

# **LOK SABHA DEBATES**

**SECOND SERIES**

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*9th December to 21st December, 1957*



**THIRD SESSION, 1957**

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**LOK SABHA SECRETARIAT  
NEW DELHI**

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*N.B.*—The sign + above a name of a Member on Questions which were orally answered indicates that the Question was actually asked on the floor of the House by that Member.

## LOK SABHA

Saturday, 14th December, 1957.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair.]

### MEMBER SWORN

11 hrs.

**Shri Kasliwal (Kota):** Sir, before you take up the items on the agenda, please permit me to mention a small matter. I understand that the Foreign Affairs Debate....

**Mr. Speaker:** Order, order please, Hon. Members cannot get up like this. What is the hurry for this?

Hon. Members who have not taken oath will now do so.

Shri Ashoka Mehta—Muzaffarpur

### BUSINESS OF THE HOUSE

**Mr. Speaker:** Just now, an hon. Member wanted to raise a point.

I may inform hon. Members that it is very often embarrassing to the Chair and the House also if they should spring any surprise upon them. I am not expected to know everything that happens in the office,

even if I should have myself disposed of it. Therefore, I would urge upon hon. Members that unless something happens here—somebody who is not a Member comes and sits here or some such thing—when they can say that such a thing should not have happened with respect to which no notice could be given to me previously, no hon. Member should interrupt the proceedings or refer to anything which is not on the Order Paper. Unless it is impossible for him to have given notice and it is a matter which could not brook any delay, they will write to me and tell me beforehand so that I may come ready. There is no meaning in my committing myself offhand to anything. Whatever I may say by way of ruling or some other thing will later on become a precedent

### PAPERS LAID ON THE TABLE

STATEMENTS SHOWING ACTION TAKEN BY GOVERNMENT ON ASSURANCES

**The Minister of Finance (Shri T. T. Krishnamachari):** Sir, on behalf of the Minister of Parliamentary Affairs, I beg to lay on the Table a copy of each of the following statements showing the action taken by the Government on various assurances, promises and undertakings given by Ministers during the various sessions shown against each:—

(1) Supplementary Statement No. V

(2) Supplementary Statement No. VI

(3) Supplementary Statement No. XIV

Second Session  
1957 of Second  
Lok Sabha

[See Appendix IV, Annexure No. 35]

First Session  
1957 of Second  
Lok Sabha

[See Appendix IV, Annexure No. 36]

Thirteenth Session  
1956 of First Lok  
Sabha

[See Appendix IV, Annexure No. 37]

## BUSINESS OF THE HOUSE

**The Minister of Finance (Shri T. T. Krishnamachari):** With your permission, Sir, on behalf of my colleague, the Minister of Parliamentary Affairs, I beg to announce that the following items of business will be brought forward in this House from 16th to 21st December. Except where otherwise specified, the various items are mentioned in the order in which they will be taken up:—

- (1) Additional Duties of Excise (Goods of Special Importance) Bill, 1957;
- (2) Consideration of any item of business carried over from today's agenda.
- (3) The Citizenship (Amendment) Bill.
- (4) Discussion under Rule 193 to be raised by Shri Feroze Gandhi and others regarding Investment of the Life Insurance Corporation Funds—to be held on 16th December at 5.0 P.M.
- (5) Discussion on International Situation on 17th December on a motion to be moved by the Prime Minister.
- (6) Discussion on the Reports of the Commissioner for Scheduled Castes and Scheduled Tribes for 1955 and 1956 on 18th December on a motion to be moved by the Home Minister.
- (7) No-Day-Yet-Named Motion to be moved by Shri B. C. Ghose regarding First Annual Report of the State Trading Corporation of India (Private) Limited—on 19th December at 4.00 P.M.
- (8) The Damodar Valley Corporation (Amendment) Bill now pending in Rajya Sabha and expected to be passed early next week.

(9) The Mines and Minerals (Regulation and Development) Bill, as reported by the Joint Committee.

(10) Discussion under Rule 193 to be raised by Shri Feroze Gandhi on the Report of the Railway Accidents Enquiry Committee, 1954.

(11) No-Day-Yet-Named Motion to be moved by Shri T. C. N. Menon and Shrimati Parvathi M. Krishnan regarding Reports of the working of the Employees' State Insurance Corporation for the years 1954-55 and 1955-56.

**Shri Kashiwal (Kotah):** Sir, I was submitting that the discussion on the International situation is fixed for Tuesday. Only the day before yesterday we had such a discussion in the Rajya Sabha and I do not know whether any discussion should take place here immediately thereafter. I would like to suggest that most of the groups and parties which are represented in the House would be agreeable to a postponement of this debate to some time next Session, of course, if you agree. That is the suggestion I am making.

**Mr. Speaker:** Generally, we are not concerned with what happens in the other House. Of course, both the Houses work together and it does not mean that if a discussion takes place in the other House there need not be any discussion here.

**Shri C. D. Pande (Naini Tal):** This House is more concerned with the important work of finance....

**Mr. Speaker:** It is not a matter for my discretion. If the House feels that because in the same Session something had been discussed there it need not come here now and it may come in the next Session, I have no objection. (Interruption.) I will only say that if the House takes such a decision that the discussion may take place next Session, some such thing can be arranged. The Leader

of the House may consider it if it is the general wish of the House.

I would like to know the Government's reaction.

**Shri T. T. Krishnamachari:** I do not know. The Prime Minister will not mind if the discussion does not take place if the House so wishes. But if it takes place the Government would be ready for that; if the hon. Members feel that it can be postponed we do not mind that.

**Shri Naushir Bharucha** (East Khansdesh): After all, hon. Members would like to express their views on the international situation. Simply because a debate has taken place in the Rajya Sabha it does not mean that it should not take place here. Hon. Members will be putting forward their own views in this House.

**Shri Nath Pai** (Rajapur): We want the debate, Sir. Perhaps, we will be in a better position to discuss it all the more in the light of what has been said in the other House. We would very much like an opportunity to state our views on the situation. So, we would like that we stick to the schedule as has been already announced.

**Mr. Speaker:** Unless there is unanimity of opinion amongst the leaders of all groups I am not inclined to adjourn this or postpone it. It will stand as originally programmed.

#### DEMANDS FOR SUPPLEMENTARY GRANTS

**Mr. Speaker:** The House will now resume further discussion of the Supplementary Demands for Grants in respect of the Budget (General) for 1957-58 presented on the 3rd September, 1956 and 8th December, 1957. All the Demands are before the House. Out of 3 hours allotted for discussion and voting on these Demands, 20 minutes have already been availed of and 2 hours and 40 minutes now remain.

After the discussion on the Demands is over, I will put them all together to the vote of the House.

**Shri Hem Barua** (Gauhati): I have gone through these Demands and I would confine my remarks to certain parts of it. They show certain slackness in the Government machinery. That is evident when we see that we had to go to Courts and incur such expenditure.

**The Minister of Finance** (Shri T. T. Krishnamachari): If the hon. Members who wish to speak on Supplementary Demands would kindly indicate the Demands Nos. on which they would like to speak, it would make it easy for us to get facts for replying.

**Shri Hem Barua:** I will speak on the Demand for Naga Hills Tuensang Area.

**Shri Narayanankutty Menon** (Mukundapuram): I want to speak.

**Shri L. Achaw Singh** (Inner Manipur): I want to speak.

**Shri Thanu Pillai** (Tirunelveli): I want to speak.

**Shri Punnoose** (Ambalapuzha): Time permitting, I also want to speak.

**Mr. Speaker:** All right, the speakers would be Shri Narayanankutty Menon on behalf of the Communist Group, Shri Hem Barua on behalf of the PSP, Shri L. Achaw Singh of the Socialist Group, Shri Thanu Pillai and Shri Punnoose, time permitting. The hon. Members will kindly indicate what subjects or what Demands they want to emphasise.

**Shri Hem Barua:** I would confine my remarks to Demand No. 23-A. When I go through the list, I have a feeling that the objective for which these Demands are made are not properly defined. That is why we have a sort of an imbalance. For instance, when we take this Naga problem and compare it with the Demands made here, we find there is a serious gap. Here it does not help to rehabilitate the minds of the Naga people in favour of the Union.

The Nagas were under the British rule for 70 years during which they



[Shri Hem Barua]  
 did nothing to improve the conditions of the Naga people from the Neolithic age to the modern age. That is why a psychological problem is created there and that broad comprehensive Indian mind is not being created. In order to create a feeling among them that they belong to the Indian Union, we have to allocate grants in a way calculated to help them in their growth by developmental programmes.

For instance, there are areas in the Naga Hills, the Konyak areas, known as the land of the naked Nagas. They belong to a stage of development that might be taken to be pre-Rousseau-contract-theory age. That is the type of development they are having. Under the British rule, there were no schools, no development programmes because the British wanted to preserve them as museum pieces. In the rest of India, there was the flame of freedom burning: they did not want it to spread to these areas. So, they wanted the Naga people to remain in a stage of development that might be conducive to their administration and that is why instead of putting the emphasis on the developmental programmes they put the emphasis on the administration. Again, according to the Supplementary Demands here, we are doing the same thing. Instead of developmental programmes so much needed we put emphasis only on the administrative side, police side of it. It was the mistake that we did when we wanted to treat the Naga problem as a problem of law and order, it is a political problem rather than a problem of law and order. It is a problem of rehabilitation of the minds. That is the mistake we did. Here we are also committing the same mistake by allocating grants on certain subjects that should go counter to the needs of the time.

We have these supplementary demands for four months from 1st December 1957 to 31st March 1958. We find that on general administration, we are going to spend Rs. 11.35

education Rs. 7.32 lakhs, on medical education, Rs. 7.32 lakhs, on medical services Rs. 2.63 lakhs, on agriculture Rs. 2.63 lakhs, on civil supplies Rs. 4.35 lakhs and on relief measures Rs. 10.00 lakhs. That is how we have provided grants for the Naga Hills.

Now, I want to tell you that the needs that are most essential for the Naga people are not cared for. To create faith in them, we must be able to help them in their education, we must give them medical facilities, communications and so on. These are the primary needs of the hills people—schools, hospitals and roads. Instead we provide more money for police administration, police and armed pickets, for general administration and so on.

For instance, there are certain democratic institutions in the Naga Hills. They are known as the councils of elders in the Naga land. They are called *Tatars* in their language. They elect their own people on a clan basis. The basis of this democratic institution is the village unit. I would ask the Government to cut down the expenditure on general administration which is as high as 11.39 lakhs and to create confidence in the Naga people by maintaining co-operation with the democratic institutions of the Naga people that is known as the council of elders. That is my suggestion.

We are not creating a police raj here. That was the mistake we initially committed but we do not want to commit that mistake today. We feel that the new administrative unit would create confidence in the Naga people in our favour. There is another problem—the problem of the hostiles. They have not accepted the resolution passed at the Kohima convention of the loyal Nagas. We have to create an atmosphere so that they may ultimately accept the resolution adopted there by the loyal Nagas in order to create confidence among the hostile Nagas. We do not want to send a police force there or army pickets. But we are allocating a sum of

Rs. 53.96 lakhs for police and army pickets, and that is certain to impair good relations.

When the movement or agitation started, we created military and police outposts along the Naga areas. Now, because, there is an appeal for peace, there is a good atmosphere and there is no need for increasing our police force or army pickets and allocate a larger sum on these things.

On the other hand, there are certain very essential things. What about education? We are allocating only Rs. 7.32 lakhs. In the 70 years of British rule, the British did nothing to improve the conditions in respect of health, education and communications. Are we going to repeat the same policy? If so, we are going to be guilty of a grievous wrong towards the Naga people and our own people as well. That is why I say that educational facilities must improve. We must have more schools there. And, only Rs. 7.32 lakhs for schools as against Rs. 53.96 lakhs for Police is something that cuts into the whole fabric of our policy.

For medical facilities the amount given is only Rs. 2.63 lakhs. What about the people there? The people there suffer from all sorts of diseases. Then, during this agitation, because there are no hospitals, no medical facilities, because there is malnutrition, because there is want of food, because there is paucity of food and all sorts of things, diseases have grown. That is what we find there. Since diseases have grown in the Naga Hills, it is all the more necessary that we bring medical facilities to the doors of the people there. That is what we are not going to do. On the other hand, we are going to bring the police force to their doors rather than medical facilities.

About agriculture I would rather say that the Nagas have their own type of agriculture known as *Jhum* cultivation or shifting cultivation. This *Jhum* cultivation destroys forest. We have to educate them on modern scientific ways of agriculture so that they may adopt the modern scientific

ways of agriculture and, at the same time, increase their food production. Therefore, we should allocate more funds so far as agriculture is concerned. But it is a pity to see that we are not allotting more funds on agriculture.

We have allotted Rs. 10.00 lakhs for relief measures. I have very little to say about relief measures. It is a fact that these relief measures were carried out there. At the same time, I must say that our police and military went to the Naga Hills, and it is a fact that they burnt down most of the crops before it was time to reap the harvest in order to teach a lesson to the rebellious Naga people. By this they created not only a feeling of hatred but they also deprived the people of their food. They had also a new policy of regrouping of villages. People belonging to different sections of the Naga Hills were collected together and barricaded with wooden walls from the rest of the villages. That is what they did, and here it is said that for "new grouping" relief measures had to be carried out. Though relief measures have been carried out there, I do not think that the relief measures are sufficient compared to the miseries and misfortunes these people are subject to. At the same time, we are responsible for creating these conditions, because we burnt down their harvest, their granaries and huddled them together within wooden barricades, and then we wanted to provide them with food.

At the same time, there are instances of corruption in this also. In the Kohuma Convention of the loyal Nagas they have a resolution on forced labour. What about this forced labour? The Nagas have been picked up from fields and villages and forced to work for the Government. The Government did not pay them any money. There were rice godowns and they were given food meant for the really suffering people. The really suffering people were, therefore, deprived of that food and that food was made over to these people who

[Shri Hem Barua]

were forced to work for the Government. That is why there is that element of contempt in the Naga Hills.

I would, therefore, say that the emphasis has to be switched on from police and military administration to one of healthy reconstruction. And, if we speak of healthy reconstruction we have to see that either we cut down the expenditure on police and administration, or we preserve that standard and increase the allocations that we make to other items such as agriculture, education, medical facilities and so on. This is necessary from a wider angle of vision, and that wider angle of vision is calculated to comprise a feeling to create an atmosphere where the Naga people would feel that we are going to look after their improvement, that we are going to raise their standard of living so far as education is concerned, so far as medical facilities are concerned, and so far as improvement of agriculture is concerned.

**Shri Narayanankutty Menon:** Mr. Speaker, Sir, I shall confine my remarks to Demand No. 30 and also to the other Demand under the head Grants-in-aid to States. Under Demand No. 30 the Government has come forward for an additional allotment of a small sum of Rs. 33,000. But, under the present circumstances it is highly necessary for this House to enquire as to why this sum of Rs. 33,000 is required now.

The Finance Minister says that this additional sum of Rs. 33,000 is required to meet the expenses that the Government had to defray or will have to defray to pay the court cost in income-tax cases. Sir, when the Government comes forward with a Supplementary Demand for a sum of Rs. 33,000 or any other negligible sum, the Government owes an answer to this House.

What is the state of affairs that prevails today as far as income-tax collection is concerned? Sometime back Professor Kaldor told that a sum of Rs. 200 to Rs. 250 crores approximately is evaded every year as income-tax in

this country. A few days ago the Finance Minister came to this House and placed on the Table of the House a statement showing that a sum of more than Rs. 100 crores is lying as arrears not collected in income-tax, and he has given a list in which seven people, without names, have been shown to have arrears to the extent of Rs. 1 crore each. We also find that one single individual has not paid his income-tax right from the year 1942.

What is the cause of these arrears, and what is the cause of a single individual not paying the income-tax from 1942. Always you will find, Sir, right from the time of the Constitution and even before, whenever income-tax has been assessed by the assessing authority a series of litigation are resorted to by which 10 to 15 years' time is taken away by the assessee and, ultimately, in many cases the Government is compelled to pay the cost for the crime of assessing income-tax for the income that is assessed by the income-tax authorities. These are cases to be remembered, over and above evasion that is given by Professor Kaldor.

