

569 Statutory Resolution re: DECEMBER 17, 1959 Indian Tariff (Amendment) Bill
Sugar, (Special Excise Duty) Ordinance and
Sugar, (Special Excise Duty) Bill

Dr. B. Gopala Reddi: As far as my Bill is concerned, there seems to be no objection either to the issue of the ordinance or to the Bill itself replacing it. The only point that was raised was whether the ordinance was at all necessary and whether Government should have exercised their power to issue the ordinance.

After all, we were anxious to help the cultivator by enhancing the price of sugarcane, and that has been done. There was a persistent demand from U.P. and Bihar also that the sugarcane prices should be enhanced. In deference to that public pressure as it were, and because the U.P. Government was also thinking that there was a case for enhancing the sugarcane prices, Government thought it should be enhanced by three annas, and consequently the sugar price was enhanced, but that is a different matter. When that was done, the factory people had 1.9 lakh tons with them, and we wanted they should not get unmerited profit out of these stocks, and therefore we enhanced the central excise duty by Rs. 2.52 per cwt. There is no objection to that, and I am glad this Bill has the unanimous approval of this House.

With regard to the other matter, the hon. Food Minister and the Deputy Minister will deal with it, as to whether there is a case for enhancing the sugar price consequent on the increase in the price of sugarcane.

Mr. Speaker: That will be discussed on an independent motion, notice of which has been given by Shri Braj Raj Singh, Shri Khushwaqt Rai and others. I have allowed it.

Even today hon. Members need not go away, those who are interested in taking part in the discussion on sugar and sugarcane prices. I believe the Tariff Bill may not take much time. I will call them after the Tariff Bill and allow them an opportunity immediately, since the next item is only at 4 O'clock.

Shri V. F. Nayar (Quilon): What is the time fixed for the Bill?

Mr. Speaker: There is no time fixed. It may not take more than half an hour.

Shri V. F. Nayar: I will myself take two hours if I am allowed.

Mr. Speaker: The question is:

"This House disapproves of the Sugar (Special Excise Duty) Ordinance, 1959 (Ordinance No. 3 of 1959) promulgated by the President on the 25th October, 1959".

The motion was negatived.

Mr. Speaker: The question is:

"That the Bill to provide for the imposition of a special duty of excise on certain sugar, be taken into consideration."

The motion was adopted.

Mr. Speaker: The question is:

"That Clauses 1 to 5, the Enacting Formula and the Long Title stand part of the Bill."

The motion was adopted.

Clauses 1 to 5, the Enacting Formula and the Long Title were added to the Bill.

Dr. B. Gopala Reddi: I beg to move:

"That the Bill be passed".

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

13.16 hrs.

INDIAN TARIFF (AMENDMENT) BILL

The Minister of Industry (Shri Masubhai Shah): I beg to move:

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

Mr. Speaker: Motion moved:

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

Shri V. P. Nayar (Quilon): I thought the hon. Minister would make some introductory remarks. Perhaps he has a feeling that because we have been given some reports, because the Government have given some condensed reports, there is possibly no chance of a discussion. I take very strong objection to the practice of introducing such an important measure at the fag end of the session, and also asking for only an hour or two for the entire discussion.

If you go through these voluminous reports which have been very carefully prepared by the Tariff Commission, you will find that in spite of repeated demands, Government are following only a pattern which will not serve the purpose.

Why do we protect an industry at all? Are we giving protection to an industry specifically for the purpose of benefiting the manufacturer or are we giving protection to an industry for the purpose of benefiting the nation as a whole? From the reports I am inclined to think that Government's purpose in affording protection is only to give a measure of protection to the manufactures. I shall be able to give any number of examples for this.

Go through any of the reports of the Tariff Commission. You do not find any investigation having been made into the profit structure. All these reports are published, but not even in one report are we given an indication of how much profit a particular unit has made after we have given protection to the particular industry. Is it not necessary that we should know this? Is it not a factor which we should take into consideration when Government has to impose

certain duties in order to protect an industry? Why is it that it has not been possible for the Government to direct the Tariff Commission that in any enquiry there should be a specific enquiry directed against the profits made? This is more important because in most of these protected industries you find the same industries.

