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Thursday,
13th November, 1952



PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

303

HOUSE OF THE PEOPLE

Thursday, 13th November, 1952

*The House met at a Quarter to Eleven
of the Clock*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

LEATHER BELTING ETC.

***245. Sardar Hukam Singh:** (a) Will the Minister of Commerce and Industry be pleased to state whether any leather belting, picking bands and roller skins of standard quality are produced in our country?

(b) If so, what was the quantity produced during 1951-52, and what was the value of these goods imported?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Although there is some indigenous production of these items, manufacture of standard quality has not yet been established in the country.

(b) The first part of the question does not arise. As regards imports, the figures are as follows:—

Imports during 1951-52	(in lakhs of rupees)
leather belting	73.25
picking bands	12.19
roller skins	9.10

Sardar Hukam Singh: May I know whether the question of indigenous production on a large scale was taken up with the leather industry at any time by the Government?

Shri T. T. Krishnamachari: Yes, Sir, the Kanpur Tannery Limited, the National Tannery Company of Calcutta, the West India Tanneries of Bombay, the Leather Textiles of Ahmedabad

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and Messrs. Gordon Woodroffe Leather Works, Pallavaram, Madras are known to be interested in the production of standard quality leather belting etc., and they are carrying out experiments for the purpose.

Sardar Hukam Singh: Are there any particular handicaps why our country has not developed this industry? Is it due to the lack of proper leather or lack of skill?

Shri T. T. Krishnamachari: It seems to be a case of the type of leather we have which stretches far too much and therefore it is not very reliable.

Shri B. S. Murthy: May I know what place is given to the leather industry in the Planning Commission's report?

Shri T. T. Krishnamachari: To the leather belting industry? I am afraid I will have to ask for notice.

ASANSOL CYCLE FACTORY

***246. Sardar Hukam Singh:** (a) Will the Minister of Commerce and Industry be pleased to state whether the Asansol factory for production of cycles and cycle parts has started production by now?

(b) What is or will be its maximum capacity for producing bicycles?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) The proposed installed capacity of the factory is 100,000 bicycles per annum on one shift basis of 8 hours working per day.

Sardar Hukam Singh: How much is it producing today?

Shri T. T. Krishnamachari: Sir, the factory has commenced production, but it has its teething troubles. Therefore the actual assembling has not been anything considerable.

Sardar Hukam Singh: May I know whether U.K. has got any financial interest in this factory, or is it giving only technical assistance?

Shri T. T. Krishnamachari: I am speaking without the book and I have not got the information exactly before me. But I think there is some financial tie up.

Sardar Hukam Singh: May I know whether any other factory started production of bicycle parts during 1952?

Shri T. T. Krishnamachari: The hon. Member perhaps knows that the Hind Cycles of Bombay are in production, and they produce everything that is needed except the tubes which are imported. And then the T.I. Cycles of Madras are also in production. They have to import the tubes and certain other parts. But quite a lot of manufacture is done in India and the area of manufacture in the country is being progressively increased.

Shri T. K. Chaudhuri: May I know how the cycles produced by the Asansol factory compare with those of Hind Cycles of Bombay?

Shri T. T. Krishnamachari: I am afraid I am unable to give an answer for the reason that the Asansol Factory have not yet marketed their production.

Shri V. P. Nayar: Is there any foreign capital in this firm and, if so, what is the percentage of its share?

Shri T. T. Krishnamachari: Sir, I have answered that question.

Mr. Speaker: He has not got that information.

Sardar Hukam Singh: A factory was going to be set up at Agra. May I know whether that has also come into production?

Shri T. T. Krishnamachari: I am afraid my book does not include the factory at Agra. Apparently it has missed the sight of the Commerce and Industry Ministry.

EVACUEE PROPERTY DISPUTE

***247. Sardar Hukam Singh:** (a) Will the Minister of Rehabilitation be pleased to state whether the Government of India made a proposal to the Pakistan Government that the evacuee property dispute be referred to arbitration?

(b) If so, what was the reaction of the Pakistan Government?

The Minister of Rehabilitation (Shri A. P. Jain): (a) The attention of the

hon. Member is invited to the comprehensive statement made by me in reply to Starred Question No. 12 by Shri A. M. Thomas on the 5th Nov. 1952.

(b) A reply from the Pakistan Government to our proposals is still awaited.

Shri Gidwani: Has the attention of Government been drawn to a statement issued by Dr. Qureshi, Rehabilitation Minister of Pakistan to the "Dawn" published in Karachi, virtually ridiculing the scheme and rejecting the same?

Shri A. P. Jain: He has been issuing a number of statements and I have seen the particular statement which the hon. Member has referred to.

Sardar Hukam Singh: Would our Government then wait till a reply is received from Pakistan, or would it proceed with the question of payment of compensation?

Shri A. P. Jain: Ordinary courtesy demands that when we make a proposal we should wait for the reply.

Shri B. S. Murthy: Is there any time-limit proposed for the receipt of the reply?

Mr. Speaker: I think this question was often put. Next question.

Shri S. C. Samanta: Sir, there are three other questions allied to question No. 247-A. May I request that all these may be answered together?

Mr. Speaker: Which are they?

Shri S. C. Samanta: Nos. 262-A, 273-A and 279-A.

Mr. Speaker: So there are three other questions in addition to this. Will it be convenient for the hon. Minister?

The Prime Minister (Shri Jawaharlal Nehru): Yes, Sir. I will take all the four and if you will permit.....

Mr. Speaker: I will first call upon those hon. Members to put their questions.

Shri Jawaharlal Nehru: If you will permit me, Sir, my answer will be rather general which would cover all these questions.

REPORT OF TEAM OF OFFICERS SENT TO ASSAM

***247-A. Dr. Ram Subhag Singh:** (a) Will the Prime Minister be pleased to

state whether the team of officers deputed by the Government of India to study measures for the prevention of flood damage in Assam has submitted its report?

(b) If so, what are the chief suggestions made in that report?

FLOOD CONTROL

*262-A. **Shri Tushar Chatterjea:** (a) Will the **Prime Minister** be pleased to state whether any requests have been received by the Government of India for inclusion in the Five Year Plan of the scheme to take permanent measures for stopping the damage by river floods to the town of Dibrugarh?

(b) If so, what action have Government taken in the matter?

(c) Has it been brought to the notice of Government that many centres of India require flood prevention measures to be immediately undertaken?

(d) What schemes for flood-control are included in the Five Year Plan, in which States and what is their total coverage?

COMMITTEE OF OFFICERS SENT TO ASSAM

*273-A. **Shri Beli Ram Das:** (a) Will the **Prime Minister** be pleased to state whether it is a fact that an expert Committee of officers was sent to Assam to investigate into the ways and means to save that State from successive floods every year?

(b) What are the recommendations of the said Committee?

(c) How far are these recommendations going to be implemented by Government?

(d) What suggestions were made by the State Government regarding the Scheme?

FLOODS IN ASSAM

*279-A. **Shri S. C. Samanta:** Will the **Prime Minister** be pleased to state:

(a) How many times Assam was flooded in each of the years from 1947 to 1952;

(b) the recommendations of the Expert Committee appointed by the Central Government to check recurrence of the flood there;

(c) the approximate amount of loss of property in those years; and

(d) how much extra amount over and above the usual allocation to the State is going to be sanctioned to have a permanent solution in the matter?

The Prime Minister (Shri Jawahar Lal Nehru): As the House is aware, the State of Assam has suffered considerable damage in recent years from recurring floods. In August 1952, it was announced in Parliament that a team of Central Government Officers was proceeding to Assam to study and report to the Government on the immediate problems created by the floods as well as on the long-term problems of Assam such as soil erosion, border trade, border security and disruption of communications as a result of Partition. The team led by the Home Secretary and consisting of representatives of the Ministries of Finance, Transport and Irrigation and Power visited Assam between the 26th July and the 17th of August, toured the districts of Golpara, the Garo Hills, the Khasi and Jaintia Hills and Lakhimpur, and also made an aerial flight over parts of the North-Eastern Frontier Agency where serious damage had been caused by the earthquake of 1950. It undertook, during this period, an intensive study of the special problem of erosion of Dibrugarh town and the various embankment and drainage problems in other parts of the State, as well as the problem of communications, particularly in the hill districts and on the northern bank of the Brahmaputra. The officers subsequently discussed their provisional conclusions with the Assam Government and submitted a report to the Government of India containing agreed recommendations.

2. The main recommendations of the team were the following:—

(1) A stone revetment about four miles long should be erected at Dibrugarh; this was the only permanent safeguard against erosion. The estimated cost of this revetment excluding the cost of acquisition of the necessary land would be about Rs. one crore, fifty per cent. of this cost should be provided by the Central Government as an outright grant and the remaining 50 per cent. as an interest-free loan repayable out of the proceeds of a proposed levy on the people of Dibrugarh.

(2) A beginning should be made with the collection of adequate hydrological data which would enable a long-term plan to be prepared for the prevention of erosion and for the control of floods in the State. A River Investigation Division should be set up for this purpose in charge of a suitable Executive Engineer provided by the Central Government.

(3) A contour survey should be undertaken all over Assam. A beginning should be made in the Kopili valley where a survey was partially done sometime ago.

(4) Various schemes for embankment and drainage works which had already been prepared by the Assam Government and estimated to cost about a crore of rupees should receive adequate priority and Central assistance under the Grow More Food schemes.

(5) Communications in the State should be improved. The Assam Road from Tezpur to North Lakhimpur should be made an all-weather road; for this purpose four bridges should be constructed. Half the cost of these bridges would be borne by the Centre. A number of roads (estimated to require an outlay of about Rs. two and half crores during the next five years) should be constructed in the hill districts.

3. The team has also made certain other recommendations with a view to improving border security and the economic conditions of the tribal people in the Hill areas.

4. The Government of India and the Assam Government have generally accepted the main recommendations subject to further discussions regarding the percentage of the cost of the revetment at Dibrugarh to be treated as an outright grant. Meanwhile, action has been initiated to implement the recommendations. The Assam Government have agreed to the setting up of the proposed River Investigation Division; some of the staff required for the Division have been selected and arrangements are being made for their training in the Punjab. A new Division in charge of an Executive Engineer is being set up for preparing detailed plans for the Dibrugarh protection work. The programme of road construction drawn up by the Assam Government, has been examined and accepted by the Government of India subject to further discussion on a matter of detail. Certain schemes for embankment and drainage under the five-year plan prepared by the Assam Government are being scrutinised by the Government of India and other schemes are under preparation.

5. The cost of carrying into effect certain of the recommendations of the team is still to be worked out. Moreover, the long-term measures contemplated will have to be fitted into the Five Year Plan for Assam included in the report of the Planning Commission which is to be finalised shortly. The programme of road construction in the hill districts will be financed entirely out of the development grants to be provided by the Centre. The Central Government has also made available adequate funds for undertaking the proposed contour

survey and has further agreed to meet the cost of the River Investigation Division except in respect of the staff provided by the Assam Government. Any further proposals for financial assistance will be considered when the details have been fully worked out.

6. The Government is aware that considerable damage occurs every year from floods in different parts of the country. Until recently no statistics of this damage were collected regularly and whenever heavy damage resulted from a flood in the larger rivers, flood control measures were undertaken on an *ad hoc* basis. Extensive embankments were thus constructed in parts of Assam, Bihar, West Bengal and Orissa. The problem of flood control is now invariably considered in conjunction with multi-purpose projects, as the construction of large dams to store flood waters is the most effective way of preventing flood damage.

Dr. Ram Subhag Singh: When is the construction of this embankment likely to be undertaken?

Shri Jawaharlal Nehru: I cannot say the exact date when it will be started. In fact, before it is started, preliminaries have to be gone into.

Dr. S. P. Mookerjee: How long will it take to complete all these elaborate plans which the Prime Minister has read? Before the next floods come?

Shri Jawaharlal Nehru: Perhaps I have indicated how long some of the plans may take, but obviously the plan itself is likely to take a very considerable time to finalise. In fact it may go on for years and years. Take this Dibrugarh town. It is a very great job to erect a stone revetment for four miles in the Brahmaputra. I cannot say how long it will take. As a matter of fact I was recently in Dibrugarh. The temporary steps taken had some effect in saving the town. They are not permanent by any means but the process of erosion has been slowed down very much.

Shri Tushar Chatterjee: I want to know whether there is any special scheme to control flood in the State of West Bengal.

Shri Jawaharlal Nehru: I do not know. I cannot answer that question. If there is, it is not a major one so far as I know.

Shri Bell Ram Das: Has any action been taken in Assam for checking the floods?

