or near about, the demand would be more than ten lakhs. Such is the importance of the cycle industry

in our country. But the cycle industry in India is made a pawn in the hands of foreign industrialists. The cycle industry was first given protection in 1947. Then the rates were 24 per cent. *ad valorem* (preferential) and 36 per cent. *ad valorem* (standard). The rates were continued till April, 1949. Till then there was no 'gold rush' by the foreigners into this industry, but in 1949 the rates were increased to 60 per cent. *ad valorem* (preferential) and 70 per cent. *ad valorem* (standard). Now the well-established and standard companies of Britain, Raleigh and Hercules, have slowly made their way into India and have started their combines in India giving an Indian colour to them. Virtually, the Sen and Raleigh Industries of Calcutta and the T. I. Cycles of Madras are the branches of Raleigh and Hercules of the U.K. They have come here to exploit the goodwill they built up during their regime in our country and to take advantage of the self-destroying and senseless industrial policy adumbrated by the Nehru Government. I do not know, Sir, whom this high protective policy is going to benefit. It is certainly not the indigenous industry that is going to be benefited. I am sure the Protection Duty Bill helps the industrialists of foreign countries. I am confident that the future will prove this statement correct. It is neither in the interests of the industry nor of the consumer that such a high rate of protection is granted to the cycle industry.

Prior to World War II, Sir, we were importing bicycles from Germany, Japan and England. In those good olden days I remember as a school-going boy the price of a Japanese cycle was only Rs. 25. Now the price has gone up to between Rs. 240 and Rs. 325. The rise in price to a very large extent is due to the high protection duty. I do not find any justice to the consumer in this protection policy. The Tariff Board in its 1949 Report, Sir, says that the indigenous manufacturers of cycle parts in the East Punjab and Bengal.....

Sardar A. S. Saigal (Bilaspur): On a point of order, Sir. The hon. Member is reading his speech. If he has brought it in writing, it is better that it should be given to you. It is not proper to read the speech. (*Interruption*).

Mr. Deputy-Speaker: The hon. Member is also able to speak. I think he is referring to some notes.

Sardar A. S. Saigal: Always this is the thing. But I will obey the orders

of the Chair and the ruling you have given.

Mr. Deputy-Speaker: What if? We are not such extremely high parliamentarians with parliamentary experience of 500 or 600 years. Young men have come here. Let them learn. They will shake off their nervousness for sometime. I am sure we are going to have parliamentarians of a type which the world has not produced. Therefore, let the elders not be too nervous about the young men who have come here. I am extremely glad that the level of the debate is a very high one. The hon. Member may go on.

Sardar A. S. Saigal: If we are allowed, we can also bring it in writing and we can deliver it.

Mr. Deputy-Speaker: So long as I sit in the Chair and so long as they speak relevantly—whether they read or speak—I will allow them to go on. I am not going to be merely a stickler to this. Even good speakers may not be able to speak 'extempore'. We are not copying blindly what some other people have said.

Shri Karmarkar: On a point of information, Sir. I may tell my hon. friend that the price of a good indigenous cycle is Rs. 140 and not Rs. 250 as he said.

Mr. Deputy-Speaker: The hon. Member may go on. He should be able to lift his head from time to time. (laughter).

Shri Nanadas: The Tariff Board in its 1949 Report says that the indigenous industry in the East Punjab and West Bengal is able to manufacture cycle parts to a very large extent and it can meet the entire demand of the country if it is organised properly. But now the protection granted to the cycle industry is working against this indigenous industry because the indigenous industry is not able to compete with the capitalists and the industrialists who have come down to this country from foreign countries. Consequently, the protection is working against the interests of the indigenous industry. I wish that this class of indigenous manufacturers should be given a subsidy so that they can stand up and compete with the big industrialists. Also we can organise the cycle industry on a cottage industry basis whereby we can distribute the benefit of the protection to this industry to a very large number of workers instead of to a very few industrialists.

Secondly, the protection given to the cycle industry is very high and not in the interests of the consumers.

The protection duty of 60 per cent. *ad valorem* (preferential) and 70 per cent. *ad valorem* (standard) is very high, particularly from the point of view of the poor Indian consumer. As I said before, Sir, the cycle is the poor man's conveyance. The protection duty has increased the price of cycles, thereby preventing the poor man from possessing his own conveyance. This is also one of the reasons for the very slow development of our industry. If the demand for a protected article is elastic then that industry will develop. Of course, here the demand is elastic provided the price is reduced to a reasonable level.

The Government may argue, Sir, that Hind bicycles can be had within Rs. 150/- or so. But what is the good? The estimated life of the Indian manufactured cycle is only three years whereas that of the British manufactured cycle is seven years, besides its comfortable riding and fine get-up. If we take into account this fact, then it will be in the interests of the consumer that he should go in for a British made cycle and not for an Indian made one, even if the British make costs him Rs. 320/- or Rs. 400. It is for the simple reason that the home-made bicycles have not become popular in our country, that the industry is not able to develop and expand. So, instead of asking for protection, the industry should concentrate on improving the quality standard; if that is done the industry can stand on its own legs and withstand the onslaught of the cut-throat competition of the U.K. If the industry is not prepared to improve its standards and is not prepared to expand and if the industry lacks initiative and finance, then the only remedy left is to nationalise that industry in the interests of the community at large.

Thirdly, to give relief to the poor consumer, the high protective duty should be brought to the level of 1949 and the quota system and subsidising the indigenous manufacturing companies of East Punjab and West Bengal and the like can be tried with advantage. I am confident, Sir, that the small manufacturers, most of them, being skilled workers in industry, will not dupe and disappoint us like the big industrialists and the profit-makers. So, I strongly object to the giving of high protection to the cycle industry which is dominated by foreign industrialists, because it is not to the genuine industrialists that we are giving protection but to the foreign exploiters who have come to oust our people from the industry altogether and stifle the growth of

[Shri Nanadas]

our industry. I have my genuine suspicious about the joint concerns of Sen and Raleigh Industries of Calcutta and the T.I. Cycles of Madras. I, therefore, want the Minister to provide this House with complete data regarding the capital investments and the cost accounts etc. of these concerns. While clarifying the position of Government, hon. Shri Krishnamachari had frankly admitted that this Bill is only an administrative, routine, extension and intended to give sufficient time to the Tariff Commission to make a thorough study of the industry. I fail to understand the logic of his statement. The Government knew fully well and also in advance that the protection granted to the industry would expire on such-and-such a date. Then why should not the Government take necessary steps to revise the protection granted to these industries in time? Why should the consumers' interests be sacrificed to the administrative inefficiency of the Government? I want an answer from the Minister.

Lastly, Sir, my hon. friends Shri Bansal and Shri Ramaswamy have pleaded for long protection to be given to the industries so that the industrialists may safely invest their money. Obviously, it appears that they want long premiums and assured profits to the industrialists at the cost of the consumers. They also seem to have forgotten the fact.....

Shri S. V. Ramaswamy (Salem): Only with regard to two items and not generally—sago and sericulture.

Shri Nanadas: They also seem to have forgotten that an industry to which protection is given for a long time will become lazy and negligent. The result will be that the purpose of the protection will be nullified and the industry will come forward again and again for further extensions. So, in the interests of the community, protection should be given for a specific period and that too very short. See the results, test the efforts that the industry has taken and then, if necessary and desirable, the protection could be extended. The interests of the community and not that of the handful of lazy industrialists, the anti-social elements, should be the first duty of the Government.

Shri V. P. Nayar (Chirayinkil): Sir, on a point of information. A few minutes ago the hon. Minister told us that an indigenous cycle is available for Rs. 140. I would like to know what percentage of cycles required for Government purposes in being purchased from these indigenous

makes and what percentage is purchased from foreign makes and at what rates.

Shri Karmarkar: I should like to have notice.

Shri Morarka (Ganganagar-Jhunjhunu): Sir, I have great pleasure in supporting this Bill, particularly because it extends protection for 29 industries. If we accept the necessity of industrialising our country, we cannot get away from the fact that our infant industries have to be protected during the initial period as they were protected all over the world in other countries also. I cannot understand the argument of the hon. Members that protection is against the interest of the consumers. After all, unless there are industries in this country, where would the consumers be? Without industries, there can be no employment. In any case, their demand would not be effective i.e. it would not be backed with purchasing power. Therefore, to that extent, even economically, it is in the workers own interests and in the interests of the consumers that our country has its own industry. Apart from this there are strategic and political grounds also for self sufficiency. I strongly say that industrialisation of our country is necessary even to remove unemployment or to provide employment for the people, so that the demand of these people can be an effective demand. Otherwise even if the goods imported here from foreign countries are cheaper than the goods manufactured here but if the consumers have not the money to buy what would be the use of that cheapness?

It is gratifying to note that the Commission has given protection to as many as 42 industries on 60 different items. But I cannot help feeling that the policy of the Government in giving protection has been very halting, and, if I may say so, very insufficient. Halting: because take the example of the sericulture industry which has been protected since 1934; the demand of raw silk for India is about 40 lakhs pounds per year. But even today the indigenous production is only less than three lakhs lbs. that is 1/13 or 1/14 of our requirement. The main reason why we cannot go ahead with this industry or any other industry is the way this protection is given. Protection is given in a very grudging fashion, sometimes for a year sometimes for even less than a year. It is given in a very insufficient quantity. That is the main reason why

the entrepreneurs or the industrialists cannot come forward to invest money in those industries and industrialisation cannot take place at full-speed. Therefore, Sir, once Government accepts the necessity of industrialising the country, it must follow a bold policy and go full steam ahead. Unless and until it accepts this proposition, the very effect of giving protection would be defeated to a large extent.

Mr. Deputy-Speaker: For how many years was it given in the first instance in the case of sericulture?

Shri Morarka: In the case of sericulture it was first given in the year 1934 and it was given for a period of only five years.

Mr. Deputy-Speaker: Does the hon. Member want it for 500 years?

Shri Morarka: No Sir, I do not want it for 500 years, but I certainly want it for a period long enough for the industry concerned.

3 P.M.

We had other factors besides protection, factors like war which help industries. If it is the impression either of the House or of the Government that production in various industries has increased because of protection, then I think it is a fallacious and erroneous impression. Industries are helped not merely by protection, but by other factors like international scarcity of commodities, the exchange difficulties and the licensing system which is followed by various Governments etc.

Sir, one of the speakers who preceded me said that the industrialists have not come up to the expectations of the community and mainly because of that the textile industry which developed on account of protection given to it, and which made huge profits during the war and post-war years, had not even modernised its machinery or increased the wages of labour. So far as modernisation of machinery is concerned, I want to inform my hon. friend that as soon as the war was over, and capital goods that is textile machinery (in this case) became available, the Indian textile industry placed huge orders with firms abroad and most of the spinning machinery in the textile mills in this country was modernised.

In regard to weaving machinery, my hon. friends will realise that the main improvement that is possible is by introducing automatic looms. If

automatic looms are introduced in the country, he can visualise the consequences of it. With automatic looms, one person who is now working two or four looms, will be able to look after as many as 25 or 30 looms. That would result in mass unemployment. It is a proposition which would never be acceptable to any Government or even any of the trade unions in the country; nor is it necessary from the point of view of the economy of the country.