When the Home Minister comes before the House and says that the law and order situation in the country may deteriorate and restriction upon the fundamental right of the individual is required in order to protect the security of the State, what explanation has the Finance Minister got to give to this House to protect the economic security of the State. The Second Five Year Plan, every Minister says, is going to dogs because we cannot find finances, while somebody else says that Rs. 200 crores are evaded and Rs. 150 crores are in arrears and the Government is helpless to collect because the fundamental right of trade and freedom of business is guaranteed under the Constitution. Article 19(3) of the Constitution could be very easily evoked by means of a Public Security Act against evaders for the economic security of the State. It is high time the Finance Minister comes before the House and tells us—

as the Home Minister says how the security of the State is to be protected—how the economic security of the State is to be protected.

The other day when similar instances of the indiscriminate usage of article 136(c) of the Constitution was brought before the attention of the Labour Minister he said, we do not find any state of affairs which warrants the Government to interfere and come forward to amend the Constitution. May I ask the Finance Minister what the Government is going to do as far as the collection of income-tax is concerned? Whenever any assessment is made it is open to the party to approach the High Court under article 226, and if that fails right away go to the Supreme Court and get a stay order for three years whereby lakhs and lakhs of State money is stayed by the Supreme Court. There are talks from responsible quarters that because of the interference of High Courts and the Supreme Court large sums of money are being delayed to be paid to the Exchequer and, ultimately, because of technical reasons those persons who acquire money go scot-free and the State loses the money.

What is the remedy? The only remedy we can suggest is a bit of freedom of trade, a bit of freedom of property that is guaranteed absolutely and was sanctified by the Government as far as those moneyed people are concerned—those things have to be taken away and a sort of reasonable restriction in that respect also exercised so that these people will be prevented from getting over the liability of payment of those taxes by technical considerations and by small loopholes in the way of assessment. Therefore, I make an appeal to the Government. The Government should come forward to amend the Constitution.

**Mr. Speaker:** What is the duration of a pendency of a writ?

**Shri Narayanankutty Menon:** I could point out instances where writ petitions, in which the Supreme Court and the High Courts have interfered, have lasted for four years, especially in the income-tax cases. There, the normal phenomenon is that once the writ petition is allowed, the case is remanded and then a payment order goes before the assessing authority. Then another assessment is made and upon a fresh ground another writ application is taken. Therefore, there are certain cases where endlessly writ applications are being taken, because once assessment is made, some technical flaw could be found. Therefore, I make an appeal that in order that the economic security of the State may be kept in fact, in order to get over this crisis, why not the Government come forward first of all to collect the tax that is evaded in respect of income-tax, and secondly, come forward and say why so much of arrears of collection of income-tax remains. Why not we find out some method?

We are not taking away the sanctified fundamental right of anybody. We could provide for reviewing authority and some other authority by which the technical flaws will not be made to continue. Those authorities should not be constituted in such a way that large sums of money that are urgently required for State purposes are not put back into the pockets of those people and to see that they will not go scot-free by evading the payment of income-tax. I once more appeal to the Finance Minister in the interests of our own country, in the interests of not delaying the payment of income-tax and in the interests of not scotching the beneficial labour legislation that is coming forward from the Government. Let the jurisdiction of the Supreme Court and the High Courts, both under article 226 and article 136C be removed and then let this legislation take the ordinary normal course so that the Government may function without

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unwarranted interference in these matters.

The second point I wish to speak about is regarding the grants-in-aid to the States. I do not wish to point out what has been already said yesterday, because the Government asks for a grant under the recommendations of the Finance Commission. A lot has been said yesterday by Members representing various States about the necessity of those States and how much money the State Governments want, what are the grounds on which these are required and how the Finance Commission has recommended, etc.

I want to make mention of only one point. As far as the States are concerned, we should like to know what is the policy of the Government. The Prime Minister, a few months back, said that the majority of the States are having deficit budgets and making a deficit budget. At the end of the year they come back to Delhi to ask for more money. Therefore, he said that he advised the State Governments not to have deficit budgets and have a surplus budget and to find out their own resources. In the Kerala State, fortunately or unfortunately, the Government was able to make a surplus budget. But what is the result? That is why we wanted to know what is the policy of the Government, what is the policy of the Prime Minister, and what is the policy of the Finance Minister and of the Commerce and Industry Minister.

The other day, the hon. Minister of Commerce and Industry went to the State of Kerala, made a scathing attack upon the Kerala Government and said that the taxation structure in Kerala is very high and that therefore industries may not go over there. The Finance Minister yesterday was waxing eloquent about the glorified federal structure of our Constitution. There is the Government which is functioning under the Constitution.

The Government itself has got certain responsibilities and according to the instruction and advice of the Central Government the Government will have to find out finances for their budget. That was what he said. Somehow or other, the Government was able to find out some finances, but a very responsible Minister of the Cabinet of the Central Government goes to the State and criticises openly about the tax structure of that State. So, what is the meaning of this? When the Prime Minister says to each State Government, "You will have to find out your own finances," and when the State Government come forward to find out their own finances in a good and normal way, another responsible Minister goes to the State and publicly criticises and pleads on behalf of those employers who can afford to pay. Obviously, the Commerce and Industry Minister was referring to the agricultural income-tax that is imposed upon the plantation owners of Kerala State.

Whatever that has been spoken on behalf of the plantation owners on the industrial relations side by the Commerce and Industry Minister we do not grudge, because the glorious past of the Commerce and Industry Minister is too well known to the labour in India,—how far he will be only able to back the labourers. Normally, his place will only be found on the side of the employers. But as far as taxation is concerned, the agricultural income-tax that is imposed on the plantation owners is only in level with the wealth tax that is imposed by the Finance Minister.

When the hon. Finance Minister was moving the Wealth tax Bill here, when the demands came up for inclusion of agricultural income tax and agricultural wealth in that, there was a technical objection: that under the Constitution agricultural income and agricultural wealth could not be included in the wealth tax. What the Kerala Government did was only to come in level with the wealth tax

which is imposed by the Central Government and in terms of the agricultural income-tax the plantations have been included. The plantation owners were asked to pay a small rate of agricultural income-tax. If the plantation owners in the Kerala State were making millions of sterling a year as profits and who have long years before taken as profits whatever investment those companies have made in the State from their own income each year, what is the harm in their being asked to pay a small amount of agricultural income, when every State Government is faced with the deficit budget, in order to make the budget at least balanced? What harm is there, and what is the atrocious nature of those things?

**Shri T. T. Krishnamachari:** May I ask for your guidance, Sir? This refers to the demand made at page 17.

**Shri Narayanankutty Menon:** Un-numbered in the book.

**Shri T. T. Krishnamachari:** Yes, it is in relation to the grants-in-aid which was a subject-matter of the discussion yesterday in regard to the recommendations of the Finance Commission which were in the form of a Bill. It is a charged item. I do not think there is any discretion in regard to these grants which is given to anybody. I do not know if the hon. Member is questioning this particular item or the method by which we have brought this.

**Shri Narayanankutty Menon:** I am not questioning the grants at all.

**Mr. Speaker:** There could be discussion even with respect to a charged item, as to how it is expended, etc.

**Shri T. T. Krishnamachari:** I merely said that is the nature of the item. I do not understand what the hon. Member is referring to, because, I have to reply. So, I do not see how I could reply in relation to this particular demand.

**Mr. Speaker:** All that the Minister wants is that it is a charged item. Of course discussion can go on. But what is the limit of discussion in this matter? It is a charged item which has been recommended by the Finance Commission and the appropriation has already been made by the Bill under the Act. Therefore, in regard to the appropriation or the allocation by the Finance Commission, whatever had to be said, decrease or increase, must have been done when the Bill was under discussion. Now, the manner in which the money is spent, whether it is in excess, etc., could be discussed here. Otherwise, the allocation was in the hands of the Finance Commission, and it was disposed of yesterday. What exactly does the hon. Member want?

**Shri Narayanankutty Menon:** I am not suggesting that any cut should be made as far as the charged item is concerned. I am only suggesting that this grant is made for the States to meet revenue expenditure, and I was discussing only the difficulties of the State for making money in the State itself to balance their budget and in finding out the money, and the difficulties that the States are facing because of the divergent policies of the Central Government.

**Mr. Speaker:** Every thing must lead to some kind of decision, whether we take it in the form of a resolution or in any other way. At any rate, all this is intended to enable Government to accept a decision or criticise the Government for having done a particular thing. If more money, according to the hon. Member has to be given to the States, this is not the occasion for saying it. The Finance Commission's recommendations have been accepted by the Government.

**Shri Naushir Bharucha (East Khandesh):** The hon. Member can say that ad hoc grants can be given. After putting down the difficulties, he can say what Government has given is not enough and that in addition to that, an ad hoc grant may be made.



**Shri Narayanankutty Menon:** This is thoroughly inadequate as far as the States are concerned. The Government should come forward with additional grants; and even in cases where the State Governments are finding their own money, the Central Government or some of their Ministers are going and interfering with the State's getting that money. That is my point. Not only they are not giving, but they are putting impediments in the way of the State Government getting money.

**Mr. Speaker:** Are they going about gathering subscription? I am not able to follow how the State Government gathers money and how a Minister can prevent its doing so. I am also one of the Members here and I must also understand what exactly the hon. Member says.

**Shri Narayanankutty Menon:** The Kerala Government introduced agricultural income-tax upon the plantation owners and the hon. Commerce and Industry Minister went to the Kerala State and criticised the Kerala Government for introducing this agricultural income-tax on plantation owners. He said, no money will come to the State because the taxation level is high. I was submitting that the agricultural income-tax level is only in consonance with the rate of wealth tax that the hon. Finance Minister imposed here. There is nothing abnormal

Therefore, the speeches made by the Commerce and Industry Minister are a deterrent to any State Government coming up and trying to follow the advices given by the Finance Minister to make their budget balance. Therefore, I submit that they should have a policy. Yesterday, the Finance Minister was quite angry when somebody remarked that there is some divergence of opinion between the Prime Minister and the Finance Minister. There are concrete details. The Prime Minister advises the State Governments to find out their own finances and when some State Governments are finding their own finances, another colleague of his, according to the Finance

Minister, a very appreciated colleague, goes there and criticises that Government for finding finances. I do not understand how the State Government can find finances. The Finance Minister said, yesterday. "We cannot find money. We have got only so much resources. The State Governments will have to find their own money", but, when the State Governments find money, criticism comes from that side. I fail to understand from where the State Governments can find the money.

As indicated by the Finance Minister, the State Government can get money only by means of taxation. The State Government cannot start lotteries or cannot dig holes to find resources. They can only tax and that taxation level should be in consonance with the policy of that Government. That is all. If that is criticised, certainly it will be impossible for the State Government to find the money.

Therefore, I request the Finance Minister to put his own house in order, not by waxing eloquent to State Governments to find money and then sending somebody else to criticise it. Otherwise, it will be impossible for the Central Government to balance their budget and you will find the representatives of the Central Government, in spite of the wishes of the Prime Minister, coming with begging bowls to the Finance Minister to get the money. Therefore, I make an appeal. This time we pray in deference to the wishes of the Finance Minister that we cannot give money. We request and ask for more money, because we have got our own special problems. Along with that, we request the Finance Minister, at least leave us in peace from the disturbances of your own Ministers, so that we may be able to find out some sources of finance. Unless that is done, all that he has said yesterday about the glorified nature of the federal system in India will be endangered. What is the type of democracy he wants if he and his colleagues cannot support a Government in one part of the country which does not belong to their own party?

**Mr. Speaker:** The hon. Member must reserve all that to his next budget speech.

**Shri Narayanankutty Menon:** On this point alone, he should view all the State Governments as one and the same. The State Government will have to be left in peace for some time. Therefore, I would request that instead of the diversified one-sided talk that is going on, let him try to find out finances and try to cross the difficulties that every State is confronting, for which everybody will be prepared to help him. Therefore, this type of one-sided talk should be stopped and the difficulties will have to be crossed over.

Concluding, I make a final appeal especially regarding income-tax, that some concrete proposals should come from the Government to collect the income-tax that is evaded and also the income-tax arrears.

**Shri L. Achaw Singh (Inner Manipur):** Mr. Speaker, I would like to confine myself to demand No. 23A. I have also tabled cut motions to that demand. This demand relates to a new item consequent upon the constitution of a new administrative unit known as the Naga Hills—Tuensang area. This supplementary demand is intended to defray the expenditure on the administration of this new unit for the period from 1st December, 1957 to 31st March, 1958.

If you look at the demand and the statement and also the allotment of expenditure on different items, you will find at a glance that at least more than I should say 65 per cent. of the expenditure is on general administration and police. Very little is left for developmental purposes. This amount of Rs. 65 lakhs is meant only for four months. So, the amount needed for the whole year would be very heavy. We have also to consider the population and area for which this expenditure is made. This new unit covers only 6,246 square miles and it has got a population of only 3,48,000. This new unit is to be administered by the Centre through

the Governor of Assam and this area, along with other divisions in the NEFA is now under the External Affairs Ministry.

The area as a distinct administrative unit has to constitute three district headquarters one at Kohima, another at Mokokchung and the third at Tuensang. Over and above that, there will be one Commissioner and also a Secretary is to be appointed to assist him. Certainly, therefore, the administration is going to be very top-heavy. We cannot approve of such a measure. In the union territories of Manipur, Tripura and NEFA, we are having the same experience of this top-heavy administration. Speaking generally, too much expenditure on the general administration and police is a very undesirable feature of any administration. The administration of these territories is again manned by the same set or cadre of officials from the North-east Frontier Service. They are very costly officers, mostly drawn from the military services. Formerly the Naga Hills Area was administered by a Deputy Commissioner with only one or two sub-divisional officers. The standard of administration was high and it was more efficient too. Law and order could easily be maintained. Now we have got hosts of officers imported from outside and these officials are going to be deputed from the North-east Frontier Service. Our experience is that all these territories Tripura, Manipur and NEFA and this new unit have to be served by the same cadre and most of these officers, when they are given new assignments, carry very high salary and all sorts of allowances. They are given deputation allowances and so on.

Then, an artificial distinction is also created among the deputed officers and the local officers. You will be surprised to hear that local officers who are qualified and who have been found to be so efficient have been paid too low a pay. They are given Rs. 200 to Rs. 250 whereas the de-



[Shri L. Achaw Singh]

puted officer coming from outside or retired personnel would be given Rs. 1,250 or even more than that sometimes. Therefore, there is a lot of discontent in these territories regarding the deputation of such retired officials and officials from outside. I belong to Manipur, one of these territories and I have also personal experience of them.

I would like to say one thing about the state of affairs prevailing in this territory. There is too much of concentration of power in the hands of the officers. They are entrusted with the administration of these territories. They would even behave like dictators. They are very whimsical sometimes. They are also tyrannical. They won't hear the people. They would do things in their own way. In this atmosphere, it will be very difficult for democratic institutions to grow. I would request the Government that power should be decentralised. There should be more decentralisation of power. There should be more of autonomy. All these district headquarters should have elected councils of elders, so to say, and they should be given opportunities of being trained in self-governing institutions and self-governing units which suits them, which is more suited to their genius

I would like to refer to one other aspect also, that is, about the former days. In the good old days, the officers were more efficient so to say. When they come to these areas, they would learn the local language very soon. Within three or four months, they will pick up the local language. They would mix with the people and they would have local contacts. They would understand the local grievances and difficulties of the people. But, somehow, these officers deputed from the Centre to the N.E.F.A. are not sympathetic. They are not up to the mark. They are very inefficient. Sometimes, they are worthless. There is also the question of corruption. Some of them, I would like to say,

are morally corrupt: not only bribery and all those things.

I would like to say that these officers have created a lot of difficulties. There is lack of imagination on their part, lack of foresight, lack of understanding and lack of sympathy on their part has created bitterness and also misapprehension among the tribals and that is why Phizo has got still a good following. They do not care to hear the criticism of the local people.

Regarding the top-heavy administration, I would like to say, that all the heavy expenditure on the general administration will have to be ultimately borne by the common people, the unfortunate poor tribal people. They will be deprived of the benefit of developmental works in the shape of more good roads, schools, hospitals and all these things. The expenditure on these works should be much more.