Shri Jawaharlal Nehru: The whole scheme has been prepared with a view to checking floods. May I just say, Sir, with your permission that the whole of the Damodar Scheme which is one of the major schemes is meant for that purpose.

Shri S. C. Samanta: May I know, Sir, whether any major change will be effected in the steps that are being taken or will be taken, when the Finance Commission will submit their recommendations?

Shri Jawaharlal Nehru: First of all, the Finance Commission has not yet submitted its recommendations. How can we know what they are going to say? Secondly, this has nothing to do with this question.

Shri S. C. Samanta: I meant, Sir, that the Finance Commission will recommend the share of the money that will be given to the State. Will the allotment of the financial help that will be given to Assam State be taken into consideration at that time?

Shri Jawaharlal Nehru: We have to consider this question in the existing circumstances. We are trying to be as helpful as possible in the shape of grants and loans. If the Finance Commission makes any recommendation that is a separate matter whether it would be considered as such.

Shri Sarmah: Who will actually execute the work in implementing these recommendations, the Central Government or the Assam Government?

Shri Jawaharlal Nehru: Both, I imagine.

Sri K. P. Tripathi: Recently we found that the Pakistan Government has imposed a cordon along the Khasi Hills so that the oranges and potatoes which used, normally, to go to Pakistan should not go at all. The crisis about oranges particularly is deteriorating. In view of these, will the Government consider setting up a Canning.....?

Mr. Speaker: Order, order.

Shri Sarmah: Will Government please instruct its experts to take into consideration locally expressed opinion in protecting Dibrugarh town?

Shri Jawaharlal Nehru: We always wish to take advantage of the experience of local experts. They have completely and absolutely failed to do anything. We are asked to take over charge.

INDIAN SETTLERS IN CANADA

***248. Dr. Ram Subhag Singh:** Will the Prime Minister be pleased to state whether the wives and children of Indians who have acquired Canadian nationality are allowed to go to Canada to settle down there?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): Yes. The husband or wife and unmarried children under 21 years of age of a Canadian citizen legally admitted into and resident in Canada are allowed to go to Canada to settle there provided:

- (i) they otherwise comply with the provisions of the Canadian Immigration Act; and
- (ii) the settlement arrangements in Canada are to the satisfaction of the Canadian authorities.

Dr. Ram Subhag Singh: May I know, Sir, whether the close relations of Canadian citizens of Indian origin such as their brothers and sisters, are also allowed to go there?

Shri Anil K. Chanda: Yes, Sir, within the quota.

Dr. Ram Subhag Singh: May I know, Sir, whether persons who intend to marry Canadian girls of Indian origin are experiencing difficulty in proceeding to Canada?

Shri Anil K. Chanda: A similar question arises later in the day, Sir.

PEPPER FOR EXPORT

***249. Shri C. R. Iyyunni:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any test is applied before pepper is exported to foreign countries as to whether it comes up to standard; and

(b) if not, why not?

The Minister of Commerce (Shri Karmarkar): (a) Yes. It is reported that the trade generally cleans pepper before export with a view to making the quality conform to specifications of foreign importers' Associations.

(b) Does not arise.

Shri C. R. Iyyunni: May I know whether there has been a fall in the export of pepper due to want of standardisation last year?

Shri Karmarkar: No, Sir. I am not aware of a fall in export of pepper on account of this reason.

Shri C. R. Iyyunni: May I know whether there are any statistics prepared of the pepper that is exported from Travancore Cochin and other places in India to foreign countries?

Shri Karmarkar: On notice, I could answer this question. We have got statistics.

Shri Damodara Menon: Has there been any complaint from the foreign consumers that the quality of our pepper has gone down?

Shri Karmarkar: There have been complaints last year that the general quality has not been up to the standard. Some general complaint.

Shri C. R. Iyyunni: May I know whether after the complaints have been received, any steps have been taken to see that the faults are removed?

Shri Karmarkar: Normally when complaints come from foreign countries regarding supply, we pass them on to trade. In this particular case, about the cleaning of pepper, I understand that trade has a scheme, and the Planning Commission has also included in the Five Year Plan a scheme for fumigation and compulsory grading under Agmark before export.

Shri A. M. Thomas: May I know whether there is a proposal to set up a fumigating plant in Cochin and how far it has progressed?

Shri Karmarkar: There is a plan; it is for the trade to execute the plan; I understand the cost of it is only Rs 20,000.

Shri V. P. Nayar: In view of the fact that yesterday's *Statesman* reported that there is a likelihood of 25 per cent shortage in the production of pepper in Travancore-Cochin.....

Shri Karmarkar: I shall first read yesterday's *Statesman*.

Shri V. P. Nayar: I have not yet finished the question. May I know whether the Government will take any steps to get a better price for pepper?

Shri Karmarkar: I shall first read yesterday's *Statesman* and then answer the question.

Shri Nambiar: May I know.....

Mr. Speaker: We will proceed to the next question.

INDUSTRIAL HOUSING

***250. Shri S. N. Das:** (a) Will the Minister of Works, Housing and Supply be pleased to state what are the important features of the Scheme for giving impetus to the construction of houses for industrial workers and other low income groups recently initiated by the Central Government?

(b) Which of the State Governments and other organised bodies and employers have so far expressed their desire to take advantage of this scheme?

(c) What is the total amount that has been set apart for this scheme for the next five years?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) A copy of the Subsidized Industrial Housing Scheme of the Government of India is placed on the Table of the House. [See Appendix II, annexure No. 6.]

(b) A statement is placed on the Table of the House. [See Appendix II, annexure No. 7.]

(c) No final decision has yet been taken in the matter, but Rupees Seven Crores and seventeen lacs have been provided for the current financial year.

Shri S. N. Das: May I know whether the Industrial Housing scheme which has been in operation in the Ministry of Labour since 1950-51 has been wound up or the same has been incorporated in the present scheme?

Sardar Swaran Singh: It has not been wound up, in the real sense in as much as the financial aid which has already been given is being utilised by the various State Governments. But, option is given that the unspent money can be converted into the present scheme.

Shri S. N. Das: May I know the total amount spent under the previous scheme and the total amount given as subsidies?

Sardar Swaran Singh: In the previous scheme I do not think that any subsidy was given. Only interest free loan was advanced.

Shri S. N. Das: What is the number of Houses constructed under the previous scheme?

Sardar Swaran Singh: That information is not available with me at the moment.

Shri B. S. Murthy: May I know whether the Government have any plan for rural housing?

Sardar Swaran Singh: Not as part of the present scheme.

Shrimati Renu Chakravartty: May I know if the scheme includes housing for the workers in Bokharo?

Sardar Swaran Singh: If they come under the definition of industrial workers.

Shrimati Renu Chakravartty: They are industrial workers.

Shri A. C. Guha: May I know whether in this scheme the hon. Minister has incorporated the housing schemes under the colliery and mica welfare funds?

Sardar Swaran Singh: Government have not incorporated any scheme under any other funds. But, such of the industrial workers as come within the purview of the present scheme, in whatever sphere they are working, will be protected by the scheme and financial aid will be given.

Shri S. N. Das: May I know whether applications have been received and examined and allotments made to the several State Governments and organised societies?

Sardar Swaran Singh: Various schemes have been received. They are being scrutinised. Sanctions have already been issued in certain cases and others are being examined. It is hoped that sanctions in other cases will also be issued.

Shri M. L. Dwivedi: May I know if any financial target has been fixed for the coming financial year and if so what is the allocation that will be made to the States?

Sardar Swaran Singh: I am afraid it is premature yet to say what is going to be allotted for the next financial year.

Shri V. P. Nayar: What steps do Government propose to take for associating the trade unions in this Industrial Housing scheme, so that this subsidised scheme may not turn out to be a subsidised fraud?

Mr. Speaker: Order, order.

Shri Nambiar: May I know whether this scheme includes the possibility of the workers getting the houses in their own names at any stage?

Mr. Speaker: Ownership?

Shri Nambiar: Yes?

Sardar Swaran Singh: Actually, the co-operative societies of the workers

can themselves qualify for financial aid. As to whether ownership in the tenements which are actually constructed by the State Governments passes on to the industrial workers, that is not part of the present scheme.

Shri S. N. Das: From the statement it appears that Government propose to introduce a measure like the National Housing Bill. May I know the time by which it is expected to introduce the Bill?

Sardar Swaran Singh: Not during the Current session.

GANGA BARRAGE

***251. Shri B. K. Das:** Will the Minister of Planning be pleased to state:

(a) whether the attention of Government has been drawn to the resolution passed by the West Bengal Assembly in its Budget Session regarding the urgent necessity of implementing the Ganga-Barrage Scheme; and

(b) the steps taken in that behalf?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes.

(b) The subject is under consideration.

Shri B. K. Das: May I know whether this scheme is being examined as part of river schemes or as a general development scheme?

Shri Hathi: It is being examined as part of a general development scheme.

Shri B. K. Das: What is the estimated cost of this scheme?

Shri Hathi: The estimate is about 39 crores.

Shri B. K. Das: May I know whether the Government is examining this present estimate of 39 or 40 crores as a loan to the State Government or whether part of it will be a loan and part a grant?

Shri Hathi: I am not in a position to say that.

Pandit L. K. Maitra: Is it not a fact that the Hooghly Expert Committee as also a Committee of the CWINC specially appointed for the purpose expressed their considered opinion that adequate supply of water to the Calcutta port could not be assured unless highland waters were tapped?

Shri Hathi: Yes, Sir.

Pandit L. K. Maitra: May I also know if the Planning Commission approached the Government of West Bengal with any proposal for making any contribution pending payment by other parties such as the Railways and national highways, and if so, with what result?

Shri Hathi: So far as the West Bengal Government is concerned, the Government of India have asked them as to how they propose to finance the scheme.

Shri A. C. Guha: Is it true that the Chief Minister of West Bengal has proposed that the sum of Rs. 5 crores that is likely to be required for the first three years would be contributed by the West Bengal Government and, if so, what is the reaction of the Government of India?

Shri Hathi: I have no information like that.

Shri K. K. Basu: In view of the large influx of refugees from East Bengal and the importance of the scheme, does the Government propose to give top priority to it?

Shri Hathi: That, Sir, will be determined after the scheme is examined completely.

Shri A. C. Guha: May I know if the North-Eastern Railway also has suggested that the barrage on the Ganges near about Farakka would be necessary and useful, to shorten the route between Lower Bengal and northern Bengal and Assam?

Shri Hathi: In fact, Sir, the views of the Ministry of Railways have been invited on this.

Pandit L. K. Maitra: I wanted to know from the hon. Minister definitely whether it is not a fact that the West Bengal Government has offered to give a contribution?

Mr. Speaker: Order order. He may contradict his facts later.

Pandit L. K. Maitra: I am not contradicting. I am asking if it is not a fact that the Chief Minister of West Bengal has made a definite proposal for making a contribution of the sum required for the first three years, pending payment by other agencies such as the Railways and national highways?

Shri Hathi: I would require notice for that.

COAL

*252. **Kumari Annie Mascarene:** Will the Minister of Production be pleased to state:

(a) whether the production of coal over and above that required for railway consumption can meet the demands for public consumption in important cities of India?

(b) whether there are sufficient wagons available to distribute coal to various parts of India; and

(c) what are the conditions of agreement to export coal to Pakistan after June 1952?

The Minister of Production (Shri K. C. Reddy): (a) Yes.

(b) Wagon supply is inadequate during about 8 months in the year.

(c) The validity of the Trade agreement of February 1951 was extended upto the 7th August, 1952. Coal exports were continued to Pakistan at the previously fixed prices, viz. the Indian control price plus Rs. 11/- per ton. Coal is not included in the current Indo-Pakistan Trade Agreement which came into force on the 8th August, 1952 but the Government have consented outside the agreement to the export of coal to Pakistan at the rate of about 90,000 tons a month upto the end of December 1952 when the position will be reviewed. The present price has been revised, on a consideration of the market prices outside India, to the Indian price plus Rs. 12-10-0 per ton.

Kumari Annie Mascarene: May I know, Sir, if the Government has any scheme to nationalise the coal industry?

Shri K. C. Reddy: No, Sir. Not at present.

Kumari Annie Mascarene: May I know, Sir, how many collieries are in the hands of private concerns?

Shri K. C. Reddy: I should like to have notice to answer that question.

Kumari Annie Mascarene: May I know, Sir, the price of coal in India generally?

Shri K. C. Reddy: It is the controlled price. I am not in a position to give the controlled price now here.

Shri Raghuramalah: May I know whether the amount of coal supplied to Madras State for tobacco purposes this year, is the same or less or more than that supplied last year?