I do not want to mention the names of these gentlemen. In most of the industries a monopoly is also granted because of this protection.

Shri D. C. Sharma (Gurdaspur): Do mention the names of those gentlemen, because we are interested.

Shri V. P. Nayar: The hon. Minister will be able to tell us how many of the industries are under the managing agency of the Birlas or the Tatas or the Dalmias. I do not want to mention them because I do not have the time also, but the fact remains that an industry is given protection, and protection is continued, without giving this House an idea of the profit which is made only on account of this protection.

13.19 hrs.

[MR. DEPUTY-SPEAKER in the Chair].

I was trying to impress upon the House that there is no purpose if the Tariff Commission leaves out an enquiry into the profit made by an industry as a result of the protection afforded.

Take for example the non-ferrous metals industry. It is an industry which is very important for the developing economy of our country. The hon. Minister knows about it, I do not have to tell him. It is an industry in which the raw material position of our country is very bad. We have not developed most of our ores, and the industry has fallen into the clutches of a few business-houses here. That also cannot be denied. We are continuing the protection

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which has once been granted, but we have not been able to make these smiths behave.

The other day, I remember I had asked a question, and the answer was that some steps had been taken. What is the use of the Non-ferrous Metals Control Order, if Government cannot, by invoking the provisions of that order, compel the manufacturers to sell the products of the factories at a reasonable rate to the hundreds of thousands of small people depending upon such products?

I refer in particular to copper and to brass. What is the position today? The entire cooking utensils industry is in the hands of a number of small owners. In Parliament, we are told that the distribution is fair, that every man gets his need, but when we go to the centres, we find that neither the copper-smiths nor the brass-smiths find it possible to buy their requirements of copper-sheets and brass-sheets at anything less than 200 or 300 per cent of the price fixed. There is a revealing information in the report of the Tariff Commission, which indicates that today, the difference between the landed cost and the selling price is to the tune of Rs. 1,000 or Rs. 1,200 per ton. And this is the case of a metal on which will depend the lives of several hundreds of thousands of our people, because I estimate that these small interests which have a small hammer and a small furnace and are making the vessels will be a few hundreds of thousands all over India; to them, this protection means nothing. For them, the continuance of this protection only makes it possible to get these sheets at a higher rate. We are giving protection in order to develop the industry, without any adequate arrangements being made at all for the fair distribution of these products. The Commission itself says that Rs. 1,000 to Rs. 1,200 is the difference per ton. And who takes

this difference? I know that all these big manufacturers have a number of small companies in fictitious names. They appoint distributors, and they own the company which distributes.

I am sorry when I am trying to impress upon the House a particular point, the hon. Minister is not in his seat, and you are also . . .

Mr. Deputy-Speaker: The hon. Minister is here. So long as he is inside the House, it is all right. Sometimes, when the hon. Member makes a point, the hon. Minister may have to consult his officials.

Shri Manubhai Shah: I am hearing the hon. Member all right.

Shri T. B. Vittal Rao (Khammam): He is very intelligent too.

Ch. Ranbir Singh (Rohtak): There is no doubt about that.

Shri V. P. Nayar: In this report, I find that the Tariff Commission has not taken these factors into account at all. As I stated earlier, it is no use giving protection to an industry, if it will benefit only the manufacturer. If the hon. Minister wants, I can give instances. The Kamani Engineering Works, according to the report, has appointed agents. The Tariff Commission had once indicated that there should be a fair distribution. These people got over it by appointing regional representatives, one in Madras, another in Kerala, a third in Bangalore, a fourth in Calcutta, and a fifth in Delhi. There is a Metal Control Order which prohibits certain things. In the second inquiry, it is, however stated that the entire demand of Delhi and Punjab for copper-sheets and brass-sheets has to be met by surreptitious trade from Bombay. How does it happen if the Metal Control Order could fix the responsibility? How does it happen when the Tariff Commission has made a number of recommendations to prevent it? The Metal Control Order has not been revised.