Coming to the expenditure on the police, there is a provision of Rs. 53 lakhs out of about Rs. 1 crore. This cannot be supported at all. This is a heavy amount, an excessive amount. It is stated that the Government have accepted the Kohima Convention resolution and a new unit has been created out of deference to the wishes of the Naga people. Government have declared a general amnesty in these areas. But, why this huge amount of expenditure on the police? Heavy expenditure on the Army and the police should, as far as possible, be avoided. This amount should have been utilised for developmental purposes.

The military operations in the Naga Hills during the last two years have resulted in great mutual killings, bitterness and suffering. Naga villages have been uprooted and re-grouped in the form of concentration camps. Already Government have spent huge sums of money during the last two years on the operations in the Naga Hills. Government should have learnt

a lesson by now. No amount of repression and mass intimidation can suppress a popular movement. In spite of the superior strength of arms on the side of our Army and police force, the Naga National Council has been continuing the fight and the rebellion still goes on. I have referred to this aspect of the problem during the debate on the Naga Hills—Tuen-sang Bill, and I would confess that there is a lurking feeling in the mind of everyone that there can be no lasting peace in the Naga Hills without breaking the hard core of the rebels. That is, the hard core of the rebels can only be broken by a direct settlement the N.N.C. leaders.

The Government all the time have followed a wrong policy by adopting questionable tactics, that is, attempting to create a division in the ranks of the rebels. I am sure that this tactics will never succeed. The Nagas are ever more united on their stand. I would therefore like to suggest that the Army should be completely withdrawn and the expenditure on policing the Naga Hills should be considerably reduced.

I would also like to tell the House that the stationing of troops on the borders has created great tension among the local population. After the creation of the new unit, there has been no reduction of the police and the military forces and rumours have spread in the villages that the Government have not changed their attitude and the Government do not mean what they say. Clashes have also occurred in various places after the creation of the new unit and hostile activities are continuing in the Naga Hills and the Manipur border. It is high time that the Government revise their policy towards restoration of peace and the maintenance of law and order in this area. The only way to win Nagas would be by a change of their hearts. The change will only come when the police and military are withdrawn and by a generous and sympathetic gesture of friendliness towards the Naga people. The Naga peace-makers, there, the liberal section, may be then in a position to persuade the Naga hostile leaders to

disband their volunteers. Only when the Naga volunteers are disbanded and the military is withdrawn, lasting peace will prevail in the Naga area.

**Shri Thanu Pillai:** Mr. Speaker, I refer to the Supplementary Demand in respect of Union Excise duties. In the last Budget session, we increased the duty on matches to match the new prices introduced and since then, I hope the Union Ministry of Finance has very diligently and carefully collected the revenue. But, in that collection, how many small industries manufacturing matches have been closed in the Madras State and to what extent production of matches has been reduced in the cottage sector is an interesting study. It is common knowledge that the old coinage has not got an exact equivalent for every naya paisa. The matches were being sold at half an anna for 40 and three-quarter anna for 60 prior to the introduction of the new coinage and before the new prices were increased to four to six naye paise. For six naye paise there is the equivalent of one anna, but for four naye paise the equivalent is three-quarter anna in the absence of correct equivalent. Naturally any man with common sense would not agree to pay three-quarter anna for 40 matches, when 60 matches are available for one anna. From the trade point of view, the man who is able to sell 60 matches is not selling it at six naye paise but  $6\frac{1}{4}$ , that is one anna. So there also the price per gross increases the margin for the trade for the person selling 60's matches.

12 hrs.

This industry has suffered considerably, and appeals on behalf of the industry, I am sorry to say, have not met with response from any quarter of the Government, whether Commerce and Industry or Finance. May I submit that we must not be responsible only for the collection of revenue for the Government, but we are equally responsible for subjecting the people to hardships by a harsh manner of collection and not heeding their difficulties.

[Shri Thanu Pillai]

May I appeal to the Government to consider how to fit in this new set up of taxation and the price policy *vis-a-vis* the cottage industry of matches? We submitted a petition demanding that the price may be fixed at five naye paise for 50 matches with proportionate duty. The price is proportionate, as it is six naye paise for 60 and four naye paise for 40 matches. We did not demand even a pie's reduction on duty. Why should Government cold-shoulder this and refuse our modest and simple request. I would urge upon the Government to accept it or at least tell us that the cottage industry has not suffered at all, or tell us that this cottage industry need not be developed at all. We are making dolls, we are making handicrafts and going about the markets in the world saying: "this is an Indian product, it is good product, you can buy it." We want to have an Export Promotion Council for odd things, but here is a consumer industry which is neglected, and the people concerned are very poor from village areas. We demand consideration, not any concession whatsoever, and I do not believe that the Government is not capable of so much intelligence as not to understand the reasonableness of this demand and concede it.

Come to the distribution of these excise duties and allocation to the States, the Government of Madras is economically a backward State, and the Government of India are well aware that many offers of grants and loans have been refused by the State Government because they are not in a position to provide the matching grant required of the State Government. The University Grants Commission suggested an increase in the salary of professors and teachers, and they were prepared to meet 75 per cent. of the increased payment, but the Madras Government has not accepted that offer for the simple reason that the matching grant of 25 per cent. could not be raised by it. I submit there is

lopsided economic prosperity on the one side, and poverty on the other. Fixing up some hard and fast rule and denying the just claims of an economically backward and poor area is not a fair distribution of wealth or prosperity of this nation. In the case of the other industries also, which we shall not discuss here, the failure has been caused by the economic backwardness of that State. I submit that in the matter of the matching grant, where the State is able to convince the Centre that the industry is essentially required and that it is a reasonable project, if they cannot pay the matching grant, I would urge upon the Government of India to waive the condition of the matching grant immediately and give the State the full loan, or grant. Even the grant portion you can refuse, but the loan should not be denied simply for the reason that the State Government is not in a position to raise the matching grant or loan.

Another point I would submit is regarding scholarships for students. Time and again we have been urging that the marks required of the backward class students for scholarships should not be as high as 60 per cent. and more. Why do you call them backward at all if you insist that those students should get as much as 60 per cent. of the marks or more? I know of very many cases where half way through the students have had to give up their studies for want of this scholarship assistance.

There was the principle of allocating the scholarships on a regional population basis. I do not know what they have done this year, but many boys who have secured as much as 50 to 55 per cent. have been denied scholarship, and they are not in a position to prosecute their studies, though they very much deserve to do so. Therefore, in respect of my State, whatever the decisions accepted might be, a liberal approach is absolutely essential, taking into consideration the economic backwardness of the State, especially educational.

**Shri B. S. Murthy** (Kakinada-Reserved-Sch. Castes): What about the backward class students in other States?

**Shri Thanu Pillai**: I do not know. That was the policy for the Madras State last year, that the students should get 60 per cent. of the marks. This year also they say 63 per cent. I do not know whether it is so in the other States. Last year the amount was divided on the basis of population of the respective States. In some States boys getting 40 per cent. or 45 per cent. of the marks got scholarship, but in Madras they had to get as much as 60 per cent. for scholarship qualification last year. I am not sure of the position this year but 63 per cent. is the percentage of the marks required. Anyway, whatever the methods of division or allocation, the hardship is there for the student and the individual family. Therefore, I request the Government to allocate some more funds, and to divert it if possible from other heads of social services as, I beg to submit, this is also a social service of a better order and not of a lesser order.

**Shri D. C. Sharma** (Gurdaspur): I must confess at the very outset that the speech by the hon. Member from the Opposition Benches who preceded me made me to say the least, very unhappy. I feel almost a sense of distress when I think of that speech. The Demands that we are proposing for the Naga Hills and the Tuensang area here is something that is a natural consequence, a corollary of what we have already done. This Parliament passed the Naga Hills—Tuensang Area Bill. It is now the law of the land. It was approved by Parliament, and all that has come here follow from that Act, and I must admit that that Act is a very statesmanly Act. It is an Act which had been warranted by the statesmanship of our Government, of our Prime Minister, and it will, I am sure, bring peace and good government and settlement to that much-disturbed and very unhappy area.

We were told that the police and the military should be withdrawn from that area. I do not think anything like that could have been said by a person who had the good of the country at heart, and who had the unity of the country at heart. What has been done now is only to make this area a part and parcel—of course, it was already a part and parcel—of the Union of India administratively, legislatively and in other respects. The Act that has been passed is not an Act which has been forced upon the people. It is not an Act which has fallen upon them from some place from which they did not want it to come. It is an Act which has been passed in accordance with the wishes of the people, wishes which were democratically voiced, democratically accepted and democratically guaranteed by this Parliament. So, to go back upon it now and to raise the old cry is, I think, to fish in troubled waters, and if not to fish in troubled waters, is to seek to undo something which has already been done, and which has been done in the best interests of this country and also in the best interests of the people of that area.

Sir, what has been the history of this division all these years? I think from the questions that have been asked and the answers that have been given on the floor of this House and also from the discussions that have taken place here, we have generally come to know that there have been all kinds of activities in this area, activities which can be called very unlawful, unpeaceful and subversive of any social life or good life. These are the types of activities that have been taking place there. Our police and military, as has been said by our Prime Minister on more than one occasion on the floor of this House, have tried to bring order into that area in as firm but as decent a manner as possible. If people want good government, if people want to keep up their connection with India, if people want that the security of India should in no way be disturbed by some persons, if they have passed a resolution

[Shri D. C. Sharma]

and have demanded something, which is a legitimate demand, and if Parliament has conceded that demand, I do not see any reason why the old sores should be rubbed again, and why the old controversies should be revived again on the floor of the House. It is a settled question now, and we should accept it as a fact and we should proceed further.

After having conceded that, we are now trying to implement the decision of this Parliament. That is all that we are seeking to do by way of these supplementary grants. It is true that there is a slight imbalance in the expenditure. But that imbalance is bound to be there, for we know that the conditions there are not normal. Abnormal situations require abnormal remedies. I believe that the abnormal remedy to which the hon. Member has referred is not so abnormal as he thinks it to be. After all, there should be law and order, and there should be peace in that area. The hostiles should not have their field day uninterrupted, unchecked and unhindered. There must be something to win them and the people who want to lead a peaceful life and who want to be part and parcel of the Indian Union should be allowed to do so. Therefore, it is but natural that we should have police and other things there. The following sentence in the explanatory note puts the whole case in a different way:

"With the creation of the new Unit it is hoped that normal conditions will soon return, and there will be gradual decrease in this expenditure"

So, this expenditure is not going to be there for good and for all time to come. It is only an interim expenditure. As things settle down, the amount of money that is spent on the police will gradually diminish.

I find also from the explanatory note that the grant for education has increased. I am very happy to find that there are 325 primary schools in this area. This makes me happy as a

teacher. I believe that the money allotted for education should be increased still further, and I am sure that when normality returns to this area, the provision under this head will increase.

Due attention has also been paid to the agricultural needs of this area. They have been taken into account more fully than other things. For instance, I find that the people there are going to have all those amenities which agriculturists in other States of the Indian Union are getting. There is going to be distribution of seeds and manure; then, there is going to be land reclamation; there is going to be extension of wet paddy cultivation, etc. I am sure these things will give these people much more hope than anything that we say on the floor of this House.

Money has also been provided for relief measures. These relief measures are very necessary, because so many persons have suffered on account of the activities of those persons who are called—I would not like to call them as such—hostiles; they have suffered a great deal of damage at their hands. I am happy to see that some money has been provided for their rehabilitation, that is, for the rehabilitation of the agriculturists and others who have had a bad time at the hands of the hostiles.

So, instead of welcoming this supplementary budget, which puts an end to that period of unhappiness, and which means a new chapter in the history of that area and which means that it is going to have settled civil life and social life, we should not start criticising this budget. All the Members of this Parliament, whether they belong to the Congress Party or to the Opposition parties should welcome this, because I feel that this is one of the biggest measures ever passed by this Parliament, because it brings peace and settled social order to an area which has been very disturbed for some time past.

**Mr. Speaker:** Now, Sir Achar. The hon. Member has gone away.

**Shri S. M. Banerjee (Kanpur):** I wish to speak on Demand No. 106 which deals with defence capital outlay. This deals with a sum of Rs. 46,000 to be given to a contractor. I am sorry that the Deputy Minister of Defence is not here unfortunately.

The explanatory note here reads:

"In connection with the execution of a contract for construction of residential quarters in a Cantonment certain disputes arose with the party about the quality of work and delay in its completion. These disputes were referred to arbitration. The Arbitrator gave an award of about Rs. 44,500 in favour of the firm. The award which was contested by Government, was upheld by the trial court who passed a decree against Government for payment of Rs. 44,500 plus interest."

Since a very long time, the Defence Employees' Federation and those working in the MES Unions have been asking the Deputy Minister and the Minister of Defence that the contract system in the MES must be abolished. I say this because the contract system is the cause of all corruption in the defence establishment, especially in the MES.

**Mr. Speaker:** So far as supplementary demands are concerned, I am afraid, if there is a system already in vogue from the time of the budget, that cannot be touched upon now. It is a matter of policy whether the contract system ought to continue or it ought to be superseded by the departmental system.

**Shri S. M. Banerjee:** I can at least point it out for the information of the House, if you would please allow me.

**Mr. Speaker:** If it is a matter of policy, he cannot point it out. But he can say how the contract system has worked, how the departmental system has worked, and so on.

**Shri S. M. Banerjee:** That was what I was trying to say.

**Mr. Speaker:** Very well. He could say, this could have been better, and so on.

**Shri S. M. Banerjee:** I will quote certain example. In 1953, at Agra, a particular work was to be completed by the contractor. The contractor asked about Rs. 1 lakh for that particular job.

**Mr. Speaker:** Is it part of this item?

**Shri S. M. Banerjee:** Yes.

**Mr. Speaker:** It refers to 1953. I thought he was referring to an old demand.

**Shri S. M. Banerjee:** I am only showing how departmental work is better.

**Mr. Speaker:** No no. If there is any particular item here, he may take it up and make his comments.

**Shri S. M. Banerjee:** Unfortunately in this note, details have not been given. Here it is only said, 'construction of residential quarters in a cantonment'. It is not stated which cantonment which residential quarters and whether constructed by contractors or by departmental labour. It is evident that it was constructed by contractors.

There are about 27,000 good workers in departmental labour in MES. So here the contractors need not come. In the agricultural field, we are trying to eliminate the middlemen, but here because of the system of having middlemen, the contractors, we are having a lot of corruption. We have got an excellent MES department where we have got the cream of technicians. I think all the contract work either in cantonments or in any other place can be completed very well by that department labour.

I may tell you that the MES is generally called the 'Money Earning Service' only because the contract system exists in the Defence department. The All India Defence



[Shri S. M. Banerjee]

Employees' Federation has given an exhaustive memorandum on this issue. I feel that it is high time that the hon. Defence Minister considered this question and tried to eliminate the contract system; if complete elimination is not possible, he should at least see to it that departmental labour is given more work of this nature.

I quoted the instance of a job at Agra which was completed by departmental labour at Rs. 32,000 whereas the contractor wanted Rs. 1 lakh. So the general idea of the department that contract labour is cheap, good and swift is wrong. I know this because I am one of the Secretaries of the Defence Employees' Federation. They are capable of doing all jobs. When we are talking of the Second Five Year Plan, instead of giving all work to contractors, this work must be given to departmental labour. So I request the hon. Deputy Defence Minister who is here to consider this point and try to eliminate the contract system as far as possible.

**Shri Punnoose:** I wish to say a few words in regard to grants in aid to States. Yesterday I remember the Finance Minister said that Plan requirements and demands arising out of planning could not be brought in, when the Finance Commission's recommendations were discussed.

**Shri T. T. Krishnamachari:** I did not say that. I said they did not refer to it.

**Shri Punnoose:** He said that there was no relevancy in talking like that because that was not the Finance Commission's job. But looking into the recommendations, I find that in their allotments to various States, they have taken into account Plan requirements as well as problems arising out of States reorganisation. They have considered both the basic requirements as well as the requirements of the Plan. From that point of view, we, Members coming from Kerala, believe that their recommen-

dation for our State of Rs. 1.75 crores is too small and there is no justification for making such a meagre allotment.

You might be familiar with the fact that in planning Kerala has always been overlooked and neglected. Every party from that State has demanded a larger allotment. Even the Congress Government party that was in power in Kerala demanded something like Rs. 130 crores, but only Rs. 87 crores have been set apart.