Sir, the main grievance which I have against the working of the Tariff Commission is that after granting protection, the Tariff Commission completely forgets about the industry to which protection has been granted. It does not go into the qualitative control of the products of that industry. Now that we are going to give protection not only to the consumer goods industry like cotton textiles, sugar etc. but also to capital goods industry like textile machinery, beating, pickers, etc., it is very essential that some sort of quality control is exercised. If we allow any inefficiency in the quality of capital goods, the result would be that the industries where these goods are used will become inherently inefficient for years to come.

[MR. SPEAKER in the Chair]

I, therefore, very strongly urge that the Commerce and Industry Ministry should give instructions and directions to the Tariff Commission to exercise stricter vigilance on the quality of the products produced. Sir, it is unfortunate that this Commission has not got enough technical staff to exercise any detailed supervision. So, I recommend that the Commission should appoint or establish a Directorate or Inspection, consisting of experts, and technicians so that they may exercise proper quality control, particularly on the technical side and lay down standards for the manufacture of machinery and spare parts.

Sir, much has been said in this House about foreign participation in Indian industries. We know that if we have to produce highly technical things, we will have to depend on foreign cooperation. The foreign industrialists who are advanced have a whip in their hand; they can dictate their terms and it is up to us to accept them or to reject them. It is for our own benefit, for the sake of industrialising the country, that we accept their terms. Sometimes those terms are unreasonable, but still in the larger interests of the country we have to accept them.

[Shri Morarka]

There is nothing wrong in having foreign cooperation, on a profit-sharing basis or royalty basis, for developing our industries.

Shri Bansal: Even where industries have been established here?

Shri Morarka: The choice before us is not whether to have foreign cooperation or not; the choice before us is whether we want to industrialise this country or not. I do not see anything wrong in having foreign cooperation on a limited basis or for a limited period during which we can perfect our industries, after which it may be dispensed with.

Shri S. S. More: Sir, the subject which we are discussing is of very vital importance to the country at large and several Members have contributed their share on this important measure.

An Hon. Member: On a point of order, Sir, can a Member speak twice on the same Bill? So far as I remember.....

Several Hon. Members: He only interjected.

Shri S. S. More: Sir, before I proceed to offer my comments on this important measure, which affects some of our basic industries, particularly the cycle industry, I should like, by way of a preliminary, to reply to some of the observations which the hon. Minister in charge of Commerce and Industry was pleased to make yesterday.

He was paying very glowing compliments to the ex-Chairman of the Tariff Commission and I entirely agree with him. Then he proceeded to refer to the new person, who has been called upon to shoulder this responsibility. When I refer to this particular subject, I do not want to make any sort of one-sided criticism against a particular individual. In this respect I am only discharging a responsibility which I own to this House and to my constituency. Sir, let me in this connection quote section 4 of the relevant enactment, the Tariff Commission Act of 1951. Section 4 says:

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

When the hon. Minister was referring in very complimentary terms that he was very fortunate in securing the services of somebody, I naturally asked him, in all innocence, whether he is qualified to hold that particular post. Sir, I do not want to trust my memory on this particular issue. I would rather refer to the report of the official proceedings. "Does he know anything about industries?" that was my question. I believe, Sir, in view of this particular section 4 I was entitled to make that enquiry, because it is a very responsible Commission that we have appointed, a sort of technical commission on which persons with technical ability and technical skill are required. They are in charge of the whole industrial future of this country. Therefore the greatest care ought to be exercised by Government in selecting persons for this responsible Commission. So, my query was a perfectly innocent query. But somehow it proved a sort of red rag to the Minister in charge and he said: (I am quoting his own words): "a little more than what my hon. friend does." I do not know, Sir, why he was pleased to bring in my personality. I may say very frankly that, though I do not belong to the Gandhian school, I have the goodness to acknowledge my own limitations. I do say that that way I am very poorly qualified. But the question that I would like to ask pertinently in reply to the impertinent answer that was given to me is, "When has Mr. More become a measuring rod for making Government appointments?"

Shri T. T. Krishnamachari: That is your unfortunate day.

Shri S. S. More: My hon. friend has been here for a pretty long time, and I was not present when this legislation was passed. I was imagining like the simpleton that possibly section 4 prescribes qualifications for getting persons more eminent than and possessing qualifications superior to those of Mr. More. I therefore scanned the section, but unfortunately my search for truth did not reveal anything. Even this would not have broken the camel's back, but this is what he said further on. "Unfortunately for the hon. Member Mr. More we happen to be in power and we think that he is qualified. He has got to accept it." With all humility, I very strongly protest against that particular remark. You, Sir, have been saying that we have to build up parliamentary democracy.

Even in your first speech, you mentioned that we should observe the conventions of other Parliaments, particularly the Mother of Parliaments. Now, what is the treatment accorded to Opposition Members? Mr. Bhatt comes from my own province and I am proud of Mr. Bhatt. I am equally proud of Mr. G. L. Mehta, because he also comes from Bombay State to which I belong. But I am not looking at the matter in a parochial or State-wise manner. If a person is to be appointed to an important Commission of this kind, the main test should be his own qualification. That is why I enquired about the qualifications of the individual in this case. But Mr. Krishnamachari has a different notion about parliamentary democracy. He seems to follow the dictatorial line. After all, what is the function of the opposition? I believe it is to criticise the Government and keep the Government in its place, whether that Government be up to the mark or not. We are trying to help the Government and collaborate with the Government. I gave my wholehearted support to the Estate Duty Bill. Unfortunately, he says "We are in power and unfortunately for Mr. More....." I do not know whether it is unfortunate for Mr. More or it is unfortunate for the country.

Babu Ramnarayan Singh: After all Mr. More is a part of the country.

Shri S. S. More: I believe, Sir, that people who float under the banner of Mahatma Gandhi, who was always ready to give full consideration even to the meanest countryman of his, ought to adopt an attitude different from this dictatorial one. When Mr. More was raising the question, he was not doing it on his own count, but he was speaking for the people of his country. You may choose to ignore Mr. More, but the people are there. They must develop a confidence that the appointments are made by the party in power on the basis of merit and not on the basis of favouritism, nepotism etc. They should know that nobody is appointed because he is somebody's son-in-law or brother-in-law. Huge amounts are taken from the pockets of the common man. Therefore, while Mr. Krishnamachari may not be under any obligation to satisfy Mr. More personally, he has to satisfy the country.

Sir, when the Congress was in the wilderness we were with the Congress, but there are certain very clever people who manage to remain

always on the side of power. They have now chosen to join the Congress when the Congress has come into power. If this is the attitude,—and I speak with the greatest pain and anguish in my heart—and if they persist in this bureaucratic and British brand attitude, then they will have to vacate their seats.

Babu Ramnarayan Singh: When?

Shri S. S. More: In this connection I may refer to what Lord Curzon speaking in the House of Commons in 1892, said. He ridiculed the Congress. He said that the Congress consisted of a few representatives of the educated few and it represented a microscopic minority in the country. He advised the House of Commons not to take its objections and criticisms seriously. Curzons have gone. The streamlet which had its origin in the year 1885 subsequently became more mighty and sweeping than the Ganges in floods. Maxwells and Craigs have gone. They have gone physically. But the bureaucratic mentality persists. Therefore, I submit with all humility that we on the opposition side should be treated more fairly. If you are out to create another *pariah* class and you treat the opposition Members as *pariahs*, we cannot help it.....

An Hon. Member: No, we will fight back.

Shri S. S. More: Somebody Says: "We will fight back".....

Shri Gadgil (Poona Central): Now, come to the Tariff Bill.

Shri S. S. More: My hon. friend says "Come to the Tariff Bill." I think I am perfectly relevant.

Dr. N. B. Khare (Gwalior): But this is also तारीफ

Mr. Speaker: Let the proceedings be taken a little more seriously. There is a good deal of point in what he says and let him go on in his own way.

Shri S. S. More: This sort of attitude discourages criticism. It deprecates comments—even reasonable and sensible comments from this side. The Deputy-Speaker when he was in the Chair paid us a compliment by saying that the debate has been kept at a very high level. I accept that compliment, and since Mr. Gadgil wants me to say something on the Bill, I shall leave the unpleasant part. I would only conclude this portion by saying that the less intoxication of power the treasury benches have, the better the

[Shri S. S. More]
atmosphere in the House is likely to be.

Sir, in the statement of objects and reasons of this Bill it has been stated that this Bill seeks to amend the first Schedule of the Indian Tariff Act in order to continue protection to certain industries on the advice of the Tariff Commission. This Tariff Commission is the successor of the Tariff Board. That Board had come into existence in 1934. It should be conceded that the present Tariff Commission has got wider and more important powers than its predecessor. Therefore, when it makes recommendations, Government take prompt steps to give statutory effect to them. But we should go to the root of the matter. Can we place unthinking trust in its recommendations? Under section 4 the Commission is to consist of not less than three and not more than five members. Since its creation, this Commission has been assigned various duties and functions and in the report of the working of the Tariff Commission, we are given short summaries of the Commission's reports. It is very creditable so far as the quantity of the outturn is concerned. I would compliment the Commission and say that they have done "mass production" of these reports.

It came into existence in January, 1952 and during the ten months of its existence it submitted nine reports, leaving aside other reviews. My submission is that the personnel of the Tariff Commission is very small and you will have to ask the question: was it competent enough, had it sufficient personnel, time and staff to go possibly into the Himalayan data relating to the different industries (because forty-two industries are getting protection now), did they have the necessary equipment for sifting and analysing the whole mountain of data? My submission is, looking to the reports, that it is impossible. My hon. friend Prof. Meghnad Saha made out a point yesterday that the Tariff Commission is much more guided by the vested interests of the industry than the genuine interests of the community or the much needed interests of the consumers. I should like to support him.

By way of illustration I will take only one industry, the cycle industry. As one of my friends has already stated, this industry got its first protection in 1947. That protection was granted to it on the report of the previous Tariff Board which was submitted in 1946 and the 24 per cent. *ad valorem* revenue duty was convert-

ed into a protective duty. Then there was another detailed enquiry the report of which was submitted in January 1949, and it is now a public document. What do we find here? I have gone through that report of the Tariff Commission from cover to cover and the unfortunate impression I had from reading it was that the enquiry by the Tariff Commission with respect at least to this particular industry, namely the cycle industry, was very superficial. It was more in favour of the vested interests than in favour of the country's interests or the consumer's interests.

Sir, I will support my contention by citing some facts. In finding out what percentage of duty is to be levied and what expectations are to be laid down at the time of levying the duty, two factors have to be taken into account: what is the total demand in the country and what is the productive capacity of that particular industry, and after granting the protection by what stages can the gap between the supply and demand in the country be narrowed down? The previous enquiry of 1946 had said that the total demand in this country for cycles of ordinary size, that is 24 inches, was close in the vicinity of six lakhs. In paragraph 8 of the 1949 report it is said:

"In estimating the demand for bicycles in the country the previous Tariff Board anticipated that the demand in the post-war period would be much larger than in the pre-war period. In arriving at this conclusion the Board made allowance for the unsatisfied demand of the war period and eventually it came to the conclusion that possibly six lakhs would be the total demand."