Government do not work as a whole in this. Although there are very good recommendations, they are not implemented, and this affects a very vital industry, and it also enables a group of industrialists who have a monopoly, who have an octopus grip on this industry, to further and further increase their hold. If this is the result of an inquiry by the Tariff Commission, I should think that the inquiry should be scrapped, and the Tariff Commission itself should not function at all.

There is another point also. On a previous occasion, if I remember aright, the hon. Minister had made a promise that the cost accountants' confidential reports will be placed on the Table of the House.

Shri Manubhai Shah: I said that they would be made available to the Members, whosoever desired it. Later I had laid a statement saying that these reports will be made available to the Public Accounts Committee. I did not say that they would be placed on the Table of the House.

Shri V. P. Nayar: I have made a number of requests for certain cost accountants' confidential reports . . .

Shri Manubhai Shah: I have not received even one.

Shri V. P. Nayar: . . . but I have not had even one. I thought that his assurance was that it would be placed in the Parliament Library though it may not be placed on the Table of the House.

Anyway, when once that point had been raised, we find that the mention which used to be made in the earlier reports is no longer there; nothing about the cost accountants' work is indicated in the report. I can understand that it is not possible for every Member to read through the entire Tariff Commission's report and then come here and speak. But when some of us want to study a question in detail, it must be available to us. For, without understanding the cost

structure, and without understanding the view taken by the cost accountant, how are we going to fix the percentage? To me, it appears that it is almost impossible. So, as a general point, I would submit that the hon. Minister should try to change the pattern of the inquiry.

There is another aspect of the inquiry which makes it completely formal and official. You hold a public inquiry in Bombay. But if you go through the list of witnesses who have attended the public inquiry, you will find that the consumers of certain articles, whom we do not know, but who represent companies, are always there; among them also, you will find consumers representing the Tatas, the National Carbons, the Electrode-Manufacturing factory, and everybody else; but no small interest can be represented there, because the inquiry is held in Bombay, whereas the particular article is consumed by the small manufacturers only at Madras or at Calcutta, and from there, these small manufacturers cannot find time and money to go to Bombay. Except that the inquiry affords an opportunity for some of the government officials to make a flying visit to Bombay or Calcutta, it does not enable the ordinary man to go there at all. Such inquiries are not also publicised to the extent necessary. Some of us read the papers, but in many of them too, I do not find that the Tariff Commission's inquiry is being advertised. You cannot expect a copper-smith in Kerala or a black-smith in Madras to write to the Tariff Commission a letter in English and then find out the exact date of the inquiry and attend the sitting there, after spending so much money on travel. This is not the way. At least if the State Governments had been addressed in this regard, that would mean something. But from the names of the authorities to whom the questionnaires have been sent, I do not find

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that any State Government has been addressed in this regard.

Of course, it is known that the Government of India's Development Wing does not have the required personnel to go into these technical matters, but it is found in several reports that the suggestions could not be implemented on account of the lack of adequate trained personnel in the Development Wing. Why is it that it has not been possible for the Tariff Commission to contact the States concerned? Even the States are not taken into confidence. The result is that the inquiry has become a farce. The inquiry is intended primarily to protect. But what has been happening?

You remember, Sir, that time and again, in this House, there were several questions about soda ash. The largest number of interests to whom soda ash must be made available at a cheaper rate is the washerman. I have not known any washerman getting it without difficulty. In fact, last time, when I was in Trivandrum, I saw a queue, four hundred or five hundred people long, at a shop which was supposed to sell this washing soda at controlled rates. That is the case everywhere. The washermen cannot get on without it. The Tariff Commission's report had indicated that the system of distribution of soda ash was defective without giving all the details whereby manipulations were made in order to accumulate more profits, by one of the units. The hon. Minister knows that unit. And he had promised that it would be changed. But what has been done after that? Can he tell us that any dhobi can get his requirement of washing soda at a reasonable price, in spite of the fact that this industry has been enjoying protection for quite a long time? He will also have to confess that because of this protection, the units which are manufacturing this will have enhanced their profits.

