

the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'".

INDIAN TARIFF (SECOND AMENDMENT) BILL

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

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

I am happy to report to the House that the industries which are covered by this Bill—15 of them—have made remarkable progress during the last few years and the three industries which are sought to be deprotected also have shown considerable progress. This Bill mainly seeks to amend the First Schedule of the Indian Tariff Act, 1934 in order to give effect to Government's decision on certain recommendations of the Commission. Hon. Members will have observed from the Statement of Objects and Reasons attached to the Bill that the Bill seeks (a) to continue protection beyond the 31st December, 1957 in the case of the Sago, Stearic Acid and Oleic Acid, Titanium Dioxide, Plywood and Teacheats, Sheet Glass, Machine Screws, Non-ferrous metals (Semi-manufactures), Grinding Wheels, Bare Cooper Conductors and A.C.S.R., Cotton Textile Machinery, Bicycle, Piston Assembly, Automobile Leaf Springs, Automobile Hand Tyre Inflators and Diesel Fuel Injection Equipment industries, (b) to discontinue protection in the case of the Preserved Fruits, Non-ferrous metals (alloys and manufactures) and Oil Pressure Lamps industries, with effect from the 1st January, 1958 and (c) to include all aluminium conductors, roller chains of size $\frac{1}{2} \times \frac{3}{16}$ " and elements, delivery valves and nozzles within the protected categories of A.C.S.R. and Bare Copper Conductors, Bicycle chains and Diesel Fuel Injection Equipment respectively.

Copies of the Tariff Commission's Reports on all these 18 industries and of Government's decision thereon have already been laid on the Table of the House and notes on each of these industries have been circulated for the information of Members of this House, containing the gist of the Commission's recommendations for the continuation or discontinuation of protection, as the case may be, in each of these cases.

Coming to the oil pressure lamps industry, it has been protected for the last 7 years. The annual production of oil pressure lamps in the country has increased from about 35,000 lamps in 1952 to about one lakh of lamps in 1957 almost a three-fold rise of production in four years. All the raw materials needed by the industry are also available in the country. The cost of the indigenous product is lower by Rs. 10½ per lamp as compared to the ex-duty landed cost of the imported product. The indigenous industry, therefore, suffers from no disadvantage in the matter of cost and it is now proposed to deprotect the industry when the period of protection expires at the end of this year.

The preserved fruits industry has enjoyed protection for nearly ten years now. The output of the protected categories of preserved fruits has risen from 1,245 tons in 1953 to 1,713 tons in 1956 and is expected to rise to 3,600 tons by the end of the second Plan period. Though the production of the better organised units is of satisfactory quality, there are unfortunately some units which produce sub-standard products. There is as a consequence some amount of prejudice against the indigenous product of a few limited varieties. Stricter enforcement of the Fruit Products Order so as to improve or weed out the inefficient and sub-standard units operating under unsatisfactory conditions, cheaper supplies of properly graded fruit, transport facilities, etc. is what the industry wants, rather than shelter against foreign competition through tariff protection. The Government

have been rendering this assistance to the industry and will continue to render such assistance in future. That is why no protection is further needed for this industry. As the present import policy, which is favourable to the domestic fruit preserving industry, is not likely to be relaxed in the near future, in view of the present foreign exchange position, the Tariff Commission has recommended that there is no need to continue protection beyond 31st December, 1957. Government has agreed with this view.

This does not mean that we are not aware of the need to develop this industry. A scheme for the development of fruit preservation has been included in the Second Five Year Plan. A sum of Rs. 3 crores has been earmarked for horticultural development in the Second Plan period. The area under new orchards is proposed to be increased by 2 lakh acres by 1960-61 and about 5 lakh acres of old orchards are proposed to be rehabilitated. The scheme including provision for the grant of loans for the planning of orchards, purchase of fertilisers, etc. A scheme for the grant of a subsidy of Rs. 500 per ton of tin plate required for the manufacture of open top sanitary cans used for packing is also under consideration by Government and a decision is expected to be taken shortly. There is already provision for the grant of rebate of excise duty on sugar used in the manufacture of fruit products for export and proposals for liberalisation of rules are under consideration. Exports of fruits and vegetable products since 1953 have also shown a steady rise of about 1500 tons of the total value of Rs. 25 lakhs. Thus, both in indigenous production and for export purposes, the industry has been making quite a headway. The target of exports is rising and they have now been fixed at 11,000 tons by the end of the Second Plan. Government's policy for the last several years has been to purchase the entire requirement of preserved fruits and vegetables for the Defence Services

from indigenous production, and this policy has been continued. Hon. Members will, therefore, see and can rest assured that everything possible will be done to assist the industry even after de-protection.

I shall now pass on to the non-ferrous metal industry. As the House may see, the intention is to de-protect with effect from 1st January, 1958 that section of the non-ferrous metal industry which is producing alloys and manufactures. The other section of this industry which is engaged in the production of semi-manufactures is proposed to be granted extension of protection up to the end of 1959. The non-ferrous metals industry has been protected, as the House is aware, since 1948. The present pattern of protection provides for duty-free imports of virgin non-ferrous metals like unwrought copper, tin, nickel, etc. and of scrap of all non-ferrous metals and alloys, and the levy of protective duties on certain alloys, semi-manufactures and manufactures of non-ferrous metals. During the discussions that the Tariff Commission had with representatives of the industry, consumers and other interested parties, it was generally agreed that as far as the production of secondary metals, refining of scrap and manufacture of alloys was concerned, there was no need at present for protection and that protection might, therefore, be discontinued in respect of these items. Government has agreed with this recommendation of the Tariff Commission and the Bill seeks to de-protect this part of the industry. The Commission has also observed that there is considerable indigenous capacity for the manufacture of non-ferrous alloys and that the industry has now reached a stage where it is in a position to satisfy the demand in the country at reasonable prices. Similarly, non-ferrous manufactures have also been able to consolidate their position. It is, therefore, proposed to de-protect both alloys and manufactures. However, in view of the fact that the Commission will be making separate enquiries, it is pro-

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posed to extend protection to a certain part of it, as far as industrial and commercial sheets are concerned, and tubes and pipes up to the end of 1959.

I shall now briefly deal with the other industries where protection is proposed to be continued beyond the current year. The sago industry is mostly located in the Salem district of Madras State and is regarded as a good article of supplementary diet. The industry has been protected since 1950 and has had a sheltered market due to the ban on imports of sago since 1950. The production of sago has gone up from 18,000 tons in 1953 to 25,000 tons in 1956. It might perhaps touch 30,000 tons during the current year. The industry, however, has not been free from handicaps. Towards the end of 1953, and for several months following, the industry suffered a set-back on account of some adulteration that was noticed in the sale of tapioca globules or sago. Better organisation, assistance in the procurement of tapioca tubers at fair prices, facilities for marketing of the sago produced, quality control and hygienic techniques of production are some of the more important needs of the industry. The Government will give considerable assistance in this direction. The Commission has recommended continuance of protection to this industry up to the end of 1959 at the existing rate of protective duty. Government has accepted this recommendation and the Bill seeks to implement this decision.

I now come to the titanium dioxide industry. India has been the largest supplier of ilmenite in the world. In spite of this, the production of titanium pigments in the country commenced only towards the end of 1951. Titanium dioxide finds use in paint, printing ink,—it is a very versatile product—rubber cosmetics, textiles, paper and other industries

and is a good substitute for lithopone and other imported articles. The production of titanium dioxide which was 234 tons in 1952 rose to 1700 tons in 1956—a seven-fold rise, during a period of four years. The present capacity of 1800 tons will have to be increased about three-fold by 1960-61 in order to attain self-sufficiency, when we expect that the production of this industry would have touched almost 5,000 tons or 6,000 tons per annum. Hon. Members will, no doubt, appreciate the importance of this industry in the country. The only firm manufacturing titanium dioxide in the country, namely, the Travancore Titanium Products Ltd., have plans for doubling their present capacity for the manufacture of both the anatase and the rutile grades of pigments and also for the installation of a sulphuric acid plant. The industry has made tremendous progress during the three years of protection which it has enjoyed. The Tariff Commission has recommended that protection to the industry may be continued for a further period of four years up to the end of 1961. Government have accepted this recommendation and the Bill seeks to implement this decision.

The sheet glass industry has been protected since 1950. Production which, hitherto, had been confined to 16 oz., 24 oz. and 32 oz. gauges has since been diversified to include practically all the sizes and grades that are required by the country, and in the various industries in the country. The industry is now able to produce sheet glass of very superior quality. The production of sheet glass which was 9 million sq. ft. in 1952 has reached 48 million sq. ft.—almost a five-fold increase—by the current year. Our target of production of sheet glass by 1960-61 is 75 million sq. ft., almost eight-fold increase during the Plan period. The Tariff Commission has estimated that the indigenous product suffers from a disadvantage of about 67 per cent

as compared to the imported counterpart and has recommended continuation of protection to this industry up to the end of 1960 at the existing rate of protective duty, namely 70 per cent *ad valorem*. Government has accepted this recommendation and it has been embodied in this Bill.

I now come to the machine screw industry, which, even though a small industry, occupies a very important place in the country's development programme. Since 1954, when protection was granted to this industry, it has expanded its range of production. There has been an eight-fold increase in the production of machine screws since 1952. From 1.5 lakhs gross in 1952, it has risen to 13 lakhs gross and perhaps will touch the 18 lakhs gross mark in the current year. We will have to make a considerable effort in order to reach the estimated target of 45 to 50 lakh gross by the end of the Plan period. I am confident that, looking to the vitality of the industry and the way it has progressed during the last three years the industry will do this. The country is now self-sufficient in respect of common types and sizes of machine screws and it is expected that self-sufficiency will be achieved shortly in respect of special types of precision screws also. The industry suffers only with respect to certain types of machine screws and is at a disadvantage of about 140 per cent with Japanese machine screws. In view of the restricted import policy, however, there is no need to raise the protective duty above the current level of 50 per cent *ad valorem* or 60 nP. per pound whichever is higher. It is proposed to continue the same at this rate till 1959 when the matter will be further reviewed.

With the permission of the House, I shall now take up the grinding wheel industry. This industry has been protected since 1947. The House is aware of the importance of this industry. The production of grinding wheels has also shown a remarkable increase since 1952 when it was only 386 tons. In the current year, it has reached almost 1500 tons

and the production is expected perhaps even the 1500 ton mark this year—a 400 per cent rise. During the period that protection has been in force, the industry has achieved self-sufficiency to a large extent and has also improved the quality of its products. The industry yet requires protection to the extent of about 30 per cent *ad valorem* in spite of a substantial reduction in the prices. However, in view of the restricted import policy, it is proposed to continue protection at the existing level of 25 per cent *ad valorem* up to the end of 1959.

I need hardly emphasize the importance of developing the industry manufacturing copper conductors A.A.C. (i.e. all aluminium conductors) and A.C.S.R.: (i.e. aluminium conductors steel reinforced). These conductors are used in the transmission and distribution of high and low tension electricity. The production of A.C.S.R. conductors has also registered an appreciable increase since 1952. From a meagre production of about 2,300 tons in 1952 it has risen to 11,285 tons in 1956 and during the current year it is estimated to touch the 15,000 tons mark, an almost six-fold increase. The production of bare copper conductors has increased from about 5,900 tons in 1952 to about Rs. 10,000 tons in 1956. Bare copper conductors and A.C.S.R. have been protected since 1948, and since the end use of both A.C.S.R. and A.A.C. is the same, it is proposed to bring A.A.C. also within the protected category.

Electrolytic wire bars which is the principal raw material for the bare copper conductors and A.C.S.R. have subject to import duty, but the prices of these electrolytic wire bars which are almost wholly imported are subject to violent fluctuations from time to time. In view of this handicap, it is proposed to continue protection for bare copper conductors at the existing protective duty of 35 per cent *ad valorem* up to the end of 1960, and the Bill seeks to include this recommendation of the Tariff Commission.

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Now I come to deal with the bicycle industry. As the House has been taking considerable interest in this industry and it is one of the very important light engineering industries of this country, I would beg the permission of the House to deal with it in a little more detail.

At present, there are about 24 licensed units in the large-scale sector out of which 17 units are in regular production. In addition to this, there are 45 units in production in the small scale sector. The total production of bicycles in 1957 has risen to about 8 lakh units in the large-scale sector and about 40,000 in the small-scale sector as compared to about 2 lakhs of cycles produced in 1952, both in the large-scale and small-scale sectors. Production is thus more than four times in the last three years. This is a very satisfactory development.

The gradual progress of the industry will be seen from the fact that in 1948 there were only two units manufacturing 55,000 cycles in this country, and that too were mostly c.k.d. wholly imported. During a decade since independence, from 55,000 we have reached 8 lakh cycles much of which are wholly indigenous except for Rs. 5.8.0 to Rs. 7.8.0 per cycle of imported parts. We had to import bicycles during the above period to bridge the gap between the estimated demand and the actual production. While the country's bulk requirement was met through imports prior to 1952, the industry today is nearly self-sufficient to meet the internal demands of complete bicycles and the House will be glad to know that no imports of bicycles are permitted now.