In spite of this verdict of a previously constituted and competent body, namely the Tariff Board, and in spite of this figure being supported by the so-called traders in this particular industry, namely, that six lakhs and more is the demand, this Tariff Commission at this particular time came to the conclusion "well, whatever the previous Tariff Board may laid down, whatever may be the evidence of the traders or importers in this particular commodity, the total demand is something like three or four lakhs", and that is what is accepted by Government. In the note that has been circulated to us Government have accepted this position wherein the Tariff Commission say that "the indigenous demand has been estimated at 3½ lakhs for 1950-51 and 4 lakhs for 1951-52". This under-estimation was

not without any ulterior purpose. The industry was out to show that they were in a position to satisfy the indigenous demand. Though their production was much less they wanted to give the impression to the Tariff Commission 'well, if you give us this protection, and at the high rate that we are demanding, possibly we shall be able to satisfy the indigenous demand, so that the gap between indigenous production and demand may go on narrowing down to the point of elimination in a very short time'. But that is wrong. According to the figures that have been furnished to us, in 1950 two full-fledged units were operating, namely the Hind Cycles and the Hindustani Bicycle Manufacturing Corporation. Their total production in 1950 was 1,05,251 cycles. The total demand at that particular time, if we accept the findings of the previous Tariff Board, was six lakhs. The total production, as I said, was 1,05,251 that is to say, one-fifth of the total demand or less than that. In 1951 it rose only by 22,000. The production was 1,27,213. And in the four months up to April, 1952 it has been 44,708. Trebling this figure we shall be somewhere in the vicinity of about 1,30,000 while the Tariff Commission itself has accepted, and I need not repeat it, that the demand for cycles, which is a very convenient vehicle for the common man, the man with a lean purse, is going on increasing. That is their own verdict. My own submission is that 1,30,000 cycles will not be enough to satisfy the indigenous demand (which is some where in the vicinity of six lakhs and is possibly further expanding). Therefore we must compute whether this industry can supply our requirements even at these high rates of duty.

My submission is that according to this report the cost of production of an indigenous cycle, after making all allowances, is something like Rs. 145 while that of a cycle coming from outside, without the duty, is something like Rs. 83. The heavy duty which we have imposed is making the imported cycle costlier, something like Rs. 237 if we read the retail prices and other prices which have been supplied to us. So if a common man wants to purchase a foreign cycle, whether of British or non-British origin, the price of it will be somewhere near Rs. 230 or beyond that due to the excessive duty. And what is the cost price of the indigenous cycle? My hon. friend Mr. Karmarkar said that the indigenous cycle costs Rs. 137 or something like that. And what is its durability? The 1949 report says that the indigenous cycle will not last three years while a foreign cycle lasts six or seven years. Even that is an underestimate.

I can say it from my own experience. But accepting these figures, I have to pay Rs. 137 for a cycle which can last only three years—leave aside the inconvenience, leave aside the heaviness of the frame, the weakness of its various parts and the repair charges that one has periodically to incur. Per annum the repair charges will be something like Rs. 40 while the other cycle which may cost something more, about Rs. 230, may last for seven or eight years without such expenditure. Even after seven or eight years if you sell it, it will have some selling price. Somebody may go out to purchase it at least for Rs. 20, Rs. 30 or Rs. 50 so that part of the capital can be returned to you. Sir, the only point I am interested in making out is that this cycle industry has become the vested interest of some few factories and they are persuading the Tariff Commission and Government by different means to levy very heavy duty on foreign products. The result is that we are not getting foreign cycles at cheaper prices. My friend referred to the period he was going to the school and he stated that he was in a position to purchase a cycle of a foreign make for something like Rs. 30 or Rs. 40. Those good old days have gone. Now, Sir, Mr. Krishnamachari is in power. We should not dream of the past, we should look to the future and my submission is that the Tariff Commission, when they recommended an increase of levy from 24 per cent. preferential to 60 per cent. did not take into account the interests of the consumers so that artificially by this policy the prices have been raised beyond the purchasing capacity of the masses which is already going down. Take the common man in the street, he cannot go on without a cycle. We have given a sort of an assurance in the Constitution that we shall try our best to raise the standard of living of the people. If the cycles are artificially made to go higher in price the result is that from the common man's budget a larger slice will have to go for the purchase of a cycle because he cannot go to his office without a cycle and he cannot get his monthly salary. The result will be that his budget on food and other essential articles will naturally be depleted. Instead of raising the standard of living we shall be responsible for lowering the standard of the life of that man and therefore I submit, Sir, I need not make any further comments that the Commission is not properly equipped. Mr. Bhat is to be the Head of that Commission. My submission is that he is not qualified under section 4. When this particular measure, I mean the Tariff Commission Bill, was referred to a Select

[Shri S. S. More]

Committee, the Select Committee was very particular to remark that no I.C.S. officer, no Government servant should be employed. Technically Mr. Bhatt is not a Government servant. At present he has retired from service but that will be, Sir, abiding by the law in letter but violating it in spirit. My friend, the hon. the father of the House, Mr. B. Das, when he spoke on the 21st August, was very particular. With your permission I should like to reproduce his words. I am reading from the proceedings of 21st August, 1951, column 1048:

"There is a glamour for the Government of India, even now, to appoint I.C.S. officers as Chairman of Commissions. I ask Government not to fall into that trap. We did not appoint an I.C.S. officer as member of the Planning Commission, though the Finance Minister, an ex-I.C.S., is a Member of the Commission by virtue of his being in the Cabinet."

I have nothing to say personally against Mr. Bhatt. I have the greatest regard for him but I have serious objections to his appointment not due to any personal grounds but he happens to be a member of the I.C.S., the bureaucratic machine which had been formed by the British Imperialists to serve the interests of the vested interests. A man of that mind who has all along moved in that particular groove will find it very difficult, even if he makes an effort, to get out of that groove and try to serve the interests of the consumers. I believe as Mr. B. Das said in very feeling terms that Government should appoint a person who has come from the masses, who has the interest of the masses in his heart, who feels that he should cry with them—such a sort of man should be appointed as the Chairman of this particular Commission. Our industrial development, I do concede, has to be catered for and protective duties are absolutely essential. I do concede that point. I am not prepared to treat the different manufacturers as my enemies. I am prepared to look upon them as a national class of people who are serving the interests of this country but the greatest watch will have to be kept. Their activities will have to be watched with the greatest vigilance, with the greatest foresight and with the greatest sympathy for the masses, and an ex-I.C.S. officer, with all my personal regard for him, will hardly serve that purpose. Congress will take into consideration their past declarations, their past shoutings against the I.C.S. people, and will mend their

way and appoint as Chairman of this Commission someone who can command the confidence of the country. I again thank you, Sir, for the opportunity that you have given me.

बाबू रामनारायण सिंह : सभापति महोदय, अभी इस टैरिफ बिल (Tariff Bill) के द्वारा संरक्षण दिये जाने की नीति पर विचार हो रहा है। मैं उस संरक्षण दिये जाने की सरकार की नीति का विरोध करता हूँ और इस विधेयक का भी विरोध करता हूँ। सभापति महोदय, मेरे यह कहने का मतलब नहीं है कि किसी व्यवसाय को किसी भी परिस्थिति में भी संरक्षण न दिया जाये, ऐसा मेरे कहने का अभिप्राय नहीं है, लेकिन यह तो देखना ही होगा कि देश और समाज के लिये किस चीज़ की जरूरत है।

अभी मंत्री महोदय ने अपनी स्पीच में हमें बतलाया है कि यह संरक्षण तो केवल एक वर्ष के लिये मांगा जा रहा है। सभापति महोदय, अपने मित्र श्रीयुक्त बी० दास की तरह मैं भी एक पुराना सदस्य हूँ, और यह संरक्षण दिये जाने का प्रश्न प्रायः हर साल आता है और प्रति वर्ष सरकार की तरफ से जैसी वह प्राचीन काल की अंग्रेज़ी सरकार कहती थी उसी तरह से यह सरकार भी कह देती है कि बस एक वर्ष के लिये यह संरक्षण की मांग है, ज्यादा नहीं, लेकिन एक एक वर्ष कर के हमेशा संरक्षण दिया जाता रहा है।

सभापति महोदय, आप को भी याद होगा कि उदाहरण के लिये चीनी का व्यवसाय है, हमारे देश में हर वर्ष कितनी चीनी बनती थी और कितनी मिश्री बनती थी और देश का काम मुचारू रूप से चलता था, लेकिन बाद में पूंजीपतियों ने चीनी का व्यवसाय अपने हाथ में ले लिया और कल कारखाने जारी कर दिये, और उन को भी संरक्षण मिलने लगा और इस तरह एक एक वर्ष कर के म

समझता हूँ कि करीब पन्द्रह वर्ष संरक्षण मिल गया, बल्कि पन्द्रह नहीं बीस वर्ष हो गये। यह घोर अत्याय है। होता यह है कि उधर कोई पूँजीपति एक व्यवसाय खोल देता है और वह सरकार के पास या सरकार का प्रतिनिधि जो टैरिफ बोर्ड है उस के पास पहुँच जाता है कि संरक्षण दो और सरकार द्वारा उस के व्यवसाय को संरक्षण दे दिया जाता है। सरकार को और हमारे मित्र श्री कृष्णमाचारी को मालूम होना चाहिये कि इस तरह का संरक्षण देने का क्या अर्थ होता है। इस का अर्थ सीधा साधा सभापति महोदय, मेरे विचार से यही होता है कि भारत सरकार कानून बना कर तलवार के जरिये जनता से अमीर, गरीब, फकीर और भिखमंगों से भी पैसा वसूल कर के पूँजीपतियों की झोली भर दे, और यही सरकार का अभिप्राय है।

लेकिन मैं कहता हूँ कि यह जो नीति है यह बहुत बुरी नीति है। अभी भाई मोरे साहब ने बहुत दुःख के साथ कहा था किस तरह से इस सरकार की ब्यूरोक्रेटिक मँटेलेटी (नौकरशाही मनोवृत्ति) है जो छोटे छोटे मामूली प्रश्नों के उत्तर में बहुत बुरी बुरी बातें कह देती है। कल इन लोगों में चख चख भी हो गई थी। हमारे मित्र श्री बी० दास जी हैं, वह भी बहुत पुराने सदस्य हैं, मुझ से भी अधिक पुराने हैं और अर्थशास्त्र के ज्ञाता भी हैं, उन्होंने ने कहा था, आज भी कहा कि "टैरिफ बोर्ड के जो लोग हैं उन में यथेष्ट योग्यता नहीं है।" मैं तो कहता हूँ कि यहां के मँबरों को और जनता को यह नहीं पूछना चाहिये कि सरकारी अधिकारियों को किस योग्यता की वजह से पद मिलता है। सरकारी पदों के लिये योग्यता की जरूरत नहीं है। वहां तो मालिक की प्रसन्नता होनी चाहिये। सभापति महोदय, अगर आप खूब ठीक से विचारेंगे तो खैर कुछ लोग तो कहीं कहीं योग्य होते होंगे,

और हैं भी, लेकिन मेरे विचार से इतनी बड़ी भारत सरकार एक पिजरापोल मालूम होती है। पिजरापोल में जो पशु रहते हैं वह वहां इस वास्ते नहीं रहते कि उन में कोई योग्यता है, बल्कि वह इस लिये रहते हैं कि उन में कोई भी योग्यता नहीं रह गई। इसी तरह से जो लोग सरकार में हैं वह ऐसे हैं जो सांसारिक काम के लिये किसी योग्य नहीं रहे (हंसी) आप लोग हंसते हैं, मैं तो इतना ही कहूँगा कि आप लोग सुनें और हंसें क्यों कि आप लोगों को सोचना, समझना और विचारना तो है नहीं। नेहरू जी या मंत्री जी जो कुछ कहेंगे उस के लिये वोट दे देना है। आप को और किसी बात की जरूरत तो है नहीं। सिर्फ हंसना है। यह बड़े दुःख की बात है।

एक माननीय सदस्य : सोचने का काम तो आप को दे दिया है।

Mr. Speaker: Order, order; let him proceed in his own way.