Shri K. C. Reddy: I would like to answer that if separate notice of the same is given.

Shri Chattopadhyaya: Is it true that large quantities of coal are being exported to South Korea in order to help Syngman Rhee to crush his own people?

Mr. Speaker: He is making an allegation and putting the question. He can enquire about a fact.

Shri Nambiar: May I know whether there are complaints from the factories in the south that sufficient coal is not being sent to the South?

Shri K. C. Reddy: Generally, there are complaints about inadequate supplies of coal to some of the industries in the south as well as in the north. The difficulty is about the wagon availability. Everything is being done by the Railway Ministry to the extent possible to supply more wagons, but I have already said in the course of my answer that the wagon availability is inadequate for about 8 months in the year. It applies to the South also.

Shri Nambiar: May I know whether the wagon availability is being improved by constructing more wagons or by any scheme like that, in order to help the industries?

Shri K. C. Reddy: Yes, Sir. Necessary action is being taken by the Government in that direction. Also During 1951/52, sufficient orders have been placed for the supply of wagons from year to year.

COTTON PIECE GOODS (PRICES)

***253. Kumari Annie Mascarene:** Will the Minister of Commerce and Industry be pleased to state:

(a) the causes for the fall in prices of Indian cotton piece goods sent to Asian countries; and

(b) what is the rate of fall?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The fall in prices is due to the general depression in the textile trade all over the world.

(b) The average price of cloth per yard exported in the period April 1952 to August 1952 was approximately 22 per cent. less than the average price in the period October 1951 to March, 1952.

Kumari Annie Mascarene: May I know, Sir, the countries in Asia to which the piece goods are sent?

Shri T. T. Krishnamachari: I have the information available somewhere in the file with the Ministry, but I have not brought it here.

TRAINING OF DISPLACED PERSONS

***255. Shri S. N. Das:** (a) Will the Minister of Rehabilitation be pleased to state by what time, the Committee appointed to enquire into the vocational and technical training of the displaced persons from West Pakistan is expected to submit its report?

(b) What is the nature of work done so far?

(c) What are the terms of reference of the Committee?

The Minister of Rehabilitation (Shri A. P. Jain): (a) By the end of January, 1953.

(b) The Committee has issued a questionnaire to the State Governments concerned, to the Directorate General of Resettlement and Employment, and to the Railway and Defence Ministries. The information received is being scrutinised. The Committee has also visited 30 Training and Production Centres for men and women and 8 Homes and infirmaries in the Punjab, and PEPSU and U.P., and has had discussions with the State Governments of Punjab and U.P.

(c) A copy of the Press Communique announcing the formation of the Committee, which contains its terms of reference, is laid on the Table of the House. [See Appendix II, annexure No. 8.]

Shri S. N. Das: May I know, Sir, whether the schemes of vocational and technical training undertaken by the Ministry of Labour will also be examined?

Shri A. P. Jain: No.

Mr. Speaker: Question No. 256.

Shri S. V. Ramaswamy: Question No. 267 seems to be connected with that.

Shri T. T. Krishnamachari: Am I to understand, Sir, that Question Nos. 256 and 267 are to be answered together?

Mr. Speaker: Yes.

HANDLOOM INDUSTRY IN KARNATAK AREA OF BOMBAY STATE

***256. Shri R. G. Dubey:** Will the Minister of Commerce and Industry be pleased to state what measures

Government propose to take to give protection to the hand loom industry in Karnatak area of Bombay state?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The measures taken by Government on an all India basis have been referred to already in answer to part (b) of the Starred Question No. 57 on the 5th November, 1952. These would apply also to the handloom industry in Karnatak.

HANDLOOM INDUSTRY

***267. Shri Jhulan Sinha:** (a) Will the Minister of Commerce and Industry be pleased to state what steps, if any, have been taken or are proposed to be taken to protect and encourage the handloom industry in India?

(b) Is there any proposal to reserve certain varieties such as *Dhoties* and *Sarees* for manufacture by the handloom leaving the remaining ones to be manufactured by the Cloth Mills?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Attention is invited to the answer given to part (b) of the Starred Question No. 57 for the 5th November 1952.

(b) This question along with other questions fall into the same category and are under examination.

Shri R. G. Dubey: Is the Government aware that the famous products of the handloom industry in Karnatak such as Yuledgud, Ilkal, etc., have recently received a setback, because the marketing conditions have changed. So, will Government please state whether they will depute a special officer to study the conditions in the region because.....

Mr. Speaker: Order, order. He is making a speech, and making a suggestion for action. What is the information he wants?

Shri R. G. Dubey: I want to know whether Government is aware that recently the handloom industry in Karnatak has received a setback, and the goods were exported to parts of Hyderabad and C. P.?

Shri T. T. Krishnamachari: As a general proposition, Government are aware that there is a setback in the trade, in all handloom industries products, and I have no doubt that it applies to Karnatak as well.

Shri R. G. Dubey: My difficulty was that India is a vast country...

Mr. Speaker: Order, order. The hon. Member will not continue. He is arguing.

Shri R. G. Dubey: I am not arguing.

Mr. Speaker: In his opinion he is satisfied that he is not arguing, but I am clear he is arguing.

Shri A. M. Thomas: May I know whether a resolution passed by the Madras Assembly concerning this matter has come to the notice of the Government?

Shri T. T. Krishnamachari: I have seen a report of that resolution and discussions thereon in the newspapers.

Shrimati Tarkeshwari Sinha: In view of the fact that the Government is trying to help the handloom industry, may I know whether the Government is going to supply handloom cloth to all the employees of the Government, even in the military?

Shri T. T. Krishnamachari: That question should be addressed to my colleague on my right.

Shri Achuthan: Will the Government take up the question of setting apart the manufacture of *dhoties* and *sarees* to handloom Industry and give it top priority while examining the various schemes.

Shri T. T. Krishnamachari: I am afraid my hon. friends' articulation is rather too quick for my ears.

Shri M. A. Ayyangar: May I know whether the hon. Minister is considering the desirability of reserving the manufacture of *dhoties* and *sarees* to handlooms exclusively so as to avoid unemployment amongst the handloom weavers?

Mr. Speaker: I am afraid I shall have to disallow this question.

Shri M. A. Ayyangar: I shall put only the first part of my question. Sir. Is the Government considering the desirability of reserving the manufacture of *dhoties* and *sarees* to handlooms exclusively?

Shri Nambiar: May I know whether in view of the fact that the Madras Government is considering this proposal, the Government of India would take into consideration, the feelings of the Madras Assembly and Government in this respect?

Shri T. T. Krishnamachari: The Government of India is prepared to consider the feelings of all parties concerned in the matter.

Shri A. C. Guha: May I know whether there has been any suggestion that a certain portion of the textile production should be reserved for handloom, and, if so, has the government come to any decision on that?

Mr. Speaker: I think it is a well-known matter which has appeared in the Press.

Shri Matthen: May I know how the prices of cloth manufactured by the mills compare with those of the same standard of cloth manufactured by the handloom, as, for instance in the case of sarees and dhoties?

Shri T. T. Krishnamachari: It is a very wide question, Sir. In the coarse varieties, the difference between the prices of handloom products and those of mill products happens to be in the region of 12½ to 15 per cent., while in the finer varieties, it ranges between 25 and 30 per cent. But it must also be recognised that the finer varieties of cloth woven by handloom weavers have got an artistic significance which the corresponding mill products have not got.

GHATAPRABHA PROJECT

*257. **Shri R. G. Dubey:** (a) Will the Minister of Planning be pleased to state whether it is a fact that several representations have been made by the legislators from Bombay Karnatak as well as by the Karnatak Pradesh Congress Committee to the concerned authorities to include the Ghataprabha Project (left bank and right bank canals) and to make adequate provision for its execution as a part of the first Five Year Plan?

(b) Have Government decided to include the Ghataprabha Project in the first Five Year Plan in response to the intense and pressing demand of the people of Karnatak?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) The investigations in connection with the Ghataprabha Valley Development Project have not yet been completed.

Shri R. G. Dubey: May I know the list of the projects which are proposed to be finally included in the revised five-year plan in the State of Bombay?

Shri Hathi: If the hon. member wants to know the names, I want notice. All the projects that will be included will be found in the final report of the Planning Commission.

Shri R. G. Dubey: Will the hon. Minister be pleased to state the average rainfall in the areas under command in relation to the various projects?

Shri Hathi: That is an omnibus question, Sir.

Shri R. G. Dubey: Is it a fact that the area under command, under Ghataprabha, is the area of the lowest rainfall, and that it caters to the needs of Bijapur district, which is proverbially a famine area?

Mr. Speaker: These are merely facts which the hon. member is giving. What is the information he wants?

Shri R. G. Dubey: These facts are disputed, and I wanted to know the government opinion on this matter.

REORGANISATION OF CENTRAL WATER AND POWER COMMISSION

*259. **Shri S. N. Das:** Will the Minister of Irrigation and Power be pleased to state which of the recommendations and suggestions of the Kasturbhai Committee with regard to re-organisation and other aspects of the Central Water and Power Commission have been accepted by Government and given effect to?

The Deputy Minister of Irrigation and Power (Shri Hathi): Some recommendations of the Committee are being acted upon and other recommendations are under examination by the Government.

Shri S. N. Das: May I know what recommendations are being accepted by the Government?

Shri Hathi: One of the recommendations of the Kasturbhai Committee was concerned with planning of projects; i. e. when the plans and estimates have been drawn up, they should be subsequently scrutinised by an independent body of experts. That suggestion is already being implemented.

Shri S. N. Das: May I know whether as a result of the recommendations made by the Estimates Committee in their fifth report, and also the ones made by this Kasturbhai Committee, the functions of the CWPC have been revised or are going to be revised?

Shri Hathi: That recommendation is actually under the examination of the Government.

Shri S. N. Das: May I know the date of appointment of this Committee, and whether it was appointed after the recommendations of the Estimates Committee or before?

Shri Hathi: The Kasturbhai Committee was appointed in November 1951.

Shri S. N. Das: May I know whether before the appointment of this Committee, the recommendations of the Estimates Committee were considered by the Government, and any action taken thereon?

Shri Hathi: Yes, the report of the Estimates Committee was being considered even then.

Shri S. N. Das: I wanted to know what action was taken by the Government before the appointment of this Committee?

Shri Hathi: No action was actually being taken for implementation of the recommendations contained in the report of the Estimates Committee, but they were being examined.

Shri S. N. Das: May I know whether the recommendations made by the Estimates Committee were handed over to that Committee for re-examination?

Mr. Speaker: He wants to know whether the Kasturbhai Committee was directed to re-examine the recommendations made by the Estimates Committee.

Shri Hathi: I do not think, Sir.

Shri Sarangadhar Das: May I point out, Sir, that the Estimates Committee came into existence after the Kasturbhai Committee submitted their report?

Shri Hathi: The report of the Kasturbhai Committee was published on 28th July 1952.

Shri Sarangadhar Das: Was its appointment before or after the receipt of the recommendations of the Estimates Committee?

Shri Hathi: Before that; the recommendations of the Estimates Committee were made in the report of March 1952.

Shri Sarangadhar Das: May I know whether the recommendation of the Estimates Committee made in their fifth report, to separate the post of Chairman of the CWPC from the joint Secretaryship in the Ministry, has been implemented?

Shri Hathi: That is actually under examination.

PROTECTION TO INDUSTRIES

***260. Shri Bansal:** Will the Minister of Commerce and Industry be pleased to state:

(a) how many cases relating to claims for protection have been referred to the Tariff Commission since its inception in January 1952 and the names of the industries whose cases were referred and are still pending before the Tariff Commission;

(b) the names of industries which are seeking protection for the first time; and

(c) the names of industries in respect of which the Tariff Commission has conducted price enquiries?

The Minister of Commerce (Shri Karmakar): (a) Only two claims for protection have been referred to the Tariff Commission since its inception in January 1952. They relate to—

- (1) the Automobile Industry, and
- (2) the Caustic soda and bleaching powder industry. Both these cases are still pending before the Commission.

(b) Presumably the Member is referring to the claims for protection preferred by the industries to Government for reference to the Tariff Commission. If so, the particulars are given below:—

- (1) Sanitary ware and wall glazed tiles.
- (2) Pipe fitting.
- (3) Screw cutting tools.
- (4) Wire netting and wire gauges.
- (5) Electric motors (upto 50 h.p. capacity).
- (6) Vulcanised fibre sheet.
- (7) Rayon Yarn.
- (8) Dyestuffs.
- (9) Umbrella ribs.
- (10) Titanium Oxide pigments.
- (11) Hinges.
- (12) Malt Extract.
- (13) Panel Pins.
- (14) Radio.
- (15) Leather cloth and allied product.
- (16) Polishes.
- (17) Glass.