The target of production fixed for the bicycle industry for the year 1955-56 in the First Five Year Plan was 5 lakh cycles as the House knows. The industry has fully achieved this target of production. The target of production fixed for 1960-61 in the Second Five Year Plan is 12.5 lakhs, but looking to the demand in the country and

the vitality which this industry has shown, it is now proposed to consider raising the target to 2 million cycles per year for 1960-61. The target of 12.5 lakhs visualised about two years ago is now out of date, and it is proposed to revise it to 2 millions by 1960-61. The Tariff Commission, who have recently conducted an enquiry into this industry, have reviewed the position of the demand that might result in 1960-61 and have recommended a target of 1.4 million cycles, but the Ministry and the Government considered the matter and we are proposing to raise it to 2 million cycles as I have indicated to the House just now.

Out of these 2 million cycles, the production of 5 lakh cycles would be reserved for the small-scale sector so that we lay a greater emphasis in future on producing cycles and their components in the small-scale sector rather than in the large-scale sector. Even in the large-scale sector, the new policy is to see that the bigger units diversify themselves for production of ancillary and auxiliary components to small-scale units, and gradually convert themselves to mere assembling of different parts produced by the small-scale sector.

Simultaneously with the increase in production of complete cycles, efforts have also been directed towards the manufacture of cycle components. While there were several parts of imported origin incorporated in the cycles manufactured a few years ago, the striking feature of the industry today is that most of the cycles have a larger proportion of parts made in India. The value of imported parts in the Indian bicycles would today vary from Rs. 5-8-0 to Rs. 7-8-0 per cycle in the current year. This means that the value of the imported parts would represent about 5 per cent. or less of the whole production cost of the Indian cycle, 95 per cent. being indigenous. The growing demand of bicycle parts for replacement purposes is also being met by the units in the

industry, both in the large-scale and small-scale sectors. Today the industry is producing almost all parts of cycles including difficult items like free wheel, chain, hubs, rims etc. As the production of some parts has not been sufficient to meet the requirements of the country, new schemes have been sanctioned by the Government for the manufacture of these cycle parts and it may not be very long before the country becomes completely self-sufficient in the manufacture of cycle parts also. There are about 23 units in the large-scale sector which are engaged in the manufacture of cycle parts only, and over 100 of the small-scale units are also geared up for the manufacture of these parts. The estimated production of cycle parts for 1957 would be worth about Rs. 2.7 crores against Rs. 77 lakhs in 1952. This is indeed a very satisfactory development.

The bicycle industry was first granted protection in 1947 and the protection has been renewed from time to time. The Tariff Commission has estimated that the duty required to protect the indigenous bicycles against foreign competition which is mainly from the U.K. and Japan ranges from 45 per cent to 88 per cent. The Commission has recommended that protection may be continued up to 31st December 1960 at the existing rates of protection, i.e., 65 per cent *ad valorem* or Rs. 80 per cycle whichever is higher, in the case of bicycles of British manufacture, and a duty of 10 per cent *ad valorem* plus the duty charged on bicycles manufactured in the United Kingdom if the bicycles are not of British manufacture. On the whole when we compare the prices of cycles manufactured in the different parts of the world and ours, we find that the difference today is not more than Rs. 15 to Rs. 20 per cycle in spite of the very large volume of production in other countries, and we hope that by the time the date of this protection expires, perhaps in prices also we shall be fully competitive with the prices of similar bicycles produced

elsewhere. Government have accepted the Tariff Commission's recommendation, and the Bill seeks to implement this decision.

I shall next deal with the diesel fuel injection equipment industry. The pace of progress in this industry can be easily seen when we realise that in 1954 there were about 4,000 pumps being manufactured in this country while in 1957 the figure has risen to about 20,000. Nozzle holders we were manufacturing about 3,800 in 1954 while the production in 1957 is about 41,000. Elements, delivery valves and nozzles were non-existent in 1954 while the current year's production is 44,000 elements, 69,000 delivery valves and 32,000 nozzles. This has been a very tremendous progress as far as this industry is concerned.

The industry was first granted protection in the year 1954 and the protection has been continued since then. The Commission has estimated that the duty required to afford protection to the indigenous products against foreign competition is 65 per cent. *ad valorem*. Due to the present restriction on imports, the industry enjoys a sheltered market. The Commission has recommended that the existing rate of protection, namely 65 per cent. *ad valorem* on single cylinder fuel injection pumps and 60 per cent. (standard) and 52½ per cent. (preferential) *ad valorem* on nozzle-holders should be continued for a further period of two years up to 31st December 1959. Government have accepted this recommendation and the Bill seeks to implement this decision.

I shall now take up the plywood and teachests industry. Protection was first granted to this industry in 1947 and the period of protection has been extended from time to time. The annual capacity of the industry both for plywood and for tea-chest and commercial plywood has risen from 145 million sq. ft. in 1953 to 218 million sq. ft. today. The Tariff Commission has estimated that a duty of 31.36 per cent. *ad valorem* is required to protect the industry against foreign

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competition. The quality of the indigenous product has improved greatly after the introduction of the scheme for compulsory inspection and today Indian plywood is in no way inferior to its foreign counterpart. As a matter of fact, the scope for the export of our tea-chests and commercial plywood has considerably increased, and substantial exports are now taking place. A large number of units in this industry are being helped to modernise their plants, and it is for this reason that the industry requires an assurance in the shape of protection for some time to come. The Commission have recommended continuance of protection to this industry up to 31st December, 1960, at the existing rate of duty.

Now, I come to the most important item of the Bill today. The cotton textile machinery industry, as the House is already aware, was practically non-existent before World War II. There was no organised manufacture of textile machinery in the country. Since then, in view of the fact that the textile industry is the foremost indigenous industry of the country, the development of textile machinery began to receive the attention of the industrialists and Government, and the industry assisted by tariff protection and quantitative restriction on imports has now firmly established itself.

The items of textile machinery which are protected are ring frames, looms (plain and automatic), fluted rollers, spinning rings and spindles. Taking the case of ring frames first, which is the most important spinning machinery, it will be interesting to note that in 1948, the production was only 219 numbers; it has now been raised to 1149 during the current year. In terms of value, the production in 1948 was valued at Rs. 0.8 crores, and now it has risen to Rs. 3.5 crores in 1957.

A comparison of the fair selling prices of the indigenous ring frame

with the c.i.f. prices of the Japanese counterpart shows a small disadvantage of 2.4 per cent.; that is, the Indian price today is higher by 2.4 per cent., as compared to that of the well-established industry in this regard in Japan. As, however, the indigenous product contains only 400 spindles as against 440 spindles in the Japanese ring frames, the disadvantage would actually be slightly greater. The Tariff Commission have, therefore, recommended the continuance of protection for a further period of three years at the existing rate of protective duty, namely 10 per cent. *ad valorem*. The quality of our ring frames, as everyone knows, is first-class. Thus, both in price and in quality, our machinery compares very favourably with the imported machinery.

The manufacture of looms has also registered substantial progress since 1949, when the total number of looms (plain) manufactured was 1541 numbers. It has now risen to 2730 numbers valued at Rs. 0.5 crores in 1957.

The Commission have not been able to estimate the precise price disadvantage from which the indigenous plain looms suffer for want of c.i.f. prices of comparable imported product, though the price of our looms is generally low; it is lower, in most of the cases, than that of the imported foreign looms. There is a tendency all over the world to change over to automatic looms, and there is little likelihood of import of plain looms taking place in the foreseeable future. The fear of competition to plain looms, is, therefore, negligible. The Commission have, therefore, recommended that protection to plain looms may be discontinued from 1st January, 1958, when the present period of protection expires. And Government have agreed to deprotect the industry from that date.

As regards automatic looms, the Tariff Commission have estimated that a duty of 25.6 per cent. *ad valorem*

would be necessary to protect the indigenous product against foreign competition. The present rate of duty is 10 per cent. *ad valorem*, but as the indigenous industry is already sheltered because of import restrictions, the Tariff Commission have recommended that the protection for automatic looms may be continued for a period of three years ending with 31st December, 1960, at the existing rate of duty, namely 10 per cent. *ad valorem*.

As regards fluted rollers, spinning rings and spindles, the production has increased, in the case of fluted rollers, from 86,000 numbers in 1951 to about 3.5 lakhs in 1956, in the case of spinning rings from 2.73 lakhs in 1951 to 12.6 lakhs in 1956, and in the case of spindles from 3.9 lakhs in 1951 to about 11 lakhs in the current year. As these items form vital components of spinning ring frames, the Tariff Commission have recommended that protection may be continued for a further period of three years at the existing rate of protective duty, namely 10 per cent *ad valorem*.

The House may also be interested to know the progress made in the production of all the categories of textile machinery. The main items of spinning and weaving machines produced indigenously, which are not protected by tariff—these are a very large number of items; the protected items are only a very few—are carding engines, draw frames, speed frames, winding machines, warping machines, reeling machines, bundling machines and baling presses etc. Apart from these, the textile machinery manufacturing industry is manufacturing a variety of processing machinery except some items like singeing, mercerising, cheese warping beam dyeing, shearing machine, flock printing etc.

The total value of textile machinery produced in the country was about Rs. 40 lakhs soon after independence in 1948; this rose to Rs. 1.2 crores in 1952. And I am glad to say that during the current year, it has risen to Rs. 9 crores per annum. This is about 22 times what it was in the last

decade. These figures will show that the textile machinery industry's progress over this short period has been phenomenal. I am glad to say that the indigenous manufacturers are in a position to meet a large part of the country's needs with regard to ring frames, looms and carding engines, and that out of the whole very wide range of textile machinery, which is a high precision machinery, excepting a few items like ring frames, looms, fluted rollers and spindles, which are protected, all the balance of machinery does not need any protection. Its quality and price are in some cases even better and lower than those of imported items. They, therefore, have not needed any protection. This is a very gratifying achievement indeed.

In order to assist this industry and to advise Government on the measures to be taken for achieving increased production, a committee has been set up. This committee has assessed the annual requirements of the main items of textile machinery required during the Second Five Year Plan period, and they are very considerable: Carding engine, 4050; Ring frames 2800; plain looms 6100; automatic looms 8500; comber sets 10; and blow room lines 125. The total demand of textile machinery for the country by the end of the Second Plan is about Rs. 18 to 20 crores per annum. On the basis of the above requirements, manufacturers were asked to submit realistic programmes of expansion depending on the scope of each party, and the committee has approved, and I am glad to inform the House that we are confident that most of the phased production programmes of the individual manufacturers will have been approved and we shall be able to achieve more than self-sufficiency by the end of the Second Plan period.

The industry is also being given all possible assistance in the matter of raw materials. The committee has also in view the setting up of an inspectorate to investigate into the quality of the textile machinery produced indigenously. Even though the present quality is of a satisfactory

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nature, we do not want to take a complacent view, and, therefore, we want to establish an inspectorate which will continuously inspect and investigate the quality of the indigenous manufacture. Meanwhile, a sub-committee has been set up under the chairmanship of the Textile Commissioner to enquire into the quality, production and delivery of indigenous automatic looms also. Thus, the House would be pleased to see that one of the most important major machinery—capital-goods—manufacturing industry of the country has given good response in the pace of production, quality of production and the prices of the items.

Before I conclude, may I draw the attention of the House to clause 2 of the Bill which seeks to insert a new provision in the Indian Tariff Act, 1934, so as to lay before the House the rules framed by Government under that Act? Mr. Deputy-Speaker, you will remember that at your intervention I had accepted to bring forward this amendment in this Bill. Hon. Members will recall that in the course of the discussion of the earlier Tariff Amendment Bill on 14th November, 1957, I undertook to incorporate this provision in the next Bill. The proposal in this Bill is in pursuance of that undertaking.

I shall not take any further time of the House. I beg to move that the Bill be considered.

Mr. Deputy-Speaker: Motion moved:

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

Now, there is an amendment to this in the name of Shri V. P. Nayar, seeking to refer the Bill to a Select Committee. But the hon. Member has given no names.

Shri V. P. Nayar (Quilon): I have the names here.

Mr. Deputy-Speaker: A copy ought to have been given to me.

Shri V. P. Nayar: I have stated in the amendment that the names of the Members would be mentioned at the time of making the motion.

Mr. Deputy-Speaker: That is not enough. It may be said so there. But a copy should be made available to me also.

Shri V. P. Nayar: I can read out the names. I could not give it earlier because it was a question of getting the consent from all the Members.

Mr. Deputy-Speaker: That must be secured first.

Shri V. P. Nayar: It is there.