Malabar, which became a part of Kerala as a result of States reorganisation, received only Rs. 19 crores for planning from Madras State, while on a population basis they were entitled to at least Rs. 27 crores. These allotments have been considered too small considering the requirements and problems of Kerala. Her problems are well known—overpopulation, the highest density of population in India (almost 907 people per square mile) and the most acute unemployment. When all these problems were before the Finance Commission and the Government, the Finance Commission should have allotted at least Rs. 20 crores for making up the disparity between Malabar and the T.C. area. From the point of view of education, communication and medical facilities, Malabar is far below the standard of T. C. We demanded, and rightly, an allotment for making up this disparity, but that has been completely overlooked. While Mysore could receive a much kinder treatment—and I am not envious about it—Kerala has been left in the lurch. I will request the Finance Minister at least to bear this in mind in days to come, because our requirements are so large and so pressing. The condition of that State has become precarious because of want of finances. With regard to the working of the Plan also our position is peculiarly unenviable.

Now pruning has been talked of. They say that they will preserve the

hard core of the Plan; everything else will be cut. What happens is that in Kerala, there is no hard core at all, about which we have complained—that we are given only secondary items. Now the hard core will be preserved and cuts will be effected in other sectors. The result is that Kerala will be at a great disadvantage.

So we believe that the recommendation of the Finance Commission with regard to grants in aid to Kerala has been unjust, and I will request the Finance Minister to look into this matter, understand the problems of that State and do what can be done.

**Shrimati Ila Palchoudhuri:** (Nabadwip): I only want to draw the attention of the Ministry to Demand No. 18 where there is a demand for Rs. 20,65,000 to defray charges in respect of the Geological Survey of India, as this office has been transferred to the Ministry of Steel, Mines and Fuel. There is only one small point I want to bring to the notice of the Ministry. In the office of the Natural Oil and Gas Commission in Delhi, temporary staff who have been recruited have not received their pay for the last three months. In these hard days, I think it is rather difficult that the staff have to wait so long to get their pay. Surely, they should get their pay on the 1st of every month. I hope the Government will look into this matter and remove the causes of hardship. Such measures which are taken will go to ameliorate the grievances of the workers because that, I think, is one way in which the smooth working of the department and contentment of the staff can be ensured.

Regarding the Demand of the External Affairs Ministry concerning the Tuensang area, we are all very happy that we are having to vote this demand today, because it has brought in an age of peace where there was chaos. There is every hope that all relations will be sweetened and everything will augur or the good of India in future. In this Demand, I have only to say that it is, of course, with

a certain amount of hesitation that one looks at the item of Police as compared to Education. But still that has to be and one realises that this item will get less and less as things normalise themselves. In this connection I would like to make a special appeal. If and when any news about Phizo and his family are received, I hope he and his family will be treated with utmost consideration by Government so that relations are no longer embittered or there is no cause for embitterment.

Lastly, I would like to bring to your notice the Grant No. 88 for Aviation. If air route licences to non-scheduled routes are given only for one year, how can any company at all function? In that way is it of any use to give a licence for one year to a non-scheduled company? The price of the aircraft itself is colossal and no person wishing to take up this line of business which can really earn us a good lot in freights and even foreign exchange when it comes to that—because non-scheduled flights can hope even to other countries, given the capacity and support of the Government, can do so.

**Shri T. T. Krishnamachari:** There is no reference in Demand No. 88 in regard to the grant of licences.

**Shrimati Ila Palchoudhuri:** I hope it is in the whole Demand. If such licences are only given it is rather difficult for companies to function. That is all I would like to point out to the Ministry.

Sir, by and large, I support these Demands and hope that they are going to be used in the best interests of the people and I while supporting the Demands, certainly hope that the grievances pointed out will be looked into.

**Shri Nath Pal Rajapur:** Sir, I am addressing myself to Demand No. 88. I am handicapped by the fact that the Demand concerns a Minister who is amongst the most painstaking



[Shri Nath Pai]

and hardworking Ministers in the Cabinet. I am, therefore, handicapped by my conviction about the way he normally tries to run the department very efficiently.

This is the second time that this Ministry has come forth for a supplementary Demand. Now, before we make up our minds as to what we should do, I would like to tell you how the business is being carried on in general in this Ministry vis-a-vis this Demand.

I hope you will be allowing me the latitude which has been allowed to other hon. Members, since you are looking very surprised.

Recently, a very ambitious plan was undertaken to equip the airlines with Viscounts. A very equally ambitious plan was undertaken to give training. I will be coming to the subject. They just decided to train 36 persons in driving Viscounts. The trainees were sent in three batches of 12 each to the United Kingdom. The daily allowance of these young trainees was £4/10. I for one shall never grudge these things. It is fair to give these pilots whatever we can afford. So, my complaint is not that we were giving £4/10 a day; but my complaint was only that best use was not made of the money when our foreign resources are so very meagre and our Finance Minister is constantly reminding us that every penny has got to be very scrupulously used....

Shri T. T. Krishnamachari: That is not the matter which we are considering. I have no information about the subject which the hon. Member is raising....

Shri Nath Pai: I had been mentioning that I was handicapped by the fact that the hon. Minister is not directly concerned. It is the Ministry that has come for a second time with supplementary demands. If you permit me, I will say he might perhaps like to know that what I have to submit is not slogan but very important

date which he can look up and see how economies can be effected so that we need not have the spectacle of the Ministry coming for supplementary demands.

Shri T. T. Krishnamachari: I wish to point out that the Ministry now

Mr. Speaker: It is only Rs. 1,000.

Shri Nath Pai: Sir, I said that you will allow me that latitude which was allowed to others, but if you insist I will finish.

Shri T. T. Krishnamachari: This supplementary demand nobody can escape because we are not permitted to pay this amount except by a specific demand brought before this House and it is inescapable that there should be a supplementary demand of this nature.

Mr. Speaker: I am afraid the hon. Member will have to hold his soul in patience until the next time....

Shri Nath Pai: May I point out, Sir, that when the Secretary of the House was inviting your attention to this, I was conscious of this weakness and I submitted that in view of the fact that repeatedly this Ministry has come before the House, I perhaps, shall be entitled and perhaps justified in pointing out the economies that this Ministry can make and to the waste that is going on in this Ministry?

Mr. Speaker: I want to remind the hon. Member, because he is new, that so far as supplementary demands are concerned, you cannot refer to any matter of policy which could have been raised at the time of the Budget. Hon. Members will have to confine themselves to the particular item that is here. This is a payment under a decree of court. Whether it ought to be paid or not to be paid is the only point. If the hon. Member wants to say that the decree of court is improper and that Government ought to have gone to the Supreme Court and so on, I can understand that. Or if he says that they should have compromised it without going to

court, I can understand that. Nothing beyond that. I do not think, therefore, that Viscounts or other things arise out of this.

**Shri Nath Pai:** May I humbly submit to you that I was not making any observations on the policy to be pursued by the Ministry but I was submitting to you and to the House the waste that is obtaining and suggesting that economies should be brought in....

**Mr. Speaker:** Waste is general. I would like to hear the hon. Member very often but not on this matter. Wastage in general is everywhere. The hon. Member knows how to speak. He will have many opportunities. He need not just create a new precedent for me and the House which we may not be able have hereafter. I think he has nothing more to say.

**Shri Nath Pai:** I only submit this explanation. I was very careful about it. I had emphasised it. But listening very carefully to the speeches of other hon. Members I thought that that latitude would be given to me also. I submit to your ruling.

**Mr. Speaker:** Other hon. Members also must have done so.

I want to say one thing here. We have here two Demands, one relating to the Teunsang District. Some details are given. The other thing is with regard to the National Instrument Factory, which is sought to be converted into a private company.

The hon. Minister is aware that previously whenever a new service was sought to be provided for a token amount was provided in the Budget or supplementary demand. All the same the matter used to be discussed at length in the Standing Finance Committee. We have not got the Standing Finance Committee now. I believe I said in this House on a prior occasion that whenever a new service is sought to be provided for, memoranda on the lines of those that were being submitted to the Standing Finance Committee should be submit-

ted to this House so that hon. Members may know what it is going to be; what the share capital of the company would be, what are the legal implications and how is it likely to make itself self-sufficient etc; what is the amount to be expended by way of capital outlay, recurring expenditure etc.

For a future occasion I would urge upon the hon. Minister to see that whenever a new service is provided for and a token grant is sought to be taken, full details are supplied so that hon. Members may have an opportunity to know these details.

**Shri T. T. Krishnamachari:** I shall endeavour to devise a form in which complete information will be given to the hon. Members.

**Mr. Speaker:** Before I call Shri Bhakt Darshan, I would like to know who are the hon. Ministers that would like to take part in this debate.

**Shri T. T. Krishnamachari:** I do not think anybody else is going to take part. I will, probably, answer for everybody.

श्री भक्त दर्शन (गढ़वाल) : अध्यक्ष महोदय, यह जो अनुदानों की पूरक मांगें यहां पर सदन में पेश की गई हैं उनका समर्थन करते हुए केवल दो के सम्बन्ध में मैं माननीय मंत्री जी का ध्यान आकर्षित करना चाहता हूं।

सितम्बर ५७ में जो मांगें पेश की गई थीं उनमें से डिमांड संख्या ६, डिफेंस सप्लिय, इफेक्टिव आर्मी, उसके सम्बन्ध में एक बोड़ी सी बात की छोर में मंत्री महोदय का ध्यान आकर्षित करना चाहता हूं। उसके फुटनोट में यह लिखा है :

"A military vehicle collided with a private car at Pandu in August, 1951. The owners of the car filed a suit against the Union of India claiming Rs. 8,000 as compensation for damage to the car. The suit was decreed against the Government for Rs. 2,000."

इस सम्बन्ध में मुझे दो बातें निवेदन करनी हैं। पहली बात तो यह है कि यद्यपि

[श्री भक्त दर्शन]

यह बहुत दूर आसाम की बात है जहां तक मेरा खयाल है, और मुझ से इसका सीधा सम्बन्ध नहीं है, तथापि इसमें एक सैद्धांतिक प्रश्न उठता है कि जब वह गलती उस मिलटरी ड्राइवर की रही होगी तो फिर इस मामले को अदालत तक क्यों जाने दिया गया और क्यों नहीं उस व्यक्ति से, जिसको कि नुकसान पहुंचा था और जिसकी कि गाड़ी चकनाचूर हो गई थी, उससे पहले ही क्यों नहीं समझौता कर लिया गया। ताकि अदालतों में जाकर विभाग और भारत-सरकार की बदनामी न होती ?

दूसरी बात मैं यह कहना चाहता हूं कि इस तरह के मामले आये दिन फौज में होते रहते हैं और इस सम्बन्ध में कड़ाई का रख लेने की आवश्यकता है।

12.41 hrs.

[MR. DEPUTY SPEAKER in the Chair]

मैं तो यह निवेदन करना चाहता हूं कि यह २००० रुपये सरकारी खजाने में न दिये जा करके उस व्यक्ति को जेब से दिये जाने चाहिये अर्थात् उसको तनख्वाह से काटे जाने चाहिये जिसकी गलती की वजह से यह घटना हुई। मैं इस कठोर उपाय के अवलम्बन करने की इस लिए सलाह दे रहा हूं कि इस तरह की घटनाएं अक्सर होती रहती हैं और अभी तक इस सम्बन्ध में कोई कड़े कदम नहीं उठाये गये हैं।

मुझे याद है कि कुछ वर्षों पहले रक्षा मंत्रालय के एक ड्राइवर साहब के गाड़ी चलाने से नैपाल से आते हुए एक कुली की जिसे डॉटियाल कहते हैं मेरे निर्वाचन क्षेत्र में मृत्यु हो गई। जब पुलिस वाले ने कुछ दूर उसका पीछा किया तो उसने मुड़ कर जवाब दिया कि मैंने किसी आदमी को नहीं मारा है, वह तो एक डॉटियाल था। उस मिलटरी ड्राइवर के दिल के अन्दर एक मनुष्य की इस तरह मृत्यु हो जाने पर कोई करुणा या दया नहीं थी।

इसी तरीके से कुछ दिनों पहले की बात है, और यह सौभाग्य की बात है कि इस अवसर पर हमारे पूर्व प्रतिरक्षा संगठन मंत्री श्री त्यागी बैठे हुए हैं, उनके नोटिस में एक बात लाई गई थी कि कोई एक बड़ा फौजी अधिकारी अपनी कार लेकर जा रहा था और उसकी कार के आगे एक साधारण मोटर-बस चल रही थी और उसके चलने में जरा देरी हो रही थी, फौजी अफसर ने कई बार हार्न दिया कि अपनी कार को उसके आगे ले जाये और इसमें देरी होते देख कर बजाय इसके कि वे कोई एक सभ्यता का व्यवहार करते उतर करके उन्होंने उसको तमाचा मार दिया। यह उदाहरण मैं मिलिटरी के एक बड़े अफसर का दे रहा हूं और इसके बारे में फौज के बड़े-बड़े विभागीय हेडों को लिखा भी गया लेकिन अभी तक इस सम्बन्ध में कोई कार्यवाही नहीं हो पाई।

इसी तरीके से पिछले अधिवेशन में मेरे एक प्रश्न का उत्तर देते हुए रेलवे-मंत्रालय की ओर से यह बतलाया गया था कि मिलिटरी के एक ब्रिगेडियर साहब ने पटना रेलवे स्टेशन पर ६० मिनट तक इसलिए गाड़ी को रोके रक्खा कि गाड़ी में चढ़ते समय किसी गिरहकट द्वारा उनके एक छोटा सा जखम लग गया था और हालांकि रेलवे के डाक्टर ने उसको बैडेज कर दिया था, लेकिन उन्होंने इस पर इसरार किया कि नहीं उनका इलाज मिलिटरी अस्पताल का उनका ही डाक्टर करे और केवल इस छोटी सी बात के कारण पटना रेलवे स्टेशन पर गाड़ी ६० मिनट तक रुकी रही और तमाम अन्य रेलवे यात्रियों को उसके कारण परेशान होना पड़ा और दिक्कत उठानी पड़ी।

मैं इसलिए यह निवेदन करना चाहता हूं कि आये दिन जो इस तरीके की फौजियों द्वारा घटनाएं होती रहती हैं उनके निराकरण का एक ही उपाय हो सकता है कि जिस कर्मचारी के द्वारा जो गलती हो और जिसकी

वजह से विभाग की बदनामी होती हो, तो उस जिम्मेवार कर्मचारी की जेब से वह खया क्यों न वसूल किया जाय ? इसलिए मैं यह निवेदन करना चाहता हूँ कि जिस इन्सुवर की यह गलती है उससे यह दो हजार रुपये लिये जायें न कि सरकारी खजाने से दिये जायें ।

इसके अतिरिक्त दिसम्बर, १९५७ में जो मांगें रक्खी गई हैं उनमें से डिमांड संख्या १०६, जिसके कि ऊपर मेरे मित्र श्री स० म० बनर्जी भी प्रकाश डाल चुके हैं, जो कि ठेके देने के सम्बन्ध में है, उसके सम्बन्ध में मैं यह निवेदन करना चाहता हूँ कि अक्सर इस बात की शिकायत है कि ठेकेदारों के कंटेक्ट्स की अदायगी करने में बहुत देरी की जाती है और हालांकि वर्षों बीत गये हैं लेकिन उनके पैसे की अदायगी नहीं हुई है । यहां तक कि पिछली लड़ाई के जमाने में जो ठेके दिये गये थे उनकी अदायगी भी अभी तक नहीं हो पाई है । एक बड़े ताज्जुब की बात यह है कि आर्बिट्रेटर जिसके कि हाथ में यह मामला दिया गया, ४४,५०० रुपये का वह दावा था, आर्बिट्रेटर को वह कस दिया गया और उसने ठेकेदार के पक्ष में अपना फ़ैसला दे दिया; फिर मेरी समझ में नहीं आता कि उस मामले को अदालत में क्यों ले जाया गया ? अदालत में जाकर हमारी सरकार को एक तो बदनामी उठानी पड़ी और उसके साथ ही उसमें १,५०० रुपये और जुड़ गये । मैं यह निवेदन करना चाहता हूँ कि उन अधिकारियों की वजह से इतने वर्षों तक यह मामला इसी तरह लटका रहा, क्योंकि उन्होंने व्यापपूर्ण फ़ैसला नहीं किया और इसी कारण से ४४,५०० रुपया तो देना ही था, लेकिन १,५०० रुपया उसके अतिरिक्त और दिया जा रहा है । यह जो अतिरिक्त रकम देनी पड़ रही है यह हमारे एक्सचेंजर के ऊपर वाजिब खर्चा नहीं है और यह उन कर्मचारियों की गलती की वजह से हुआ है जो कि डाइलैटरी टैक्टिक्स इस्तेमाल करते हैं और जिनकी कि वजह से बिलों की अदायगी नहीं होती है ।