(c) The Tariff Commission has so far conducted the following price

enquiries.

- (i) Fair retention prices of steel produced by the Mysore Iron and Steel Works, Bhadravati,
- (ii) Fair retention prices of steel produced by the Steel Corporation of Bengal,
- (iii) Fair prices of superphosphate (for the period from the 1st January to the 15th August 1952),
- (iv) Review of retention prices of tinplate produced by the Tinplate Company of India Ltd., Calcutta,
- (v) Revision of prices of raw rubber.

Shri Bansal: May I know whether the cases of industries mentioned in reply to question (b) have been referred to the Tariff Commission, and if not when do the government propose to do so?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): A questionnaire was sent to these industries, and they have sent their replies to the same. The question of reference of such of the industries as Government think proper to refer to the Tariff Commission, is under examination.

Pandit L. K. Mahtia: This questionnaire was sent by the Government or by the Tariff Commission?

Shri T. T. Krishnamachari: Initially the applications come to government; and the government asks the applicants to submit certain particulars. Primarily government has to decide whether the case is fit to be referred to the Tariff Commission. The Screening is done at the minister level, and then the case is referred to the Tariff Commission, if the government think it proper.

Shri Bansal: Is it a fact that the Fiscal Commission had recommended that the Tariff Commission should have powers to go into some cases 'suo motu' without reference from the Government of India?

Shri Karmarkar: That is outside the purview of this particular question, Sir.

DISTRIBUTION OF GAZETTE OF INDIA

*261. **Shri Bansal:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the present system of distribution of Gazettes to the subscribers;

(b) whether the various issues of Gazettes are collected for several days and then posted in groups;

(c) whether Government are aware that some of the issues of the Gazettes reach the subscribers after 15 to 20 days from the date given in the Gazette;

(d) whether the delay that takes place in getting the Gazette is caused by the delay in printing or the delay in posting;

(e) whether Government's attention has been drawn to the inconvenience it causes to the subscribers; and

(f) what steps Government propose to take to remedy the situation?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Subscribers are classified into about 107 Groups according to their requirement of parts and sections of the Gazettes, and distribution is made by the Publications Division of the Press accordingly, of relevant parts and sections to each group concerned. Distribution usually commences on Saturdays and is completed on the following Monday or sometimes on Tuesday.

There is no fixed periodicity of Extraordinary issues, which are published and distributed as and when the exigencies require.

(b) No. It, however, happens that several issues of Extraordinary Gazettes are frequently received in the Publication Branch simultaneously and are despatched together.

(c) to (e): So far as I am aware Government's attention has not specifically been drawn recently to any inconvenience that has been caused to subscribers by the delay in the copies of the gazette reaching them. But Government are aware that occasionally there is such delay, although except perhaps in some of the remoter localities, it shall not take 15 to 20 days after the publication of the gazette for copies to reach the subscribers. Such delays are also likely to have occurred mostly in the case of Gazettes Extraordinary and not in the case of regular issues. Where delays have occurred, both Printing as well as Distribution sides have generally been found to have contributed to such delays. Here again as I have said earlier, this happens generally when a large number of Gazettes Extraordinary are to be issued round about the same time.

(f) Government have the matter under constant consideration and

various steps for improving the situation by expansion of both printing capacity and distribution facilities are being taken.

Shri Bansal: Is it not a fact that some of the Gazettes which carry the Bills which are presented in this House reach the public after they have been enacted here?

Sardar Swaran Singh: That, I think, is too wild an allegation. I cannot accept it.

Shri K. K. Basu: Is the hon. Minister aware that Gazettes Extraordinary are not always available in the sales organisation even in Calcutta?

Sardar Swaran Singh: I could not say, unless any specific case is made out. I thought that arrangements for distribution in Calcutta were quite up to the mark.

Sardar Hukam Singh: When there are delays but there are no complaints do the Government wait for the complaints to reach them.

Mr. Speaker: Order, order. Next question.

GOVERNMENT INDUSTRIAL UNDERTAKINGS

*262. **Shri Bansal:** Will the Minister of Production be pleased to state:

(a) whether Government have formed private limited companies for the Sindri Fertilizer Factory and the Hindustan Shipyard;

(b) if so, whether Government propose to form private limited companies for other industries under the charge of the Ministry of Production; and

(c) whether the annual balance sheets and the report of these companies will be placed before Parliament for consideration?

The Minister of Production (Shri K. C. Reddy): (a) Yes. The private limited company to run the Visakhapatnam Ship-building Yard, called the Hindustan Shipyard Limited has been formed by Government in collaboration with the Scindia Steam Navigation Company, which holds one-third of the shares.

(b) I would, in this connection, invite the attention of the hon. Member to the reply given in the Parliament of India on the 26th April, 1951, to Starred Question No. 3508 put by Dr. Ram Subhag Singh. It is only necessary to add that since then private limited companies have actually been form-

ed to manage, in addition to the two industries mentioned above in reply to part (a), the Dry Core Cable Factory at Rupnarainpur and the Nahan Foundry at Nahan, and it is proposed to form a private limited company shortly to run the Government Housing Factory at Jungpura, Delhi.

(c) The question of the manner in which Parliamentary control over the working of state-owned undertakings should be exercised is still under consideration.

Shri A. C. Guha: Is the Minister aware that the Estimates Committee made certain recommendations about the control to be exercised by Parliament in regard to these Government factories? If so, has Government come to any decision?

Shri K. C. Reddy: Yes, Sir, I am aware of the recommendations of the Estimates Committee. As I have already said in reply to part (c) of the question, the whole matter is under the consideration of Government.

Shri Velayudhan: May I know, Sir, whether the managing agency of these limited companies will be with the Government or with private agencies?

Shri K. C. Reddy: There are no Managing Agents, Sir.

VISA SYSTEM

*263. **Shri L. N. Mishra:** (a) Will the Prime Minister be pleased to state whether it is a fact that the Government of Pakistan have refused to co-operate with the Government of India in the matter of liberalising the system of visa?

(b) If so, what are the details of the suggestion made by the Government of India and the reactions of the Government of Pakistan thereon?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) The proposal to introduce the passport system between Pakistan and India was made by the Government of Pakistan. The Government of India were not in favour of it and did not wish to impose any restrictions on travel between East Pakistan and India. On Pakistan's insistence, however, the matter was discussed at considerable length by the representatives of the two Governments. These discussions were carried out with a view to facilitate travel and minimise hardship. Both Governments approached the question from this point of view and the decisions taken were

agreed decisions. As a result of these decisions travel between East Pakistan and India has been made fairly easy. Although some suggestions of the Government of India were not accepted by the Government of Pakistan, there was no lack of co-operation between the representatives of the two Governments in drawing up the rules and regulations governing the issue of passports and visas.

(b) The discussions to work out the details were prolonged. Finally, there were three proposals of the Government of India which were not accepted by the Pakistan Government. These were as follows:—

- (1) India should open branch Visa Offices at certain places in Pakistan apart from Karachi, Lahore and Dacca and, Pakistan should similarly open branch Visa Offices at certain places apart from Delhi, Jullundur and Calcutta.
- (2) Inclusion in the list of authorised routes between East Pakistan and India of certain additional routes; particularly on lines of communications between the hill districts in Assam, where internal communications are deficient.
- (3) That apart from initial registration at the check-post of entry, subsequent reports of arrival and departure to the police should be dispensed with.

Shri L. N. Mishra: May I know, Sir, whether the visa system between India and Pakistan is to operate on the same lines as those which operate between other foreign countries?

Shri Anil K. Chanda: Yes, certainly.

Shri A. C. Guha: May I know, Sir if the rules and procedure regulating the issue of visas are the same for India and for Pakistan, or is there any difference between the two systems?

Shri Anil K. Chanda: No, the rules are the same.

Shri N. C. Chatterjee: After the introduction of the passport and visa system, in view of the practical stoppage of movement of the Hindu minority from Pakistan to India, has our Government made any representation to the Pakistan Government impressing upon them the desirability of revoking or rescinding the passport and visa system?

The Prime Minister (Shri Jawaharlal Nehru): No, Sir. As a matter of fact, first of all, it is too soon to judge this matter. Secondly, there is no difficulty at the moment, so far as I know. There may be individual cases which can be inquired into. But the rules and regulations are so liberal; at any rate I have not heard thus far of any instance of any major complaint in regard to the application of this system. In any event, to ask for the revocation of the system at this stage after all that had taken place and when we have made arrangements for people to come either as migrants or as visitors with relative ease, does not seem to be necessary.

Shri Sarangadhar Das: Are the Government aware that the Indian nationals who have three or four sugar factories in East Pakistan are finding it difficult—impossible—to take labour from India because the Pakistan Deputy High Commissioner's office is not able to cope with the number of visas that are required?

Shri Jawaharlal Nehru: Not able to cope with them? Maybe; it is possible.

Shri A. C. Guha: Is the Government aware that there has been quite a big rush of applications for visas and people have been waiting for weeks for getting the necessary visas and permits from both sides?

Shri Jawaharlal Nehru: I think there is some truth in what the hon. member has said. I could not exactly say; obviously it takes a little time to adjust to the conditions and deal with the visas. I believe, so far as we are concerned, we are expediting them.

Pandit L. K. Maitra: rose—

Mr. Speaker: The question hour is over.

Short Notice Question And Answer

Shri K. P. Tripathi: (a) Will the Prime Minister be pleased to state whether steamers passing through Pakistan from Assam to Calcutta or vice versa are held up due to continuance of mariners' strike which was long called off by the Union in Calcutta?

(b) If so, what is the cause of this continuance of the strike?

(c) How many steamers are involved and what are the commodities so held up?

(d) What steps, if any, Government have taken or propose to take in the matter?

(e) Is it a fact that no similar strike took place or is continuing in steamers plying in Pakistan?

The Prime Minister (Shri Jawaharlal Nehru): (a) to (e). The crews of Indian registered vessels returned to work on the 9th November; and the traffic has been resumed.

Shri K. P. Tripathi: Is it a fact, Sir, that the conditions of the mariners in steamers plying in Pakistan are the same as the conditions of the mariners in steamers plying in Indian areas?

Shri Jawaharlal Nehru: I feel I cannot answer that question without enquiry.

Shri K. P. Tripathi: Is it a fact, Sir, that the steamers that left the Indian area after the strike was called off in Calcutta went on strike when they entered the Pakistan area?

Shri Jawaharlal Nehru: Yes. I think this is what happened. The strike was called off originally by the President of that Union, whatever it is called. But the strikers there said that they had no authentic information that it was the President who had done that, and that they had been deluded perhaps. So it became necessary for the President to send some authorised agent to say that he had called off the strike. That is how this arose.

Shri K. P. Tripathi: Is there any truth in the report which has emanated from Dhubri that some high sources in Pakistan are concerned with the instigation of this strike because the mariners are all Pakistan citizens?

Shri Jawaharlal Nehru: I can say nothing about that, Sir.

Shri A. C. Guha: If the Prime Minister has stated that certain steamers have not returned, may I know what steps the Government of India are taking so that those steamers can come back or is the Pakistan Government detaining them?

Shri Jawaharlal Nehru: I have said nothing today. Does the hon. Member refer to some previous statement?

Shri A. C. Guha: Certain steamers which were plying between East Bengal and West Bengal have not returned from East Bengal. Have the Government got any knowledge of it and, if so, what action has government taken so that these steamers may come back?

Shri Jawaharlal Nehru: During the strike all the steamers were held up at various places. Now, in the last four days they have started functioning. So, I presume they will gradually come back. If not, something will have to be done about it.

Shri Sarmah: When the strike was on, was it only on the Indian waters of the Brahmaputra or was it on the Pakistan waters also?

Shri Jawaharlal Nehru: So far as I know, I think the strike was continued on the Pakistan portion also.

Shri K. P. Tripathi: Is there any truth in this report also that the action of the Steamer Companies amounted to a connivance in allowing the strike to continue?

Shri Jawaharlal Nehru: The hon. Member will not expect me to base my answer on newspaper reports and allegations.

Shri Nambiar: May I know, Sir, whether the strike was for the legitimate grievances of the workers and whether it was settled by satisfying these legitimate grievances of the workers?

Shri Jawaharlal Nehru: I have not gone into the grievances of the workers and I do not know much about them.