Mr. Deputy-Speaker: If the hon. Member wants to move his amendment, I shall allow him to do so. Now, he may give the copy to me.

Shri V. P. Nayar: After I read the names out, I shall give it.

Mr. Deputy-Speaker: Perhaps, he has no spare copy.

Shri V. P. Nayar: I do not have a typist.

Mr. Deputy-Speaker: I wish I could provide him one. Anyhow, I shall allow him.

May I know what time should be allotted for the general discussion, and what time should be reserved for the clause-by-clause consideration?

Shri Bimal Ghose (Barrackpore): The total is 4 hours.

Mr. Deputy-Speaker: I see that the total is 2 hours.

Shri V. P. Nayar: May I submit this is a Bill on which the Minister has taken more than half an hour, and which deals with, according to him 15 important industries, each important in its own way? And I submit that out of the remaining 1½ hours, he is likely to take another half an hour for his reply. Some of us who have been speaking on Tariff Amendment Bills feel that it is hard, and there will

hardly be any time, for us to rush through even one or two of the industries which we would like to stress.

14 hrs.

So the time may be extended by two hours. This is a very important measure.

Shri Naushir Bharucha (East Khandesh): We have saved time on the previous item.

Mr. Deputy-Speaker: Of course, we saved half an hour. We can include that here. Anyhow, we will see as we proceed.

Shri V. P. Nayar: I beg to move:

"That the Bill be referred to a Select Committee consisting of: Pandit Thakur Das Bhargava, Shri S. Easwara Iyer, Shri Naushir Bharucha, Shri C. R. Pattabhi Raman, Shri Hem Barua, Shri Nemi Chandra Kasliwal, Shri P. T. Punnoose, Shri Shraddhakar Supakar, Shri Biren Roy, Shri Bimal Comar Ghose, Shri Radheshyam Ramkumar Morarka, Shri Purushottamdas R. Patel, Shri Bhausaheb Raosaheb Mahagaonkar, Shri Ram Garib, Shri Surendra Mahanty, Shri Satis Chandra Samanta, Shri Bhakt Darshan, Shrimati Parvathi M. Krishnan, Shri Nityanand Kanungo, Shri Manubhai Shah (the last two if they agree)—and the Mover, with instructions to report by the 20th December, 1957".

Mr. Deputy-Speaker: He said that only about the Minister here.

Shri V. P. Nayar: He may not agree, because he is absent.

Shri S. V. Ramaswami (Salem): On a point of order. Does he give the assurance that the other members have given their consent?

Shri V. P. Nayar: I have the written consent of almost everyone of them.

Shri S. V. Ramaswami: It is not a question of 'almost'. It must be 'everybody'.

Shri V. P. Nayar: Those who have not given written consent, have given oral consent, except Shri Manubhai Shah and Shri Kanungo.

The object of bringing forward a Motion like this is only to stress upon Government and the House the necessity to discuss these matters in greater detail. Here we are asked to extend protection to 15 industries and also to de-protect certain industries. The hon. Minister himself conceded that each industry had its own importance in the economy of our country. In a like Bill, it is not enough that we discuss it half an hour or one hour among all the three or four hundred of us. Therefore, I submit that in order to enable this House to get an idea of whether each of these industries requires protection or not, it is very essential that this Bill is discussed item by item in a Select Committee which will find more time and convenience to do so.

Speaking about the industries, in general, I am glad that the hon. Minister has, as usual, given details, that every industry has recorded increased production. I do not want to challenge him on that. But I want to say that Government should not rest content with mere statistical data of production. I may not have time to discuss all the industries, but I would crave your indulgence to permit me to at least touch upon three or four of them.

I shall first take up titanium dioxide as it is nearer home and as the only unit which produces this pigment happens to be in my native town. This pigment is manufactured out of certain raw materials, and as he rightly observed, the Ilmenite sands are supplied by the State of Kerala to most of the manufacturing concerns outside. Therefore, it is obvious that the cost of these raw materials should be the cheapest in a factory which is situated within 50 miles of the place where we get the ilmenite viz. Chavara. You will realise that the manufacturers of U.K. or U.S.A. have

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to transport this raw material from the shores of Chavara in Kerala all the way to U.K. or U.S.A., then manufacture it by paying labour there at several times higher rates compared to our labour. The other raw material which is emphasised here, seems to be sulphuric acid, which is not very much cheaper in U.K. Then they have to re-transport the product. Yet, undergoing all this, what do we find about the prices? We find that the landed cost, as revealed in the inquiry regarding imported titanium dioxide, is around Rs. 121 while titanium dioxide manufactured in a factory at Trivandrum, 50 miles away, and where the raw materials can be transported by water, the cheapest form of transport, is selling at Rs. 135—140. The landed cost includes freight, insurance, shipping and clearing charges and profit.

Why is this so? When we have the cheapest raw material near the factory, when we have comparatively cheap labour, when we have also the necessary sulphuric acid within 100 or 120 miles, why should we have the price of titanium dioxide manufactured in our country fixed at such a rate unless it be that the process of manufacture is basically defective, even when the technical side is managed by the world's biggest enterprise in Titanium dioxide? I do not understand the chemistry of it. My hon friend may know it. But more than my ignorance is the obvious ignorance of the entire panel of the Tariff Commission who do not know anything at all about this particular aspect.

Why do we protect an industry? I am not at all for de-protecting an industry if protection is necessary. I stand for protecting an industry, based on its claims for protection. But without inquiring into the details, without inquiring into the basic defects and without giving suggestions as to how such defects should be rectified, we should not be called upon to extend protection for three years. Where are the facts? The inquiry of the Tariff

Commission is very interesting. I do not want to tire the House with all the details of this. But I would say that certain events which happened in respect of this industry have to be viewed chronologically to appreciate the arguments of Government.

By the end of 1953, if I remember aright, it was by the third Tariff Act of 1953, we raised the tariff wall on titanium dioxide—by December 1953, so that if you placed an order with a U.K. supplier or U.S. supplier, supplies could come to India only by the middle of 1954. But by the middle of 1954, according to the Tariff Commission Report—I am reading from page 19—"Messrs. T. T. Krishnamachari and Co are the sole selling agents for titanium products. From the 10th May 1954"—the firm may be X, Y or Z—the firm which functions under the name of T. T. Krishnamachari and Co. obtained sole agency for the entire country in respect of this article, the duties on the import of which had been raised by the Tariff Bill just a few months ago. What does it indicate? I do not want to draw any inference.

Then in the same year, the titanium dioxide manufacturing unit is granted a loan from the Industrial Finance Corporation of Rs. 15 lakhs. There also I make no inference. But I know that in the case of an industry requiring assistance from the Corporation, there must necessarily be a certificate to back it or a recommendation, by the Ministry of Commerce and Industry. Otherwise, I do not think the Finance Ministry of its own motion will recommend a loan to an industry. Then who was the Minister in charge? Maybe, he has denied it several times that he has anything to do with the firm. I may also agree that he may not have anything to do with that firm. But in the end of 1953 the import duty is raised. In 1954, T. T. Krishnamachari and Co., Limited—not limited but unlimited!—get the sole agency. There is a loan of Rs. 15 lakhs granted. In 1955, the price of the material shoots up by about Rs. 100

in the retail market. It is reported by the Tariff Commission that at one time the price went up to Rs. 224 per cwt. as against Rs. 130 or so.

And what does the Tariff Commission say? We must also take into account the fact that all the members of the Tariff Commission, who constituted the panel, were appointed in 1952 or 1953, when we know who was heading the Ministry of Commerce and Industry, the Ministry in charge of appointment of members of the Tariff Commission. I do not want to comment upon that either. Thus, we find that when the Tariff Commission makes such an exhaustive enquiry, which draws in place and out of place all praise from my friend over there, they do not have one word to suggest to this House about the sole selling agency commission. How do we know whether the person is fair or not unless we know the selling agent's commission? How do we know whether they are taking any undue advantage in the matter of distribution? Surprisingly, here what we see may be an expression of thanks for favours received. The Tariff Commission says at page 20, when they discuss about rise in prices—this is a very interesting passage—that they maintained the prices at the level fixed by Government and no one has complained that a higher price was charged. 'Some parties have stated that they got the pigment from the dealers at such high price as Rs. 224 per cwt. That was because the dealers who received supplies for sale, the small dealers exploited the situation unscrupulously. The sole distributors have since stopped supplies to dealers.' An undeserved and unjustifiable certificate to the sole agents!

What does it mean? Where is the enquiry into the account books of the sole selling agents and where do we find the Tariff Commission calling for any record; what is the reason for this rise in price? Have they collected any evidence from people who sold at Rs. 224? So, Sir, chronologically, when we look into the whole matter,

it is very highly suspicious that a product which is so essential for the various important industries in India like the paint industry, a product on the availability of which alone these industries can be run smoothly should be protected. At one point of time, you come and say that imported material of this kind will be protected against, by a very stiff tariff wall. Next month you have a Tariff enquiry instituted. The second month a particular firm gets the sole selling agency and after that the prices shoot up by Rs. 100 about 70 per cent. The Tariff Commission, without going into any of these details, give a certificate to the sole selling agents! What do all these indicate? I do not venture to draw any inference from these. I leave it to the hon. Minister and other hon. Members.

An Hon. Member: Two and two makes four.

Shri V. P. Nayar: As my hon. friend says, two and two make four; neither can it make it five nor three. I submit in all earnestness that this racket must be ended, that this scandal must be investigated into in a public enquiry presided over by a judicial officer of great eminence, because it is high time that we cry halt to this practice of certain firms getting a monopoly without any experience in the matter of dealing with the particular article concerned before they grant the monopoly.

I know the Kerala State Government has 52 per cent. of the shares in the producing unit. But in 1953 we had no knowledge about what the companies were doing. I, therefore, insist that before considering the question of protecting this industry, the Government must also consider whether it is not high time to cry a halt to this malpractice and also to institute an enquiry to find out how all these facts have together resulted in the Tariff Commission making that recommendation for the protection of an industry, the sole selling agency of which is handled by a particular firm which several

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officers including Ministers have been connected and for which the Tariff Commission has shown such a soft corner. The Tariff Commission does not have a word to increasing the wages of sweated labour.

I want to speak about the non-ferrous metals industry also. The hon. Minister said that all is well with the non-ferrous metal industry. But, what is the position of some of our non-ferrous metals? The Tariff Commission says that we have certain commitments under the obligations of this country with what is called the General Agreement on Trade and Tariffs and before any comprehensive scheme could be evolved, this Government should try and take urgent steps, these are the words, 'to free this country from the clutches'.

For example, in the matter of copper, we are committed by agreements which are injurious to this country. Time and again for the last 5 or 6 years, the spokesmen of Government have stated that after all the GATT is to our benefit. What does the Tariff Commission say?

Take again the case of another important metal, zinc. What is the position? If I remember correctly, the mining is done at Jawar; the ores are transported to a place called Tunda in Bihar, several hundred miles for beneficiation and then that product is sent to Japan to be converted into the real metal, brought back and the industry wants protection. The non-ferrous industry is not an ordinary industry; it is an industry on which several hundreds of thousands of people have to live. For example, take the case of Moradabad. In Moradabad, 25,000 families depend solely on non-ferrous metals and their alloys and they produce between them something like Rs. 3 to Rs. 4 crore worth of goods, every year.

Again, the non-ferrous industry has its own importance in the matter of engineering industries, electrical industries, the automobile industry and in so many other industries.

The Tariff Commission says that there are no proper costing of accounts in these various units. The Tariff Commission confesses that it has not been possible for them to find out the real costings of the various units of production in this industry. How are we justified in affording protection without knowing the costing? What is the meaning of protection then if we say that although we do not know the costing still protection has to be afforded? What is the logic in this?

Shri Kasliwal (Kohat): Permit me to say this. The hon. Member is slightly mistaken; the industry is being deprotected.

Shri V. P. Nayar: Each one of the several items in the non-ferrous metal industry including some manufactures, I think, are being protected.

Shri Manubhai Shah: What the hon. Member was all the time referring to is something which was deprotected.

Shri V. P. Nayar: I am coming to that. The same manufactures do not fall down from heaven or spring up from the earth. They have to be processed from the primary products. When you do not have control over the primary product, when you do not know the prices, the profit etc. how are you to give protection?

I have had occasion to go through every Report of the Tariff Commission in original—not in the summary provided—and there is no mention in any one of the Reports about the profits made by the units. There is no mention about the defects in keeping cost accounts.

The Tariff Commission Enquiry, I must submit with due deference to the Tariff Commission itself, has become so stereotyped that in the case of any industry if you put the name of that industry at the top—in the heading—of any paragraph of the report, it can be made to fit in for any other industry. They have not gone into the basic defects. It is almost like rubber-stamping.