स्वयं मेरे द्वारा कई मामले प्रतिरक्षा मंत्रालय के ध्यान में लाये गये हैं और रिमाइंडर्स दिये गये हैं, लेकिन कोई नतीजा नहीं निकला है, न तो ना कहते हैं और न हां कहते हैं, बस, मामलों को लटकाये रहते हैं । लेकिन जब कोई अदालत में जाकर अपने रुपये का दावा करता है तब वहां पर उसके पक्ष में फ़ैसला होता है और वह फ़ैसला न्याय के पक्ष में होता है क्योंकि आखिर जो उसके ठेके का रुपया है उसकी अदायगी तो होनी ही चाहिए । मैं इस सम्बन्ध में यह सुझाव देना चाहता हूँ कि रक्षा मंत्रालय को यह ध्यान देना चाहिए कि मामला अदालत में जहां तक हो सके न जाये और पार्टी के साथ में ही कोई फ़ैसला कर लिया जाय और इस तरह की बेइज्जती न उठानी पड़े जो कि आज उठानी पड़ती है, और यहां पर इस सदन में आकर इस तरह की पूरक मांगें पेश न करनी पड़ें । इन शब्दों के साथ मैं केवल इतना ही कहना चाहता हूँ कि मंत्री महोदय इस सम्बन्ध में ध्यान देने की कृपा करेंगे ।

**श्रीमती उमा नेहरू (सीतापुर) :**

उपाध्यक्ष महोदय, अभी थोड़ी देर हुई जब मैंने माननीय सदस्य श्री बरुआ की स्पीच सुनी । उनकी स्पीच को सुनकर मुझे बहुत तकलीफ़ हुई—जो तस्वीर उन्होंने नागाओं की खींची थी वह हमारे लिए बहुत तकलीफ़देह तस्वीर थी । मैं अपनी सरकार से यह जरूर कहना चाहती हूँ कि मैं उसकी बहुत मशकूर हूँ कि सरकार ने नागाओं के लिए बहुत कुछ किया और कर भी रही है लेकिन इस सम्बन्ध में मेरा इतना ही कहना है कि अगर हमको वहां पर सोशल आर्डर पैदा करना है तो यह हमारा धर्म और कर्तव्य है कि हम उनके एजुकेशन और हेल्थ पर ज्यादा गौर करें । यह दो चीजें हैं जो कि इस नकशे को बदल सकती हैं वहां पर पुलिस का होना कोई बुरी बात नहीं है और वहां पुलिस का रक्खा जाना बहुत जरूरी भी है लेकिन पुलिस के सम्बन्ध में मैं इतना जरूर कहना चाहूंगी

## [बीमती उमा नेहरू]

कि आज जो हमारी पुलिस है और जैसे हमारा ऐडमिनिस्ट्रेशन चलता है और जैसे मैं सरकारी कर्मचारियों को देखती हूँ, तो ऐसा मामला पड़ता है कि जैसे उनको यह पता नहीं है कि कि बैलफेयर स्टेट में किस तरह से बरताव करना चाहिए और किस तरह से काम करना चाहिए। पुलिस बजात खुद कोई बुरी चीज नहीं है और पुलिस अच्छी और उपयोगी होती है लेकिन आज की पुलिस को यह पता ही नहीं है कि एक बैलफेयर स्टेट में उसका क्या काम होता है? आज की पुलिस को अभी तक कोई बैलफेयर स्टेट की शिक्षा नहीं मिली है और जो पुरानी शिक्षा उनको पकड़ धकड़ करने की और बेइंसाफी करने की मिली हुई है, वह उसी पर चल रही है। इसलिए जरूरत इस बात की है कि पुलिस को और ऐडमिनिस्ट्रेशन को हम एक बैलफेयर स्टेट के हिसाब से ट्रेन करें और शिक्षा दें।

मैं अपने मिनिस्टर साहब से कहना चाहती हूँ कि मुझे हमेशा से नागा लोगो से बड़ी दिलचस्पी रही है। नागा एक बड़ी बहादुर रस है और जैसा मैंने सुना है कि बगैर किसी क़ानून के वह अपनी खेती-बाड़ी बहुत फ़ायदे से करते हैं। उन्होंने अपने क़ानून बड़े मोर्डर से बनाये हुये हैं। ऐसे लोगो को हम चाहते हैं कि वे हम से मिले—और पुलिस को हमें वहाँ पर रखना भी है तो पुलिस को उसी तरीके से, समझदारी से उनके साथ बर्ताव करना चाहिए।

इस सम्बन्ध में हमारे मंत्री महोदय जो कर रहे हैं वह बिल्कुल ठीक कर रहे हैं लेकिन मेहरबानी करके इतना ध्यान जरूर रखें कि जो भी ऐडमिनिस्ट्रेशन वहाँ पर आपका हो और जो भी फ़क़सरान और पुलिस वगैरह जाय, उनके सामने एक बैलफेयर स्टेट का नक़्शा होना चाहिए न कि एक पुलिस राज्य का।

Ch. Ranbir Singh (Rohtak): Sir, the Supplementary Demands for Grants do not call for much comments

as they are a corollary of accepting the recommendations of the Finance Commission and the recent Act in regard to the Naga Hills area, in addition to these. I have to submit that most of them concern litigation and some part of the Demand Nos. 29, 30, 41, 88 and 106 or the entire Demand itself in some cases concerns the litigation with the Government of India. That does not mean that the Government of India goes in for many litigations. These cases are very rare cases. But still if the cases are handled sympathetically of the people whether they are Government servants or contractors, agreements could be reached. Efforts should be made to come to agreements which may be acceptable to both parties or arbitrary actions may be taken which cannot be challenged in the Courts. There are many small cases. The Government of India fought for a case worth Rs. 593 or something like that I do not think it is a good example or it will call for good comments for the Government of India which deals with finances running into so many crores of rupees every year. My request in that respect is that, as far as possible Government should avoid going to the courts, because in many cases the cost of litigation, I presume, will be more than the value of the issue under litigation.

I would like to say something about some comments, some irrelevant to the Demands and some irrelevant to the Demands, made by some hon. Members here. As regards the Naga question, I have to submit that ours is a democratic State and we should honour democratic and constitutional methods. But, although we are wedded to non-violence and as far as possible we should try to solve tangles and problems in a non-violent fashion, still, being a State the State has to resort to some sort of violence. The Members of this House should not try to have sympathy for those who have adopted unconstitutional methods.

There were some other questions raised which are not directly under any of the Demands before the House and may not be relevant here.

**Mr. Deputy-Speaker:** I hope the hon. Member is not going to refer to those matters that are not relevant here.

**Ch. Ranbir Singh:** I know, but they have some simile with the case.

**Mr. Deputy-Speaker:** All similies might not be brought just at this juncture.

**Ch. Ranbir Singh:** I bow to your ruling, Sir, and I will not refer to them, although I had a mind to refer to the unconstitutional ways which are adopted in our State, the Punjab State.

**Mr. Deputy-Speaker:** We had different occasions to discuss them, but not now.

**Ch. Ranbir Singh:** Then I would like to keep my remarks for other occasions.

I was submitting that the Nagas have questioned the Constitution of India. They wanted to infringe upon the integrity of the State. I know, in some way that may be open to them, but it was open to the State also to deal with such friends, if it is possible non-violently it will be better and if that is not possible in that case force may be used, and the responsibility for using that force is not on the Central Government but it is on those friends who resort to unconstitutional sabotage and other methods.

**Shri D. C. Sharma:** Is there a constitutional sabotage also?

**Ch. Ranbir Singh:** They try to take away a part of India, that is sabotage, that is unconstitutional.

**Mr. Deputy-Speaker:** Even when an interruption is made and the answer is to be given, that also should be directed to the Chair.

**Ch. Ranbir Singh:** I never said "you"; I spoke in the third person. I

presume I was not facing the Chair which I should have done.

Sir, so many interruptions sometimes take away the chain of arguments and the same may be the case with me. I was submitting that some friends have tried to show sympathy with those people. I have no hesitation to comment that it may be possible to do it non-violently. If it is possible we should try to do that. If the Naga problem can be dealt with non-violently it should be dealt with non-violently. But in case it is not possible, in that case the responsibility for violence will be on the Nagas and the other friends who resort to violence.

**Mr. Deputy-Speaker:** The hon. Minister.

**Shri T. T. Krishnamachari:** May I just request the Chair, Sir, to permit my colleague, the Deputy Defence Minister, to reply to the point raised by Shri Bhakt Darshan, and thereafter allow me to reply?

**Mr. Deputy-Speaker:** All right.

**The Deputy Minister of Defence (Sardar Majithia):** Mr. Deputy-Speaker, Sir, so far as the point raised by my friend Shri Bhakt Darshan is concerned, he mentioned that this case of the driver who collided with another civilian car should have been compromised out of court or not allowed to go to court. I can only say this much that the Ministry is always prepared to come to a settlement out of court provided the settlement is reasonable. In this particular case the owner insisted on getting Rs. 8,000 and nothing less, whereas the Ministry found that the damage caused to the car was not of that order, as was subsequently found by the court. They also did not decree for Rs. 8,000 and said it was only Rs. 2,000 worth of damage. It could have been settled that way, but it only can be done if the owner of that car, or in cases like that, the owners come to a reasonable settlement. But in cases where they can't do that the only choice left to the Ministry is to go to



[Sardar Majithia]

the court as we did in this case. Therefore, I would say that it was not unnecessarily that we tried to harrass the owner, but it was he himself who would not come to a reasonable settlement.

The second point raised by my friend was, that this money should not be paid out of the Government Treasury but deducted from the pay of that driver concerned. The driver admittedly was at fault, and I have got no brief for that. We all know that accidents do happen because of the fault of a particular person. In this particular case the driver is an employee of the Government and he has certain protections given to him. It is under that protection that the Government or the Ministry of Defence is liable rather than that particular driver. I would like to assure the House that we do take all possible precautions while training these drivers to instil in them the road sense, and they do pass through severe tests. But that does not mean that every driver who passes through them will be absolutely and hundred per cent efficient. Accidents will happen. Because such a large number of drivers are trained some of them are not up to the mark, and the road sense has not developed to that extent with the result that these accidents do happen. But the main point is, as I said, that it is not because the Ministry does not want to settle these cases amicably, but it is mainly because of the owners not being in a frame of mind to accept anything less than what they demand. They feel, because it happens to be Government why should they worry about it.

श्री भक्त वरुण : मेरा निवेदन यह है कि बांट १०६ में ४४ हजार ५०० रु० दिया जाना चाहिए था लेकिन अब ४६ हजार रुपया दिया जा रहा है, यह कोई जायज बात नहीं मानूँ होती । मंत्री महोदय मे इसका . . . .

13 hrs.

**Shri T. T. Krishnaswami :** Mr. Deputy-Speaker, Sir, a point was raised yesterday by my hon. friend Mr. Bharucha in regard to the ~~ore~~ to be supplied for the Durgapur Steel Works. I did not comprehend or understand exactly what he was driving at. But if I understood him correctly, he objected to the company that has been formed in collaboration with people who had a licence for a particular area for the purpose of exploiting the ores.

The suggestion was that the licence should be cancelled and that should be done correctly by the Durgapur Steel Works. Well, it is really a matter of choice which is the better method. In fact, in this particular matter with our preoccupations, we felt that it was better to employ another agency for the purpose of looking after these ores. It is very far away. It is not like Bhilai or Rourkela, where ore mines are about fifty to sixty miles away. This is far away. The Durgapur plant being a coal based plant instead of an ore based plant as Rourkela and Bhilai are, the balance of considerations ultimately made us decide that it is better to go in participation with somebody like this particular firm with whom we have gone into participation and I think the terms we have got from them are quite advantageous. The interests of Government have been very well safeguarded. Of course, it is a matter of opinion. My hon. friend may feel differently. But it is my view and it is the view of Government that what has been done is in the best interests of the steel plant as well as Government and it will ensure a regular supply of iron ore for the steel works on conditions most favourable.

Sir, I think he also mentioned another question of a loss on certain tinned provisions. Apparently he got the idea that Government have made faulty purchases and, therefore, this loss has been written off. I understand that is not the position. This happen-

ed to be war ~~stiles~~ that were left with us by the American army and have certainly a book value and when these ~~were~~ destroyed, because they must be undoubtedly unfit for human consumption after all these years and for health considerations as well, they have to be shown as some Government properties written off. I do not think my hon. friends can find fault with Government in this particular matter.

Then the next question that was raised was in regard to the setting up of a new administration for the Naga Hills Area in terms of a Bill which this House and the other House have accepted. Much of the remarks that fell from hon. friends on both sides are undoubtedly relevant, relevant under normal considerations. But hon. Members do not understand that in this particular case we are taking up the existing budget with such modifications as are necessary for a period of four months and presenting it as it is. If hon. Members had expected that between first of December and now Government would have been able to frame a comprehensive scheme of social services for which authorisations for expenditure would be coming to this House, I am afraid I have to admit that I have to disappoint them. But this is more or less an approval we seek from the House for a position which now obtains.

The position may be unsatisfactory from the point of view of certain hon. Members. I certainly concede that having made this a unit of administration, because of the socio-economic problems which have dominated the situation and have created a political situation, we have certainly to consider the psychological atmosphere and to see how best we can overcome this atmosphere by expenditure in those directions which ill help to ease the atmosphere. I have no doubt at all about it and I do not join issue with any hon. Member in this regard. Therefore, I welcome whatever hon. Members have said in this particular matter, though it might be difficult for me to agree to any particular proportion of police or military expendi-

ture in this area in relation to other expenditure. The question as to what amount of money has to be spent on police or the military is a matter which has to be judged by those who are in charge of administration and their judgment must be taken more or less as final, because if anything goes wrong I am sure hon. Members who ask for a reduction in police expenditure will be the first to find fault with Government as having been negligent. But in regard to the constructive suggestions made, I am very grateful to hon. Members on this side who have also underlined the necessity for expenditure in the direction of social services, more education, even though the educational facilities now available are by no means negligible in comparison with several areas in India.

More roads, hospitals and other amenities, these things will have to be given attention to, and I do hope I shall certainly convey to the Ministry concerned, to look into this matter and maybe that when we come with a regular Budget next March we shall be in a position to give some amount of satisfaction to hon. Members in this regard. So far as I am concerned, I shall certainly not put down the clamps on increase in expenditure under this head. Because, I do realise that consistent with the discharge of responsibilities that we have undertaken by more or less making this a separate unit, we will have to spend a little more money on social overhead capital.

Sir, points were raised by Shri Achaw Singh with regard to officers, their salaries, corruption, lack of sympathy, etc. These charges since they are being made incessantly and without their being interspersed with a few words of compliment oftentimes miss the bus. It is very difficult to believe that officers are all bad, all unsympathetic, all corrupt. If we send out a batch of officers from the services here to a distant part where we want to create goodwill, people who are likely to do everything do the reverse. I am afraid these are sweeping statements. I agree there is



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corruption everywhere and I am one of these who believe that the officers who function amongst us are more or less a mirror of the honesty, morality, efficiency and the public-spiritedness that we possess. They are drawn from the same stock.

**Shri Braj Raj Singh (Firozabad):** They are the leaders;

**Shri T. T. Krishnamachari:** They are not leaders.

The trouble about it is that we have been so often looking to other people for help that we think they are leaders. They are not leaders. They are fellow-citizens. If we treat them as human beings and fellow-citizens I am sure they would not lead, but help us to move and move along with us. The trouble really about it is that even before the administration has started working, the charges have started. I am afraid Shri L. Achaw Singh will have to hold his soul in patience for some more time. If he finds that the officers are misfits, naturally if he can give us instances of where they are misfits, where they are not able to enter into the spirit of the people—some of them very advanced, some of them backward, some of them temperamental, some of them understanding—and where those people do not adjust themselves to the surroundings, naturally they have got to be changed. A good man may not be able to fit in under those conditions. It is likely. I think that the time for criticism of either the type of the quality of the officers that we have sent, or about the extent of their honesty is a little premature now. If these complaints are made so often, as they are being made, I am afraid they lose all force, and do not do any good either for the person who complains or for the people on whose behalf the complaint is made.