Therefore, I submit that Government should change the pattern of the inquiry and also try to ensure that when once we extend protection, or when once we grant protection, the largest number of interests involved in it should benefit most. If Government can find out some such schemes, then I think the Tariff Commission's inquiries will have some meaning. Otherwise, it may be that some of these industries do not affect a large number of persons. For example, there is the stearic acid industry. I do not know how many people be affected by that. There is another industry—of carborandum. There is a third—machine screws. Then there is the diesel fuel injection equipment industry. I am not going into these because I do not have the time to do so, not that I have nothing to speak on each of these industries.

I would again request the hon. Minister to think of this situation. The Tariff Commission has some very fine gentlemen at the top and a very very efficient Secretary. I am glad that owing to superannuation, one particular gentleman, who was most unfit to hold an office there, has now been allowed to go away and his place has been taken by a very energetic young man. But that apart, how is it that they produce a similar report in an industry like this? I find for my amusement certain references about the position of the plastic industry. Twice the Commission has reported about the plastic industry. Even now the defects in plastic manufactures continue? Why? It is admitted in the report itself that an Indian-made plastic button, for example, is not good even today. We have given them protection for quite a long time. I am so sorry I am continuously losing the thread of my argument when I do not get undivided attention.

Mr. Deputy-Speaker: I have found that at least when I am talking with

my advisers, he addresses me; otherwise, he might be just addressing the Ministers, pointing to him.

Shri V. P. Nayar: I always address you. But I want the Minister and you to hear me.

Mr. Deputy-Speaker: I will be more careful, because I have seen that when there is an adviser by my side, he stops.

Shri V. P. Nayar: Another important industry is the sago industry. It has been known for quite some time that the sago industry has come to stay. We have given it adequate protection and the industry has developed. The product is now reported to be in a position to compete with the sago globules from elsewhere, from other countries in the East. It was also known that there is a great potential for export of sago. Because of the competitive nature in quality and price, there is a great scope for the export of sago. But what are our exports today? Why is it that it has not been possible for the Government to step up export of sago?

Here again, a large section of the people of my State is affected. You know tapioca is grown mostly in our State. Several hundred thousand acres of land are under tapioca cultivation there. If you go through the figures, you will find that even in respect of the price of the raw material, the cultivator has no assurance, despite the fact that an industry dependent only on the tapioca has grown up in a neighbouring State. There is a difference of over 100 per cent between the prices quoted in the various growing districts and the prices paid by the manufacturers. Who mops it up? What is the arrangement? What are the facilities? This is an easily perishable material. You cannot keep tapioca for some time and then send it to Salem. With all the protection granted to the industry, and the industry

having come to stay, this is the position.

There is also another aspect. You find that the entire industry employs about 14,500 people. I do not know the exact figure. It may be around 14,000 to 15,000. Out of these, 11,500 to 12,000 people are still casual employees, employees who cannot be given regular work, although the industry has been enjoying protection for ten years. That being so, what has this protection meant to the 11,000 casual employees there? I would very much request the hon. Minister to tell me what will be his justification for giving protection to an industry for a period of years when it cannot even give regular employment to the majority of its workers. Where does all this profit go? We find that it is a very profitable industry.

So even after the Tariff Commission's recommendations, on the one hand, we find that Government are unable to step up the export; on the other, Government are unable to give adequate protection to the growers of tapioca. Government are equally unable to ensure regular employment to more than 75 per cent of the workers. This has become the result of a Tariff inquiry.

Therefore, I submit that apart from changing the pattern of the industry and inquiry by the Tariff Commission, Government should also take concrete steps to see that at least the good recommendations are implemented. Year after year or once in two years, there is no purpose in coming before Parliament with such a Bill and saying that the industry has to be protected. We must get the facts. We must get to know the exact state of the employment in the particular industry. We must be given an idea of the profits which are mopped up by those who get the advantage of this protection. Without these, I find there is no use at all in going on with

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this discussion year after year, usually at the fog end of the session, the winter session, just for half an hour, so that Government can get away with it without much criticism.