So, I say that with regard to non-ferrous metals, we should not rest content with the feeling that it is on a high pedestal and that it is going forward every day. It is not so. Take the case of production of copper. What is the position? What is the position of lead and zinc? What about our alloys? How can we go about all these things?

I would also like to refer to the piston ring assembly industry. As I have urged very often in this House, when we consider whether a particular industry has to be protected or not, we must also consider whether there is a monopoly in the existing industry. In the piston ring assembly industry, there are two firms which are more or less monopolistic. One is the India Pistons Ltd. with their factory in Sembiam near Madras and the other is Goetze (Private) Ltd., somewhere near Delhi. Between them they have the monopoly of the whole industry. One hundred per cent. of the raw materials are imported, for gudgeon-pins. If we look into it, we will find that in this industry which is said to be on a sound basis, 95 to 100 per cent. of the raw materials are still to be imported and we are protecting the industry. Give it protection for another century; I do not mind this; the workers will be thrown out otherwise. But what is the remedy that the Tariff Commission suggests for this?

In respect of this particular piston ring assembly industry I want to point out to the House the lack of confidence of this Government in this House. My hon. friend may refer to page 28 of the report. The Tariff Commission says:

"The actual investigation was for the year ended 30th September, 1956. The Cost Accounts Officer has reported that the Company has in force a good system of departmental costing combined with job costing, and that it was possible to assess the fair costs of production of the various components from the records that were maintained by it. The Cost Accounts Officer's report is being

forwarded to Government as a confidential enclosure to this Report."

Where is that confidential report? You are assuring protection and assuring the product of that industry a very firm price preventing competition from other sources. It is stated that despite the fact that the Indian consumers have a preference for piston assemblies of U.K. origin or imported from foreign countries, for instance, Germany, the tariff wall is stiffening. The Indian consumers have no way but to buy the Indian manufactured pistons. Very good. But what is the price?

In the case of the non-ferrous metals industry, the Tariff Commission says that they do not have any accounting of the cost. We can understand that. Here the Commission itself says in the report that the unit has a very good system of job costing combined with costing. They say that the report is forwarded in a confidential cover. Where is the confidential cover? Are we not entitled to know what that confidential matter is? What is the price? What is the profit? After all we know these are being run on a monopoly basis in South India by the name of Amalgamations (Private) Limited. It is a combination of certain industrialists of the South. Here, when you want to protect an industry and assure the industry a firm price, is it not fair that Government should come to us and say: well, this is the cost accountant's report; they are making only this much profit. Let them make a loss; I am not worried. But let us know the basis on which we should afford protection.

These are matters over which I am very greatly perturbed. Sir, I would like to make a few comments about such reports being placed before the House and passed on to the House for consideration at the late stage in a session and we are asked to give our opinion in the matter of a few minutes.

I would like to take one more industry and, time permitting, another industry. I am taking only the most important industries.

Mr. Deputy-Speaker: He has already talked of three; he will conclude with the fourth.

Shri V. P. Nayar: I will be brief with the remaining two. The hon. Member referred to the cycle industry and he complemented the cycle industry for producing eight lakhs of cycles, for preventing the imports and all that. How genuine Pandit Thakur Das Bhargava was when he applauded the Minister when he quoted the figure?

I remember that on the 22nd of November, 1957 there was a question by Shri Jhulan Sinha in which I asked a supplementary. This was the supplementary:

"Is it a fact that the entire installed capacity in the matter of production of cycles could not be utilised because there are restrictive conditions in the agreements of collaboration which two of the biggest manufacturing units, namely, Sen-Releigh and Hercules, that is, restricting exports only to Pakistan, Afghanistan and Nepal?"

Pat, came the answer. 'No, Sir', from Shri Manubhai Shah. But what do we find in the Tariff Commission report? It contradicts what he said. He has very often correct information but that time he was wrong. The Tariff Commission, in page 57, of its report says:

"It is also observed that the existing agreements of Sen-Raleigh Industries, T. I. Cycles and Hindustan Vehicles Ltd., with their foreign collaborators (the makers of the Raleigh Group of bicycles, Hercules bicycles and B.S.A. bicycles respectively) contain clauses which prevent them from selling their products outside their respective territories, meaning, in the case of T. I. Cycles India, Pakistan and Nepal and in the case of Sen-Raleigh India, Pakistan and Afghanistan."

I said: Pakistan, Afghanistan and Nepal. I did not distinguish which country was fixed to which unit. As a result of these restrictions, it would appear that these three manufacturers

of well-known makes of bicycles cannot effectively take part in export promotion schemes relating to bicycles unless the relative terms of the agreements are modified by negotiation. It goes on to say:

"We trust that the manufacturers concerned will consider this matter when a suitable opportunity occurs for reviewing their agreements. The industry, even as at present situated, has surplus capacity which can be utilised for export promotion."

The industry, admittedly, has surplus capacity even if it works for single shift. I am not suggesting that every unit must be worked into double shift. But there is a limit on the number of cycles which India can consume in the present context. We have neighbouring countries where there is a great potential market. There is no use sending export promotion missions to Tanganika and Uganda, as they did, for selling cycles and bringing out a report that Indian-made cycles have no preference. Beyond these three neighbouring countries Pakistan, Afghanistan and Nepal, the biggest units cannot export their cycles because they are fettered by the provisions of the agreement which the Tariff Commission—not V. P. Nayar—wants to be changed. But the hon. Minister says as late as 22nd November that there was nothing of the kind that affects production in the country. I fail to see the logic of this and I would earnestly appeal to the Minister to consider whether it is not time, when you afford protection to an industry which is in collaboration a foreign manufacturing concern, to make them agree to revise the clauses.

One word more about the fruit industry. I was glad that the Second Five Year Plan has provided Rs. 3 crores for the development of fruits. Very good. The hon. Minister listed many schemes; so many lakhs were allotted for new orchards and so many lakhs for rehabilitation of orchards. We have hardly any money for rehabilitation of human beings but he is

going to rehabilitate orchards and do something of that kind.

But what do you propose to do with the tens of thousands of tons of mangoes which go to waste in Andhra? What is your proposal to utilise the 40,000 maunds of cashew apples which go to waste in Kerala. Not one cashew apple can be taken because they have an astringent taste. Science can find a variety of ways. The Food Technological Institute has devised certain processes through which these cashew apples can be converted into a great variety of products. I am also told that pectin can be made, Vitamin B can be synthesised and certain squashes and candies syrups, jams etc. can be made. What do we do with that? Is't because Kerala will benefit that this potential resource is not being tapped.

I think the Planning Commission has fixed a target of about 20,000 tons for the export of fruit products out of which we hardly send a thousand or two thousand tons. The consumers still have preference for imported straw berry jams and such other jams and you can restrict the import of these by other ways. I do not know what they have done. But in such a context, what is being done? After all in the fruit preservation industry there is no giant unit. Most of them are medium or small producers. Have they no right to any sympathy from the Government?

It is only a question that relates to medium or ordinary businessmen. Our fruits are today a national waste. I could not find from the hon. Minister's speech that he made any reference to any scheme for the conversion of fruits which already grow in their natural surroundings and go waste owing to lack of proper transport arrangements and no proper industry developing in that particular area. I do not think that it would be wise to deprotect the fruit like this. Government must change its outlook on that industry because we are wasting a

very valuable product. In addition it is of immense food value and a potential foreign exchange earner too.

Therefore, I submit that the hon. Minister may be pleased to consider my motion and accept my motion for reference to the Select Committee. Sir, I move my motion.

Mr. Deputy-Speaker: The original motion for consideration and the amendment for reference of the Bill to a Select Committee are now before the House.

Shri T. N. Singh (Chandauli): Mr. Deputy-Speaker, Sir, from time to time, almost in every session or at least once a year, we have to consider revisions in the tariff which are called protective tariffs, as and when the Tariff Board's reports are available to the Government and they have come to a decision. I have watched these tariff revisions for all these years, and also have heard arguments advanced from time to time, but I feel that the time has come when there should be some rethinking on the whole question.

The ideas underlying the Tariff Board when it was formed were formulated in a different context altogether because, as the Minister himself said, due to various factors like the post-war and the war conditions certain industries have been enjoying a sheltered position. Almost all industries have enjoyed a sheltered position because of failure in getting things imported due to the foreign factories being engaged in their own work and they were too busy to export goods. On the top of it has come the light foreign exchange position, which has compelled us to a still more rigorous import restriction policy which we are pursuing and which, probably, we will have to pursue still more rigorously in future.

That being the position sometimes I have wondered, when a particular industry has already got a sheltered position and there is no import what is the sense in going on considering

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what protective duty should be given or not given. That is in relation to one category of articles.

Then there is a new development that has happened in these years. And that is the tendency of foreign manufacturers to start firms here in our own country. Why are they doing it? It is because they know that in the modern times countries will go on imposing tariffs and giving protections. There will also be the question of foreign exchange and it may not be possible to maintain their trade on the old level. That is why they start their factories here, either on their own or in collaboration with people here, or by some agreements. Either they are directly investors or they come in with others.

Again, during the war period and also after that, our industrialists—most of whom I consider as not real industrialists so far, I am sorry to say that—have got accustomed to huge profits, a level of profits which is not ordinarily there in any industry. They have a tendency to raise their overheads. All those things have come into the picture.

When a Commission or a Tariff Board sits today to consider the question, it does so in a different context altogether, and it is not at all recognised today when working out the costs of production that there are certain special advantages being given to the industries. Certain special concessions have been given because of circumstances. We give double depreciation. We give so many other advantages with a view to encouraging a particular industry. When we give tariff protection also, we have to consider the claims of the consumer, and in considering that all those factors must be taken into account in order to see whether we are not overweighting the scale in favour of the producer.

There are some other small conflicting things. I referred to the import policy. We are giving protection to the machine tools. Any one of us

could go, and can even now go, and get any amount of machine tools which have been imported from abroad and are being sold here in the market. You can get it in Delhi, Bombay, Calcutta or anywhere else. What I say is, the protection that is being given must be adequate. The object of the Government was to encourage a particular industry. The object of the Government was also to save on exchange. Then, may I know as to why these things were so freely imported?

My object in saying all this is this, that if it is the policy of the Government that a particular industry has to be developed we have got several methods of doing that. When we are adopting a particular method, namely, protective duty and giving certain concessions in income-tax, overhead depreciation and all those things, then let us not do a thing which will go contrary to that very policy. I cannot understand why these things were allowed to be imported so freely. How have they come? They are all of foreign make; either German or Japanese.

Shri Manubhai Shah: It is only machine screws and not machine tools as far as the present Bill is concerned.

Shri T. N. Singh: I am referring to small machine tools.

Shri Manubhai Shah: That is not covered by this.

Shri T. N. Singh: From the impression that I gathered from the hon. Minister's speech I thought that probably this also partly came under that. In any case, it may not be true of the particular item that I have referred to, but the fact remains that there are certain things which are granted protective duty and which are also imported in very large quantities. They have come into the market and they are also sold. Whereas we are told that 60 per cent. or 75 per cent. protection is being granted, when the imported things come they are able to sell quite cheaply and compete in spite of the protective duty.

Why is that so? It is because the producer here is taking advantage of the shortage of the material and is continuing to charge the same overhead and some other burdens on the production. That is what is happening. Therefore, unless we take into account all these factors we cannot come to a definite conclusion.

I agree with the point about cost accounting in all these tariff enquiries. I feel that too much has been made of the secrecy of the various concerns. When we ask millions of people to undergo certain sacrifices, it is but fair that we should do it with open eyes. In granting protection certainly costing is a very vital element, and yet we are completely in the dark. The other day we had a discussion on the locomotives that are being manufactured at TELCOs. We wanted to go into the costing. As one associated with the Public Accounts Committee we also were examining the same question. After all, it is a small Committee of this very House. It can keep things confidential and it can examine things confidentially. But even we are not in a position to get the figures of costing from the Tariff Commission. We could not go into that.

Shri Manubhai Sháh: If the hon. Member is referring to the report which Shri Nayar has just referred to, the Tariff Commission has said that they were sent confidentially a report of the India Piston. If the hon. Member or the House desires to read the report there is nothing confidential in it and anyone can peruse it.

Shri T. N. Singh: I am telling this because I had occasion to deal with that point. Once you communicate the costing figures to the Members the Government will have to take the permission of the Tariff Board. The Tariff Board, at least in the particular case to which I am referring, was averse to its disclosure to us. That is a fact and I can quote chapter and verse.

Shri Manubhai Shah: Probably, the hon. Member is referring to the report mentioned by Shri V. P. Nayar and not about the Tariff Board.