बाबू रामनारायण सिंह : सोचने का काम तो मेरा है ही। सारी जिन्दगी सोचता रहा हूँ और सोचने के अनुभव से कहता हूँ।

[MR. DEPUTY-SPEAKER in the Chair]

उपसभापति महोदय, यहां पर इस सिड्यूल में दिया गया है कि संरक्षण किन किन चीजों को दिया जायेगा। उस में २९ चीजें हैं। जसा मैं ने पहले कहा है कि चीनी के व्यवसाय को संरक्षण दिया गया था, बीस वर्ष तक के लिये। इस में दिया गया है कि नकली रेशम के व्यवसाय के लिये भी संरक्षण चाहिये। आप भी जानते हैं कि हमारा देश प्राचीन काल से रेशम के व्यवसाय के लिये प्रसिद्ध है। जब से संसार, या जब से यह भारतवर्ष है तभी से, मैं कह सकता हूँ कि रेशम के व्यवसाय के लिये हमारा देश प्रसिद्ध था। आज विदेशी सरकार चली गई,

[बाबू रामनारायण सिंह]

और दुर्भाग्य से जो यह नई सरकार आ गई वह क्यों नकली रेशम इस देश में आने देती है ? क्या आप जानते हैं कि इसका क्या नतीजा हो रहा है । उपसभापति महोदय, अभी श्री गुरुपादस्वामी ने कहा था कि नकली रेशम के कारण मैसूर के असली रेशम का व्यवसाय खत्म हो गया है । हमारे सूबे के भागलपुर के लोग भी यहां हैं, और और जगहों के लोग भी हैं, हमारे सूबे में भी रेशम का व्यवसाय बहुत जोर शोर से चलता था । भागलपुर तो रेशम के व्यवसाय का एक बहुत बड़ा केन्द्र था । हमारे यहां छोटा नागपुर के विशाल जंगलों में तसर और रेशम पैदा किया जाता था । और छोटे छोटे गांवों की खास कर मानभूम और हजारीबाग जिले में बहुत उध्रति हुई थी केवल रेशम के व्यवसाय के कारण । जिस तरह से खादी के सम्बन्ध में है उसी तरह से रेशम के सम्बन्ध में भी कहा जा सकता है कि इस देश में रेशम से बढ़ कर कोई घरेलू व्यवसाय नहीं हो सकता है । लेकिन मैं क्या कहूं, मुझे तो यह कहने में बहुत दुःख होता है कि इस मूर्ख सरकार ने हमारे देश को डूबा दिया । आप जा कर देखिये भागलपुर में देखिये, या बिहार के किसी इलाके में जा कर देखिये जितना असली रेशम का व्यवसाय था, सब चौपट कर दिया गया । और चौपट हुआ इन लोगों के पाप से और दुष्कर्म से ।

मैं कहता हूं कि इस नकली रेशम के लिये जो संरक्षण दिया जा रहा है उस नीति को खत्म करें । आप जानते हैं कि यहां इस भवन में और बाहर भी यह हल्ला मचा करता है कि जितने व्यवसाय हैं उन का राष्ट्रीयकरण कर दो । तो पहले विचार होना चाहिये कि किस चीज को हमारे देश को जरूरत है, सख्त जरूरत है, जरूरत के माने, उपसभापति महोदय, यह हुमा करते हैं कि

उपाध्यक्ष महोदय : जिस के बिना हमारा कोई काम न चले ।

श्री आर० के० चौधरी (गोहाटी) : यह जो नकली सिल्क का सवाल उठाया जा रहा है इस में गवर्नमेंट का क्या कसूर है । इस में तो औरतों का कसूर है ।

बाबू रामनारायण सिंह : उपसभापति जी, हमारे भाई रोहिणी कुमार चौधरी जी जो कांग्रेस के एक सदस्य हैं उन का कहना है . . .

उपाध्यक्ष महोदय : उन को छोड़िये ।

बाबू रामनारायण सिंह : उन का कहना है कि जो नकली रेशम हिन्दुस्तान में आ गया है उस के लिये जवाब देह स्त्रियां हैं । यह कैसे ? इस में तो सीधे सीधे सरकार का कसूर है कि उस ने ऐसी ऐसी चीजें बाजार में आने दीं और कमजोर दिल वाली और मूर्ख स्त्रियां उसे देख कर ललचा गईं । इस लिये रोहिणी कुमार जी का यह कहना कि स्त्रियों का कसूर है यह ठीक नहीं है । मैं तो कहता हूं कि यह सब को विचार करने से मालूम होगा कि हमारे मुल्क में जिस जिस प्रकार की अनीति हो रही है उस सब के लिये सरकार ही उत्तरदायी है ।

श्रीमती उमा नेहक (खिला सीतापुर व खिला खेरी पश्चिम) : डिप्टी स्पीकर साहब, मुझे यह कहना है कि मैं इस पर एतराज करती हूं कि स्त्रियां कमजोर हैं, मूर्ख हैं । जो कपड़े स्त्रियां पहनती हैं वह हमारे भाई ले आते हैं बाजार से । उन के पास पैसा नहीं है कि वह सिल्क लायें, इस लिये वह औरतों को आर्टिफिशल सिल्क ला कर पहिनाते हैं ।

Mr. Deputy-Speaker: Whenever a reference is made, however jocularly, there are ways of expressing good humour in the House. Nothing should be said which would offend the feelings of any section of the House. That is all that I would appeal to hon. Members. No doubt, we ought not to be a

little too serious, though occasionally we have to be serious also. But, humour ought not to descend to any kind of vulgarity which would offend any section of the House.

बाबू रामनारायण सिंह : समापति महोदय, वलगरिटी (vulgarity) का तो कोई सवाल आना ही नहीं चाहिये। यहां जो मैंने मूर्ख शब्द कहा उस का एक कारण था। यह तो जानी हुई बात है कि हमारे महात्मा गांधी ने खादी के लिये कितना यत्न किया लेकिन बाजार में जहां खादी और दूसरे कपड़े भी हैं वहां विदेशी कपड़े भी हैं जो देखने में सुन्दर मालूम होते हैं और लोग देश का ख्याल न कर के उन कपड़ों के रंग और खूबसूरती देख कर लालच में आ जाते हैं। ऐसे लोगों को अगर थोड़ा मूर्ख कह दिया जाये तो यह बलगर नहीं है। इसमें पुरुष और स्त्रियां दोनों ही क्रूसूरवार हो सकती हैं। इस के लिये केवल स्त्रियां ही क्रूसूरवार नहीं कही जा सकतीं। जैसा कि अभी हमारी बहिन जी ने कहा, खरीदने वाले तो पुरुष ही होते हैं। लेकिन सके लिये असली क्रूसूरवार तो सरकार ही है जिस के जरिये से देश की बुराई होती है क्योंकि वह ऐसी चीजें बाजार में आने देती है।

इसी तरह से और बहुत सी चीजें हैं। शन के बारे में मैंने आप से कहा। हमारे यहां के लाखों आदमी इस में काम करते थे। उन सब का रोजगार अब चौपट ही गया है। लोग बिना व्यवसाय के हो रहे हैं और भूखों मर रहे हैं। लेकिन इस का उपाय न सोच कर लोगों के रोजगार का प्रबन्ध न कर के विदेशों से चीजें आने दी जाती हैं। इस के साथ साथ विदेशी लोग यहां आ कर रोजगार खोलते हैं। जैसा हमारे और भाइयों ने भी कहा है। अगर कोई देशी व्यवसाय हो और उस की जरूरत हो तो उस को संरक्षण दिया जा सकता है। और इस में कुछ बजा नहीं होगा। लेकिन मैं यहां तक कहने

को तैयार हूँ कि पूंजीपतियों को, जो ठीक रास्ते पर नहीं चलते हैं, क्यों संरक्षण दिया जाये। हमारे देश में हमेशा से यह पुकार रही है कि जितने व्यवसाय हैं उन का राष्ट्रीयकरण करो। इस लिये जिस व्यवसाय की हमारे देश के लिये बहुत ही जरूरत हो उस को सरकार की तरफ से, समाज की तरफ से ही क्यों न चलाया जाये जिस में संरक्षण की कोई जरूरत ही न रहे।

तो जिस तरह से संरक्षण अब तक चलता आया है उस का मैं घोर विरोध करता हूँ और मैं अपने पुराने मित्र कृष्णमाचारी जी से कहता हूँ कि इस तरह के संरक्षण का आप अन्त कीजिये। जितने आपने यह २९ व्यवसाय लिखे हैं इन के बिना हिन्दुस्तान मरेगा नहीं। उन के बिना हमारा कोई हर्ज नहीं होगा।

साइकिल व्यवसाय को ७० प्रतिशत संरक्षण दिया जा रहा है। यह तो जनता को लूटना है एक समय था कि यहां बाईसिकल नहीं थी। क्या उस समय हमारा काम नहीं चलता था। अभी हमारे देश में दो तीन कारखाने भी हैं और अगर आवश्यकता है तो और कारखाने खोल दिये जायें। यह तो दूसरी बात है। लेकिन इतना संरक्षण देने की जरूरत नहीं है और न देना ही चाहिये। मेरे कहने का मतलब यह है कि जहां संरक्षण की बात आवे वहां राष्ट्र की तरफ से, सरकार की तरफ से, व्यवसाय खोल दिया जाये। जिस तरह से मैंने पिजरा-पोल की बात कही थी, कि किसी आदमी को खुश करने के लिये एक डिपार्टमेंट खोल दिया जाये, या किसी आदमी को खुश करने के लिये किसी व्यवसाय को संरक्षण दे दिया जाय, इस नीति को सरकार जल्दी खत्म करे और अगर सरकार इस को जल्द खत्म नहीं करती है तो मुझे आनन्द होगा कि यह सरकार जल्दी ही खत्म हो जाये।

Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes): Sir, I was listening with great interest to the discussions, and I feel we have had a lot of discussion on this Bill. However, I wish to contribute one or two new points.