I would refer in particular to one other industry also about which I have some details—the carborandum industry. I know there is a firm in Madras which runs a factory. I had occasion to send one or two photostat copies of letters written by the management of the Carborandum Universal Limited to their collaborators in the U.S.A., to the then Deputy Minister of Finance, Shri Shah—the namesake of the hon. Minister. Those letters revealed—I am giving this only as an instance; this is a practice which is followed by other companies also—those letters revealed that the director of that company writes a letter to his associate director there to the effect that in respect of certain imports for which they had secured licences, they should change the name so that the incidence of duty will be lesser. If a machine is imported as a whole, there is a percentage of duty payable; if it comes under some other name and in parts, it pays a lesser duty or higher duty—it varies. In order to take advantage of that tariff classification, they wrote a letter, and got it—even though to the letter which I addressed to the Minister I did not get a reply.

They now say there have been a number of complaints about the grinding wheels. Quite a number of complaints went before the Tariff Commission also at the time of their holding the inquiry. They say that now they have appointed four trained qualified agents who will do 'after sale' service also; they have people with specialised knowledge who would be put in the factory for one or two weeks and then sent out. This is the practice which, despite the definite recommendation of the Tariff Commission, is allowed to con-

tinue in the case of a protected industry, much to the detriment of the consumers.

I would request Government to take a serious note of all such recommendations. They have got enough powers in their hands.

In another instance, I find that details had been asked for from the non-ferrous metal manufacturers, but they have not obliged the Government. Government say that most of them have not cared to send the details. In another case, four Bombay companies have united themselves and have agreed on a certain price. There will be no competition inter se—that is the word used. They have agreed and told Government that they would charge only Rs. 230 or Rs. 250 per cwt. What they do is this. Company A sells it to a fictitious manufacturer by name B. The fictitious manufacturer B is also controlled by A. Through a chain they operate, the result being that Rs. 1,200 to Rs. 1,500 per ton is mopped up. I presume the Industries Development and Regulation) Act has enough powers in it to enable Government to compel the manufacturers to do a certain thing. I want to know in how many cases the provisions of that Act or any other Act, for the time being in force, have been used against any one of these manufacturers for non-compliance with the recommendations of the Tariff Commission? If it is used against someone, it is against the smallest man. Regarding almost every one of these industries, there have been complaints from consumers, there have been complaints from others, and there have been definite recommendations made.

With these observations, I would request the hon. Minister once again to call a small conference of at least those Members who are interested—which he can easily find out—to think out a way to make the inquiries of the Tariff Commission more fruitful

In order that the inquiries may benefit all the interests involved, especially the larger numbers of people who depend upon the industries to which we give protection.

Shri Achar (Mangalore): Mr. Deputy-Speaker, Sir, I am glad to find from the Statement of Objects and Reasons that protection is not to be granted to a good number of industries. This is a very good sign. Of course, for an infant industry protection is necessary. But as we continue protection, it certainly indicates that such protection ought not to be granted. The first point about which I felt happy was that the number of industries to which this protection is extended is very small. In fact there are only 4 items in this Bill. It is a very good feature.

My hon. friend Shri Nayar was laying very great emphasis on profits. Certainly, we ought to know how the profits position stands. He is all right in emphasising that aspect of the question. But, I would like to emphasise another aspect of the question.

Shri V. P. Nayar: When you say that I am right I am inclined to think I am wrong.

Shri Achar: Very good; I have no objection to that.

Mr. Deputy-Speaker: Does he withdraw the explanation that he has already expressed?

Shri V. P. Nayar: I thought I said, I am inclined to think.

Shri Achar: We often disagree, it is true. It is a pleasure to agree at least once in the way.

I was submitting that I would like to emphasise another aspect of the question. I have gone through some of these Reports—not all of them—with regard to some of the industries in which I am interested. One aspect which I would like the members of the Commission to look into is the aspect of labour in a particular industry.