Shri T. N. Singh: I am referring to the point that costing figures are not being made available to Members when they think it is desirable that they should apply their mind impartially and objectively to a particular issue. My only humble submission is this. I think it will not be possible for the whole House or most of us to go into the intricacies of the costing of a particular product. But certainly it should be possible for some Members of the House. The House may itself appoint some Members to go into that question whenever a thing like this comes up. This is only a suggestion that I would like to make. Whatever they have said may be all right, I am not questioning that; but an opportunity must be given to us to examine the cost ourselves. I am not questioning the decisions of the Tariff Board, because I have not studied the facts and I am not here to question the Board's judgment in this matter. I think it is fair to the House that at least some persons or some committee of the House may be taken into confidence about such matters. It is always desirable that some section of the House is always taking active interest in such affairs. Therefore, this is one of my suggestions. The reason why I got up in this debate was to make this suggestion, that something should be done to take us into confidence about the costing system on which the tariff recommendations are based.

Then there is one important thing which I would like the Government to take into consideration, and that is the dividends distributed by protected industries. After all, all these concerns are growing concerns. They have been going on for 2, 3, 4, 5 or 6 years, and they have been declaring dividends and profits. Whenever a protection is given, the quantum of dividend that they have been distributing every year should always be one of the factors to be considered. After all, they are earning profits. It may be 6 per cent., or 10 per cent., and sometimes there may be hidden profits also. When we grant protection at the cost of the consumer we should always

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have that in mind. I would urge that whenever the tariff recommendations come before the House, we should also be given a general idea as to what is the dividend, what the concerns are or what the principal categories in the concerns are.

If they do not declare a dividend, or if they are not able to do it, then it is all right. One cannot object to that. But if they have a balance-sheet, it will be known. If they do not bring out a balance-sheet then again they do not deserve any protection. I am told that there are certain firms which do not even bring out regularly balance-sheets.

Shri Manubhai Shah: Under the Companies Act, they have to do it.

Shri T. N. Singh: There are many things which are done despite the law.

Then, Sir, I may mention one or two small points. I doubt very much whether the ring frame deserves the protection that is being claimed for it. I cannot go into the details and I do not wish to go into the details. It is for the Minister to satisfy himself on that point. From what little I know I feel that this industry does not deserve the tariff that is being renewed. The whole thing does need re-examination, and there is no reason why this particular level of protection which has been for such a long time should be continued and why the industry should not be able to do things properly and at a reasonable cost.

Similarly, I wanted to say a few things about the non-ferrous alloys, because it affects a few individual concerns. From whatever I know of these concerns, I would only say that the shortage, the high prices almost verging on black-marketing that have been in force in these alloys—all these matters do need a little more careful consideration.

About cycles, I am glad that they have progressed so far. The only thing is, I do not agree with the Minister when he said that the object is to develop it as a sort of dispersed

small cottage industry and something like that. The pattern of development that has been there so far, the concentration of certain big concerns and the way they have gone to show that if we think of cottage industry for this line, it is hoping against hope and rather late in the day. Let us, for some reason or other,—unless we can do something drastic about it—reconcile ourselves to the position that this is what will happen. Let us not raise false hopes. Because many of us think it is going to be a cottage industry which will ultimately benefit the nation and so “let us grant this tariff protection”. That is the mentality that is developing amongst us. For that reason, I would very humbly suggest that the whole process of the development of the cycle industry is not such as to encourage any dispersed cottage industry on any appreciable scale in our country at present unless something very drastic and radical is done about it.

I have nothing more to say except to urge that probably a little re-thinking and re-examination in certain cases are desirable.

Shri Bimal Ghose (Barrackpore): I am not against the Bill that the hon. Minister has brought forward. But I would like to develop a point to which my friend Shri T. N. Singh referred quite incidentally, namely, the position of the Tariff Commission in the present context of things, and what purpose does the Tariff Commission serve now. In a sense, it would appear that its work has become superfluous and almost unnecessary, because if the purpose is to give protection, the present conditions are such that the industries are being protected. I would ask the hon. Minister to tell me if there has been any application by any new industry for protection and how many they are, compared to the number of industries which used to go to, in former times, the Tariff Board or the Tariff Commission for protection.

What is happening today is that if an industry starts functioning, it at once approaches the Development Wing and says that import should be stopped, because it is going to produce commodities internally, and it is through the Development Wing and import restriction that protection is being obtained. The only advantage probably in having a protective duty rather than a revenue duty is, I believe, that the Government cannot modify a protective duty by notification whereas in the case of a revenue duty, Government can. But that is only a technical matter.

If it is true that for all practical purposes industries will become protected, one point has to be considered. Even if you examine the reports of the Tariff Commission on different industries, you will find that they themselves sometimes have suggested that no more tariff protection need be given or the duties may not be raised, because virtually the industry under the present condition of things will be enjoying protection. If that is so, I have to point out that when the difference in the cost is about 25 or 20 per cent. sometimes, the protection urged or the protection allowed is only 10 to 15 per cent, and the reason given is that the industry will otherwise virtually obtain protection. If that is so, I believe that there is no sense in making the Tariff Commission work on this type of work, namely, examining from time to time whether certain industries will be protected; and when they are de-protected, what happens? The revenue duties continue. It is not that the duties go. What happens is that instead of a protective duty, we have a revenue duty. If that is admitted, then—I see that the hon. Minister does not agree—I believe that that point requires examination.

If that were agreed to a certain extent, one has to think of what work we should give to the Tariff Commission which is a very important and

an expert body. Some other type of work should be given. One thing I feel is this. In all these examinations, although we have reference to prices, as to what the prices are and how they stand as compared to what they were formerly—there is no examination as to whether the industry has been functioning efficiently and trying to reduce the prices with a view to see that the consumers' interests are protected. The Tariff Commission says that the prices are so and so. They also review the course of prices, but that is merely collection of facts. I do not know if they go into the facts as to whether the industries are really trying to reduce costs or as to whether they set a target to the industries, namely, within such a period the cost should be brought down to such a level, and then try to see as to whether the industry has been able to do so. At least I have read quite a number of these reports, but I do not see anything of that kind. I find from this publication that they have a research wing which has undertaken research on certain problems which appear to me to be interesting. I would like to know if they have published any reports and if so, whether those reports would be made available to us. For example, they have undertaken research on "Development of Protected Industries in the Second Five Year Plan", "Taxation Proposals in December, 1956" and so on. I have not seen any of these reports being published. If the research wing of the Tariff Commission has undertaken an examination of those topics, it would be desirable and useful if Members are also given these reports.

There is one other point to which I would like to make a reference and that is about the agreements with foreign collaborators. I must thank the hon. Minister for providing for the first time the terms of foreign collaboration in this pamphlet. These were not available even in the Tariff Commission's reports and this is really an innovation for which we are all thankful to him. But this brings out

[Shri Bimal Ghose]

certain facts. Some of the agreements seem to be not very satisfactory from our point of view. I would like to know from the hon. Minister if there is any provision for a review of these terms at any time.

For example, if you take the most glaring case, Hindustan Pilkington, not only 49 per cent. of the capital is contributed by them for which they get dividends, but they are entitled to 10 per cent. commission on profits. 10 per cent. commission on profits appears to be very high, when Asahi Company will get only 1½ per cent. commission on profits. If you take another company, Indian Copper Corporation, they get £ 5,000 per year plus 2½ per cent. of f.o.b. cost of plant and machinery. I do not understand why this should be given. In addition, there is a provision for Rs. 2,500 per year for maintenance of share registers in London. That appears to me not very reasonable for offering technical know-how. Probably under the conditions when they were entered into, Government felt that these terms should be agreed to. But even if they were agreed to at one point of time, is there no provision in the agreements or any powers with the Government to revise them at a subsequent period of time?

In the cotton textile machinery, I find that all the foreign collaborators get 2½ per cent. except in the case of Texmaco, where it is 3 per cent. Was it an earlier agreement or a later one? If it is an earlier agreement, I can understand it; otherwise, why should they get 3 per cent? I want to know whether in that case there is any possibility of revision.

There is only one small point regarding the teacheest industry I would like to mention and that is with regard to the recommendation of the

Commission that as most of the factories are situated in Calcutta. Andaman timber should be made available at reasonable rates. It appears that the Government have also accepted that recommendation. I would like to know whether anything has been done in that regard, so that this industry which is quite an important one may obtain this raw material at reasonable rates.

Shri Manubhai Shah: It is allowed to be imported for the manufacture.

Shri Kasliwal: Mr. T. N. Singh has raised the point with regard to the cost accounting. Here there are as many as 52 cases and in every single case, the reports of the cost accounting officers have been kept confidential. They do not form part of the reports of the Tariff Commission. Probably the hon. Minister was under the impression that it might have related to one single industry. But it is not so. In the case of every industry, the reports of the officers relating to the cost accounting of these industries have been kept confidential.

Shri Manubhai Shah: I might say that under section 22 of the Indian Tariff Act, all reports are to be treated as confidential. I assure the House that if any hon. Member or any body is interested in that, there will be no difficulty for Government to give the reports. But these reports are to be treated as confidential.

Shri V. P. Nayar: That was enjoined in a different context.

Mr. Deputy-Speaker: If it is desired that it should be amended, it is a different matter. But so long as it is there, it is confidential.

Shri Kasliwal: While I express my pleasures at the progress these various industries have made under the

stewardship of the hon. Minister—and I know that he is one of the smartest Ministers—I would like to mention about one or two industries. The hon. Minister, I think, rightly congratulated the cotton textile machinery industry on the progress they have made, but there are a large number of points to which the attention of the Tariff Commission has been drawn. One is with regard to the products of this industry. The Ahmedabad Mill-owners' Association have raised objection to the products of this industry. I am glad that a special establishment is looking into the matter, but I do not know since how long this has been going on. The industry has been receiving protection since 1947 and after 10 years, today that Ahmedabad Mill-owners' Association should raise objection with regard to the products of this industry is something to which the hon. Minister should give attention.

Another point about this was that there was no after-sales service given by this industry at all. They are bound to give it and the Tariff Commission's report says that it is a very serious matter. They may sell their goods all right, but if they do not give after-sales service, the result will be that the consumer will suffer and the price of cloth will go up.

I might say something about the bicycle industry. I am glad that this industry has made rapid strides and the hon. Minister has praised this industry rightly. There are one or two points about which the hon. Minister has said nothing. One is with regard to the high price of bicycles prevailing in India. This industry has been receiving protection for such a long time. In 1954, the Tariff Commission recommended a protected duty of 45 per cent. on cycles, but the Government on their own accord decided to raise the protected duty to 60 per cent, 70 per cent, and so on, i.e., over and above the recommendation of the Tariff Com-

mission, but even today the prices of cycles have not gone down. It is true that there are eight lakhs of cycles being manufactured in the country, but I would like to know why the prices are still so high.

The hon. Minister said that the foreign components in these bicycles vary only from Rs. 5-8-0 to Rs. 7-8-0 and if that is so, is there any reason why the prices of the bicycles should continue to be so high? I would like to know the reason from him. He also never mentioned anything about the export of these bicycles. In the report of the Planning Commission on the industrial output, they say that 30,000 bicycles are to be exported in 1956, but in reply to a question in this House, we were told that only 20 bicycles were exported during the whole of these five years. What happened to these 30,000 cycles? In the Second Five Year Plan, 150,000 cycles are supposed to be exported. But, we do not know how many bicycles are going to be exported. This is a matter to which the hon. Minister must pay attention. I do not know whether there is an Export Promotion Council established for the bicycle industry. If it is not established, I believe, it should be established. Already there is a Development Council. There is no reason why there should not be an Export Promotion Council for such an important industry. The consumers have been suffering continuously in order to see that this industry is established. It is there right now. I want to see that the prices of these cycles go down and a lot of foreign exchange is earned by these bicycles.

15 hrs.

I do not want to take the time of the House because many other hon. Members have made these points. I would like only to refer to the plywood industry. This industry has also made rapid progress. In spite of

[Shri Kasliwal]

what the Tariff Commission has been saying, I do not know why exports of tea chests and exports in the plywood industry are not progressing as satisfactorily as they should have.