WRITTEN ANSWERS TO QUESTIONS

INDIANS SEEKING ENTRY INTO CANADA FOR MARRYING INDIAN GIRLS

*254. **Shri P. T. Chacko:** Will the Prime Minister be pleased to state:

(a) whether Indians seeking entry into Canada for the purpose of marrying Indian girls who have their permanent residence there are given permission by the Government of Canada;

(b) whether those Indians who marry Indian girls in Canada are permitted to have their permanent residence there;

(c) whether Government are aware that Indians who have their permanent residence in Canada find it very difficult to get husbands for their daughters, as a result of the policy of the Government of Canada imposing restrictions on the entry of Indians into that country; and

(d) if so, whether Government have made any representations in the matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). Yes. Such persons would, however, come under the quota of 150 Indian citizens admitted into Canada for permanent residence each year.

(c) No.

(d) Does not arise.

TRAINING OF PROJECT OFFICERS

***258. Prof. Agarwal:** (a) Will the Minister of Planning be pleased to state how many project directors, State-wise were recently trained at Nilokheri?

(b) Is there any scheme to train more project officers in different regions?

(c) Have any projects been entrusted to non-official agencies and if so, on what conditions?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) A statement attached is laid on the Table. [See Appendix II, annexure No. 9.]

(b) No.

(c) First part—No.

Second part—Does not arise.

CLOTH FOR BIHAR AND WEST BENGAL

***264. Shri L. N. Mishra:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the supplies of cloth to Bihar and West Bengal have not been adequate after the recent relaxations in control over distribution and mills were allowed to sell their cloth to buyers of their own choice; and

(b) if so, the reasons for it?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) No. Supplies have been adequate.

(b) Does not arise.

COMMUNITY PROJECT

***265. Shri S. C. Samanta:** Will the Minister of Planning be pleased to state:

(a) how many completed questionnaire together with the project estimates have been received from State Governments and scrutinised and sanctioned by the Community Project Administration up-to-date (State, by State);

(b) the long term loan granted to each sanctioned project and the share of the grants-in-aid of the Central and State Governments in each case; and

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(c) whether the requisite personnel to implement the projects have been trained?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) Survey reports have been received from 12 State Governments, and project budget estimates from 18. After a preliminary scrutiny, provisional approval has been accorded to the programme for the quarter year ending 31st December, 1952.

(b) Pending consultation with project advisory committees and technical and financial scrutiny by the State Governments concerned, final approval of the programme has not yet been given.

(c) Some personnel have been trained, others are under training, and the question of training certain other categories of personnel is under consideration.

KHADI INDUSTRY

***266. Shri Jhulan Sinha:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that Khadi (i.e., handspun and handwoven cloth) industry is facing a serious crisis due to the huge accumulation of stock consequent upon its scanty consumption in the country?

(b) What steps, if any, are proposed to be taken to enable the industry to tide over the crisis and resume its normal production activities?

The Minister of Commerce (Shri Karmarkar): (a) Both in the Khadi and the handloom industry there has been a slump due to a fall in the demand for such cloth.

(b) Some discussions are going on with the parties interested to provide for a measure of immediate relief to Khadi workers. In regard to handloom products, State Governments and Ministers concerned appear to be mobilising public opinion to support handloom products. Government of India are taking steps to make long term arrangements for placing these industries on a better footing. A handloom Board has been constituted with definite objectives and the first meeting of the Board is likely to take place early next month. Prominent social workers have been invited to co-operate in the constitution of a Khadi and Village Industries Board. The funds required for these purposes are sought to be provided by the levy of a cess on mill cloth. It is hoped that all these measures will contribute to afford material relief for these industries.

SILK CLOTH

*268. **Shri Jhulan Sinha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the annual production of silk cloth in India for the latest year for which figures are available; and

(b) whether this production was enough to meet the demands of Indian consumers for the year and if not, how much had to be imported from outside?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Actual figures of annual production of silk cloth are not available. It is estimated that the average annual production during the last three years was about 16 million yards.

(b) Imports of silk fabrics are not allowed during July-December 1952; but prior to this, some quantity was allowed to be imported. The figures for 1952 are not yet available.

INDIAN SETTLERS FOR NORTH BORNEO

*269. **Shri Dabhi:** Will the Prime Minister be pleased to refer to the reply given by Dr. B. V. Keskar to starred question No. 176 asked on the 22nd February, 1952 regarding settling of Indians in North Borneo and state what progress, if any, has been made in the correspondence between the Government of India and the Government of North Borneo on the question of emigration of Indian settlers to North Borneo?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): Detailed information on the four points mentioned in reply to part (c) of the question referred to by the hon. Member has been received from the Government of North Borneo and the whole matter is now under careful consideration. If a satisfactory agreement is reached on the terms and conditions of migration it will be necessary for Government to approach Parliament to approve the issue of the necessary notification under the Indian Emigration Act to permit the emigration to Borneo for engaging on agricultural work.

CESS DUTY ON SALT

*270. **Shri B. N. Singh:** Will the Minister of Production be pleased to state:

(a) whether it is a fact that Messrs. Ramuna Das Sri Nivas Ltd., of Calcutta have charged a cess duty of annas two per maund of salt from the nominees in the eastern districts of U.P.; and

(b) if so, whether it is with the consent of Government?

The Minister of Production (Shri K. C. Reddy): (a) and (b). No cess or duty of any kind is levied on sea salt in the eastern districts of U. P. Cess is however levied by Government from the producer and collected before the salt is removed from the factory concerned. There has never been any question of Government permitting a private party to levy or collect cess on salt. It is a fact that salt despatched to Calcutta by sea, mostly from Saurashtra, Kutch and Tuticorin ports, was treated as an export and exempted from cess before 1st February 1952, but cess is being charged on such salt also since that date. The company referred to have as a consequence thereof presumably proportionately increased the price of their salt supplied to U. P.

RELIEF TO COIR INDUSTRY

*271. **Shri Velayudhan:** Will the Minister of Commerce and Industry be pleased to state:

(a) what relief was given by the Central Government for the coir industry in Travancore-Cochin; and

(b) what step have Government taken on the report submitted by an officer of the Government of India on the coir industry in that State?

The Minister of Commerce (Shri Karmarkar): (a) I would refer the Member to the reply given to starred question No. 152 on the 10th November, 1952.

(b) A Statement is laid on the Table of the House. [See Appendix II, annexure No. 10.]

SWISS EXPEDITION TO EVEREST

*272. **Shri Velayudhan:** Will the Prime Minister be pleased to state what help the Government of India have given to the Swiss expedition to Everest?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): The expedition was exempted from the payment of customs duty on the equipment imported by them into India on condition that it was re-exported within a specified period.

NILOKHERI COLONY

*273. **Shri A. N. Vidyalkar:** (a) Will the Minister of Planning be pleased to state whether it is a fact that recently the population of Nilokheri has considerably dwindled down, and a large

number of families are leaving the colony?

(b) Is it a fact that due to the above reason, some of the workshop machines are lying idle?

(c) If the reply to part (a) above be in the affirmative what are the reasons therefor?

(d) What was the population of the Nilokheri Colony as on the 1st November in 1949, 1950, 1951 and 1952?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) No.

(b) No.

(c) Does not arise.

(d) No census for the population was taken in the month of November, 1949, 1950, 1951. Nor has a census been taken during the current month. The census of the population at Nilokheri was however, taken in August, 1950, March, 1951 and January, 1952 when the population was found to be 6131, 6287 and 6315 respectively.

MIGRATION FROM EAST PAKISTAN

*274. **Shri Beli Ram Das:** (a) Will the Prime Minister be pleased to state the number of migrants from and to East Pakistan for the last six months, month by month?

(b) What are the reasons for East Bengal displaced persons to come out from that country and again almost equal numbers of migrants to go back to East Pakistan?

(c) What step do Government propose to take to stop such to and fro movement of Bengalee displaced persons?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) A statement is laid on the Table of the House. [See Appendix II, annexure No. 11.]

(b) The reasons presumably are:—

(i) a feeling of insecurity,

(ii) deteriorating economic conditions, and

(iii) apprehension at the introduction of the passport system and fear that this might lead to restriction of travel.

(c) The introduction of the passport system has greatly reduced the movement between East Pakistan and West Bengal, Assam and Tripura. At the same time, under the passport system,

there is considerable freedom of travel, though there are checks. Steps have been taken by the Governments of India and Pakistan to reassure the minorities that the passport system is not intended to restrict freedom of movement. The Central Minority Ministers of both countries have conducted a joint tour for the purpose of removing misconceptions in regard to the passport system.

HOUSES FOR WORKERS IN JUTE INDUSTRY

*275. **Shri Tushar Chatterjee:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether the Government of India are aware of the housing problem of the workers in the Jute Industry;

(b) whether the Government of India have any scheme for construction of houses in this area either directly or in collaboration with the Indian Jute Mills Association; and

(c) whether there was any discussion between the Government of India and the Indian Jute Mills Association on this subject?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Yes: Government are aware that the worker in the jute industry are in no way better off than the workers in other industries.

(b) The Government have plans for the construction of industrial houses in accordance with the Subsidised Housing Scheme. State Governments, employers and industrial co-operatives are expected, under this scheme, to build houses for the workers and Government are confident that the workers in the Jute industry will take advantage of the Scheme.

(c) No.

JUTE PRODUCTS

*276. **Shri Balmiki:** Will the Minister of Commerce and Industry be pleased to state the steps taken to improve the quality of jute articles?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I would invite the hon. Member's attention to the answer given by me on the 27th May 1952 to part (c) of his starred question No. 200.

PRICE OF PETROL IN ASSAM

*277. **Shri Beli Ram Das:** Will the Minister of Works, Housing and Supply be pleased to state what is the

amount of revenue derived in various shapes by the Central and State Governments from Petrol in the last five years?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): I place on the Table of the House two Statements. [See Appendix II, annexure No. 12.] Statement No. I shows the revenues derived from petrol by the Central Government and the Assam Government during the last five years. Statement No. II contains the same information so far as available about the other State Governments.

ELECTRICITY FOR RAILWAYS AND INDUSTRIES

***278. Shri Krishna Chandra:** (a) Will the Minister of Irrigation and Power be pleased to state whether it is planned to utilise electric power made available from the various river valley projects now under construction on development of industries and Railway electrification?

(b) How has it been planned to utilise the power that would be available from Mandi, Mach-Kund and Damodar Valley schemes under the above two heads?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The electric power made available from river valley projects under construction will be utilised almost entirely for development of industries, domestic consumption in urban and rural areas and for agricultural purposes. Power for railway electrification can, however, be made available from the D. V. Project, the Rihand Project in the U. P., the Bhakra-Nangal Project in the Punjab and the Tungabhadra Project, further stages of Pykara and Papanasam and the Periyar and Kundah Schemes in Madras.

(b) The electric power from the three projects will be utilised in the following manner:

Mandi.—No project of this nomenclature is under construction in the Punjab. Presumably the Hon'ble Member is referring to the Bhakra Nangal Project. This project provides for the electrification of all industrial undertakings in the State which are at present being run by oil or steam, and for further development of industries. Though power can be made available for railways, there is no proposal for railway electrification in the project area.

Machkund.—This project is a joint undertaking of the States of Madras and Orissa. The load forecast on the Madras side includes demands from industries such as ship building, cement, jute, textiles, sugar, groundnuts, etc. The needs of Srikakulam, Visakhapatnam, East Godavari, West Godavari, Krishna and Guntur Districts now served by thermal stations will be met by power from this project. In Orissa, power will be utilised to meet the requirements of existing industries such as rice mills, oil mills, vegetable ghee factory, sugar mill, etc. and development of new industries such as manufacture of ferro-manganese, spinning and weaving mills, paper and pulp making plant, etc. No railway electrification is proposed in the area served by this project.

Damodar Valley Project.—Power from this project will be supplied for the development of the following industries:

- (1) Iron & Steel;
- (2) Coal mining;
- (3) Mica mining and Mica processings;
- (4) Engineering industries;
- (5) Bicycle manufacture;
- (6) Copper smelting;
- (7) Aluminium;
- (8) Refractories and Glass; and
- (9) Heavy chemicals.

There is no proposal at present for electrification of railways in the Damodar Valley area.

LIGNITE COAL IN MADRAS

***279. Shri Krishna Chandra:** (a) Will the Minister of Production be pleased to state whether a deposit of Lignite coal, one of the best varieties, has been discovered in enormous quantity in South Arcot district of Madras State?

(b) Has any method been found to work this precious coal mine and of tapping the water above and below the huge Lignite layer to irrigate the barren neighbouring country?

(c) Have the Government of India decided to help the Madras Government in providing a pilot plant for working this Lignite deposit?