We have to consider the reason why this protection is required. Is it the question of inefficiency of management or is it due to labour troubles or inefficiency of labour or is it due to the value of the materials that are required? The Tariff Commission should go into this aspect, considering the position of foreign countries which are able to produce these articles at cheaper prices. What is the reason they are able to produce them at cheaper prices? Is it a question of materials or is it the mode of management or is it due to the question of labour and labour troubles that we are having? I am often inclined to think that it is more a question of labour. We are having a lot of troubles of late. It looks as if everyone is wanting higher pay—more remuneration. But nobody looks to the other aspect of the question, the work turned out, the efficiency of it and the real value of the labour that is employed. We talk of minimum wages always but are we talking of at least some minimum labour?

I went through some of the Reports. I felt that the members of the Commission have not paid sufficient attention to this aspect of the question. Just as Shri V. P. Nayar emphasised the question of profits I would like to emphasise this aspect of the question more than anything else. We have to see whether the labour employed, all the persons employed in an industry, are doing their duty properly. Is it due to the higher payment that we are not able to compete with other countries? If that is so, something must be done in that direction. Continuation of protection for ever will not do any good. So, I would emphasise this aspect that when the members of the Tariff Commission go into these things they must pay more attention to it.

Mr. Deputy-Speaker: Is there any other hon. Member who wants to speak? No. The hon. Minister.

Shri Manubhai Shah: Sir, I am grateful to the House. . . .

Shri T. B. Vittal Rao: Sir, Ch. Ranbir Singh stood up.

Mr. Deputy-Speaker: Then it must have been very late. I have now called the hon. Minister.

Shri Manubhai Shah: First I would like to clarify a misunderstanding. At no time did the Ministry want to hurry up with this Bill nor did we request the Chair or the hon. Speaker to bring it in the shortest possible time. Last time also I had pleaded with the hon. Speaker that as much time as the hon. Members desired for these important Bills may be granted as could be afforded by the House. Therefore,

Mr. Deputy-Speaker: The hon. Minister must have got the support now. It must have gone into the record that no Member rose.

Shri Manubhai Shah: That is the exact point. Hon. Members who are interested, perhaps, do not make themselves represented in the Business Advisory Committee of the House. I have heard this complaint for the last four years continuously from hon. Members, and particularly from my hon. friend, Shri Nayar who always speaks first and then does not remain there for hearing my reply.

Mr. Deputy-Speaker: He has come in now.

Shri Manubhai Shah: I am glad he has come. Today he was telling me this morning that he was totally taken unawares and that he was totally unprepared.

Shri V. P. Nayar: He told me that this may not be coming up so early.

Shri Manubhai Shah: If he would have seen the voluminous notes which this Ministry had prepared and circulated to the hon. Members of this House and if they had made a perusal of the pages 11 to 14 and the reviews that were placed, there would have been more informed discussion on this matter. I will not labour on this question. I may say that pages 11 to 14 of the review of the Tariff

Commission Reports are the new features that we have introduced. They bring before the country and the House the production trends in the protected industries, the wholesale prices, how they compare, what is the estimated demand and supply of these protected industries. They are such important reviews that the hon. Members may kindly go through them when they find the time and opportunity.

Similarly also in the summary which we have circulated the need for the protected and de-protected industries and all the aspects of production of these industries etc. have been given. It is a matter of pleasure to see, as Shri Achar rightly pointed out, that there are more industries coming for de-protection and very few for continued or new protection under this Bill.

If hon. Members go through the production figures for the last few years, they will find that in most of these industries production has risen from 30 per cent to 70 per cent in some cases which shows the great vitality and health that has come into the body politic and industrial economy of this country.

Shri Nayar also made a point about the profits. I do hope that he will kindly go through all these reports. As a matter of fact, the Tariff Commission makes it a point every time to go into the profits made by the protected industries and in most of the price enquiries like cement, paper, sugar, steel etc. which the Tariff Commission has undertaken, the major emphasis is really on the price structure and the profits that these industries are making. Therefore, it is not a new suggestion. That has always been taken into consideration by the House and the Government and the Tariff Commission. They always go into the details of the price structure and the profits made therefrom by these tariff-protected industries.

Shri V. P. Nayar: Is it given anywhere in any of these reports? Can

the hon. Minister point out the total profits earned by any industry as a result of this protection in any one of these units which have been visited by the Tariff Commission?