श्री बजर्राज सिन्हा (फिरोजाबाद) :
उपाध्यक्ष महोदय, जहां तक टैरिफ बिल का सवाल है, यह बात स्वागत करने योग्य है कि इससे लघु उद्योगों को संरक्षण मिलता है, परन्तु जो संरक्षण मिलता है वह यहां की जनता के खर्चों से मिलता है और हमें वह देखना होगा कि जिन उद्योगों को यह पराजय दिया जा रहा है उन उद्योगों के प्रोटेक्शन में क्या ऐसी कोई प्रगति हो रही है जिससे इस देश का उत्थान हो रहा है। मैं शीट ग्लास इंडस्ट्री के सम्बन्ध में चर्चा करना चाहूंगा। जो रिपोर्ट दी गई है, उसमें कहा गया है कि शीट ग्लास बनाने वालों की चार यूनिटें हैं। इन चार यूनिटों में यह शीट ग्लास बन रहा है, और जुलाई से इस शीट ग्लास का आयात बिल्कुल बन्द हो गया है। लेकिन अभी तक १० ग्राँस से लेकर १६ ग्राँस तक का जो शीट ग्लास होता है, उसका जरा भी उत्पादन कही नहीं हो रहा है। इस तरह की जो शीट होती है, वह फीरोजाबाद का जो चूड़ी उद्योग है उसमें नगीना काट कर लगाने के काम में आती है। इसका आयात बन्द कर देने से जबकि हिन्दुस्तान में इस का उत्पादन शुरू नहीं हुआ है, लोगों का पता नहीं कितना नुकसान हो रहा है। फीरोजाबाद के चूड़ी उद्योग में ४० हजार मजदूर काम करते हैं। शीट ग्लास से जो नगीना बनता है, वह चूड़ी में लगाया जाता है, उसके बिना चूड़ी बेकार सी रहती है क्योंकि उसमें वह खूबसूरती नहीं आती है जो कि शीट ग्लास के नगीने से आती है। इस तरह के शीट ग्लास के हिन्दुस्तान में न बनने से और बाहर से आयात बन्द कर देने से बहुत नुकसान होता है क्योंकि नगीना बन नहीं सकता और नगीने के न बनने से हजारों मजदूर बेकार होते जा रहे हैं। यहां पर इस

शीट ग्लास के बनाने की कोई कोशिश नहीं की जा रही है। जो रिपोर्ट दी गई, उसमें भी स्पष्ट है कि जो शीट ग्लास बन रहा है हिन्दुस्तान में वह सिर्फ १६ ग्राँस से लेकर १८ ग्राँस तक है, २४ ग्राँस है और ३२ ग्राँस है। १० ग्राँस से लेकर १६ ग्राँस तक का नहीं है। मैं जानना चाहूंगा कि जब हम इस तरह का शीट ग्लास हिन्दुस्तान में नहीं बना पा रहे हैं, तब इस का बाहर से आयात बन्द करके यहां के इस उद्योग को, जो कि बहुत मशहूर उद्योग है, क्यों बर्बाद किया जा रहा है और हजारों मजदूरों को बेकार किया जा रहा है। और अगर इस का आयात बन्द भी कर दिया गया है, तो इस तरह का शीट ग्लास बनाने के लिए हिन्दुस्तान में क्या कार्रवाई की जा रही है, क्योंकि मुझे पता है कि फिरोजाबाद से शाही ग्लास वर्क्स को १० ग्राँस से १६ ग्राँस तक के शीट ग्लास को बनाने का आर्डर दिया गया, लेकिन छः महीने होने को आते हैं और उन्होंने अब तक कोई शीट बना कर नहीं भेजा है। मैं समझता हूँ कि वह अभी इस तरह का जरा भी शीट ग्लास नहीं बना पाए है।

जब हम किसी उद्योग को संरक्षण देते हैं तो एक तो यह होता है कि जो पैसा इम्पोर्ट ट्यूटी का हम को मिल सकता है वह कम होता है। फिर जनता के खर्चों पर वह सब होता है। अगर इस प्रोटेक्शन में यहां के उद्योगों को नुकसान पहुंचता हो, उससे कोई फायदा न हो, तब इस बात का पता लगाना पड़ता है कि आखिर ऐसा क्यों हो रहा है। इस सिलसिले में मुझे दूसरा निवेदन यह करना है कि जो भी इस तरह के उद्योग काम कर रहे हैं उन उद्योगों में विदेशी पूंजी किस कदर लगी हुई है। विदेशी पूंजी न सिर्फ इस प्रकार से लगी हुई है कि उसमें काम करने वाले लोग विशेषज्ञ हैं, टेक्निकल नो ह्राऊ है, बल्कि उस पर हम प्रतिशत भी उन को देते हैं। दूसरी तरफ से भी उन की पूंजी लगती है। इस शाही

स्वास वर्क्स में मैं समझता हूँ कि इस तरह से ४६ फ्री सवी मेम्बर बाहर के हैं। साथ ही हम देखते हैं कि ६९ लाख रुपया इंडस्ट्रियल फाइनेन्स कारपोरेशन की तरफ से उन्हें कर्ज दिया गया है। जब इतना रुपया कर्ज दिया गया, तब क्या यह मुमकिन नहीं था कि यहां के लोग ही इस चीज को बना सकते और जिस को टेकनिकल नो हाऊ हम कहते हैं, जिन को विशेषज्ञ कहा जाता है, उन लोगों को हम किसी और विशेष टर्म्स और कंडिशनस पर यहां रख सकते। मैं चाहूंगा कि जब हम अपने उद्योगों का विकास करने का तरफ ध्यान दे रहे हैं तो इस ओर भी ध्यान दिया जाएगा। यह लोग बेतन की शकल में भी रुपया लेंगे और प्रतिशत की शकल में भी लेंगे साथ ही मुनाफे की शकल में भी लेंगे। शीट ग्लास के सम्बन्ध में मुझे यही निवेदन करना है मंत्री महोदय से कि वे इस तरफ भी ध्यान दें और स्वास कर चूड़ी उद्योग को नगीने न बनने की वजह से जो नुकसान पहुंच रहा है उसकी तरफ ध्यान दें।

फूट प्रिजर्वेशन इंडस्ट्री के बारे में कहा गया कि हमने ३ करोड़ रुपया रक्खा है बागों को बनाने और उन में फल उगाने के लिए। बड़ी अच्छी बात है अगर रक्खा है। इससे यहां की फूट प्रिजर्वेशन इंडस्ट्री का विकास हो। लेकिन क्या यह भी देखा जाता है कि इस के लिए जो रुपया रक्खा जाता है वह इसी काम में खर्च हो रहा है या नहीं? कही ऐसा तो नहीं है कि जो रुपया हमने बागों को बढ़ाने, पेड़ों को लगाने और फलों के पैदा करने के लिए रक्खा है वह रुपया किसी दूसरे काम में खर्च हो रहा है और कहा जा रहा हो कि हम बाम लगा रहे हैं। इधर भी ध्यान देने की जरूरत है, चाहे केन्द्रीय सरकार का काम हो चाहे राज्य सरकार का। अगर यह राज्य सरकारों का काम हो तो मैं समझता हूँ कि माननीय मंत्री महोदय राज्य सरकारों का ध्यान इधर दिलाएंगे।

इस के बाद मुझे साइकिल उद्योग के सम्बन्ध में कहना है। साइकिल उद्योग के सम्बन्ध में मिनिस्टर महोदय ने कहा कि बहुत अच्छी प्रगति हुई है। इससे तो इन्कार नहीं कर सकता कि बहुत अच्छी प्रगति हुई है, लेकिन हमें यह सोचना पड़ेगा कि हिन्दुस्तान जैसे देश में रहने वालों के लिये साइकिल के भलावा कोई दूसरी सवारी अच्छी नहीं हो सकती। सेक्रेटेरियट में रहने और काम करने वाले क्लार्क हैं, हमारे गांवों में रहने वाले मजदूर हैं, दूध लाने वाले और छोटे छोटे दुकानदार तथा व्यापारी हैं जो हजारों की संख्या में साइकिलों पर अपनी दुकाने लगा लिया करते हैं। यह सब ऐसे है जो साइकिलों का प्रयोग करते हैं और यह कहना अनुचित नहीं होगा कि यहां पर करोड़ों की तादाद में साइकिलें बनाये बिना हमारा काम पूरा नहीं होगा। लेकिन क्या इधर भी कभी ध्यान दिया जाता है? हम साइकिल उद्योग को संरक्षण दे रहे हैं। इस को संरक्षण दे कर हम यह कोशिश कर रहे हैं कि यहां पर अच्छी तरह साइकिल उद्योग का विकास हो। यह बहुत अच्छी बात है, लेकिन बाहर की जो साइकिल होती है, उस पर जो खर्च होता है उस को देखा जाये तो उस की लेबर कास्टली होती है, यहां के लेबर से ज्यादा कास्टली होती है, लेकिन ऐसा जान पड़ता है कि इस के बाद भी वह साइकिल हमें कम पैसे में मिल सकती है। तब हम ६० और ७० परसेन्ट इम्पोर्ट ड्यूटी लगा कर यहां के साइकिल उद्योग को संरक्षण दे रहे हैं। यहां पर लेबर की कास्ट कम होती है, लेकिन फिर भी साइकिल की कास्ट बहुत होती है। इस की भी जांच करने की आवश्यकता है। हम लोग साइकिल पहले से बढ़ा रहे हैं, हमारे यहां काफी तादाद में साइकिलें बन रही हैं फिर भी कीमत कम नहीं हो रही है। आज साइकिल देश के अन्दर लोगों में नहीं चलती है, यह गरीब लोगों के काम आती है। तब इससे उन्हीं

[श्री वज्रराज सिंह]

लोगों को तकलीफ होती है जिनके लिये साइकिल को छोड़ कर कोई दूसरी सवारी नहीं है। इस से उन का कितना नुकसान होता है। जहां सरकार प्रायः ८ लाख से बढ़ा कर २० लाख साइकिलों का लक्ष्य बना रही है, वहां उसे यह भी देखना चाहिये कि जो यूनिटें साइकिलें बना रही हैं, खास तौर पर जो कारखाने हैं उन का ध्यान दिलाना चाहिये, वे साइकिलों की कीमत कम करने की कोशिश करें। यहां पर लेबर की कास्ट कम है, और सब चीजों की भी कास्ट कम है, तब साइकिल की कीमतें बहुत ही कम होनी चाहिये। मिनिस्टर महोदय का ध्यान इस ओर अवश्य जाना चाहिये। साइकिलों के सम्बन्ध में मैं एक चीज और कहना चाहूंगा। यह कहा गया कि छोटे उद्योगों की तरफ ज्यादा ध्यान दिया जायेगा। तब खाली पांच लाख साइकिलों के छोटे उद्योग को देने से ही काम नहीं चलेगा। हमें तो इस से सम्बन्धित नीति में ही परिवर्तन करने की जरूरत है। हमें चाहिये कि हम छोटे उद्योगों द्वारा और साइकिलें बनवा सकें। पांच लाख की बात कही गई है। इस के बजाय पंद्रह लाख का लक्ष्य रखा जाना चाहिये। अगर पंद्रह लाख साइकिलें छोटे उद्योगों से बनवा सकेंगे और पांच लाख बड़े उद्योगों से बनवा सकेंगे तो मैं समझता हूं कि प्रायः ज्यादा धाने बढ़ सकेंगे और ऐसा हो सकेगा क्योंकि छोटे उद्योग द्वारा इतनी साइकिलें बनाई जा सकती हैं।

इसी तरह और भी उद्योगों का सवाल है, लेकिन मैं उन में नहीं जाना चाहता। मैं सिर्फ यह कहना चाहूंगा कि प्रोटेक्शन का जो उद्देश्य है वह ध्यान से धोखल नहीं किया जाना चाहिये। प्रोटेक्शन जनता के पैसे पर चलता है, खास तौर पर वे इंडस्ट्रीज और उद्योग जिन्हें अब तक संरक्षण मिलता

था रहा है। बार बार इन को संरक्षण मिलता है, इसका क्या मतीजा निकलता है। हो सकता है कि वह अपने मुनाफे को बढ़ाने का ही विचार करते हों। जैसी यहां पर बार बार चर्चा की गई, माननीय सदस्यों के द्वारा, उस पर भी ध्यान दिया जाना चाहिये। कॉन्फिडेंशल रिपोर्ट की बात कही जाती है, वह हमें कभी देखने को नहीं मिलती। यह चीज नहीं चाहिये। कास्ट एकाउन्टिंग देखने को नहीं मिलती वह मिलनी चाहिये। वह पता लगना चाहिये कि इतनी सहायता करने पर भी उन की कीमतें कम क्यों नहीं हो रही हैं। और अगर कोई दिक्कत है टैरिफ ऐक्ट के मुताबिक, जैसे कि कॉन्फिडेंशल रिपोर्ट का जिक्र हुआ, तो हमें उसमें परिवर्तन करने की कोशिश करनी चाहिये और दिक्कत को हल करना चाहिये। और अब तो यह हक होना चाहिये कि हम देखें इस बात को कि कौन कितना खर्च करता है, उसकी कितनी कीमत घानी चाहिये और किस तरह से यह काम चलना चाहिये। मैं समझता हूं कि इन सब बातों पर ध्यान दिया जायेगा और कोशिश यह की जायेगी कि हम जो संरक्षण दे रहे हैं वह लघु उद्योगों को मिले, जिससे जनता का फायदा हो और जो चीजें बनें वे जनता को कम कीमत में मिल सकें। ऐसा होगा तभी अच्छी तरह से विकास हो सकेगा।

Shri Achar (Mangalore): While the House will agree that in the present stage of our industrial development protection is necessary for some of our industries, at the same time, we will have to remember one basic principle, that this protection is always given to infant industries. We cannot go on giving protection for a long period. That is one basic economic principle.