(d) What progress has been made in the matter so far?

The Minister of Production (Shri K. C. Reddy): (a) Yes. According to the data collected so far by the Madras Government, the lignite field

covers an area of approximately 100 sq. miles and contains over 2,000 million tons of lignite, comparable in quality to Grade I Coal produced in the Bengal/Bihar fields.

(b) The State Government have decided to undertake a Pilot Scheme, covering an area of 550 sq. ft., to examine whether the deposits could be worked or not. The question of using the sub-soil water for irrigation is also under investigation.

(c) The Government of India have decided to place at the disposal of the Madras Government, on a loan basis, certain heavy excavating machinery in connection with the working of the Pilot Scheme.

(d) Sanction for the release of the plant and machinery referred to in part (c) has been issued by the Central Government. Arrangements for the despatch of the machinery to the work spot are being made by the State Government.

ESTIMATES COMMITTEE REPORT ON D. V. C.

*280. **Shri Krishna Chandra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Estimates Committee in their fifth report for 1951-52, under para 46, reported that the present administrative and financial set-up of the Damodar Valley Corporation is most imperfect, illogical and open to criticism;

(b) whether the Estimates Committee in their said report made any recommendations as to the constitution for the Damodar and other river valley organisations; and

(c) what action the Government of India have taken in this connection?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). Yes, Sir.

(c) The Government of India have appointed a Committee of five Officials to report on certain matters connected with the D. V. C. Examination of the organisational set-up of the D.A.C. is one of the terms of reference of this Committee who have been asked to submit their report within two months.

PRIMARY SCHOOLS FOR DISPLACED CHILDREN IN WEST BENGAL

*281. **Shri Tushar Chatterjee:** Will the Minister of Rehabilitation be pleased to state:

(a) whether it is a fact that since March 1952 the Government of India are not paying any money for the Pri-

mary Schools for displaced children in West Bengal;

(b) if so, what steps the Government of India have taken to ensure the continuity of these schools;

(c) whether it is a fact that the West Bengal Government has not yet accepted the financial obligation for these schools and is paying money on Government of India's credit; and

(d) if so, when and how the financial obligation for the schools will be settled?

The Minister of Rehabilitation (Shri A. P. Jain): (a) No, it is not a fact.

(b) Does not arise.

(c) and (d). The question of financial arrangement for the future years is under consideration of Government.

PRICES OF CLOTH

*282. **Shri L. N. Mishra:** (a) Will the Minister of Commerce and Industry be pleased to state the reasons for decontrolling the prices of certain varieties of cloth and maintaining control on some other varieties?

(b) How does the present production of cloth compare with the pre-war production on a per capita basis?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) The attention of the hon. Member is invited to the Press Note dated the 30th September 1952, a copy of which is placed on the Table of the House. [See Appendix II, annexure No. 13(a).]

(b) 14 yds. against 15·3 yds. in 1938-1939.

FALL IN JUTE PRICES

*283. **Shri M. R. Krishna:** (a) Will the Minister of Commerce and Industry be pleased to state how the recent drop of £40 a ton in Great Britain's quotation for raw jute has affected jute trade in India?

(b) What is the total amount of hard currency that India is expected to lose due to this fall?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) There has been no effect so far as we know because U. K. does not buy raw jute from this country.

(b) Does not arise.

COMMUNITY PROJECTS

*284. **Shri Jhambhwal:** Will the Minister of Planning be pleased to state:

(a) what is the total amount of money which will be spent by the Central Government in Community Projects;

(b) how much of this will be foreign capital; and

(c) in what form the foreign capital will come, whether in the form of cash or in the form of commodities and if in the form of commodities, what are those commodities and their relative value?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) About Rs. 31.34 crores on the Programme already undertaken.

(b) About Rs. 4.11 crores.

(c) The dollar expenditure will be in respect of the procurement of supplies, equipment, services, and other programme materials from abroad, and their transportation to India.

SCRAP IRON AND STEEL (EXPORT)

*285. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to state the total quantity of iron and steel scraps exported to Japan during the years 1950-51 and 1951-52?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

1950-51 ... Nil.

1951-52 ... 15,784 tons.

RAW JUTE STOCKS

*286. **Shri T. K. Chaudhuri:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the stocks of raw jute held by the Jute Mills and stockists in India are now reported to be sufficient to meet the demands of jute industry in this country for this year and the next;

(b) what is the quantity of jute purchased by Indian importers through their agents in Pakistan and also the quantity actually imported into India, month by month, since the 1st of August, 1952; and

(c) what steps, if any, Government propose to take to safeguard the interest of jute growers in India so that the market prices of jute grown in

India may not be forced down below costs of production by the jute importers and stockists as well as industry importing more jute into the country than would be warranted by the actual demands of the industry?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Government have not received any such report.

(b) Government have no details of the quantity of Pakistan jute purchased by Indian importers. As regards mills, purchases made on their own account are reported to be as follows:—

August, 1952 ... 1,34,000 bales

September, 1952 ... 3,19,000 bales

Following are the quantities of raw jute actually imported from Pakistan during the months of—

August, 1952 ... 56,400 bales

September, 1952 ... 3,19,000 bales.

(c) The price of raw jute is governed in the last analysis by the price at which jute goods are sold in the world markets. The real solution to the raw jute problems, therefore, lies in helping the Indian industry to recapture and extend its overseas markets and steps like liberalizing export control, reduction of export duty etc., have already been taken towards this end to stimulate demand for our jute goods. I may add for the hon. Member's information that the current quotations of raw jute prices in Calcutta are more or less on the level of those fixed during the period of price control.

SALE OF CALCIUM CARBONATE SLUDGE FROM SINDRI FACTORY

*287. **Shri T. K. Chaudhuri:** Will the Minister of Production be pleased to state:

(a) what is the price per ton at which Calcium Carbonate Sludge obtained as a by-product in the Fertilisers and Chemicals Factory, Sindri, is proposed to be sold to the Associated Cement Company, Ltd., and how this price would compare with the actual costs at which Calcium Carbonate is obtained by cement manufacturers in this country; and

(b) whether the views of other cement manufacturers in India were obtained as to whether they were prepared to undertake to utilise the Sindri Calcium Carbonate Sludge and what prices they were prepared to offer for the same?

The Minister of Production (Shri K. C. Reddy): (a) Sindri Fertilizers and Chemicals Ltd. have contracted to sell Calcium Carbonate Sludge to M/s. Associated Cement Companies Limited at Rs. 9-0-0 per ton. The information at the disposal of the Government shows that the cost of limestone used by cement factories in India ranges from Re. 0-88 to Rs. 7-97 per ton.

(b) One other principal firm of Cement manufacturers in India was consulted but they stated that they were not interested in buying the sludge.

METALLURGICAL COAL

***288. Shri A. C. Guha:** Will the Minister of Production be pleased to state:

(a) the action so far taken for implementing the recommendations of the Metallurgical Coal Enquiry Committee;

(b) the raising of metallurgical coal in the years 1948, 1949, 1950 and 1951; and

(c) the quantity of such coal exported to foreign countries and consumed by Indian Railways during those four years?

The Minister of Production (Shri K. C. Reddy): (a) The recommendations of the Committee for Conservation of Metallurgical coal related mainly to taking early steps for the conservation of the country's resources of Metallurgical coal by compulsory stowing of mines producing such coal, by washing and blending and by effecting a gradual reduction in the output of better grades of Metallurgical coal over a period of years. These recommendations have been accepted by the Government and the Coal Mines (Conservation and Safety) Act was passed early this year, empowering the Central Government to take such measures as it may think necessary for the purpose of maintenance of safety in coal mines or for conservation of coal, including stowing for safety, or for conservation or washing of coal with a view to benefiting and reducing the ash-contents of coal and improving its coking qualities. A Coal Board was set up under this Act with effect from the 8th January, 1952, charged with the duty of effectively dealing with the problems relating to safety in mines and conservation of coal and matters connected therewith. The Coal Board has just completed the framing of the rules to give effect to the measures to be taken for conservation of coal and is now engaged in investigating the working conditions of Metallurgical

coal producing collieries, the availability of stowing materials, the possibility of setting up coal-washeries, etc. Pending completion of the investigation of various aspects of coal conservation, the Coal Board has, as a preliminary step, issued orders pegging the production of selected grades of metallurgical coal in 1952 at 7-9 million tons and in 1953 at 7-4 million tons.

(b) The figures of production of metallurgical coal in 1948 are not available, but the raisings in 1949, 1950 and 1951 for all grades of metallurgical coal were:—

		(in million tons)
1949	.	12-701
1950	.	12-539
1951	.	13-665

(c) The figures are :

	1948	1949	1950	1951
Exports	13,472	13,237	96,681	6,43,261
Rail- way con- sumption (Selected Grades A and B only).	11,47,750	17,19,434	15,10,000	13,50,000

* (From April to December)

SALE OF GOVERNMENT PUBLICATIONS

***289. Shri Madiab Gowda:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether any book depots, private or public, have been opened for the sale of Government publications;

(b) how many such depots are there in each of the States; and

(c) whether all the publications are made available for sale in those depots?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Yes.

(b) A statement is laid on the Table of the House. [See Appendix II, annexure No. 13(b).]

(c) All Government of India publications are available in the Kitab Mahal, New Delhi and Book Depot, Calcutta. In all other Depots only important publications are sent for sale.

CONSERVATION OF METALLURGICAL COAL

***290. Shri P. C. Bose:** (a) Will the Minister of Production be pleased to state what will be the effect of the

Scheme for conservation of metallurgical coal on the colliery workers?

(b) How many collieries are likely to make retrenchments on account of the Scheme?

(c) What action, if any, Government propose to take in the matter?

The Minister of Production (Shri K. C. Reddy): (a) It is not expected that the scheme for the conservation of metallurgical coal will have any serious effect on colliery workers.

(b) No large-scale retrenchment is anticipated. The Coal Board will examine the cases of all collieries in order to minimise as far as possible, the need for retrenchment.

(c) The Government do not consider that any further action is necessary.

BY-PRODUCTS OF SINDRI FACTORY

***291. Shri H. N. Mukerjee:** (a) Will the Minister of Production be pleased to state what are the by-products of the Sindri Fertiliser Factory?

(b) How are they disposed of?

(c) What is the amount of loss due to wastage if any, of such by-products?

The Minister of Production (Shri K. C. Reddy): (a) The only by-product in the manufacture of Ammonium Sulphate is Calcium Carbonate Sludge. A large quantity of ash is left over from burning of coal and coke but it is a waste product, and not a by-product of the factory. A small quantity of Coke breeze is also left behind as waste.

(b) The Calcium Carbonate sludge is at present stored with a view to utilizing it for the manufacture of cement. An agreement has been entered into with Messrs. Associated Cement Companies Ltd., under which the sludge will be purchased by them at Rs. 9/- per ton. The Associated Cement Companies Ltd., will put up a cement plant at Sindri for the manufacture of 600 tons of cement per day (initially 300 tons a day).

Most of the ash is at present dumped at the marshalling yard. At one time, it was considered whether the ash would be suitable for stowing purposes in the Coal mines, but it has been found to be not suitable for this purpose as it contains some unburnt carbon. The possibility of using the ash for the manufacture of hollow being explored. Pending this investigation, a portion of the ash is being sold at Rs. 3/- per ton ex-works.

The coke breeze is burnt with coal in the Power House.

(c) There is no wastage of the by-product and the question of loss due to wastage, therefore, does not arise.

RECOGNITION OF GERMAN DEMOCRATIC REPUBLIC

***292. Shri H. N. Mukerjee:** Will the Prime Minister be pleased to state:

(a) the policy of Government in regard to the recognition of the German Democratic Republic (East Germany); and

(b) the steps, if any, adopted or in contemplation for promotion of trade between India and the said Republic?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) The Government of India look forward to the unification of Germany and are, therefore, reluctant to take any step which might retard the process of unification. The Indian Embassy at Bonn is a continuation of the previous contacts with that area. It is also due to the fact that India's economic relations with Western Germany are of importance to her. Recognition of the East German Democratic Republic would have a certain implication that India had accepted the division of Germany as final.

(b) No special steps have been taken or are present under contemplation. Trade is proceeding satisfactorily under normal conditions obtaining in both countries.

INDIANS EMPLOYED IN FOREIGN BUSINESS HOUSES IN INDIA

***294. Shri Meghnad Saha:** (a) Will the Minister of Commerce and Industry be pleased to state whether any enquiry has been recently undertaken by Government as to the terms of service, salaries and allowances of Indian employees in comparison to those of Europeans in foreign business houses in this country?