Shri Manubhai Shah: The profits concerned are not only due to protection alone but to many other facts and in the overall balance-sheet it is shown. No enquiry can find out what percentage of profit is due to protection. They go into the total profits. For instance, in the paper industry report, the categorisation of 26 varieties has taken place. Their price structure has been recast and everything has been based on the profitability of that industry. The Tariff Commission has stipulated that in some cases the profits should not be more than 8 per cent and in some case more than 12 per cent of the capital employed. As a matter of fact, I would request the attention of the House and plead with them to go into these very valuable reports in which the enquiry has been the very many-sided economic features of the different industries.

My other hon. friend mentioned about labour conditions. I will mention here that as far as the Tariff Commission is concerned it is really a consumers' commission. In view of the importance of the consumer needs it has also to go into the productivity of the industry. Labour or labour welfare as such could not be considered to be the direct responsibility of Tariff Commission. There are other labour bodies such as the wage boards, the labour policy of Government and various other prongs of the economic apparatus like the N.P.C. and other organisations. I agree with my hon. friend that productivity should increase. It is increasing at a satisfactory rate in many items. Not only has the quality improved but production has increased per unit man hour spent. Production per head has considerably gone up. I had occasion the other day to mention about the Hindustan Machine Tool. The same

thing has happened in the cotton textile industry, paper industry and various other industries under discussion today. Labour productivity exclusively or labour welfare as such could not be a matter of intensive enquiry by the Tariff Commission because there are also other independent agencies under the several labour laws of this country.

Shri Achar: If I may just interrupt, I may say that I was not thinking of labour welfare but how far the cost of production was affected by these things.

Shri Manubhai Shah: Cost of production is slightly different from productivity. The nature of protection to be given is the major thing which the Tariff Commission looks into and it also looks to the other things. Productivity and production being two different things, I may say that the productivity of the individual Indian labour per man-hour unit is definitely on the increase. There have been some enquiries on that.

Last time I placed before the House the thinking of the Government about appointing some panels for studying the cost structure of industries and find out as to why in some commodities our cost of production is higher and what are the factors that go to contribute to this. Government is going to appoint half a dozen panels for studying the cost structure and the cost of production in various sizes of economic units of the different industries, in the major industries of India like the cotton textiles, jute, cement, sugar, light engineering bicycles and the rayon industries. When these studies are made they will throw more light on the different cost structures, what is the contribution of labour, how far the management plays its part, how far the size of the units that go to build up the industry also contribute to the various levels of the cost of production, etc. I do not want to take more time of the House. I am glad to say that all the industries that are covered in the Bill here,

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whether they are protected or de-protected have shown great vitality. The percentages of increase in production given there are proof positive, if any proof was needed, that the Indian industries are in a healthy condition, even though these 10-11 industries do not even represent a very small fraction of the entire industrial panorama which this country is today building up fastly. I thank the hon. Members for the support they have given to this Bill.

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments to the clauses. The question is:

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

The motion was adopted.

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

Shri Manubhai Shah: Sir, I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: Motion moved:

"That the Bill be passed."

Shri V. P. Nayar: Sir, May I ask a question? I do not want to make a speech. I raised a specific point about the difference in the price between the landed cost and the market price of imported copper. The Tariff Commission says:

"It was pointed out that the margin between the landed cost

and the market price was about Rs. 1,000 per ton in the case of copper and Rs. 1,200 per ton approximately in the case of zinc and the point urged before us was that many small manufacturers found it more profitable to continue operating with scrap and to dispose of in the market their copper and zinc ingots. Statements were made to the effect that supplies were coming to Bombay from such far off places such as Banaras. . . ."

I had raised this point specifically and I did not hear the hon. Minister giving any reply to this. When there are so many control orders and stipulations and regulations, how is it that there is so much difference in the price between the landed cost and the consumer's price?