The next thing that we have to remember is that whenever protection

is given to an industry, there must be sufficient reasons to show why in our country we are not able to produce the article in question at the same price as in foreign countries.

I thank the hon. Minister very much for giving us considerable information about the increase in our production. For example, he told us that in the bicycle industry production has increased from 2 to 8 lakhs. We are very happy to hear about it. We are practically self-sufficient, and that is very good news, but that is not the point which will convince us to grant the industry protection. I expected the hon. Minister to give us facts, not only with regard to the bicycle industry but with regard to the other industries, and the special reasons that will convince us that protection should be granted, as to why the prices of our products are much more than what they are in foreign countries. That is one aspect.

There is another aspect, with regard to the standard of the product. I have often heard, about these cycles especially, that the cycles produced in our country are not of the standard that we are getting from foreign countries. It is not good simply comparing the prices of our cycles with the prices in foreign countries, or of those that have been imported. Are they of the same standard? If they are not of that standard and still they are higher in price, we have to think over this matter of granting protection or not.

I do concede, as I stated at the very beginning, that in the present stage of our industrial development protection has to be granted, but in the course of the debate today several things have been stated. Even Shri Singh speaking from this side brought out certain facts, and Members of the Opposition, especially the hon. Member Shri V. P. Nayar, brought out certain facts which even questioned the *bona fides*. I do not agree with him for a minute, with the sly allegations that he made.

I do not think there is any basis for that.

An Hon. Member: Why?

Shri Achar: But still, I would request the hon. Minister to give us convincing reasons, because I feel that probably more probing is necessary. Of course, some of us have not studied each of the industries by itself, we do not know its problems. It is not possible for each Member to go into that question also. But all the same, when we consider this question of protection, as I have already stated, there must be convincing reasons to show us why the prices here are higher. Is it on account of the cost of raw material, labour cost or any other account? What is the special reason why a particular industry requires protection. Merely saying that we had very little of that product in this country and now it has increased three or ten times is no ground for granting protection.

My point is this, that especially in view of the fact that certain allegations have been made, if the hon. Minister thinks that it is necessary, he should then probe into each industry, go into the matter and find out the reasons why we are not able to give the product at the same price as foreign countries. If it is necessary, I would even think it would be better to take the House into confidence; to go into the matter and convince the House as to why any particular industry requires protection.

I do not want to repeat what I have said. All that I want to point out is that the mere fact that production has increased or that the industry is prosperous now will not convince us. We must know the reason why there is higher cost in our country than in other foreign countries, and if the industry has continued for a long number of years, then why this protection still?

Shri Manubhai Shah: Just on a point of information, if the hon. Mem-

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ber refers to the detailed report of the Commission, in every item he will find that three-fourths or more of the pages are devoted only to prices, the comparative prices during the period, how it has come down in price, and if not, why it has still not come down.

Shri S. M. Banerjee (Kanpur): He is mentioning about quality.

Shri Achar: My point is that it is a question of comparative study, as to why it costs more here and why less there.

Mr. Deputy-Speaker: The hon. Minister says that the information that the hon. Member wants is contained in these reports.

Shri Achar: But the debate itself has shown that even the figures with regard to cost are not available. I was only trying to point out this aspect of the question, that there is not sufficient material for that purpose. It is not a question of mere higher production. It must be shown why still protection is needed. For example, there are some industries which are more than 10 or 15 years old. Are we going to give them protection permanently? These are aspects which I hope the hon. Minister will deal with in his reply.

Shri Manubhai Shah: I am very grateful for the great interest that the hon. Members have shown in the 18 industries under consideration in this Bill.

It was also very good that hon. Members Shri Bimal Ghose and Shri T. N. Singh pointed out the larger aspect of the functions of the Tariff Commission. I personally thought that after the several debates that have taken place since independence in this House on various Tariff amendment Bills, it should have been

more than clear that the Tariff Commission is not only functioning from the point of view of import duty or protection duty or as a reviewer of protection on any item. The whole function of the Tariff Commission, as embodied in the original Tariff Board and later on when this Board was converted into a commission, was to look to the entire health of the protected industries. And looking to the entire health would involve seeing whether the volume of production in the protected industry has gone up or not.

Shri D. C. Sharma (Gurdaspur): Tariff Commission is a doctor?

Shri Manubhai Shah: It is almost a doctor for the entire industry, not only the protected industry but the rest of the industry as well.

Shri V. P. Nayar: Ayurvedic or allopathic?

Shri Manubhai Shah: Even though the hon. Member who spoke last did not consider volume of production as a very vital thing, I make bold to suggest that . . .

Shri Achar: I did not say it was not vital.

Shri Manubhai Shah: . . . what the entire House and the country are most concerned with is the increase in the volume of production.

Shri Achar: I never said that production was not important. I only said that for granting protection, higher production was not the test.

Shri Manubhai Shah: I am coming to the function of the entire Tariff Commission. I am not taking only one aspect. The first thing that the country is most concerned with and this House is most concerned with, more than anybody else, is to see that the economy of this country gets

strengthened from day to day, and that the care that Government, this House and the Tariff Commission are able to give to the different industries in the country is directed to see that the country becomes self-sufficient, and further, as far as possible, the country even enters into export markets in competition with other countries of the world.

I mentioned first volume of production. It automatically means in an economy,—whether it is industrial or agricultural economy or any other sphere of economic development—that the cost of production is directly, and, in most cases, even geometrically related to the volume of production. Unless the volume of production goes up, unless the quality of production increases considerably, it can never be possible for any industry or for any enterprise to reduce the cost of production.

The second aspect that the Tariff Commission looks after, after looking to the volume of production is to see that the quality continually improves. That was why at very great length I dealt with this aspect in my opening remarks, when I presented this Bill for consideration, that even in an industry like the textile machinery manufacturing industry, where we were thoroughly convinced that the quality of the machinery was first-class, notwithstanding a few complaints received from the Ahmedabad Mill-owners in respect of the automatic looms which have just started production, in 90 per cent. of the components and different categories of textile machinery, like ring frames, draw frames, speed frames, carding engines, winding machines, warping machines and bundling machines, we were completely convinced that the quality was first-rate, and not a single complaint more or less has been received by Government or by the consuming industry—we did not abrogate the function of having an inspecting cell to continuously have a watch over the quality of production. Sometimes, it

does happen that if there is over-complacency because the things are selling, and because complaints are not being received, Government and the Tariff Commission relax their superintendence over the industry, it is likely that the protected or the unprotected industry may recede into some form of that attitude of mind where the quality would suffer. So, I can assure the House that while all the time egging on the industry to increase the production, the quality aspect is also kept uppermost in the mind, both of Government and of the Tariff Commission.

The third aspect that the Tariff Commission looks after is price. I did not want to interrupt the hon. Member when he was labouring the problem of price. The main function of the Commission, when it judges whether protection is to be given, and if so, what should be the quantum of protection, whether it should be import duty, or revenue duty, or protective duty, or whether there are any other economic measures of discipline or fiscal discipline which are to be brought into the picture to support the industry, is to look into the price factor also. Thus, the price question is the most important question. That is quite closely correlated to the quantum of protection that has to be given. So, I can assure the House and the hon. Member that the question of indigenous prices, of how in each industry, from year to year, for the various categories of items that are being manufactured, the prices are being brought down, is a very vital one.

Then, a natural question which hon. Members posed was that our prices were still in many cases higher than those of the imported parts. Last time also, I had dealt with this question at very great length. In this modern industrial, technological age, where technology is outstripping even the methodology of progress, and there are technical inventions from day to day in the industrially advanced countries which have had an advan-

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age of 150 or 180 years of industrial revolution before this country started industrialising, it is but natural that we cannot avail of all that technological progress; we do not have the line method of production; we do not have the mass method of production, because the quantum of consumption in this country is itself so limited, and if I may be permitted to say, sometimes pitifully limited, that it becomes impossible to compete in the cost structure with the advanced countries of the world.

Last time, when I came before the House for protection to the automobile industry, I merely gave a comparative figure, which, of course, is not worth comparing with, to show that the entire annual production of automobiles in this country is less than one day's production of automobiles in the United States. In the case of other industries also, I can give comparative figures. There are smaller countries which are only one-tenth or one-twentieth the size of India, where the cycle production per annum is over 10 million cycles, whereas, with all the strides which I have laid before the House, I am not at all satisfied with the volume of production of 8 lakhs or even the target of 2 million cycles for such a big and vast country like ours. One Hon. Member rightly said that the poor man's real conveyance is the cycle. So, in the light of this, this volume of production cannot be considered satisfactory at all. But what I am pleading for in this House is this, that patience, forbearance and the blessings of this House available to the industry and the entire economic structure of the country, in seeing to it that we do not rush too fast in demanding the reduction of price which may make a very great dent on the quality of production, at a time like this when we have to import a large amount of the raw materials such as alloy steel and various other types of contrivances, it is not possible to expect in a few years with the limited production that we have been able to achieve

that we can go far, and think of competing in price with other countries.

Even so, I shall mention the position in regard to several of the industries, for the information of the House. We are today exporting a lot of engineering goods from this country, such as instruments, sewing machines, electrical meters, engines, pumps and there are any number of big and small instruments of machinery which we have been capable of exporting, only because the development in this industry has risen to that extent. Last time, I had mentioned that during the current year, we hoped to export at least Rs. 5 to 6 crores worth of goods produced by the engineering industry to the neighbouring countries of the Far East, the Middle East, Burma, Afghanistan and Pakistan. This is only a beginning. I would not say that Rs. 5 or 6 crores worth of engineering products is anything to be proud of. But when we remember that at one time we were importing such a colossal amount of machinery, it is heartening to find that even a heavy machinery this year we are producing goods worth Rs. 35 crores during the current year, whereas practically this entire branch of machine-building industry was non-existent when we got our freedom.

What I would like to urge before the House is that the fundamental duty of the Tariff Commission, when it inspects or investigates any particular industry is to look at it from all the points of view. It is not as if a pure import duty or a restrictive duty or a protective duty was the only thing to which the Tariff Commission was wedded to or which the Commission was asked to look into, by the House when it brought into existence the Commission.

It is also true that as the economy expands, and as we try to build up an almost entirely new pattern of society suited to our genius in this country, the function of the Tariff Commission is undergoing considerable

changes. That is why we have recently referred to it several economic aspects, besides purely the aspects of protection to industries, to which certain references were also made in the House. I can assure the House that as soon as those important reports of the Tariff Commission are available to us, they will be laid before the House for the information of hon. Members.

We are, therefore, all the time continuously insisting and trying to see that the Tariff Commission really works as the overall friend, philosopher and guide of industrial and economic development in the country.

The second point urged was regarding agreements. This point has been urged before the House several times, that some of the agreements are restrictive in character. I must submit that the charge is not wholly wrong. But we have to make a choice. There are certain well known manufacturers in the world whose brand of quality we want to manufacture in this country, and it is not always possible, in spite of our best efforts in that direction, to see that the agreements are all made to suit our choice. We are not always the choosers—I would not use any stronger term in that respect. But in an under-developed country like ours in the infancy of its industrial development, we have to accept in humility certain conditions which may not be disadvantageous to our economy but might to a certain extent, be restrictive.

The Tariff Commission has drawn attention to this. In regard to the question of automobiles also, they have drawn our attention to this matter, and we are completely conscious of it from time to time. If the history of the last ten years of different agreements that we have entered into comes to be recapitulated, the House will see that gradually our agreements are becoming more and more improved and less and less restrictive practices are being incorporated.

Shri V. P. Nayar referred to the two units, Sen Raleigh and Hercules, and said that the agreements were restrictive. I answered in the House that that has not affected internal production. He was kind enough to repeat those words. Even today I maintain that the restriction is only with respect to export outside the orbit of two or three countries, to which these two foreign parties have not agreed. Even then, I am glad to inform the House that I had recently talks with the two manufacturers, and when we find that our costs of cycles—today they are Rs. 10 or 15 higher—are brought down to a competitive level in the next few years, it will not be difficult to negotiate by friendly persuasion for the permission of these parties to export our cycles to countries to which they have not agreed so far.

But beyond these two units, there are several units, 23 in the large scale sector and 45 in the small scale sector, where there is no restrictive agreement and in which case we are in a position to export freely to any part of the world. The cycles made by these units are, I submit, very often as good in quality in several cases, and in some cases even better than, the well known brands.

Last time, if I am not mistaken, I mentioned the case of a sewing machine factory in Ludhiana and another at Ghaziabad. These two Punjab entrepreneurs have made sewing machines so good that some people whom I met here, who were using those machines, were of the opinion that perhaps they were the agents of some well known brand abroad, and that they were merely passing on the imported stocks as if they were made by them. This is a great tribute to Indian enterprise shown by even small units.