(b) What are the results of this enquiry?

(c) Is it a fact that a larger number of Europeans without the necessary qualifications are being appointed on larger salaries and allowances by business firms particularly by British firms for the past few years in preference to Indians with higher qualifications?

(d) Is it a fact that Indian employees in foreign firms discharging higher and more onerous duties are given lower scales of pay and allowances?

(e) What steps, if any, have been taken to remove such discrimination in foreign companies located in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). At present, Government are collecting information regarding Indians and foreign nationals employed in foreign-owned or controlled undertakings.

(c) to (e). Government have received a few complaints alleging discriminatory treatment by foreign firms towards their Indian employees but it is difficult for Government to draw conclusions therefrom without further investigation.

SODIUM CHLORIDE IN EDIBLE SALT

***295. Shri C. R. Narasimham:** Will the Minister of Production be pleased to state:

(a) whether Government have fixed any minimum percentage of Sodium Chloride content for edible salt;

(b) if so, whether they have banned any factory showing less percentage so far;

(c) if so, which are the factories banned, and what is the quantity of salt so condemned;

(d) whether Government have taken any steps for the disposal of such salt and if so, what are they and what is the quantity of such salt so disposed of;

(e) whether Government have taken any expert opinion as to the minimum percentage required for edible salt and if so, who is the expert and what is his opinion;

(f) whether Government have made any arrangement for the manufacturers to find out the percentage of Sodium Chloride in salt or provided laboratories in all the factories to enable the manufacturers to find out the quality and if not, why not; and

(g) whether Government have got any proposal to collect establishment charges from the unlicensed manufacturers of salt?

The Minister of Production (Shri K. C. Reddy): (a) Yes: 93 per cent. for 1952, which will be raised progressively to the minimum standard of 96 per cent.

(b) Yes.

(c) A statement showing the quantities banned for sale for human consumption in respect of the different factories is placed on the Table of the House. [See Appendix II, annexure No. 14.]

(d) The sub-standard salt can be released for industrial purposes, but enquiries from various industries show that there is no demand for this salt as the quality of salt required by the industries is even higher than that prescribed for human consumption.

(e) The percentage of sodium chloride content for edible salt has been fixed by the Indian Standards Institution after consulting the salt industry.

(f) Test laboratories have been established in all the regions for the analysis of salt samples at Government expense.

(g) No.

SUBSIDY TO INDIAN STANDARDS INSTITUTION

***296. Shri K. C. Sodhia:** (a) Will the Minister of Commerce and Industry be pleased to state the amount of subsidy paid to the Indian Standards Institution during 1950-51?

(b) What was the total budget of the Institution for that year?

(c) What is the composition of the Executive Committee?

(d) What use is made of the standards published by the Institution?

The Minister of Commerce (Shri Karmarkar): (a) Rs. 2,20,000/-

(b) Budget Rs. 5,53,500-0-0 Actuals Rs. 4,00,994-13-6.

(c) A statement giving the information required is placed on the Table of the House. [See Appendix II, annexure No. 15.]

(d) They are being made use of by manufacturers for marketing their products and consumers (which include purchasing departments of the Central and State Governments as well as Municipal bodies) for indenting their requirements.

PILGRIMAGE TO HEJAZ

***297. Shri K. C. Sodhia:** (a) Will the Prime Minister be pleased to state whether the Government of India spend any amount of money by way of subsidy or otherwise in making arrangements for pilgrimage to Hejaz?

(b) If so, how much was spent during the years 1950-51 and 1951-52?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). The Government of India do

not pay any subsidy to any non-official body for arrangements for pilgrimage to the Hejaz. They spent Rs. 28,436-5-0 during 1950-51, and Rs. 79,547-6-0 during 1951-52, on administration, medical facilities, police arrangements and relief and repatriation of destitute pilgrims.

ABDUCTED WOMEN

*298. **Shri K. C. Sodhia:** (a) Will the Prime Minister be pleased to state what is the total number of abducted women recovered so far in India and made over to Pakistan and *vice versa*?

(b) What was the total number of such women reported originally in either case?

(c) What was the total strength of the agency employed by the Government during 1949-50, 1950-51 and 1951-52 for recovery of abducted women and what was the expenditure incurred thereon during these years?

(d) For how long is this work likely to continue?

The Deputy Minister of External Affairs (Shri Anil K. Chauda): (a) 17,916 abducted women were recovered in India up to the 15th October, 1952, 16,917 were restored to relatives in Pakistan, and the remaining 1,000 to relatives in India.

In the same period 8,351 abducted women were recovered in Pakistan, 8,326 restored to relatives in India, and the remaining 25 to relatives in Pakistan.

(b) No reliable figures were ever available.

(c) The total strength of the agency during the given years is shown in the attached statement. The expenditure incurred during those years is as under:—

1949-50	Rs. 3,23,487
1950-51	Rs. 10,50,864
1951-52.	Rs. 7,87,250

(d) It is rather difficult to say, but as at present envisaged, it is likely to continue as long as victims of the disturbances remain to be recovered.

Statement showing the strength of the Recovery Organisation during the years 1949-50; 1950-51 and 1951-52.

1949-50.

Civil Staff.

Officers	1
Ministerial Staff	68
Social Workers	39
Class IV Staff	71

Medical Staff.

Lady doctors	2
Woman dispenser	1
Nurse Dais	2
Aya	1
Sweeper	1

Police Staff.

Supdt. of Police	1
Dy. Supdt. of Police	1
Inspectors	14
Sub-Inspectors	4
Head Constables	15
Foot Constables	306
Clerks	6

1950-51.

Civil Staff.

Officers	2
Ministerial Staff	61
Social Workers	54
Class IV Staff	41

Medical Staff.

Lady doctors	2
Woman dispenser	1
Nurse Dais	2
Aya	1
Sweeper	1

Police Staff.

Supdt. of Police	1
Dy. Supdts. of Police	2
Inspectors	4
Sub-Inspectors	1
Asstt. Sub-Inspectors	2
Head Constables	7
Foot Constables	88
Clerks	4

1951-52.

Civil Staff.

Officers	2
Ministerial Staff	62
Social Workers	86
Class IV Staff	50

Medical Staff.

Lady doctor	1
Woman Dispenser	1
Nurse Dais	2
Matron	1
Aya	1
Sweeper	1

Police Staff.

Supdt. of Police	1
Dy. Supdts. of Police	2
Inspectors	3
Sub-Inspector	1
Asstt. Sub-Inspectors	3
Head Constables	12
Foot Constables	95
Clerks	4

KHOSLA COMMITTEE'S REPORT

***299. Shri Ramachandra Reddi:** Will the Minister of Planning be pleased to state:

(a) whether the Khosla Committee submitted any report to the Government or the Planning Commission on the utilisation of the Krishna and Godavari waters;

(b) if so, when;

(c) whether it was referred to the Madras State Government for their views and if so, when; and

(d) whether the Madras State Government's views have been received, if so, when they were received and what they are?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) to (d). Attention of the hon. Member is drawn to Starred Question No. 169 answered on November 10, 1952. The report of the Khosla Committee was referred to the Madras Government in September. A conference with the Governments of Madras and Hyderabad is expected to be held during the latter part of November, 1952.

CUT IN IMPORTS

***300. Shri Basappa:** Will the Minister of Commerce and Industry be pleased to state:

(a) the extent of recent cuts in imports;

(b) whether this cut in imports tended towards the rise in the prices of some articles; and

(c) what are the materials in which this rise in prices is noticed most?

The Minister of Commerce (Shri Karmarkar): (a) to (c). The extent of cuts made in the Import Policy for July—December 1952 varies from item to item. In general, the import of only those items was restricted for which the available stocks, indigenous production and expected arrivals against outstanding import licences, were considered to be adequate in relation to estimated demand. There has been no general tendency towards a rise in the prices of the articles affected by these cuts. In some cases, where formerly owing to conditions of overstocking the articles were selling below cost, there has been some increase in the price. A purely speculative price rise in some consumer goods has also come to notice.

MAHANADI CANAL SYSTEM

***301. Pandit Lingaraj Misra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether a survey has been undertaken in the Cuttack and Puri Districts of Orissa State for construction of a canal system for the proper utilization of the perennial flow of water in the Mahanadi as a result of the Hirakud Dam Project;

(b) how far has the survey so far progressed;

(c) which of the thanas in the two districts and the acreage of land proposed to be irrigated by these new canal systems; and

(d) what is the estimated cost of the project?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) About one-third of the survey work has been completed.

(c) The names of the thanas in the two districts that would be benefited by irrigation can be stated only after the contour survey and the detailed investigations are completed. The additional area that would be irrigated annually in both these districts is 9.45 lakh acres approximately.

(d) Rs. 11 lakhs.

COIR PRODUCTS

***302. Shri Achuthan:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any investigation has been conducted for entering into Trade Agreements with any countries for the export of coir products; and

(b) how much stock (coir products) is lying idle due to the lack of foreign purchasers?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Opportunities are taken from time to time to introduce coir products as an item of export from India in our Trade Agreements with foreign countries. This item appears in our Trade Arrangements with the following countries:

- (1) Italy.
- (2) Finland.
- (3) Norway.
- (4) Austria.
- (5) Federal Republic of Germany.
- (6) Burma.

(b) Government have no precise information on the subject.

FILM CENSORSHIP

***303. Shri K. R. Sharma:** Will the Minister of Information and Broadcasting be pleased to state:

(a) what agencies have been established by the Government for the censorship of films;

(b) whether there is any code of instructions to these agencies; and

(c) whether Government have taken any steps to promote the production of films of a purely educative character?

The Minister of Information and Broadcasting (Dr. Keskar): (a) A central Board of Film Censors has been constituted for the purpose of examining and certifying films as suitable for public exhibition. The details regarding the working of the Board are given in the Cinematograph (Censorship) Rules.

(b) The Board have issued a 'Directive' to its Examining Committees regarding the principles for determining whether a film is or is not suitable for public exhibition.

(c) Government have a Films Division which produces and distributes documentary films and newsreels. Central Government's responsibility extends to sanctioning of cinematograph films for exhibition and not to undertaking feature films.

TEA (PRODUCTION AND EXPORT)

***304. Shri Buchhikotiah:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total annual production of tea in India since 1947;

(b) the quantity and value of annual exports of tea since 1947 and the countries to which exports have taken place;

(c) whether it is a fact that recently there has been a decline in India tea exports;

(d) whether negotiations are afoot with representatives of American Tea Association for export of India tea to U.S.A.; and

(e) whether Government have explored any alternate markets for exports of India tea?

The Minister of Commerce (Shri Karmarkar): (a) and (b). A statement giving the required information is laid on the Table of the House. [See Appendix II, annexure No. 16.]

(c) The tea exports in 1951-52 declined by 14 m. lbs. compared to the exports during 1950-51.

(d) Discussions are going on with a representative of the U.S. Tea Association on the general question of stepping up our exports of tea to U.S.A.

(e) Attempts are all the time being made to explore all possible markets for Indian tea.

AUTOMOBILE ASSEMBLY

***306. Shri C. R. Chowdary:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the automobile assembly plants in India are working to capacity;

(b) whether all the five major plants are operating at present; and

(c) whether Messrs. Hindustan Motors Ltd. have already closed down?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) No Sir.

(b) Presumably by major plants the hon. Member is referring to the firms with a manufacturing programme. All the five plants are assembling cars imported in a C. K. D. condition. In regard to manufacturing components parts that go to make up an automobile one of these five is reported to have made considerable progress, another some progress and a third is well on the way to commence machinery parts. Two plants however have not made any beginning in this direction.

(c) No, Sir. Not so far as Government know.

JAPANESE ENGINEERS FOR SETTING UP INDUSTRIES

***307. Shri Pannooze:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether some Japanese Engineers are shortly coming to India to set up medium sized industries;

(b) whether Government are aware of the report of a Press Conference to this effect held by the Japanese Charge d' Affairs in India recently;

(c) what are the industries that these technicians would help to set up;

(d) whether the Japanese interests have a share in capital investment of these industries; and

(e) whether any agreements have been signed between Indian and Japanese interests concerned with these industries?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). Government have seen the Press report referred to but they have no information regarding the proposed visit of Japanese Engineers to India to set up medium sized industries.

(c) to (e). Do not arise.

PROCUREMENT OF COFFEE

***308. Shri Punnoose:** Will the Minister of Commerce and Industry be pleased to state:

(a) the present method of procurement of coffee;

(b) the procurement price of coffee;

(c) whether there is any excise duty on the production of coffee and if so, at what rate;

(d) whether Government have received a memorandum from the Coffee Planters of Sirmulai Hills, Dindigul Taluk, Mathurai District in South India;

(e) whether these planters have drawn the attention of Government to various handicaps including financial losses they are made to face by the present procurement system; and

(f) what action Government have taken on the memorandum?