While I welcome this interest shown by a large number of people in this experiment that we have undertaken, namely, to have a separate administration for this somewhat difficult

area, I would ask hon. Members to give some time for this new administration to settle down and to show that the experiment is one that will lead us ultimately to a measure of success.

I do not think Shri Narayanankutty Menon really wanted me to reply to what he said, because what he has said in a different context will be undoubtedly relevant, but in regard to demand No. 30, I am afraid it has no particular place.

My hon. friend Shri Thanu Pillai again said something which is not relevant to this particular demand, because this particular demand was a very small one. It related to the provision of Rs. 4,000 under union excise duties, again in a matter where we are perforce compelled to provide this amount of money because of certain court charges which become automatically charged. I think it will be wrong on my part to allow criticisms of Shri Thanu Pillai to go without being even mildly challenged, as it might give the impression that he is right and the Government is wrong.

My hon. Friend said "Here are cottage industries. What is the object of its being done for cottage industries? What is the Government doing about cottage industries?" So far as cottage industries and matches are concerned, which are category C and D, I do not think there has been any serious drop in production. Their production of 60's has increased from 17,000 gross to 43,000 gross, while undoubtedly their production of 40's has dropped to some extent. In the case of D factories, the production of both 40's and 60's has increased. If actually, it is the D class or C class factories that are suffering, the hon. Member will give me the figures, and I am quite prepared to go further into the matter and give them some help because we are concerned about the cottage industries and matches.

But what he really complained about is with regard to the B class which is not a cottage industry. Maybe people who live on cottage industries in villages are being employed in it, but it is essentially a capitalist-owned industry and here apparently there has been some diminution in production. He has made a suggestion. There is nothing to prevent these people from putting in 50 sticks in a box and saying it is 60 and paying a duty for 60's.

**Shri Thanu Pillai:** How is it possible?

**Shri T. T. Krishnamachari:** All that the Government is concerned about is the duty.

**Shri Thanu Pillai:** It is the duty; not the price!

**Shri T. T. Krishnamachari:** They are concerned about duty. The duty is so arranged, to give a particular retail price and retail prices are not controlled, as hon. Members know. But, in any event, the position is this. All suggestions are good and if all suggestions are accepted, maybe what will happen is something like the fable of the miller, his son and the ass.

**Shri Thanu Pillai:** May I ask—

**Shri T. T. Krishnamachari:** I understand the position, but I do not want to enter into an argument with him. The question is really this. Maybe the hon. Member or the people could make a suggestion. It will be considered if there is any value in it. If actually people would not pass off 50's as 60's what might happen is, in a way, the buyer will buy the 50's on the basis of 60's. It may not be done by the manufacturer. It may be done by the retailer. But in any event, these things cannot be done in the middle of the year. Even if it has any validity, Government will have to consider this matter at the end of the year so far as any variations in duty are concerned, but so far as any independent action is concerned, it is left to them. But the point really is this. It is not the C

and D classes that suffer. Therefore, our policy in regard to the cottage industries still holds good, because I am quite prepared to help the C or D class factory.

**Shri Thanu Pillai:** May I ask one clarification? Is it the intention of Government that as against these A class match factories, the B class manufacturers should be suppressed?

**Shri T. T. Krishnamachari:** My hon. friend is leading me to an argument. Actually, this point has not arisen in the course of this demand. I merely point out in regard to his charge against us that we speak for cottage industries and neglect it that we are prepared to help the C and D factories which are cottage industries to the maximum extent.

There was the point mentioned by Shri S. M. Banerjee about the abolition of the contract system in the army. Maybe a very good idea. I think the Governmental thinking is progressing towards it, but it does not concern this particular matter. The particular demand is in regard to the contractor in Delhi Cantonment where the arbitrator has given the award which we had to meet. It has nothing to do with the principle of letting out contracts or doing things departmentally.

**Shri Punnoose** went back to the charge yesterday. I do not think I was running into an argument. I was merely replying to my friend Shri Bimal Ghose who raised certain questions about the position of the Planning Commission vis a vis the Finance Commission, and I have nothing much to say about that matter. I think what I said yesterday still holds good.

My friend Shrimati Ila Palchoudhuri mentioned incidentally under Demand No. 18 one point, where an explanation has been put in. She asked why a new Ministry has been named, because originally it was the Ministry of Education and the demand has been put under the Ministry of Steel, Mines and Fuel. The explanation says that this particular item has been transferred to Steel, Mines and

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Fuel. From there, she shows that the transfer has inconvenienced certain officers and other people employed in the Geological Survey because their salary has not been received.

**Shrimati Ila Palchoudhuri:** May I make one clarification? I did not say that it inconvenienced officers. What I said was that some staff has been recruited and they have not got their pay. That is what I said. Officers may perhaps be able to wait—but it is made difficult for the staff.

**Shri T. T. Krishnamachari:** It makes it somewhat simpler, because I was myself expecting a charge that even the officers in the regular staff, merely because of the change from one Ministry to another, are not getting their pay. Even that happens—

**Shri Hem Barua:** How does that happen?

**Shri T. T. Krishnamachari:** Even that happens. Apparently the thing is quite mild. New people have been recruited. I think the Accountant-General has not been notified. I am not in charge of this. It is a question of diarchy. Those people who distribute salaries are under the control of the Auditor-General. But they function on my behalf and keep the accounts for me. If they fail to keep the accounts properly, I cannot ask them. I have to write to the Auditor-General and say, "these people, your subordinates, are not doing my work properly. So, may we have some kind of relief?" So, if the hon. lady Member will give me details, we shall write to the Auditor-General and ask him whether anything could be done. But that is an anomaly which has to persist for sometime, I hope.

I am very sorry; I would like to apologise to Mr. Nath Pai for having more or less insulted him. But the real point of it was that whatever he said, I would not have been in a position to reply, because I have no knowledge about it. It would have been a very one-sided discussion and that is why I ventured to point out

to him that he may not raise that point. I take hon. Members very seriously; I sometimes try to do it. That is why I suggested to him that he may not raise that point, because I have no information.

My hon. Friend, Shri Raghupir Singh raised certain points. He himself said he could only bring it in by the way, because this Supplementary Demand ultimately is a disappointing one. It happens that many of the items covered by these items are items which are charged and they do not allow for any discussions which can even obliquely deal with matters of policy.

One other matter I would like to mention again is this. The hon. Speaker drew my attention to the fact that if there is any new service, we should give fuller information to the House. I told him that I shall certainly endeavour to give more information in future that what has been vouchsafed hitherto.

**Shri T. N. Singh (Chandauli):** May I suggest one point which requires clarification? Sufficient details have not been given in respect of a token grant for the Mathematical Instruments Factory. I thought that the token grant system would not be used for an undertaking which has been in existence in its new shape since June, nearly six months now. Why have the details not been supplied even then to the House and instead a token grant has been asked for? The House is expected to go in to the details before it sanctions a grant. One should not lack details after 6 or 7 months even. Will the Minister kindly give the reasons for coming forward with a request or a token grant when the exact figure could have been given?

**Shri T. T. Krishnamachari:** That is a matter which we discussed yesterday. The hon. Speaker drew my attention to the need for furnishing more information only in regard to

this particular item. So far as the demand is concerned, the note here fairly fully explains the position and it is not an expenditure that is being made outside the Government. It is really a question of putting in the capital for a particular factory.

**Shri T. N. Singh:** Even after it has been in existence for 6 or 7 months, why has this token grant become necessary? The hon. Minister could have given the details and also the exact figure.

**Shri T. T. Krishnamachari:** The hon. Member was not here yesterday when my hon. friend, Mr. Bharucha, really raised the objection that opportunity was taken of a particular rule—I think rule 217—by which you have a token grant and then you use the grant for the purpose of adjustment from out of savings. That is the point which he objected to and that is the procedure that has been laid out here. It is not a question of putting out the full money, because out of the savings, the amount needed is paid. It is here that the Speaker mentioned that fuller details should be given in future.

**Mr. Deputy-Speaker:** The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the order paper be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of the following demands entered in the second column thereof—

Demands Nos. 93, 104 and 126. of the Supplementary Demands presented on the 3rd September, 1957 and Demands Nos. 18 and 23A of the Supplementary Demands presented on the 6th December, 1957."

*The motion was adopted.*

[The Demands for Supplementary Grants which were adopted by Lok Sabha are reproduced below—Ed.]

#### DEMAND No. 18—GEOLOGICAL SURVEY

"That a supplementary sum not exceeding Rs. 20,65,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Geological Survey'."

#### DEMAND No. 23A—NAGA HILLS TUENSANG AREA

"That a supplementary sum not exceeding Rs. 1,07,21,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of Naga Hills—Tuensang Area."

#### DEMAND No. 93—SUPPLIES

"That a supplementary sum not exceeding Rs. 3,96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Supplies'."

#### DEMAND No. 104—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray 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 Commerce and Industry'."

#### DEMAND No. 126—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

"That a supplementary sum not exceeding Rs. 10,10,000 be granted to the President to defray

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  $\frac{1}{4} \times \frac{3}{16}$ " 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 85,000 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-



[Shri Manubhai Shah]

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 a 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.

[Shri Manubhai Shah]

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 teachefts 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 Bhau-saheb 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 those 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 Shah:** 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

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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 Ashahi 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 tea 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 Kasiwal:** 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. F. 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 Kasiwal:** 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 80 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. I spite of

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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 बजरज सिंह (फिरोजाबाद) :

उपाध्यक्ष महोदय, जहां तक टैरिफ बिल का सवाल है, यह बात स्वागत करने योग्य है कि इससे सभी उद्योगों को संरक्षण मिलता है, परन्तु जो संरक्षण मिलता है वह यहां की जनता के खर्चे से मिलता है और हमें वह देखना होगा कि जिन उद्योगों को यह परतण दिया जा रहा है उन उद्योगों के प्रोडक्शन में क्या ऐसी कोई प्रगति हो रही है जिससे इस देश का उत्पादन 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 कहीं नहीं हो रहा है। इस तरह की जो शीट होती है, वह फिरोजाबाद 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। फिरोजाबाद 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, उस में 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 हैं।

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 खर्चे पर वह सब होता है। अगर इस प्रोटेक्शन से 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 भी हैं, बल्कि उस पर हम प्रतिशत भी उन को देते हैं। दूसरी तरफ से भी उन की पूंजी लगती है। इस शाही



ग्लास वर्क्स में मैं समझता हूँ कि इस तरह से ४६ फी सदी 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 यहाँ के लोग ही इस चीज को बना सकते और जिस को टेक्निकल नो हाऊ हम कहते हैं, जिन को विशेषज्ञ कहा जाता है, उन लोगों को हम किसी और विशेष टर्म्स और कंडिशन पर यहाँ रख सकते। मैं चाहूँगा कि जब हम अपने उद्योगों का विकास करने की तरफ ध्यान दे रहे हैं तो इस ओर भी ध्यान दिया जाएगा। यह लोग बेंतन 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 खास कर चूड़ी उद्योग को नगीने न बनने की वजह से जो नुकसान पहुँच 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 यहाँ 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? कहीं 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 बाग 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 दिलाएँगे।

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 जो 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 अलावा कोई दूसरी सवारी अच्छी नहीं हो सकती। सेक्रेटिरियट 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 हज़ारों की संख्या में साइकिलों पर अपनी दूकानें लगा लिया करते हैं। यह सब ऐसे हैं जो साइकिलों का प्रयोग करते हैं और यह कहना अनुचित नहीं होगा कि यहाँ 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 यहाँ 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, यहाँ 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 यहाँ के साइकिल उद्योग को संरक्षण दे रहे हैं। यहाँ 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 यहाँ काफी तादाद में साइकिलें बन रही हैं फिर भी कीमत कम नहीं हो रही है। आज साइकिल देश के अमीर लोगों में नहीं चलती है, यह गरीब लोगों के काम आती है। तब इससे उन्हीं



[श्री वज्रराज सिंह]

लोणों 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 आज 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 और 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 आप ज्यादा आगे 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 मोझस नहीं किया जाना चाहिये। प्रोटेक्शन जनता के पैसे पर चलता है, खास तौर पर वे इंडस्ट्रीज और उद्योग जिन्हें अब तक संरक्षण मिलता

आ 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 बर्बा की गई, माननीय सदस्यों के द्वारा, उस पर भी ध्यान दिया जाना चाहिये। कांफिडेंशल रिपोर्ट की बात कही जाती है, वह हमें कमी देखने को नहीं मिलती। यह चीज नहीं चाहिये। कास्ट ऐकाउन्टिंग 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 कांफिडेंशल 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 आनी 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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tage 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 fast 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

Houses with the concurrence of the Council. The matter was unanimously decided so far as the Business Advisory Committee was concerned and a request was forwarded to me for constituting such a Committee. I was also told in the mean time that the House would pass quickly any Bill that is introduced for the extension of the old Act which the present Bill seeks to replace.

The hon. Members are aware that under the Constitution there is an article providing for disqualification; under article 102(1), the holders of certain offices of profit would not be entitled to become Members of Parliament. That article also contains a provision enabling Parliament to remove that disqualification for specific offices.

The reason was obvious. The House is aware that this matter of disqualification from Membership of Parliament so far as the holders of office of profit are concerned, is really a legacy from British history.

[PANDIT THAKUR DAS BHARGAVA in  
the Chair]

During the struggle between Parliament and the Crown, Parliament was very zealous to exclude all persons, who would be dependent upon the Crown, from the Parliament as being holders of office of profit. As that struggle abated and the supremacy of the Parliament became established and the State entered more and more into the innermost depths of social life, undertaking all sorts of activities of a welfare nature, trade, commerce, industry and so on, it was realised that the rigour of the old law could not be maintained. It had to be relaxed in specific cases.

In England today, for instance, the entire medical profession is nationalised and no doctor is entitled to practise on his own. He draws his remuneration from the State. If we have to have doctors in the Parliament, it will be impossible to get one these days who would not be holding some

office of profit. If the State has nationalised the entire medical profession, it will be illogical to debar these good medical men from Parliament as their advice would be very valuable on various health matters, simply because the State has thought fit to nationalise and he is debarred his avenue of independent profession. So, to the extent the State prevents persons from doing on their own, to that extent the rigour must be relaxed. That is the essence.

I can foresee within the very near future—not very distant—that there will be very few gentlemen of leisure of the old landed aristocracy or the old propertied classes, who would not be dependent upon the State for their livelihood either by way of serving State industries and undertakings or such other service, and would nevertheless be able to devote their leisure for the gentlemen's work in Parliament. In fact, the position becomes rather inconsistent with the gradual socialisation of society. I comprehend the aim of the socialist pattern of society means that more and more the means of production and distribution would come into the hands of the State. To that increasing extent, more and more people would be dependent upon the State for their livelihood and it will then be impossible to exclude engineers and professional men, teachers and so on. The other day, I can tell you, a practical instance has arisen. In polytechnics, in U.K. and in our country, in order to get good teachers, we have to recruit persons already well qualified either in actual factories or commercial firms or other scientific establishments. We have to recruit such people on a part-time basis in the Polytechnic, so that they can lecture to the students, attending evening classes. These people are really teachers of ability and they have to be employed for training up our young men for technical jobs, for engineering jobs and for other scientific jobs. It will be impossible to get them employed as teachers in Polytechnics and, at the same time, as



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of their services in other local legislatures or the Parliament, should their services be needed if they are disqualified. I have no doubt that their services will be more increasingly needed than the services of professional politicians, the gentlemen of leisure.

16 hrs.

It will be more and more a technical job, legislation here as also in the local legislatures, assistance to the legislature, active participation in expert legislation, which today more than at any other period of time is a matter for experts.

We have not been able to give effect to wholesale exemptions for all these categories of skilled technical or professional men, so that their services may be rendered possible so far as the Parliament and legislatures are concerned, but only with regard to certain types of services which are mentioned in the Act, which are more or less similar to those contained in the previous Act, and which are substantially the same as those recommended by the Joint Committee which had submitted a report already and about which a reference has been made in the Statement of Objects and Reasons. It may be necessary, no doubt, for a Select Committee to find out what other exemptions might be granted or the reverse. But it is sufficient to point out here that we have taken the minimum of exemptions which we think necessary for the purpose of enabling good, healthy and fresh blood to come and assist us in our work of legislation in Parliament.