Shri S. M. Banerjee (Kanpur): One of the ordnance factories in Kanpur manufacturing harness and saddlery could manufacture certain sewing

machine parts for replacement. I had suggested to the Ministry of Defence and the Ministry of Commerce and Industry that this factory was capable of manufacturing some singer sewing machine parts. May I know whether this factory was asked to undertake this manufacture?

Shri Manubhai Shah: The hon. Member has given me the information. Now I will go into it and see if it can be exploited. If there is any industry anywhere in the country whose capacity can be utilised, I can assure him and the hon. House that we shall certainly take into consideration their efficiency and ability to do so. We always encourage particularly the medium-size and small enterprises to go forward as far as possible.

On the agreements question, I was mentioning that the fears entertained from time to time are not so real; the agreements are not quite so restrictive as they are made out to be. I would only urge here that it is not easy to get agreements according to what we want. It is not easy to refuse good foreign technical collaboration or financial collaboration when it is in the best interests of the country. All I can assure the House is that Government are giving constant attention to their industrial policy and they will see that agreements most beneficial to the country are always entered into and insisted upon.

Shri T. N. Singh: That is with regard to collaboration between Government and foreign firms. What about collaboration between private parties here and private firms abroad? Are these agreements approved by Government before becoming effective?

Shri Manubhai Shah: All such agreements are subject to the approval of Government. Under the Industries (Development and Regulation) Act, 1951, practically every detail, even

the phased programme, the percentage of allowance, everything is taken into consideration and is subject to approval.

The hon. Member, Shri Bimal Ghose, was asking why a particular firm was given 2½ per cent and another was given 3 per cent. I am rather surprised to hear such argument because only the other day, one firm, with which my hon. friend wanted the percentage of royalty somewhat higher than that allowed to others. This is not because of any principle, but because some of the manufactures manufacture a particular variety of lamps whose quality is better than that of others. So this is not a matter which can be considered as one of principle.

Shri Bimal Ghose: I did not mention that. I said that if it was a later agreement and if the earlier one had 2½ per cent., unless there were special considerations, the figure of 3 per cent should not have been agreed to. I also asked whether in regard to the earlier agreements Government had any power to revise them at any future time.

Shri Manubhai Shah: I was coming to the aspect of revision of agreement. All I was saying was that always all agreements were not comparable on every item. You take the totality of the agreement with one party and compare it with the totality of the agreement with another. In some cases, in respect of one item, it may not be so good; in some other cases, the other item may be more favourable. But what I can assure the House is that no agreement is entered into which is unfavourable to this country and its general economic development.

Regarding revision of agreements, it will not be open to have one-sided revision of any agreement solemnly entered into and accepted under the law prevailing in the country. But whenever an opportunity comes to

either revise an agreement or when a party comes to us for expanding their programme by bringing in new items, I can assure the House that wherever we find some practices which are not healthy and should not again be brought into the picture, we try to emphasise on the manufacturers and collaborators the need to do away with them as far as possible. I assure the House that even in the case of Hercules, and Sen and Raleigh, we are confident that gradually we shall be able to avoid all those restrictive practices.

I have not many other points to add. I only wanted to say this. As regards the point raised by Shri V. P. Nayar, I only wanted to say that in spite of the fact that several times the matter of titanium dioxide has come before the House, in spite of the fact that this particular factory has increased production tremendously—I gave the figures—and the price has been considerably brought down, he still sticks to his view. It will not be correct to labour upon who is the distributing agency and what type of appointing authority

Shri V. P. Nayar: Why not?

Mr. Deputy-Speaker: He is giving his opinion.

Shri Manubhai Shah: I merely mention this for his consideration because this is a matter which has been clearly explained to the House a number of times, that no type of preferential treatment has been given for this firm or any other. On the contrary, I should say that as far as the production of titanium dioxide in Travancore-Cochin is concerned, they have considerably increased it. They are going to double it in the next three years and we hope to export quite a large quantity of titanium dioxide, because this particular factory is really a very great expert factory of this product. No other considerations except the quality of manufacture, the expertness of the manufacturers and the co-operation they have given to this country have gone into the decision to accept them as manufacturers,

and any type of other inferences which my hon. friend placed before the House would, I think, be totally irrelevant.

I have taken note of the few suggestions which Members have made regarding some industry in U.P. suffering for want of 10 gauge glass sheet. I can assure them—I have actually mentioned it in my speech—that we have insisted on diversification of the pattern of production and all ranges of fine glass are to be covered by further production. It will not be possible, in the context of the foreign exchange position of the country, to allow import of anything and everything, because we have to preserve and dole out foreign exchange in the most economical and profitable manner by which industrial development is, on the one hand, maintained, and on the other, the growth of indigenous industry is also promoted.

Since the House and the hon. Members have participated in a very constructive manner, I would say there is no reason to refer the Bill to a Select Committee and I would, with these words, request the hon. Member to withdraw his motion.

Shri V. P. Nayar: I think the hon. Minister should have the privilege of hearing that I withdraw.

Mr. Deputy-Speaker: Has the hon. Member the leave of the House to withdraw his motion?

The amendment was, by leave withdrawn.

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: Now, we will take up clause-by-clause consideration.

[Mr. Deputy-Speaker]

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3.— (Amendment of the First Schedule.)

Shri V. P. Nayar: Sir, I beg to move:

Page 2, line 11,—

for "1961" substitute "1959".

My amendment seeks to give protection to the Titanium dioxide industry till the end of 1959 instead of 1961 as suggested by the Government. I need not go into the points.

Mr. Deputy-Speaker: That he has already done.

Shri V. P. Nayar: But, as the hon. Minister has not chosen to reply to the point which I raised and has dismissed my contention with the remark that it was irrelevant, I must say that from the way in which the hon. Minister spoke I thought it was a tacit confession on his part of a weak case he was arguing. I know the delicacy which he might have in refuting the charges which I had rightly levelled against the Government and all the arguments which he had advanced could not convince me. He dwelt at length with certain industries and said: 'Look at the automobile industry. India's production will not amount to one day's production in the United States of America.' I do agree with that view. In certain industries where there is so much of competition it is bound to result in a happy situation as far as production is concerned.

He also said that technological and methodological progress must be distinguished, one from the other; and that India is far behind in technological progress. That is precisely the reason why I am not satisfied with this Tariff Commission.

This Tariff Commission—the panel—which was constituted to enquire into it did not have anybody who knew what was Titanium dioxide. It did not have the advantage of seeing any factory outside. Why do we have this price? I want to put it to the hon. Minister. Because the Titanium factory was set up here under the technical guidance of the representatives of Messrs. Titan Products of U.K. who are one of the biggest manufacturers of titanium dioxide in the whole world and they manufacture in U.K. out of raw materials which they import from my place, that is, 6,000 to 7,000 miles by sea and then bring it back and sell it at a cheap price. The only other raw material of significance in the manufacture of titanium dioxide is sulphuric acid which we have and of which year by year the production is going higher and higher. Is the price of sulphuric acid in U.K. one-third or one-tenth of what we give to a company from the ECAFE? We have a 50 ton per day sulphuric acid plant. I do not think that the technological progress which the world has seen are away from the reach of Messrs. Titan Products which control about 25 per cent of the manufacture. It is the only unit in the whole country which produces titanium dioxide. The other advantage is that fortunately all the technical know-how of the biggest manufacturer in the whole world is available to it. It is situated at a place where we have the cheapest raw material and labour. Why then we have a high price?

There is not so much of chemistry in the manufacture of titanium dioxide. We know the process. There is something basically defective in the factory. It is after all after three years of protection that the factory people come and say that they require another three years because they did not think of the necessity of having a sulphuric acid plant located near the premises. That is no excuse for the thing to be sold at Rs. 224 per cwt. It is no argument.

I expected that the hon. Minister who knows chemistry and the entire process of the manufacture of titanium dioxide would have told us that this is the particular defect. I can understand the incompetence of the panel of enquiry of the Tariff Commission to report on that particular aspect because an economist cannot go into the technique of producing titanium dioxide, much less a writer of Tamil poems—as one of the members happens to be. I, therefore, want the hon. Minister to tell us how it has not been possible for the Tariff Commission to suggest basic remedies and I also want him to let us know why it was not possible for the Tariff Commission to examine the accounts of the firm and find out—either for fixing the liability or for clearing them of the liability in the matter—who was responsible for boosting the prices of titanium dioxide when we had almost a ban on import by raising a tariff wall so high. This is a point which I want him to answer in the matter of titanium dioxide. We might await the results for some time and then extend the protection next year.

Shri Easwara Iyer (Trivandrum): May I point out that there is no quorum?

Mr. Deputy-Speaker: Let the bell be rung.

Now, there is quorum. The hon. Minister.

Amendment moved:

Page 2, line 11.

for "1961" substitute "1959".

Shri Manubhai Shah: When I spoke on titanium dioxide I thought I had satisfied the hon. Member. Firstly, I made the point that the volume of production which was 257 tons or thereabout in 1953 has gone up to 1,700 tons in the current year. As the hon. Member knows the annual capacity of the British Titan Products is over 12,000 tons. In titanium dioxide we have the anatase and the

rutile variety. As the House is aware in the chemical industries it is not only the major component of production which really brings about the cost of production but also the by-products.

Shri V. P. Nayar: That is what I wanted to know. That was my point. We wanted to know that and we could not get it from the Tariff Commission Report.

Mr. Deputy-Speaker: Let us hear him.

Shri Manubhai Shah: The various types of ramifications and by-products which a major industry produces really help the industry to bring down the cost of production. To expect that an industry within three years of starting production when it would hardly show a lower type of offtake will produce the same quality of anatase and the rutile types of titanium dioxide at prices lower than those of the running company elsewhere with a very large volume of production is too much.

What I assured the House during my speech is that during the Second Five Year Plan the company has been allowed to double its production and they have already started bringing in the machinery. We have given a loan assistance and we hope that the production by 1960-61 will touch 3600 tons to 4,000 tons. Then, we have also enjoined upon them—and we had a long discussion with the company—to bring out a number of 20 by-products and attend products along with this. Even then, I cannot assure the House that the prices then will always be lower than the price in U.K. I am confident to this extent—the company have more or less agreed with us—that they will make an attempt to export a very large part of what they produce by the end of the Plan period. It will not be possible to export unless the prices are somewhat competitive. May be Rs. 5 per cwt on the higher side. Even today the difference is not more than Rs. 10 or Rs. 15. The U.K. price is Rs. 120 and the

[Shri Manubhai Shah]

Kerala price is Rs. 135 per cwt. The difference is only Rs. 15, or 12.5 per cent per cwt. When the production is doubled, the difference will become less. In practice for competitive capacity or as measure of export promotion, we may have to have a lesser price for export and a little higher price for internal consumption. There are no other mystical reasons as the hon. Member tried to tell the House. This is not a mystified or monopolistic concern. I can give this open invitation to any industrialists in this country. If they want to set up another factory for manufacturing the anatase and the rutile grades of pigments or any type of titanium dioxide, we shall certainly welcome such a proposal. But I may submit this as a matter of caution. Production of titanium dioxide is not just an ordinary method of chemistry. This type of pigment has very minute fragmentation—frictional distribution of pigment. It is a matter of great secrecy and great art and it is known only to few manufacturers in the world and in the country. If the hon. Member, Shri V. P. Nayar, or any other Member can get any other collaborator or any industrialist to set up one or more units of the primary industry....

Shri V. P. Nayar: When I come over there that will happen.

Shri Manubhai Shah: ...we shall openly welcome it. But I want to dispel this impression that for any reason any particular party is being preferred. That is not the intention. We openly welcome any manufacturer to open one or more units. It is difficult technologically and also from the point of view of qualitative production of this product. That is why the progress is not as rapid as many of us would wish it to be. Even then, it is a matter of congratulation that within three years, production has mounted to 5—6 times and is going to be doubled in the next three years and the quality of production is of

high order. That is what I want to say.

Mr. Deputy-Speaker: Does he want to withdraw his amendment?

Shri V. P. Nayar: It may be put to the vote of the House.

Mr. Deputy-Speaker: I will put amendment No. 3 to the vote of the House.

The question is:

Page 2, line 11,—

for "1961" substitute "1959".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 3 stand part of the Bill".

The motion was adopted

Clause 3 was added to the Bill.

Clause 1, the Enacting Formula and the title were added to the Bill.

Shri Manubhai Shah: Sir, I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: I will put it to the vote of the House.

The question is:

"That the Bill be passed."

The motion was adopted.

PARLIAMENT (PREVENTION OF DISQUALIFICATION) BILL

The Minister of Law (Shri A. K. Sen): Sir, the next item in the Order Paper is for moving that the Parliament (Prevention of Disqualification) Bill, 1957 be taken into consideration. But at the unanimous request of the Business Advisory Committee and also in deference to the desire of the hon. Speaker, Government have decided to move a motion for reference of the Bill to a Joint Committee of both the