Shri Manubhai Shah: He was not present and I did not dilate on it. The copper control order, which has hardly anything to do with this particular group of non-ferrous metal industry now under consideration, has been worked out in the greatest possible detail. After its working for the last three half year periods, practically every actual user whether in the small or medium or large scale industry, gets copper between 3.5 to 6 per cent of the landed cost. Against the Development Wing's certificate, and State Directors of Industries' recommendations quotas are allowed to them. It is true that as copper is scarce, some copper does make its way into the market because the actual users themselves in some cases do it. That is how non-ferrous metal or even steel or any other scarce commodity finds its way to such markets. But actually all the users are getting it at the proper price.

Shri V. P. Nayar: That was not my point. The same report says:

".....under the Non-ferrous Metals Control Order, 1956, the control is confined to the sale of the metal by importers and no

check is exercised about its disposal after the metal has been sold by importers. The Director of Industries, Bombay, admitted that this was a serious loophole and that it was possible for small scale units which have no melting or rolling arrangements....."

I wanted to know whether, in view of this difference in the price as stated by the Tariff Commission, the Government contemplates modifying the Non-ferrous Metals Control Order so that we can exercise rigid controls?

Shri Manubhai Shah: While the Tariff Commission might have been making these observations, we in the Government have already stipulated during the last 18 months—that Order is now complete—that every small-scale or medium-scale or large-scale unit gets non-ferrous metal imported by the importers upto 40 per cent and sixty per cent are allowed to the actual users at prices which vary between 3.5 to 6 per cent from the landed cost of the metal. These observations have been acted upon and suitable action had been taken even before the report was presented.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

12.58 hrs.

BUSINESS OF THE HOUSE

Mr. Deputy-Speaker: We shall take up the discussion regarding the price of sugar.

श्री कुशावस्तु राय (खेरी) : श्रीमान्, मुझे एक निवेदन करना है कि जहाँ तक मुझे ज्ञान है, आज तक कभी ऐसा नहीं हुआ कि एजेंडे पर जो बात न चर्ची हो उस पर बहस हो।

यह मामला कोई मेरे और मंत्री महोदय के बीच में नहीं है कि कुशावस्तु राय और मि० श्यामस, ये दो भादमी इस को तय कर लें। इस मामले पर इस सदन में बहस होगी और उस में हिस्सा लेने का इस सदन के हर सदस्य को अधिकार होना चाहिए। मैं ने थोड़ा देर पहले कहा था कि यह दो, डई करोड़ किसानों का मामला है और उन के परिवारों के करोड़ों दस करोड़ लोगों का सवाल है। इसलिए सदन के सब सदस्यों को इस बारे में अपने विचार प्रकट करने का अधिकार होना चाहिए। इसलिए मैं प्रार्थना करता हूँ कि, जैसा कि माननीय अध्यक्ष महोदय ने कहा था, सोमवार या मंगलवार को इस पर बहस कर ली जाये।

उप-अध्यक्ष महोदय : यह कोई खास सवाल नहीं है कि ऐसा पहले कभी नहीं हुआ है। अगर पहले नहीं भी हुआ है, तो भी हाउस जब चाहे, ऐसा कर सकता है। अगर माननीय सदस्य इस को शुरू करने के लिए तैयार हैं और हाउस के दूसरे मेम्बर भी चाहें—अगर हम सब इतिक्राफ करें, तो हम इस पर आज हो बहस कर सकते हैं। सवाल यह है कि क्या माननीय सदस्य आज इस को शुरू करना चाहते हैं या नहीं।

श्री गोशुभ स्वामी (पीलीभीत) : आज तैयार नहीं हैं।

उप-अध्यक्ष महोदय : अगर माननीय सदस्य तैयार नहीं हैं, तो मैं इस बारे में जबर्दस्ती नहीं कर सकता हूँ। माननीय सदस्य ने शुरू करना है और अगर उन को हा एतराज है, तो मुझे कोई दूसरा बिजनेस लेना होगा। चूंकि यह आज के एजेंडे में नहीं है, इसलिए दूसरा बिजनेस प्रायण, जो कि मोशन है।

Shri V. P. Nayar (Quilon): May I make a submission I think this subject is very important. In fact the problem about sugar arose in another connection and the Speaker suggested that there may be discussion. I can quite understand the difficulty of my hon. friends. To initiate a discussion,