Take for instance, a very important type of men, apart from teachers in Polytechnics about whom I have mentioned a few moments ago. Take the case of doctors and specialists who are appointed as visiting surgeons and physicians in hospitals and who may be having some part-time allowance. If the rigour of the law of office of profit is applied, possibly, they will

be excluded wholesale, and we shall have only those whose practice is general practice who are not carrying on research day to day in matters affecting health and life of the people, who would be able to come and join us in Parliament. So far as medical profession is concerned, people who practise very busily and generally as doctors, as you know them, earn their living—many get handsome incomes too—by attending patients from morning till night. But those who have to depend on State subsidy for carrying on arduous and laborious research in very important matters of health and hygiene in the laboratories from morning till night, who cannot move about from door to door earning their fees from patients, they would be debarred. It is for the Parliament to decide whether we shall have such experts who have devoted their life for advance of research in science or only those professional politicians who carry on their profession generally without following the arduous and difficult path of research and all other activities connected with it.

These are the principles which have really been underlying all legislation which seek to exempt certain types of offices from the disqualification vested by the Constitution.

With these words, Sir, since the matter is going to a Joint Committee, I beg to move:

"That the Parliament (Prevention of Disqualification) Bill, 1957, be referred to a Joint Committee of the Houses consisting of 30 Members; 20 from this House." (I shall give the names in a minute) "and 10 members from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the

last day of the second week of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

that this House recommends to Rajya Sabha that Rajya Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint Committee."

**Mr. Chairman:** The names must be a part of the motion. The motion will not be valued unless the names are mentioned.

**Shri A. K. Sen:** I will give them in a minute. They are being typed. It has the concurrence of all the parties.

**Mr. Chairman:** I do not doubt that the names will be accepted by the House, but the names must be mentioned here; otherwise the motion will not be valid.

I can only put the motion before the House when it is complete.

**The Minister of Health (Shri Karmarkar):** In the meantime, Sir, can we take up another Bill?

**Shri A. K. Sen:** Sir, may I have your leave for a moment; I will try to get it.

**Mr. Chairman:** It is very unusual. According to law, I cannot accept this motion unless the names are mentioned. At the same time, I am anxious that the time of the House may not be taken. I think it is better to wait. I do not want to make a precedent in the House by putting the motion before the House without the names.

**Shri A. K. Sen:** Sir, may I have your leave to go out and find it?

**Mr. Chairman:** All right.

**An hon. Member:** What about the House, Sir?

**Shri Surendranath Dwivedy (Kendrapara):** Is the House adjourned for a minute, Sir?

**Shri Easwara Iyer:** In the meantime, Sir, I may draw your attention to the fact that there is no quorum in the House.

**Mr. Chairman:** The bell is being rung. Now there is quorum. The hon. Minister may give the names.

**Shri A. K. Sen:** The names are: Sardar Hukam Singh, Pandit Thakur Das Bhargava, Shri M. R. Krishna, Shri Dharanidhar Basumatari, Shri Rajeshwar Patel, Shri Rohan Lal Chaturvedi, Shri M. K. Jinachandran, Shri Ram Sahai Tiwari, Shri P. Subbiah Ambalam, Shri H. Siddananjappa, Shri Panna Lal, Shri J. Rameshwar Rao, Shri S. R. Damani, Shri Shivram Rango Rane, Shri Bimal Comar Ghose, Shri Surendra Mahanty, Shri Braj Raj Singh, Shri Aurobindo Ghosal, Shri S. Easwara Iyer and myself.

**Mr. Chairman:** Motion moved:

That the Parliament (Prevention of Disqualification) Bill, 1957, be referred to a Joint Committee of the Houses consisting of 30 members; 20 from this House, namely: Sardar Hukam Singh, Pandit Thakur Das Bhargava, Shri M. R. Krishna, Shri Dharanidhar Basumatari, Shri Rajeshwar Patel, Shri Rohan Lal Chaturvedi, Shri M. K. Jinachandran, Shri Ram Sahai Tiwari, Shri P. Subbiah Ambalam, Shri H. Siddananjappa, Shri Panna Lal, Shri J. Rameshwar Rao, Shri S. R. Damani, Shri Shivram Rango Rane, Shri Bimal Comar Ghose, Shri Surendra Mahanty, Shri Braj Raj Singh, Shri Aurobindo Ghosal, Shri S. Easwara Iyer, and Shri Asoke K. Sen and 10 members from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the

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quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the second week of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees will apply with such variations and modifications as the Speaker may make; and

that this House recommends to Rajya Sabha that Rajya Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by Rajya Sabha to the Joint Committee.

Now, there are two motions already with me. I will take them as amendments to this motion for reference to the Joint Committee. One is for eliciting public opinion, and the other is for reference to a Select Committee. May I know whether Shri Easwara Iyer is going to move his motion?

Shri Easwara Iyer: Yes. I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st day of February, 1958;"

Mr. Chairman: Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the last day of February, 1958;"

The second is the motion for reference to the Select Committee, given by Shri N. Siva Raj and four others. I see that none of them is present

in the House now. So, both the motions—the motion for reference to the Joint Committee moved by the hon. Minister and the motion for circulation moved by Shri Easwara Iyer—are now before the House.

Shri Easwara Iyer: I may be permitted to speak although my name has been suggested in the motion for reference to the Joint Committee.

Mr. Chairman: Ordinarily, when a Member is on the Select Committee or the Joint Committee, the usual rule is that he is not permitted to speak. But, at the same time, it is not obligatory on the Chair not to allow any particular Member, even if his name has been suggested for the Select Committee, or the Joint Committee, to speak. Since the hon. Member's motion is different, to an extent, from the motion of the hon. Minister—though he may be a Member on the Joint Committee—I do not find any difficulty in permitting him to speak.

Shri Easwara Iyer: This Bill seems to be a measure which requires anxious and serious consideration. As you know, a Joint Committee has gone into the matter of disqualifications and has done a very commendable work under your Chairmanship. In this I find that you have submitted a report scheduling the disqualification which may operate for membership of the legislature or Parliament and also scheduling such of those offices of profit which cannot operate as disqualification.

Now, this Bill proposes to make a law, seeking to have a comprehensive legislation regarding the disqualification, and it is with a view to facilitate a comprehensive legislation regarding disqualification of Members of Parliament, I suppose, that the Committee has been formed. But with great respect, I would say that the Bill, as it is now before us, is like the proverbial mountain producing a rat.

Here is a case where it is not comprehensive enough. The Bill, although purporting to consolidate the items regarding disqualifications, as contained in article 102 of the Constitution, merely enumerates the ten offices of profit which may not operate as disqualifications. Even in that, I suppose, the cardinal principle of disqualification is not taken note of. The hon. Law Minister in charge of the Bill, I suppose, has argued his case very well. He has, with the ability and the ingenuity of a lawyer's brain, put forward a case that so far as the society is advancing towards a socialist pattern, more offices are taken by persons like professional men, technical and highly skilled men under the Government. He said that their necessity could not be dispensed with and that therefore there should not be any bar to their operating as Members of Parliament. He called them gentlemen of leisure. I do not think that Members of Parliament are gentlemen of leisure.

**Shri Nath Pal:** Gentlemen at leisure.

**Shri V. P. Nayar:** Some of them are.

**Shri Easwara Iyer:** I do not think so. I would say that if that argument is taken to its extreme possibility, the Constitution may have to be amended. Now, the Minister is envisaging a time in the near future, when, according to him, there is more of nationalisation of professions, medical, legal or engineering, the skilled citizen may be needed by the State in the public sector. Therefore, he argues that disqualification must not be there. If it is taken to its logical conclusion, I might say, why not scrap article 102 of the Constitution. If article 102(1) disqualifies a person holding an office of profit under the Government, then, in the near future, when he envisages medical men and highly skilled men of the professions and also envisages that they should serve in Parliament also, then the time will come for amending the

Constitution and scrapping article 102. But so long as article 102(1) prohibits offices of profit under the Government of India or the Government of any State, I cannot for a moment imagine that any person holding an office of profit can serve as a Member of Parliament as is now obtaining.

What is this office of profit? I have been at pains going through the definitions contained in various enactments and various decisions of election tribunals, high courts and the Supreme Court, to find out the exact definition of an office of profit under the Government of India or under any State Government. I must confess that the more I try to analyse the thing the more confused I become. Possibly the Law Minister may be able to supply me with a definition. In this enactment I do not find any definition.

The basis of the theory of office of profit, in order to serve as a disqualification, must be rested on the principle, if I may say so with respect, that it will be incompatible for a man to continue the arduous task of being a Member of Parliament and, at the same time, doing the duties of an officer under the Government. It can also rest on the theory that if the Government is to seduce Members of Parliament by offering offices of profit, it may vitally warp his independence as a Member of Parliament. It can also be argued, as I find in your report, that if most of his time is to be taken up, it may tend to weaken his loyalty to the constituency. These are some of the bases on which the disqualification may be said to operate.

The Law Minister was waxing eloquent on the members of the medical profession, and I was scanning through this Bill to find out whether the medical profession is exempted. In all the 10 clauses of exemption, I do not find any skilled engineer or medical doctor serving under the Government being exempted, although the hon. Minister confined his arguments to persons like the medical personnel and engineers.

[Shri Easwara Iyer]

Leaving apart the exemption given to the Ministers, clause 2(f) of the Bill says:

"the office of Vice-Chancellor of a University or of chairman or member of the syndicate, senate, executive committee, council, court or any other body connected with the University".

This sub-clause (f) exempts a Vice-Chancellor and the Law Minister has said that the Government has substantially followed—he has been very cautious—the recommendation of your committee. I may refer in this connection to page 23 of the report of the Committee on the Offices of Profit. It says:

"Vice-Chancellors of both the categories exercise considerable amount of executive functions and are also in a position to distribute patronage. This feature was also emphasised by Shri C. C. Biswas, Union Minister for Law and Minority Affairs, when in the course of a debate in the House, he stated:

"They are executive officers. They carry patronage and all that" (Parliamentary Debates, Council of States).

Further, this has been referred to by the Law Minister, Mr. Biswas, in the Lok Sabha also. In another part of page 23, it says; quoting Mr. Biswas:

"I may tell you that it is quite a reasonable objection that as Vice-Chancellors do whole-time job in the Universities, they find little time to attend to duties of Parliament. As a matter of fact, they are so busy that we very seldom find them in this House or in the other House." (Lok Sabha Debates, dated 24th December, 1953).

"For these reasons, the Committee feel that if these Vice-Chancellors, either appointed or

elected, are exempted from disqualification, such exemption will be to the detriment of both the offices."

So, the Union Law Minister who was there in 1954 thought otherwise. What extraordinary circumstances have happened which now prevail upon the Government to say that Vice-Chancellors should be exempted? I do not find any reason.

Personally speaking, those Vice-Chancellors are really executive officers doing whole-time jobs and commanding a lot of patronage not only over the staff, but also the students. There is the question of examiners also. There is always the likelihood of their attempting, if not really succeeding, to influence the results of the election, if they happen to be Vice-Chancellors at the time of being elected. That is one example.

There are other examples of exemptions, where even members or directors of statutory bodies enjoying patronage under the Government are sought to be exempted. I am not going into the details, because the matter is going to the Select Committee where it can be discussed elaborately. But I would say that such exemptions ought not to have been provided, considering the state of affairs now existing. Possibly, in the near future, as the Law Minister envisages, circumstances may change when we may add to the list or do away with article 102, when the time comes.

This Bill deals according to me only with disqualifications. Nothing is mentioned in the enactment with respect to such of those offices of profit which will amount to disqualification. I may, with respect, say that when we bring about a legislation, it must be a comprehensive legislation in regard to qualifications and disqualifications. Article 102 provides a list of all the offices as at present existing which will disqualify a per-

son. The legislation that we bring in must be comprehensive, so that persons standing for election may not be in doubt and may not leave it to the tribunal to decide whether a particular office is an office of profit under the Government and they may not say "We are not in possession of an exact definition of office of profit".

There is also another point to which I would like Government to give serious consideration. Article 102 does not deal exclusively with offices of profit. It deals with other conditions which disqualify a Member of Parliament, like unsound mind etc. There is also provision whereby Parliament can provide for other circumstances which disqualify a man. If we refer to section 7(e) of the Representation of the People Act, it enumerates the disqualifications for membership of Parliament or State Legislature, containing some six sub-clauses. I would say, let us have a comprehensive legislation containing all disqualifications including offices of profit.

There may be cases. I am not saying anything with reference to any particular case, but let us suppose a case where a person is interested in some business venture and that business may have some connection, prior to his election, with the Government. Possibly he may associate in the business his relatives—sons, etc. But once he becomes a Member of Parliament and is pushed up to a responsible position of, let us say, a Minister, then again associates his name with that particular business. In that case, a presumption must arise that there is a disqualification and it must be provided, because as my hon. friend Mr. Nayar said, two and two will only make four and let Caesar's wife be above suspicion. Let there be a presumption. A person who lends his name to a particular business having connection with the Government of India or a State Government and continues to lend it, may *prima facie* be disqualified and let the burden be thrown on the other side to

provide that he is seriously not connected. We know that in the ordinary law of contract or of conveyance, when a document stands in the name of a particular person, the presumption is that the land or property belongs to him, although it is open to the other party to show that some interest or entire ownership belongs to his son, a minor daughter or even a *purdanashin* woman.

I would respectfully say that, when we are at a time as most of our Ministers are saying, when we are in the infancy of our democracy, let us have a pure state of affairs and let there be no circumstances which will give rise to comments like this in the House of a Minister being associated in a business or titanium dioxide and other things coming into the matter. My respectful submission is, let us have a comprehensive legislation enumerating all the disqualifications and qualifications, so as to facilitate not only the persons who stand for the election, but also decision on the questions of offices of profit and other disqualifications.

Shri Naushir Bharucha (East Khandesh): Mr. Chairman, article 102 definitely lays down a salutary principle and when the Parliament seeks to lay down the categories of offices of profit to be exempted one has to be very careful about the fact that that salutary principle is not in the least tampered with.

I am not able to follow the argument of the Law Minister who said that this Parliament may be in need of specialists' advice from eminent doctors and others and that it would be undesirable to keep them out of the Parliament. I would like to ask him whether that is the only way in which expert advice can be procured for the House. If it becomes necessary—it might happen very rarely, once in a blue moon—that this House requires the advice of expert doctors, surely a Committee can be appointed to go into the whole question and the expert may be invited to give evidence before such a committee. I do not



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think it is a very convincing argument.

On page 2, sub-clause (i) of the Bill it is said that the offices of profit which are sought to be exempted are the office of a village revenue officer, such as *lambardar*, *malguzar*, *patel*, *deshmukh* and the like. I did not know that the Government had become so denuded of statesmanship that they could not get along in this House without the wisdom of *malguzars* or *patels*, most of whom have not studied beyond the fourth standard vernacular. What is the idea behind having these people?

Shri S. M. Banerjee (Kanpur): There may be more *kisans*.

Shri Naushir Bharucha: The danger is you may have a packed House here. Take for instance, the other offices. Take the office of a member of any force raised or maintained under the National Cadet Corps Act, the Territorial Army Act or the Reserve and Auxiliary Forces Act. The first thing I like as a qualification for a Member of Parliament is his independence. It is very seldom that people who have got to depend for their living upon the Government, will stand up to the Government and say, you are wrong. If you are going to exempt the Auxiliary Forces Act, I would like to ask, can an officer of that force stand up against the Defence Minister and say that you are doing something which is repugnant to commonsense? I can do that. He cannot do that. I would also like to know which Commandant of the Home Guard would stand up to the Home Minister and say that what you are talking is rot.

An Hon. Member: Even though it is.

Shri Naushir Bharucha: This is the type of men. Let it not be said, why is it that these people who hold part time of full time employment be deprived of their earning if they want to serve the country. Many of us have made a sacrifice of our profession to come here. I say, if really a man loves his country, he sacrifices

his profession. He will come here and give the benefit of his advice to this Government. All the same, if we examine this category, we find that so many people dependent upon the charity, dole, salary or remuneration of the Government are sought to be brought in here. I am afraid, as time passes, Government may have within the ranks of even the Opposition too many supporters of their own causes. This thing requires to be thoroughly studied.