I remember well that when some of the amendments regarding tariff came previously before this House as well as the provisional Parliament, I had occasion to speak. Now, when the discussion was entering into a new and interesting stage, I was wondering whether any of the Members here criticising the hon. Commerce Minister or for that matter, the Government itself, were against protection itself.

There is a history behind this protection, and I do not know whether many Members have read this history at all. During the time of the British Government, they were always trying to stifle national industries in the country and to suppress the Indians who had entered the field. When I read the report already submitted by the Ministry I found that before the war we had only about a dozen industries which were given protection, but now we are having more than 40 industries to which we have consented to give protection. Why did the Government find it necessary to give protection to these industries? When we criticise protection, I think we are, knowingly or unknowingly, resenting private enterprise in the country. Of course, there is a kind of psychological resentment in the country against private enterprise because we had inherited an imperialist economy, but after independence, we have reached a new stage, and now the country is free to have its own industrial development. And I must say with great satisfaction that a large number of educated and middle class people have come forward, and have taken to industrial enterprises in India. I must also say now, as I have said before, that in India there is great scope for private enterprise. It has not only great scope, but I think that for another ten or fifteen years, no progress of industrial development in the country would be possible without private enterprise. Whether we have a capitalist, Socialist or any other economy, I think private enterprise has got a place in India because we are two centuries backward in industrial development.

Shri B. Das: Thank you very much.

Shri Velayudhan: Therefore, when we gave protection to an industry, the main consideration we had in

mind was to prevent competition from foreign markets. Of course, foreigners had done it formerly. Now we are giving protection to these industries, and we must know how this protection is used by the industries: whether there is development; whether protection has been used in the interests of the consumer. I think the majority of the industries to which we have given protection have justified the protection, but some of them could not. I could not get the detailed reasons for that in this report, but there must be reasons for the weakness of these industries.

We always complain against foreign investment. Of course, nobody wants foreigners to capture India through the back-door. The hon. Commerce Minister said the same regarding imperial preferences. He was a little shy regarding that, but this House has previously expressed itself vehemently that imperial preference always went against the interests of the Indian industries. Therefore, it is high time for the Government to scrutinise this once for all and see how it has served the country, and how a future re-organisation or a pact between Great Britain and India will serve our industrial development.

4 P.M.

The Pakistan Government has re-organised and re-planned its imperial preferences. Last year, a Minister from the Board of Trade of the British Government had come to Karachi, and they had discussions on this matter. They thoroughly re-checked the whole thing, and now a new scheme of trade and commerce relationship has been arranged between Great Britain and Pakistan. Why not we also have such a revision now because these imperial preferences were working against the interests of Indian national industries for the last ten to fifteen years? That is the confirmed view in the country, and therefore Government should come forward with a clean slate in this matter. Otherwise this protection will not have much meaning and will not result in any industrial development.

Another point I want to mention is that in recent years a lot of industrial enterprises have come forward, more people have come in the field, in this country. In South India particularly I must say that there has been a very interesting development, and today from North India as well as from outside also a lot of capital is

coming to South India where a lot of raw materials for industrial development are available. More than nine industries which are given protection in this Bill come from South India, and I am very proud to say that most of these industries have already proved their mettle, and have been successfully conducting their business, with the result that the consumer also has been benefited. South India is having vast resources in raw materials, in intelligence and in entrepreneurship. Therefore when protection is granted to industries, South Indian industries should also be borne in mind by the Government. I think that the hon. Commerce Minister who comes from South India must take a particular interest in the development of industries in South India.

Shri A. C. Guha (Santipur): Both the Commerce Ministers come from South India.

Shri Velayudhan: We do not claim the other one.

Pandit Thakur Das Bhargava (Gurgaon): The entire administration of India is in the hands of South India.

Shri Velayudhan: South India is backward in industrial development and that is the reason why I am saying this. I do not say that South Indians are not there in the Government of India, or in any other enterprises; they are there not only in India but all over the world. We are intelligent men, we are men of enterprising spirit, and we are men of.....

Mr. Deputy-Speaker: Is public service an industry?

Shri K. K. Basu (Diamond Harbour): Enterprise too?

Shri Velayudhan: It will become an industry with certain people.

Shri A. C. Guha: Only the industrious people can secure Government services. So it does involve some industry.

Shri Velayudhan: Some industrialists from outside are visiting India, and I had the opportunity to see some of them when they came to Madras and Travancore-Cochin. They were very much satisfied with the raw material available in South India, but they were surprised how South India has not been developed even though

it had got all the resources for industrial development. It is only because of this that I say South India should be developed, not because of any partiality towards South India. India will have to develop as a whole, in the same manner and in the same pattern, and there should be no gulf or island, or any pockets of backward areas. There must be a uniform policy for the whole of the country as far as industrial development is concerned. When we give protection to industries, Government should bear in mind one very important thing. A lot of criticism has come in that the goods produced by our concerns are not up to the mark, when compared with foreign manufactures, and a lot of examples were cited. But I must say that it will take years for our country which was industrially so backward, to equal other countries so far as the standards of production are concerned. Hence we will have to get experts from other countries. That is an inevitable thing. But industrial development does not mean that we must become the slaves of other countries. In recent years, a number of experts have visited India. I think we do require a lot of know-how for our industrial development, and it is not a sin or any inferiority complex if we invite foreigners to our country. If we take, for instance, the countries that had developed themselves during the last 30 years, you will find that Soviet Russia has also done the same thing, during the period 1917-1930.

Mr. Deputy-Speaker: I do not think any hon. Member said that technical men or experts ought not to be invited. The only complaint seems to be that side by side our own industries also should be allowed to establish and stabilise themselves by means of protection. That seems to be the point.

Shri Velayudhan: I quite understand the point, but at the same time I must say that we will have to get some foreign capital also in India. The reason is that people are very shy of investing capital in our country. Of course there is scarcity too. As long as our problems are not solved, as long as the employment and food problems remain what they are, it will be very difficult for people especially for the mill-owners to come forward for investing money in industrial enterprises. That is the difficulty with which we are faced now. So, we have to invite foreign experts and also foreign capital investments. But if we want foreign investment in our country, certainly the foreign investors will demand some profit, and we have

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to bear in mind in this connection the fact that we should not allow ourselves to become their slaves. If there is availability of capital in India, certainly Government should see that it should be utilised for industrial development. But today what is it that we see? The policy of Government is to burden the industrial development in the country with taxes and supertaxes and with export and import policies. I know the complaints of these industrialists in India, most of the complaints are so genuine that they are not unreal. So the Government will have to look into them. The imports and exports policy of Government is also connected with this. If a Commission is appointed, we will find that ever since the war started up to the year 1946, terrible things have happened. Even after 1946 up till now, I know that industrialists, people who were interested in industrial development and who came forward with money for investment in such development, and other entrepreneurs have come forward with facts and figures to show that the policy followed by the Government either in regard to imports or exports was not correct, and that it was suicidal to the industrial development of the country. It is time therefore that the Government gets the advice of the experts in regard to this matter, as also the advice of those who are in the line. For instance, take the case of raw materials required for the glass industry. If those materials have to be imported what is the policy to be followed? Government should consult the experts and other industrialists who are in that line and then frame their policy.

There was a lot of criticism that certain personalities, or groups or certain sections of industrialists were favoured by the Government, and that the protection did not extend to others, with the result that there was a retardation in industrial development. This also, the Government will have to look into. We are now at the beginning of the Five-Year Plan. If that plan has to succeed, then we have to follow a thorough and open policy dictated by that plan itself, and that policy should be worked out in the same spirit, as well. Otherwise, even after five years we will be in the same position as we are today. The Five-Year Plan is a plan of industrial development of the country. I do not say it will satisfy all of us. It may not satisfy the industrialists in the country, because even when I read the draft Plan it had set apart only 20 crores for the industrial development

of the country. That is not enough in a country with a vast territory like India where we have got abundant natural resources. I read the other day, Sir, that a Mission from Norway had come to India and the Finance Minister himself had given information that for Rs. 73 lakhs we are now taking them from place to place and showing them all our industrial enterprises in the country, the border areas where we have got canals, and other places where we have got our border installations. An industrialist friend of mine told me the other day that for a paltry amount of Rs. 73 lakhs from Norway we are showing all our installations here at the border. And who knows that they will not go to Pakistan and divulge to them these secrets! Therefore, Sir, we have got to have certain capital in India. For everything we should not depend on other countries. Only for those things which cannot be avoided and which require expert advice from other countries, only for those things we must depend on other countries. At the same time, we will have to develop our national resources, our enterprises and our intelligence in the country. We should not treat the industrialists as untouchables. They are patriots; they have played their game well in the past. If they are approached properly, if they are advised properly and if they are controlled properly, it is my humble opinion, Sir, that they will also co-operate with the Government and at the same time the needs of our industrial development according to the Five-Year Plan will be served. With these few words, Sir, let me conclude my speech.

Shri V. B. Gandhi (Bombay City—North): Sir, I thank you for this opportunity even at this late hour, among other things, for one thing, and that is that I happen to be one of the few men in this House who have been associated with Mr. M. D. Bhatt, a reference to whose name has been made so often during the course of this afternoon. I shall come to that presently.

The Bill before the House, Sir, is a very simple one. All that it asks for is that the period of protection which has been received by industries covered by the 29 items indicated in the Statement of Objects and Reasons, should be extended. This extension of period in a very large majority of cases asked for is for about a year. Such a simple measure should ordinarily have been taken as a routine measure and should not have

occasioned the long and valuable debate which we have had in the House. But we owe this very valuable debate to one fact. The fact is that the Ministry of Commerce and Industry has been good enough to circulate to Members two notes, one on the functions of the Tariff Commission, and the other giving equally valuable information about the reasons that weighed with the Tariff Commission in giving protection to certain industries and also giving the present position in respect of protection to each one of those industries. This act on the part of the Ministry, I am sure, Sir, this House will consider a commendable one.

Now, I shall try to deal with just one or two points. The first point is the plea made by my friend, Mr. Bansal, that the period of protection which is sought to be extended under this Bill should be longer than one year. Now, after the explanation that we have had from the hon. Minister for Commerce, we may consider that point as satisfactorily closed for the present. The other point which I would like to emphasise is the plea made by Dr. Lanka Sundaram for the enlargement of the personnel of the Tariff Commission. Here the hon. Minister for Commerce and Industry, when he intervened in the debate yesterday, has explained to the House the difficulties that he had been experiencing in getting the right type of men to fill the posts on the Tariff Commission. We all appreciate the very important work that this Commission is called upon to do and also the fact that this Commission in its new form is a quasi-judicial body. It is, therefore, very essential, Sir, that the men that we choose to fill these posts on this Commission have to be men of proper qualification, have to be men of impartiality and also of high rectitude. And to that extent, Sir, we may agree with the hon. Minister that there are certain difficulties in getting the right type of men. Still I would add with all the emphasis at my command to the plea that something real, something urgent should be done in the matter of enlarging the personnel of this Commission. The work of this Commission, Sir, will be more valuable the more expeditiously it is done.