I do not know with what object the hon. Minister in charge of the Bill is sending this to the Joint Committee. Is that to expand this list? I am in favour of very much contracting it, I do not think it may be practicable, though if it could, it would be desirable, to lay down the various categories of offices of profit because it is very difficult to define. New types of offices of profit may be created. Therefore, it may be difficult to lay down a schedule of offices of profit and say that these are barred and the others are not. Even then, I think we can so frame the law that we can keep out all people who are directly or indirectly dependent upon the Government for their maintenance. A good many of these are people who could be safely left out.

I therefore submit that it is a good thing that this Bill is going to a Joint Committee. Our effort should be this. We want to keep this House pure and independent. Otherwise, democracy has got no meaning. Just as in old England there used to be rotten boroughs which were in the pockets of the Government, we do not want to have rotten seats which may be in the pockets of the Government. That is the point which we have to guard against. I hope the Joint Committee will look into this matter.

Shri D. C. Sharma (Gurdaspur): Sir, I feel that this Bill is a misnomer. It has been wrongly called the Parliament (Prevention of Disqualification)

Bill. It should have been properly called the Parliament (Promotion of Disqualification) Bill, 1957. I have my reasons for saying that.

When we were discussing on the floor of the House the Representation of the People Bill, one of the arguments that were advanced in favour of that Bill was this: that the Bill was made so fool-proof and so good that all loopholes for election petitions had been almost plugged. It was said on the floor of the House that the Bill had been made so tight in a legal way that there would be no room for election petitions. What is the result? The result is that this time the number of election petitions has been much larger than the number of election petitions we had at the time of the last general election. That is because of the wisdom of the Law Ministry and the Government of India.

Now that they have brought forward this Bill for the prevention of disqualification for Parliament I venture to suggest most respectfully and most humbly that they will promote such a feeling in the whole country that they will put in jeopardy the seats of many of the elected Members of Parliament. You can take it from me that this will be the net result of this Bill which has been brought forward by the Law Minister today. It is so because it is an ill-conceived Bill. It is a Bill which has been conceived in a hurry and a Bill which was going to be passed in a hurry. I am glad that this Bill is going before a Joint Committee.

What is the Joint Committee going to do, I want to know. After all, the Joint Committee has got to work within the framework of the Bill which has been given to it. I should say that the framework of the Bill is very very unsound, very very fragmentary and very very incomplete. If the Law Ministry wants to do its job properly, I think it should go into the whole question very properly, very adequately and then come forward with a Bill.

Already we have had three Bills of this kind. This is the fourth Bill. I should say that if those Bills suffered from, I should say, sins of omission, this Bill is going to suffer both from the sins of omission and sins of commission. Therefore, I would say that this Bill is not going to do good to anybody. I think the Law Ministry had at its disposal the very good report which has been brought out and they have paid a left-handed compliment to that report on page 4 of this Bill. It is good that a compliment has been paid. But, I think all the labour of the Parliamentary Committee which went into this question has been, so to say, not made use of. What is the good of having a Parliamentary Committee if we are not going to take the maximum advantage of their report? It has not been done. What has happened is this. Some of the things which need not have been mentioned in this Bill have been included and some of the things which should have been included, have been omitted.

Now, the fundamental point is this. What is an office of profit? I would say that an office of profit should be defined very clearly. Because, if there was some confusion with regard to it when we had three Acts, I think there is going to be more confusion after this Bill has been passed. What is an office of profit? Does office of profit mean any advantage in terms of money? Does office of profit mean any advantage in terms of patronage? Does office of profit mean any advantage in terms of time? What is an office of profit? If you say that the Parliament is going to be a forum for those persons who can apply themselves to this work wholeheartedly, why do you have these Vice-Chancellors? You want to have different Vice-Chancellors of Universities in the Parliament. How can you have a person whose loyalty is going to be divided between his University and the Parliament? How can you do that? Vice-Chancellorship is a whole-time job as Chairmanship of a statutory body. If

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you think of exempting the Vice-Chancellors from disqualification, you are trying to give Parliament a fancied advantage and you are depriving the University of a real advantage. I think this is a thing which is not going to work either for the good of the University or for other bodies.

Again, you are going to have all these members who are Chairman of statutory bodies and non-statutory bodies. I think this only means that you are going to have those persons in the Parliament. Of course, you said that you want technical men, professional men. Of course, we want technical men, professional men on the floor of the House. I do not know what the advantage is going to be. Even I concede that you want technical men, persons who have inside knowledge of certain very technical subjects. I concede that you want to have them, but why do you want that those who are already having whole-time jobs as Chairman of statutory or non-statutory bodies should play with Parliament and play with those bodies also? I think every job has to be taken seriously, and if you want to keep out some persons, you have to keep them out firstly for this reason that they should make Parliament their whole-time job.

I know most of the Members of Parliament are doing this work as a whole-time job, and even then they cannot do justice to it.

If I can be permitted to mention this, I know there is a very big political organisation in this country that has made it a rule that an MLA or an MP cannot be the President of a district organisation of that body, a provincial organisation of that body, or be an honorary officer in that body. Why have they brought in this salutary rule? Because they know that a person who is an MP or an MLA cannot do justice to the organisation of which he claims to be the President.

If you could think that a man cannot be useful for the purpose of the organisation and also for Parliament, do you think that a person can be useful for the purpose of a university and also Parliament, for the purpose of a statutory body and also this Parliament?

I think this Bill is full of self-contradictions, is full of baffling and confusing things. I do not know the source from which this Bill has come.

It has been said by Shri Bharucha, and I agree with him, that we want persons in this Parliament who are independent and who also can devote their full time to it, but by throwing open this Parliament to all these categories of persons—I omit the first two categories, I think the first two categories are all right—I think we are making this Parliament a Parliament of half-timers, a Parliament of those who are always going about on delegations and yet are Members of Parliament. You are making this Parliament a plaything for those persons who are the chairmen or directors of some bodies.

I would ask you one thing. It has been said that the officers of the National Cadet Corps, the Territorial Army and the Auxiliary Air Force should be permitted to come to Parliament. I have a big heart and I do not mind if you throw open Parliament to all the members of the armed Forces. I will be happy to do it, but why do you throw open Parliament to these persons only because they are having a temporary job or a part-time job? I think the business of Parliament will be better served if you have real soldiers who understand what our defence is instead of having these persons who understand defence but do not do so to that extent.

Of course, about home guards my friend Shri Bharucha has already spoken. Why has the office of Sheriff been included? If you want to have the Sheriff, then throw the Parliament open to all persons who are compar-

able in status and functions to the Sheriff. What is the harm there?

Therefore, I say this is a piece of discriminating legislation which has been brought forward to throw the doors of Parliament open to certain sections.

**Ch. Ranbir Singh (Rohtak):** To professors.

**Shri D. C. Sharma:** It is much better to have professors than some semi-literate persons.

I do not wish to attribute any motives. I think the Law Ministry must have done it with the best of motives, but I do not understand why these persons have been brought in here.

What are these delegations or missions? A man goes as a delegate on some mission and is there for six months or a year or so, and he thinks that it is a very good thing; he is making the best of both the worlds, the best of Parliament and the best of the delegation. I cannot understand the logic behind the clauses of this Bill.

Then about advisers. What prevents any one of us from becoming an adviser? We may be advisers for six months or more, make some money and also be Members of Parliament.

I say the membership of Parliament should be a sacred thing, an honourable thing and a thing which means the hall-mark of service to the nation. If you take away from the Members of Parliament all these things, I think you are doing injustice not only to Members of Parliament, but to this great country which has this great Parliament before it.

Therefore, I would say that you should scrap this Bill and you should not have this Bill before you. You should bring forward a Bill only after the whole thing has been considered.

It has been said that revenue officers such as *lambardar*, *malguzar*, *patel*, *deshmukh* and the like should be exempted.

**Ch. Ranbir Singh:** What frightens you here?

**Shri D. C. Sharma:** I have nothing to say against them. For what I know you may be a *Lambardar*, I do not know.

**Ch. Ranbir Singh:** Our Chairman has been; I have never been a *Lambardar*.

**Shri D. C. Sharma:** I have nothing against them; I have respect for them. They are doing some good service for the country.

**Shri R. Ramanathan Chettiar (Pudu Kottai):** In Parliament they will do better service.

**Shri D. C. Sharma:** But if you are going to exempt these persons who are responsible for collecting our land revenue and taxes, why do you not exempt others also? I say in all humility and with due respect to the Law Minister that before bringing to us a list of exemptions of the persons who will not be disqualified, he should define clearly what he means by an office of profit. If you do not do that, you open the doors of litigation, and you open the doors very wide.

Again I should say that if you are going to modify this Bill, you should please see to it that the list is made as comprehensive as possible, or left as vague as possible, because this kind of list which is neither vague nor comprehensive is not going to do any good.

When I heard the eloquent speech of the hon. Law Minister on the kind of talent that Parliament needed, I felt as if I was reading an address on parliamentary democracy by George Bernard Shaw. Bernard Shaw also had similar ideas about democracy, and he wanted that the different functions of democracy should be delimited. For instance, there should be a democracy where politicians take political decisions; there should be a democracy where economists take economic decisions; and there should be a kind of democracy where, for instance, technical persons can take technical decisions. I thought perhaps the Law

[Shri D. C. Sharma]

Minister had that vision of democracy in his mind which George Bernard Shaw had at one time, and I thought he was going to give us a Bill which would be in conformity with that vision of democracy that that great thinker and socialist had. But I must say that the speech which he made has nothing to do with the clauses that are there in the Bill; that was only a blueprint of something which he had in his mind, but there was nothing of it in the Bill. But I hope, and I venture to submit very respectfully, that when this Bill goes to the Joint Committee the Law Minister will be able to translate his vision of democracy into clauses and sub-clauses. After all, it is the function of Law to translate visions into clauses and sub-clauses. I hope the Law Minister will be able to do that and he will be able to present this House with a Bill in which there will be as few loopholes for litigation and for disqualification as possible.

Shri Raghunir Sahai (Budaun): I quite agree that this Bill is of a very important nature, but at the same time, it is of a very controversial nature also, because it bristles with enormous difficulties. As other hon. Members who have preceded me have said, the term 'office of profit' has not been defined. It is natural that we should have lagged behind in that matter, because even in England, no such attempt has been made so far to define the term 'office of profit'. It was only in 1955 that a comprehensive Bill was placed before the House of Commons in regard to this subject, and I understand that it was only in this year that it had taken the shape of an Act.

As you, Mr. Chairman, have very aptly remarked in your report:

"...the concept of office of profit has a history of more than three centuries during which period it has undergone many changes and is yet far from being precisely understood and defined."

It were these difficulties which the previous Parliament had in mind when a joint parliamentary committee was constituted under your able guidance and chairmanship. From the terms of reference of that committee, I find that it was formed to study various matters connected with the disqualification of Members and to make recommendations in orders to enable Government to consider the lines along which a comprehensive legislation should be brought before this House.

I do not suppose that the truncated Bill that we have got before us today can be considered as a comprehensive Bill. The committee under your able chairmanship has gone into the whole subject very minutely, and it has given a report at once very valuable. And it is a unanimous report to which no Member has appended a minute of dissent. Yet, I find that the most important recommendations of that report have been entirely ignored.

For instance, as I have just now said, that the committee recommended that a comprehensive Bill based on the recommendations of the report should be placed before the House at an early date. As many as two years have elapsed, after which we find this Bill. This cannot certainly be called a comprehensive Bill about which the report had mentioned. In that report, it was also mentioned that the Bill should have schedules enumerating in detail the different offices which do not incur disqualification, offices in respect of which exemption should be granted, and offices which would disqualify Members. I submit that without those schedules, this Bill is entirely incomplete.

The other recommendation that that committee made was that a standing parliamentary committee should be constituted to look into these matters from time to time, because the committee itself had said that such frequent scrutiny will have to be undertaken in the case of committees which may have escaped their notice or

which may come into existence in the future. Unless and until such a parliamentary standing committee is constituted, the work cannot be supposed to be complete.

Although in that report we find that the Bill that was placed before the House of Commons in 1955 had been reproduced in *extenso* and that was a sufficient indication for Government to take some cue from it and to have framed a Bill on that basis, yet we find that only this truncated Bill has been brought forward. I agree that some of the recommendations of that committee have been accepted by Government and have been embodied in this Bill. But there can be two opinions with regard to some of them.

For instance, they have included the office of vice-chancellor, about which some hon. Members have just made a mention. I shall not weary the House by quoting the passages from the former Law Minister Shri C. C. Biswas's speech, since Shri Easwara Iyer has already drawn our attention towards them. But I certainly would like to quote the conclusion that that committee came to on the basis of their scrutiny:

"In fact, these Vice-Chancellors are the heads of the educational system which engages, or at least calls for the engagement of their entire attention to the onerous task which they are called upon to perform. Their hands are too full of work and the more they devote themselves to their work, the better it is for the nation they seek to serve. Moreover, the office of the Member of Parliament is also developing into a whole-time business."

With these pregnant words nobody can disagree. But I do not know for what reasons the Government entirely ignored those remarks, and why vice-chancellor is being included in the list

of persons who should be given exemption.

Then, I find that the office of sheriff has been included for giving exemption in this Bill. When I consulted the *Encyclopaedia Britannica* Vol. 20, (the latest edition, 1953, page 498) I found that the office of the sheriff was of an entirely honorary nature. The duties of the sheriff are both administrative as well as judicial. The duties given in the *Encyclopaedia* are:

"He attends to the judges at assizes and election petitions and is responsible for the executive execution of writs and of the sentence of death; acts as returning officer at parliamentary elections, and is liable for the safe custody of prisoners."

Now, why on earth has a man possessing these duties been exempted and permitted to fight the elections to Parliament and then sit here?

Mr. Chairman: In India, the sheriffs do not discharge those duties which are discharged in England by the sheriffs there.

Shri Karmarkar: This is from the *Encyclopaedia Britannica*.

Shri Raghunath Sahai: Quite right. But I find from your report....

Mr. Chairman: I think the hon. Member will take some more time.

Shri Raghunath Sahai: Yes.

Mr. Chairman: He may continue on Monday.

17 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, the 16th December, 1957.



[Saturday, 14th December, 1957]

MEMBER SWORN . . . . . COLUMN<sub>3</sub>  
5355—56

Shri Ashoka Mehta took oath

PAPERS LAID ON THE TABLE . . . . . 5356

A copy of each of the following statements showing the action taken by the Government on various assurances, promises and undertakings given by Ministers during the various sessions shown against each, was laid on the Table -

(i) Supplementary Statement No V

(ii) Supplementary Statement No VI

(iii) Supplementary Statement No XIV

BUSINESS OF THE HOUSE . . . . . 5357—59

The Minister of Finance made a statement regarding the order of Government Business for the week commencing the 16th December, 1957.

DEMANDS FOR SUPPLEMENTARY GRANTS . . . . . 5359—5417

Further discussion on Supplementary Demands for Grants (General) for 1957-58 presented to the House on the 3rd September, 1957 and 6th December, 1957 concluded

The Demands Nos 18, 23-A, 93, 104 and 126 were voted in full

BILL PASSED . . . . . COLUMNS  
5417—86

The Minister of Industries (Shri Manubhai Shah) moved for the consideration of the Indian Tariff (Second Amendment) Bill, 1957. The motion was adopted. After clause-by-clause consideration, the Bill was passed.

MOTION TO REFER BILL TO JOINT COMMITTEE UNDER CONSIDERATION . . . . . 5486—5512

The Minister of Law (Shri A. K. Sen) moved that the Parliament (Prevention of Disqualification) Bill, 1957 be referred to a Joint Committee. An amendment for circulation of the Bill for the purpose of eliciting opinion thereon by 1st February, 1958 was moved by Shri S. Easwara Iyer. The discussion was not concluded.

AGENDA FOR MONDAY, 16TH DECEMBER, 1957

Further discussion of the motion to refer the Parliament (Prevention of Disqualification) Bill to a Joint Committee, consideration of the Additional Duties of Excise (Goods of Special Importance) Bill and discussion on the Investment of Life Insurance Corporation Funds