Then there is the point made by Mr. Chacko when he suggested that the present form of protection given to the aluminium industry should be changed and in its place a subsidy should be tried. Now I am not quite sure that this suggested type of protection will be a practicable one in the circumstances connected with this in-

dustry. Here we annually import about 11,000 tons of aluminium. With the present landed cost of this metal at Rs. 3123 per ton—I am referring to the figure given by Mr. Chacko—the total cost of our annual import of aluminium would come to about Rs. three and a half crores. Now, if the object of granting a subsidy is to increase the production in the country, then it is obvious, Sir, that we shall have to give increasing amounts in the shape of subsidy. For instance, if we should propose to give subsidy at the rate of 30 per cent.—that is the rate of duty at present we are levying on the import of aluminium—then on the present indigenous production of about 4000 tons in the country, the subsidy that the Government would have to give will amount to about Rs. 26 lakhs. But since the object of this subsidy is to increase indigenous production, this subsidy will have to be in increasing amounts. But that is only the fiscal side of the problem. The real difficulty in the way of increasing production of aluminium is not really so much the question of raw material. It is said in so many speeches that this country abounds in deposits of bauxite, the raw material for aluminium. That is true so far as aluminium is concerned, bauxite or the availability of the raw material is only a very small portion of the story. It may not be wrong to say that there is another raw material that is necessary and that is electric power. The cost of the electric power that is required for the production of aluminium is so disproportionate to the cost of the other raw material, bauxite, that we can almost say that electric power is another raw material which is necessary.

Sir, I remember reading a small book on TVA and one of the side results of the coming in of the TVA in America was that a long-standing difficulty or a problem which had been worrying the American Government was suddenly solved. During World War I, the American Government had built an enormous plant for the production of nitrates in a place called Muscle Shoals. After the war, the need for nitrates was over and for some reasons they closed down the plant. For years this enormous plant was lying idle, deteriorating. For six or seven years, the American Congress debated the problem, thought of several ways: they made an offer of the plant to Henry Ford; they did all sorts of things but nothing could be done. But when the TVA was at last completed and electric power was

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available in plenty and at a cheap rate, the problem of Muscle Shoals was unexpectedly and suddenly solved. Muscle Shoals began to produce aluminium, and became one of the biggest aluminium producing plants in America. It is well-known, Sir, that today in the world Canada is the world's most competitive producer of aluminium. You, Sir, have very recently visited that country and you know the reason. The reason clearly is the availability of electric power in plenty and at a cheap cost from the Ontario hydro-electric system. I am not quite sure about the figures, but I remember it is something like this. If to produce a certain unit of quantity of aluminium it costs say, about 26 dollars, then it is said that as much as about 26 dollars are required to be spent on the electric power necessary to produce that quantity of aluminium. So an integral part of the cost of producing aluminium is this electric power. About 30 miles away from Bombay, near Kalyan, we have discovered vast deposits of bauxite. Now, we have not got the electric power necessary to exploit those vast deposits. The Tata Hydro-electric is hardly in a position to supply the needs of the city and its existing industries. It cannot spare any more power. Therefore, Sir, the question so far as aluminium is concerned, is not one of subsidy but is really one of electric power and as soon as some of our projects under the Five-Year Plan are completed and we are able to have electric power not only at a cheap rate but in plenty, I am sure the problem will be solved.

Now, Sir, coming to this M. D. Bhatt affair.

Mr. Deputy-Speaker: I intend closing this soon. There has been sufficient discussion on this matter.

Shri V. B. Gandhi: Now, I am a newcomer to this House, Sir. And yet I must confess I was a little distressed with the manner in which this episode was allowed to develop. If the hon. Mr. More had something serious to say against the qualifications of Mr. M. D. Bhatt, he has not said it. All that he has said is that Mr. Bhatt is an I.C.S. officer. I am sorry Mr. More is not present in the House. He also tried to give to his remarks the borrowed prestige of the name of Mr. B. Das. Now, Sir, the hon. Mr. B. Das is a very respected Member of this House. We all have very high regard for him, and I know although Mr. B. Das made

a reference to the occupant of that post indirectly and said that he did not favour the policy of appointing I.C.S. officers,—he was polite enough and careful enough to avoid any personal reference. He was dealing with a policy and we can understand that. Anybody can say that as a policy we favour that I.C.S. officers should not be appointed. That is quite understandable. I happen to know Mr. M. D. Bhatt very well. Sir, in fact, I was associated with the Bombay Municipal Corporation where Mr. Bhatt was Municipal Commissioner for over five or six years. And I can say from personal experience that Mr. M. D. Bhatt is one of the few competent officers available today in the State of Bombay, whether in the I.C.S. cadre or in any other cadre. Mr. M. D. Bhatt has this singular distinction. Recently he resigned his post from the Government of the State and was instantly taken up by some commercial concern. In a short time the Government of Bombay had again to persuade Mr. Bhatt to take up his original post. Now, that is a very rare distinction, Sir. Then, Mr. More was not quite fair, in my opinion, to the hon. Minister of Commerce and Industry. He only quoted the first sentence of the long verbal exchange that was carried on between the hon. Minister of Commerce and Industry and Mr. More. Now in a situation like this, the least that is expected from any one of us in this House, is to read the whole passage. The hon. Minister lost no time. As soon as he found that Mr. More was taking it amiss, I remember he lost no time in saying that he meant it in a spirit of humour, in a spirit of give and take. Sir, the hon. Minister is quite capable of taking care of himself. But I am concerned, as I am sure everyone of us here is concerned, with the manner in which these situations are handled in this House, because after all it reflects credit or otherwise on every one of us.

Finally, I shall again repeat that I make the plea with all the emphasis I can command, for some real effort to be made to enlarge the personnel of the Tariff Commission.

Shri K. K. Basu: Sir, at the fag-end of this debate, I wish to add my voice to the criticism that has been directed against the Bill under discussion. Some of the speakers have tried to look upon this legislation as an administrative step, which to my mind indicates the same old attitude which the alien Government was adopting towards our

industries. When we consider protection, we have to see how we can increase the national wealth. For that purpose, we should consider the overall picture of our industries. After the last war, there were several international Conferences in which pleas were made for equal opportunities in trade. It was also accepted there that in view of the development of capitalist economy unevenly in different countries of the world, backward countries could satisfy their own particular needs in their own interests and they could have preferential trade relationship which we generally call "protection". Here in our country which is as yet essentially agricultural, we find only a sparse distribution of manufacturing concerns or industries. Therefore, whatever economy we may want to develop, our idea must be to develop industries in such a way that they would be able to stand on their feet quickly and the national wealth may increase. In considering this Bill, we have to judge how far it satisfies this test, from the discussions as conducted by the treasury benches and the supporters of the Bill, it seems as though they look upon this Bill as a routine legislation which merely seeks to continue the protection given during the last few years or a year or more. I do not want to tire the patience of the House by repeating the large mass of figures supplied by Government. I suppose most of us have gone through them. Anyone who has done so would at once realise that the Government have not taken the overall picture of the industries into consideration. There are many industries which even after several years have not been able to utilise their full productive capacity. The installed capacity has been only partially utilised. Whatever they could produce during the war has been reduced. We must find out the reasons behind the protected industries not developing properly and attaining self-sufficiency in the near future. You, Sir, have been in this House for long and you know very well that we cannot protect industries for all time. They should stand on their own legs as early as possible and reach a stage when they can export goods. In this connection, I wish to refer in passing to one protected industry. I refer to the sugar industry. It has had protection for the last twenty years and even then it is not in a position to stand on its own legs. The sugar produced in India sells at such a price that there is no market except in India. Our consumers pay for the sustenance of this industry. After all, ultimately it is the consumer who has

to pay. If they could get a thing at a cheaper price, the saving will come to the market in the shape of capital. I personally feel on going through the reports of the Tariff Commission that they have not considered this aspect of the problem.

Now that we have a Planning Commission with a view to developing the economy of the country, I suggest that piecemeal legislation without the picture of the overall industrialisation in mind cannot be supported or commended by us. This point has been amply illustrated by speakers like Dr. Saha and Dr. Krishnaswami. In the case of many industries, the importers or a few individuals take the plea that their enterprise requires protection, and they go on amassing profits without considering the national benefit or the interests of the consumers. In spite of this, I do believe that there are still people in the country who consider the interests of the nation as paramount. They should be given an opportunity to develop the overall national economy.

Take the case of the bicycle industry. We are told that tubes have to be imported and they merely assemble the parts here. No attempts are being made to manufacture the vital constituent parts here. The same is true in the case of sheet glass. Soda ash which can be easily manufactured in our country has not been attempted to be manufactured.

As the time is short, I do not want to take long. I only wish to join in the protest which has been made against imperial preference. Yesterday the hon. Minister tried his best to prove that there were certain advantages accruing to India under the Indo-British Trade Agreement. You know the history of imperial preference. Public memory is not so short. In 1936 when the Congress first came into this Legislature, they first passed a resolution denouncing the Ottawa Agreement. The same party is today in power and possibly it has a different notion of imperial preference. I also protest against the importing of foreign capitalist concerns here and making them joint concerns in order to exploit our cheap Indian labour and work to the detriment of our consumers. We have read about the Sen-Raleigh concern which is going to be established in Asansol. We have not been supplied with the detailed figures, but from the news in the papers one can see that the interests of the Indians are only in terms of preferential shares and roughly 20

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per cent. of the ordinary shares, with practically no voice in the management. It may be that two or three Indians may be appointed on the Board of Directors. We know very well that even during British days there were Indian Governors, but that did not change the character of the Government. I think, Sir, the time has come for Government, if they want to work in the interests of the nation, to consider the whole picture of industrial policy in the light of the Five-Year Plan they want to usher, to develop national wealth and improve national economy.

Sir, about the controversy regarding the composition of the Tariff Commission, unfortunately, personal matters have been brought in. We do not view this problem from the point of view of personalities—whether an individual is good or bad is immaterial. We, however, think, that the Tariff Commission, if it is to work as an independent unit to advise Government as to the particular industry which has to be protected in the interest of the nation, should be constituted of such persons who can look to the interests of the nation from the point of view of the consumers, from the point of view of the industry and from the point of view of the nation as a whole. As such we feel that individuals who have been trained in a different atmosphere are not suited to perform such responsible functions. Instead of bringing in such piecemeal legislation without allowing the Tariff Commission to examine the whole problem I would request Government to place all the facts before the House and fully take us into confidence.

शंखित ठाकुर दास भागवत : मैंने बड़े गौर के साथ सारी बहस जो होती रही है, सुनी, लेकिन मुझे अदब से अर्ज करना है और ख़ोर से अर्ज करना चाहता हूँ कि मुझे इस सारे डिबेट को सुन कर बड़ी मायूसी हुई है। जिस वक़्त हमारे सामने यह बिल आया २९ इंडस्ट्रीज के बारे में और जो नोट मिनिस्टर साहब ने भेजा वह हमारे सामने आया, दो नोट हमारे पास भेजे गये, ८ महीने की जो कमीशन की कार्यवाही थी उस का नोट और २९ इंडस्ट्रीज के बारे में जो नोट भेजा उसको मैंने बड़े गौर से पढ़ा और मैं इस मतीज पर पहुंचा कि जिस कदर यहां पर बहस हुई

है वह आम तौर पर उन इंडस्ट्रीज की मॅरिट (Merit) पर, कि उनको प्रोटेक्शन (Protection) मिले या न मिले, बहुत कम हुई है। वह उसूल जो फिस्कल कमीशन (Fiscal Commission) ने बतलाये और जिस के जनाबबाला भी मॅम्बर थे, और उसने जो उसूल कायम किये थे और जो ऐक्ट हाउस में हमने पास किया उसके मुताल्लिक और उस के उसूलों के मुताल्लिक मैं यहां पर बहस सुनता रहा हूँ और बहुत सी मुस्तलिफ़ बातों पर बहस हुई है जिन का कि इस बिल से कतई कोई ताल्लुक नहीं है। मुझे अफसोस है कि बहस जिस तरीक़े की इस बिल पर होनी चाहिये थी, वह मैंने हाउस में नहीं सुनी। इस के अन्दर न क्रूसर हम मॅम्बरों का है और न मिनिस्टर का। मैं इस फॅग ऐन्ड (Fag end) पर जो बोलने के लिये खड़ा हुआ हूँ और हाउस का वक़्त ले रहा हूँ वह इस बजह से कि मैं मिनिस्टर साहब की खिदमत में अदब से अर्ज करना चाहता हूँ कि आइन्दा जब कभी वह इस किल्म का बिल लायें तो पहले मेहरबानी कर के सिलेक्ट कमेटी का मोशन (motion) उन की तरफ से होना चाहिये, ताकि सिलेक्ट कमेटी में हम उन चीजों पर जिन बजूहात पर यह प्रोटेक्शन दिया जा रहा है, अच्छी तरह से देख सकें और गौर कर सकें। जहां तक इस मौजूदा बिल का ताल्लुक है, मैं जानता हूँ कि इस के अन्दर मुसीबत यह थी कि बहुत सी चीजों के बारे में तहक़ीकात भी पूरी नहीं हुई थी और यह जो एक साल के वास्ते प्रोटेक्शन देना पड़ा, उस के मुताल्लिक पूरा मसाला ही मौजूद नहीं था जिस पर सिलेक्ट कमेटी में हम जा कर देख सकते।

Shri T. T. Krishnamachari: The problem is very simple—either you grant protection or you do not. There is no question of a Select Committee.

पंडित ठाकुर दास भार्गव : मैं अर्ज करना चाहता हूँ कि मेरा यह मंशा हरगिब नहीं है कि इस बिल को अब सिलेक्ट कमेटी में ले जायें। हाँ, आइन्दा जब कभी आप कोई ऐसा बिल लायें जिस में टैरिफ कमीशन को प्रोटक्शन देना पड़े तो उस बिल को पहले सिलेक्ट कमेटी में ले जाना चाहिये। पिछली मर्तबा मुझे याद है कि हमारे मिनिस्टर साहब श्री कृष्णमाचारी साहब की कोशिश से मोटर पार्ट्स (motor parts) के बारे में जब बिल आया तो वह बिल पहले सिलेक्ट कमेटी में भेजा गया और हम जानते हैं कि सिलेक्ट कमेटी में क्या हुआ। वहाँ पर मैं भी मौजूद था और हमारे श्री कृष्णमाचारी भी मौजूद थे। जो कुछ सिलेक्ट कमेटी में हुआ उस का नतीजा खुद मिनिस्टर साहब को मालूम है। ऐसे मिनिस्टर साहब जो खुद यहाँ पर खड़े हो कर हमें बतलाते रहे हैं कि ऐसे बिल को सिलेक्ट कमेटी में ले जाना चाहिये, आज उन के मुँह से मैं यह सुनने के लिये तैयार नहीं हूँ कि इस बिल को सिलेक्ट कमेटी में नहीं जाना चाहिये। मैं इस मौजूदा बिल को अब सिलेक्ट कमेटी में भेजने के लिए नहीं कहता। इस के बारे में तो पूरा मसाला ही मौजूद नहीं है। लेकिन आइन्दा जब इस तरह का कोई बिल आये, तो उस को जरूर सिलेक्ट कमेटी में जाना चाहिये। जहाँ तक इस बिल का ताल्लुक है, उस में हमारे पास एकतरफा ही शहादत मौजूद है, हमने वह रिपोर्ट्स नहीं पढ़ीं जो आप ने लायबरी में रक्खी हैं और उन २९ इंडस्ट्रीज के बारे में जो रिपोर्ट हैं वह इतने थोड़े असें में नहीं पढ़ी जा सकती थी। सिलेक्ट कमेटी में जो मामला जाता है, वहाँ उस पर ज्यादा गौर करने का मौका होता है, और मंम्बर लोग रिपोर्ट्स की छान बीन में ज्यादा दूर तक जाना अपना कर्ज समझते हैं और उन रिपोर्ट्स पर खूब अच्छी तरह से विचारने की

कोशिश करते हैं। इस वास्ते मैं अदब से अर्ज करना चाहता हूँ कि आगे जब कभी इस तरह का बिल आये, तो पहले उस को सिलेक्ट कमेटी में भेजने का कन्वेंशन (convention) इस हाउस में कायम किया जाय ताकि हमेशा ऐसे बिल सिलेक्ट कमेटी में जायें। आखिर मैं मैं आप का शुक्रिया अदा करना चाहता हूँ कि आप ने मुझे बोलने का और हाउस का वक्त लेने का मौका दिया।

Shri Karmarkar: Sir, standing at a quarter to five and hoping to have this Bill finished by five o'clock, I am confronted with a small difficulty. Sir, for my own benefit I went on making notes on all the points that fell from hon. Members. At first my list came to about 25 points. When I summarised it, it came to twelve. Now, Sir, with the short time at my disposal, I would not like to tire the House with any elaborate reply to all the points made during this debate. Nor do I think it is necessary.

Sir, on the principal point at issue—as to whether we should continue protection in the case of the 27 industries and whether we should grant protection to the two industries mentioned in the Bill for a fresh period—apart from my hon. friend Babu Ramnarayan Singh, there has been practically no opposition whatever, regarding the actual imposition of the protective duty in respect of these commodities. There has been an attempt by my hon. friend Mr. Ramaswamy to go in the other direction—to extend the period of protection. So, Sir, I take it that the House almost unanimously—I hope by the end of this debate Babu Ramnarayan Singh also will agree with the reasonableness of the demand made before the House by Government, namely, that protection should be extended to these industries in any case up to the period mentioned in the Bill,—because Mr. Ramaswamy wants to go further in the case of two—accepts the proposition placed before it.

So, Sir, it is not a heavy task for me to reply to the points made regarding the merits of the question. Except the very useful suggestion made by my hon. friend Mr. Chacko regarding aluminium, antimony and one other commodity, I do not feel called upon to reply, because there is nothing to reply regarding the Bill under consideration. I say this with the greatest

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respect and I am very grateful to the House for being almost unanimous regarding the merits of the question under consideration.

Sir, arising out of the present Bill, various points have been sought to be made by hon. Members. In my humble opinion, the debate had been a little more prolonged than was absolutely necessary for the purpose of this Bill. Speaking for myself, I have personally benefited from the discussion, because as point after point followed and as argument after argument was made, I tried to refresh myself regarding the merits of the questions raised. Sir, I regret very much to say that I found myself in a position of being unable to agree with most of the points advanced. I will not try to reply to all those points elaborately, because I shall have to begin with the first Tariff Board appointed in the twenties and cover a period of about thirty years. I shall, however, briefly refer to some of the points made, because apart from the merits of the questions it might be considered a discourtesy to the House if I did not dwell on some of the important points.

My hon. friend, Dr. Lanka Sundaram—I hope he was not meaning it—allowed himself to say that ultimately it has become a very routine affair, with the Government to bring forward Bills and getting them passed, perhaps he implied, with no great content whatever. I think he does realise that this policy of protective tariffs has been very greatly beneficial to the industries of the country as a whole. Government have no option but to bring legislation that they think necessary to protect the industries of the country. It is too late in the day to say anything against the policy that has been consistently pursued in the last so many years now, namely the protection of industries by way of tariff duties. I will not dilate on it longer.

The second point that came under consideration I have lumped up under one general issue, and that is: what are the criteria of eligibility for protection in respect of a particular industry? To my mind the various points raised would divide themselves into five principal points: firstly, the capacity of the industry to stand on its own legs within a reasonable time; secondly, the capacity of the industry to fulfil the full domestic requirements; thirdly, whether and, if so, how far, the availability of raw material should be held to be a criterion in respect of the protection of an industry; fourth-

ly, what would be the burden on the consumer—up to what limit should the burden of the tariff fall on the consumer; and lastly the relevance of behaviour of the particular industry protected in respect of its right to be protected. I shall necessarily deal very briefly with all these points.

Firstly, let me take the capacity of the industry to stand on its own legs within a reasonable time. I think that has been one of the criteria adopted all along. We have not granted protection, nor can we grant protection, to an industry which will never be able to stand on its own legs—unless of course it is an industry required for our Defence purposes and the rest. But then, apart from the abnormal circumstances which might also compel Government to give protection in respect of a particular industry, normally, the rule has been that whenever we grant protection to an industry and put the burden on the consumer, our reasonable anticipation is, as assessed from the conditions present at a particular time, that the industry should be able to stand on its own legs within a reasonable time.

Secondly, regarding the domestic requirements—people might join issue on that. It may be that in respect of a particular industry we may not be able to reach the full domestic requirements for a long time. Take sericulture for instance. Sericulture during the period of an emergency like war is an essential industry. It is required for Defence purposes for the silk that is required for parachutes and the rest. Apart from that consideration, in our country particularly sericulture is an industry which has given employment to a large number of persons. As my hon. friend Mr. Ramaswamy knows full well, in his State five lakhs of people are engaged in sericulture. If we drop it from our list of protected industries that would lead to detriment to employment. In a country like India there are these two problems to be faced: one, the necessity of increasing production, and the second, the sustaining of an even measure of employment. In our country we are in need of industrial production, and at the same time we are also in need of continued employment taking into consideration the huge population which our country has. So, here I do not think we agree that, unless an industry is able within a reasonable time to fulfil the domestic requirements, we do nothing to protect it. That is a position which is not acceptable to us. If we see that a reasonable margin in protection enables an industry to stand on its own

legs and it is able to satisfy fairly substantially the domestic requirements. I think that is a case which we consider fit for protection.

Mr. Deputy-Speaker: The complaint seems to have been that too much of time has been given and the industry has not been pulled up from time to time to stand on its own legs. That seems to be the complaint.

Shri A. C. Guha: And whether any efforts have been made to fill the gap between the demand and the production. If it meets ten or twelve per cent. of the domestic requirements, is it substantial?

Shri Karmarkar: I will come to it. But even apart from that, if without prejudice to the consumer—and when I come to that my friend will see how little the burden on the consumer as a result of protection has been—the real protection that we have been able to afford to industries is not the tariff protection so much as the protection that we give to an industry by way of facilitating its finances, supply of raw material, enabling it to compete with foreigners on other grounds—and not so much the tariff protection as such. Because, the burden on the consumer so far as our country is concerned—I think I am right—is about the least when we compare it with the tariff duties which even advanced countries like the United States have put on the shoulders of their consumers. But to that I will briefly refer later on.

Shri Sarangadhar Das (Dhenkanal-West Cuttack): What about sugar?

Mr. Deputy-Speaker: That is not the subject-matter now.

Shri Karmarkar: That is what I have to say regarding the availability of raw material. There is an advantage in having the raw material. But assuming for a moment that advantage lies in the processing industries, in cases where the raw material may not be forthcoming, say, for a certain time, take plastic for instance, what would be the advice of this House? For a long time to come, conceivably for a very long time, we could not within the borders of this country produce all the raw materials required. Would it advise that the processing of the raw material should be done outside and we should import the finished product from outside? This House is aware that so far as plastic manufacture is concerned to a large extent we are able to supply our internal requirements. That industry is open to this weakness which is material in an emergency. In normal times it is not a

vital or fatal thing, because in normal times we get the raw material. But in an emergency as in the case of a war it may be that the raw material may not be available. Then it may come up for consideration as to what we should do regarding that industry. In the meantime we are not bound to this principle that if an industry is to be protected, all its raw material or a substantial part of it must be available within our own borders.

Shri Gadgil: That principle is not accepted anywhere in the world.

Shri Karmarkar: Sir, my hon. friend says that that principle is not accepted anywhere in the world. Whenever we give protection we do give a substantial importance to the question whether the raw material for a particular industry is available inside the country itself. To that industry we give greater importance than to a merely processing industry. But it is likely in the near future, in view of the cheaper labour costs prevailing in this country—though there might be opinions as to whether labour is 'well paid' or 'ill paid'—that we might be developing some processing industries, bring raw materials, process them, sell them here as well as export them outside, as happens with our textiles. We were able to export such a large quantity of textiles because in certain matters, especially in the cost of production, we compare favourably with some of the other producing countries.

Shri Nevatia (Shahjahanpur Dist.—North cum Kheri-East): We import raw sugar and process it in our sugar refineries.

Shri Karmarkar: I am thankful for that observation. The House will appreciate that I do not wish to burden the House for a longer time with any more arguments on this matter.

Then as regards the burden on the consumer, from the material supplied by us—and happily so far as our Ministry is concerned the material is ample—hon. Members can find for themselves by just going through the list of protected industries the amount of duty imposed as a protective measure. For my own benefit I have made a small study. I find that excepting a very few industries like, for instance, bicycles, silk, sugar, alloy-tools and special tools, grinding wheels (which is subject to a hundred per cent. duty), preserved fruits, sheet glass and some other very few industries, our normal protective duty has not in any case exceeded thirty to thirty-five per cent. I wish hon. Members of this House compare our import duty schedule

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with that, for instance, of advanced countries like the United States. Then they will see that we have erred on the side of reasonableness as far as our revenue duties themselves are concerned. There is a fallacy in the argument advanced about the burden on the consumer. Ultimately, if we must have a customs revenue, we must have what is known as a revenue duty. There is no escape from it, unless this House decides that there should be no burden on the consumer by way of revenue duties. In substantially the major portion of the commodities what we have done is that in the customs schedule where it shows the nature of the duty imposed, for the word 'revenue' we have substituted the word 'protective'. By doing that the burden on the consumer has not been increased. Except in the case of a very few industries where it will involve a very small additional burden on the consumer, in the case of the other industries the burden on the consumer would be the same—unless this House decides to abolish import duties altogether. So that fallacy has to be borne in mind when considering this argument about the burden cast on the consumer. On the other hand we can well assert with confidence that we have been able to protect our industries by means other than of tariff duties, imposing as little a burden on the consumer as possible under the circumstances. Because, in the large majority of cases we have not increased the revenue duty. Happily for us it was not necessary. And what we have done is instead of calling it a revenue duty we have called it a protective duty. In view of this I should like to submit to this House that there is very little merit in the argument which referred to the burden on the consumer. Repeated reference was made to the burden on the consumer. As I said, in the case of a large number of industries the burden is nothing more, (not a pie more), than what it would normally be under the present circumstances if it had been a revenue duty.

5 P.M.

Sir, then came up the appointment of the Tariff Commission. Well, on that much has been said. I should be failing in my duty if I do not say that in the appointment of this Commission Government have taken all things into consideration and I am here to say that Government after giving their fullest consideration have appointed the present Tariff Commission, as also the previous Tariff Boards, and Government have not the least doubt whatever that the composition of this

Tariff Commission personnel will do good to our country. Whether you take integrity, experience, or competence, the present Tariff Commission will do credit not only to this country but would have done credit to any other country. In the appointment of an officer we may have personal likes and dislikes. My hon. friend Mr. More raised some points. We have considered all points, as to what should be the qualifications of a member, etc. Sir, mere economic knowledge might not be sufficient. We want also a man with administrative experience. If any Member has a grievance about that, he can move an amendment to the Tariff Commission Act, saying that the Members of the Tariff Commission should only consist of economists, and seek to omit the words where it refers to administrative experience. We have done our best and we are satisfied. We have done our best in giving the country a Tariff Commission of the integrity, of the capacity, of the administrative experience which are required for a Commission of this kind. We could not allow loose statements of this nature to go unchallenged especially when we have exercised the greatest care in the appointment of this Commission.

On the question of foreign participation I will not take long. Regarding foreign participation I need not repeat again what has been repeated on the floor of this House that our policy has been determined by the policy contained in the Prime Minister's statement, about three years back. We have not departed from that policy. In a particular case, whether a particular foreign firm ought to have been allowed to participate or not, may be a question of opinion. We might be right or wrong. Maybe if some other hon. Member was in our place he would have acted in a different way. We have taken the fullest care to see that foreign vested interests do not creep in any industry. What should be the percentage of the capital, under what circumstances, all these depend upon the particular type of the industry.

We are in a position where, according to us, free foreign participation of capital is absolutely desirable. There is no doubt about that and therefore we have thought it in terms of the statement of the hon. Prime Minister referred to by me. In terms of that statement we always go on merits and wherever we came to the conclusion that foreign participation should be there, we have not hesitated about that matter and we have absolutely no repentance about it. People have a grouse against the cycle industry,

other people about some other matter. We have absolutely no grouse for we have had absolutely no reason to complain till now. If in particular cases we have reason to think that foreign participation would be detrimental to the interests of this country, I need hardly assure the House that those cases will be judged on their merits.

A reference was made to the imperial preference. In my opinion it is a misnomer.

An Hon. Member: It is past five.

Shri Karmarkar: I am grateful to my hon. friend to remind me that. I will finish in about five minutes.

Mr. Deputy-Speaker: The hon. Minister may go on.

Shri Karmarkar: I should not like to tire the House. I will finish regarding Commonwealth preference. Sir, our present preferences are guided by what is known as the Indo-British Trade Agreement of 1939. Regarding that I should content myself to say that I shall just refer the hon. Members of this House to the observation made by the Fiscal Commission regarding this matter. They went into this matter thoroughly. They decided on free enterprise where there were no preferences. Where there were imperial preferences they came to the conclusion that the Agreement worked in our favour in some of our export items: for instance, in the matter of tea we do stand to gain by the preference to U.K. We have a ready market. Government are giving serious attention to this matter but it is a matter in which we have to judge dispassionately. One of our hon. friends said that the word "British" should go from everywhere. I think we shall not be able to do that. We cannot eliminate the word "British" from the dictionary. It has to be there so long as Britain is there as an important industrial country. If we have to enter into an agreement, with Britain the only way to call it is "The Indo-British Trade Agreement". We cannot call it otherwise. That is a demand impossible of fulfilment. Sir, it is impossible for Government to allow itself to be submerged or subdued by emotional considerations. Because at one time it was called imperial preference and therefore it should be scrapped? This is obviously a matter which Government should consider on merits. We shall judge the question by weighing the mutual benefits accruing from the agreement.

Sir, I have finished all the principal points, but I should also refer to one more—sericulture. The difficulties have been created because we

have to look after the interests of the raw silk weavers, and the consumers. Now it is not only one party i.e. the producer, or the consumer, but there are other parties. There were representations from the silk growers, cocoon growers, that no imports of raw silk should be made. There was also a representation from a weaving centre, that we will be following a suicidal policy if we were to stop imports because so long as the imported goods come into India, raw silk is sold at fair prices. We receive conflicting representations and we are trying to make the best of a very difficult job. I am afraid my hon. friend, Mr. Ramaswamy did not exactly appreciate this. The Tariff Commission went into the problem and then they thought that this particular product, raw silk is subject to fluctuating world prices and they particularly said that this question must be examined every six months from the point of view of the interests of the silk growers. Every six months there has to be an examination and the Tariff Commission will advise us and we shall take measures accordingly. This is a subject which is always uppermost in the mind of the Government because sericulture is an industry which we cannot allow easily to deteriorate.

My hon. friend Dr. Saha, if I understood him rightly, said that there has been a preference to scientific instruments coming from the U.K. My impression was that it was an incorrect statement. My impression is confirmed both by the Indo-British Trade Agreement as also by our Customs Schedule. There is absolutely no preference to U.K. in respect of scientific instruments. Regarding electrical instruments there is a small preference but regarding scientific instrument we have exempted this from the purview of the concessions granted to the United Kingdom.

Sir, I am very grateful to the House, firstly, for the very interesting discussion that the hon. Members raised, and, secondly, for the almost unanimous support they gave me this time. Apart from my hon. friend, Babu Ramnarayan Singh—he is too incorrigible—I am very happy to find that the whole House has given us unanimous support so far as this particular measure is concerned.

Mr. Deputy-Speaker: I am very sorry to find that those hon. Members who were very vehement in opposing and attacking the Government on some points, are not here. I do not know for what reasons. If the Minister is not here, even though he has gone to answer calls of nature, the attention

[Mr. Deputy-Speaker]

of the Speaker is drawn to that fact again and again. I do not want this criticism to be entirely one-sided. I expect it to be realised on both sides.

Now, I will put the motion to the vote of the House. 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: Mr. Ramaswamy does not propose to move any of the amendments to clause 2. There are no other amendments.

The question is:

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

The motion was adopted.

Clause 2, clause 1, 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.

Mr. Deputy-Speaker: The House stands adjourned to 10-45 A.M. tomorrow. There is no Question-hour tomorrow.

The House then adjourned till a Quarter to Eleven of the Clock on Saturday, the 15th November, 1952.