The Minister of Commerce (Shri Karmarkar): (a) Under the Coffee Market Expansion Act, 1942, all coffee grown in the country has to be delivered to the 'surplus pool' maintained by the Indian Coffee Board. The Board has appointed pool agents in all the main coffee producing areas, who collect coffee from the producers.

(b) The price paid to coffee growers during the 1950-51 season for Plantation A coffee was Rs. 180-13-4 per cwt., with suitable differentials for the other varieties. For 1951-52 season, only part payments have been made as follows (for Plantation A, as on 30-9-1952):

Big estates	Rs. 135/- per cwt.
Small growers	Rs. 160/- " "

The price at recent auctions was Rs. 304-6-0. The balance after de-

ducting expenses of the Board and of propaganda, will be distributed to the growers.

(c) The excise duties on coffee are:

(i) Re. 1/ per cwt. on all coffee released in the internal market, levied under the Coffee Market Expansion Act, 1942.

(ii) Rs. 21/- per cwt. on all coffee released for internal consumption, levied under the Central Excise Act.

(d) and (e). Yes, Sir.

(f) This matter is being examined.

WOOL

88. Shri Karni Singhji: Will the Minister of Commerce and Industry be pleased to state:

(a) the total quantity of wool produced in India in 1951;

(b) how much of it came from Rajasthan and Bikaner Division in particular;

(c) the quantity of wool exported, together with its value, to foreign countries last year; and

(d) the possibilities of starting a woollen mill in Bikaner?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) The estimated annual production of wool in India is 54.5 million lbs.

(b) Production in Rajasthan is estimated at 17.9 million lbs. out of which Bikaner produces about 4 millions lbs.

(c) During 1951-52 18,294,510 lbs. of wool valued at Rs. 4,89,69,533 was exported.

(d) The Industry has not so far approached Government in this connection. If any scheme is put forward, Government will examine it.

TRADE WITH JAPAN AND WESTERN GERMANY

89. Shri C. R. Chowdary: Will the Minister of Commerce and Industry be pleased to state:

(a) the value of annual imports from Japan and Western Germany since 1948;

(b) the value of annual exports to Japan and Western Germany since 1948; and

(c) the main items of exports to and imports from these countries?

The Minister of Commerce (Shri Karmarkar): (a) to (c). I lay on the Table of the House a statement showing the statistics of trade between India and Japan and India and Western Germany since 1948 and the main items of imports from and exports to these countries. [See Appendix II, annexure No. 17.]

RETRENCHMENT IN A.I.R.

90. Pandit Munishwar Datt Upadhyay: (a) Will the Minister of Information and Broadcasting be pleased to state how many employees of the A.I.R. are to be removed and how many to be reverted in the impending retrenchment in the All India Radio Organisation?

(b) How many years' services have the persons concerned put in and in what grades?

(c) What are their approximate ages at present?

(d) What is the total strength of the employees of the A.I.R. in different grades separately?

The Minister of Information and Broadcasting (Dr. Keskar): (a) There is no plan of retrenchment but there is one for regularising the position of all employees according to service rules. In this so far 12 employees have been discharged and 8 are proposed to be discharged; 29 employees have been reverted and 2 are proposed to be reverted.

(b) to (d). Statements giving the necessary information are laid on the Table of the House. [Placed in Library. See No. P-74/52.]

PROTECTION TO INDUSTRIES

91. Shri S. C. Samanta: Will the Minister of Commerce and Industry be pleased to state:

(a) the names of different indigenous industries that were granted protection since 1947 (item by item and year by year);

(b) how many of them have industrially developed and consequently from how many has protection been withdrawn and from which year; and

(c) which of the industries asking for protection were closely examined by the Tariff Board and were found unsuitable for being protected, giving reasons in each case?

The Minister of Commerce (Shri Karmarkar): (a) and (c). I lay on the

Table of the House two statements supplying the information asked for. [See Appendix II, annexure No. 18.]

(b) Only a section of the preserved fruits industry (v.z. fruit juices, squashes, cordials and syrups). The protective duties on these articles were withdrawn in April 1951, when the level of the standard rate of duty was reduced from 40 per cent. to 36 per cent. *ad valorem* (the rate prevailing before the grant of protection).

INDIANS IN MALAYA

92. Shri P. T. Chacko: (a) Will the Prime Minister be pleased to state how many Indians were subjected to detention, conviction, and capital punishment on alleged political activities in Malaya since 1949?

(b) How many Indians were repatriated to India from Malaya since 1949?

(c) How many Indians, civilians, and police-men and other Government servants lost their lives due to disturbances in Malaya?

(d) Did the Government of Malaya give any compensation to the families of those Government servants who lost their lives as a result of the terrorist activities?

The Prime Minister (Shri Jawaharlal Nehru): (a) Since the beginning of the emergency in June 1948, 1363 Indians have been detained in the Federation of Malaya and 109 in the Colony of Singapore under the Emergency regulations. Of these 1,168 were detained since 1949.

No separate figures are available in regard to the number of Indians convicted in Malaya under the Emergency Regulations. It is difficult to have reliable figures as it is not easy to establish the Indian domicile of these persons.

8 Indians were sentenced to capital punishment. Of these, one was acquitted on appeal and the other two had their sentences commuted.

(b) 757.

(c) 241.

(d) Yes.

SALT FACTORIES AND RESEARCH STATIONS

93. Shri S. C. Samanta: Will the Minister of Production be pleased to state:

(a) how many model factories and Research Stations have been started in

different parts of India in accordance with the recommendations of the Salt Expert Committee;

(b) how much salt is expected to be exported to Japan in the year 1952-53;

(c) what is the surplus stock of salt which cannot be exported owing to its quality not being up to the standard; and

(d) how much of salt was exported and imported in the years 1949, 1950 and 1951 and what was their value?

The Minister of Production (Shri K. C. Reddy): (a) So far only one model factory and Research Station has been established at Wadala (Bombay). A salt research laboratory, to which will be attached a model factory, is in process of being set up at Bhavnagar in Saurashtra. One or two other model factories are also proposed to be started shortly.

(b) About 75 lakh maunds.

(c) Ample stocks of the requisite quality are available for export.

(d) A statement giving the required information is placed on the Table. [See Appendix II, annexure No. 19.]

HOUSES FOR DISPLACED PERSONS

94. Shri A. N. Vidyalkar: (a) Will the Minister of Rehabilitation be pleased to state the number of hutments and houses built up to this day by, or with the assistance of the Ministry of Rehabilitation in (i) Delhi; and (ii) in other States (Statewise)?

(b) What was the total amount of money spent thereon by (i) the Central Government; and (ii) the State Governments (Statewise)?

(c) What is the total number of persons accommodated in them?

(d) How many of these houses or hutments are mud huts?

(e) Do Government propose to replace mud huts by pucca houses?

(f) Is it a fact that a very large number of families is provided with only single room huts?

(g) Is the number of family members taken into consideration while allotting a particular family with particular accommodation and if not, why not?

(h) What is the estimated life of these constructions?

(i) Is it a fact that most of the constructions are already in a damag-

ed state, and the displaced persons have often made complaints regarding this matter?

The Minister of Rehabilitation (Shri A. P. Jain): (a) For Displaced persons from West Pakistan 1,31,221 houses were completed upto 30th June, 1952 and 17,325 houses were under construction on that date. 1,59,924 houses have been constructed for East Pakistan Displaced Persons. A statement giving the statewise distribution of houses already constructed is laid on the Table of the House. [See Appendix II, annexure No. 20.]

These figures include the number of houses constructed by displaced persons themselves with Government assistance.

(b) The Expenditure incurred upto the end of financial year 1951-52 was Rs. 48 crores and all the funds have been provided by the Central Government.

(c) It is estimated that about 14.25 lakhs displaced persons are accommodated in these houses.

(d) About 19,900.

(e) Mud huts in the Punjab which are no longer habitable will be replaced by one roomed tenements.

(f) Both single and double roomed tenements have been constructed. It is difficult to give separate figures for the two types of tenements.

(g) Yes.

(h) The estimated life of these houses (excluding mud huts) varies from 10 to 40 years according to their specifications.

(i) No.

MUD HUTS DAMAGED BY RAIN

94. Shri A. N. Vidyalkar: (a) Will the Minister of Rehabilitation be pleased to state whether it is a fact that during the recent heavy rains most of the mud huts in the various colonies of displaced persons were seriously damaged and the occupants were put to considerable inconvenience?

(b) What is the total number of mud huts and approximate number of those affected by rains and floods?

(c) What steps did Government take to accommodate the families so affected?

(d) What have Government done to repair the damaged houses?

(e) What is the cost of repairs met by the Centre and the States (separately)?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) Some damage occurred to mud huts in the Punjab. No damage has been reported in other parts of the Indian Union.

(b) The total number of mud huts is 19,894. Of these, 1,963 huts were badly damaged and 2,310 partially affected in the Punjab.

(c) to (e). The District authorities in the Punjab tried to provide alternative accommodation to the affected families in schools, hospitals etc. A grant of Rs. 50,000/- was given to the State Government for giving relief at the rate of Rs. 50/- per family to the occupants of badly damaged huts. It is also proposed to replace about 2,000 badly damaged mud huts by one roomed tenements. The entire cost will be borne by the Central Government.

PRICE OF PAKISTANI AND INDIAN JUTE

96. Shri T. K. Chaudhuri: Will the Minister of Commerce and Industry be pleased to state:

(a) the month to month prices of jute purchased by Indian importers from Pakistan beginning from August, 1952; and

(b) the ruling market-prices of the principal grades of India-grown jute month by month beginning from August, 1952?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Prices paid by Indian importers for jute in East Pakistan are not reported to Government. Market quotations at Narayanganj, which is the chief jute centre, in Eastern Pakistan, are reported to have been as follows:—

Raw jute prices at Narayanganj
(East Pakistan) Mill-Middle
(Pakistan Rupees per maund)

4-8-1952 ... Rs. 13-8-0
6-9-1952 ... Rs. 14-8-0
4-10-1952 ... Rs. 15-4-0

(b) Calcutta Market quotations for the main grades of Indian raw jute are given below:—

Date	Assam		Assam	
	Middles (per maund)		Bottoms (per maund)	
	Rs.		Rs.	
4-8-1952	27	8 0	24	8 0
6-9-1952	30	8 0	27	8 0
4-10-1952	31	0 0	28	0 0
4-11-1952	29	0 0	26	0 0

MIGRANTS FROM EAST BENGAL

97. Shri A. C. Guha: Will the Prime Minister be pleased to state:

(a) the number of migrants from East Bengal into India during the year 1952 month by month;

(b) whether Government have made any enquiry into the causes of the increase in the number of displaced persons during the months of July, August, September and October, 1952;

(c) whether, just before the introduction of passport, any Muslims migrated from West Bengal and from other parts of India into Pakistan, and if so their number; and

(d) whether both the Governments have taken adequate steps to prevent panic among the minorities before the introduction of the passport system?

The Prime Minister (Shri Jawaharlal Nehru): (a) A statement is placed on the Table of the House. [See Appendix II, annexure No. 21.]

(b) The normal causes leading to migration were a feeling of insecurity and deteriorating economic conditions, which led to the migration of a large number of destitute persons from rural areas. The increase in the number of migrants, which showed itself slightly in the month of August, became more evident in September and was very considerable in the first half of October, appears to have been chiefly due to the announcement that the passport system was being introduced. There was an apprehension that after the introduction of this system, migration and even ordinary travel might become much more difficult.

(c) There was a marked increase in the number of Muslims migrants from India to East Pakistan. Even previously, there was an excess of Muslims travelling to Pakistan from India over those travelling from Pakistan to India from 1st April to October 15, 1952, that is in six and a half months. 5,13,340 Muslims travelled from West Bengal to East Pakistan by rail. During the same period, 4,22,220 Muslims travelled in the reverse direction that is from East Pakistan to West Bengal. There was a tendency for more Muslims to go to East Pakistan throughout this period. There was no sudden jump in September or October.

During the same period, from April to October 15, 1,38,980 Muslims travelled by rail and road from Assam to East Pakistan; and 1,40,532 Muslims

came from East Pakistan to Assam. In the months of September and October an increasing number of Muslims went from Assam to East Pakistan.

6,808 Muslims migrated to West Pakistan from India in the first fortnight of October.

(d) The Government of India took adequate steps, well before the introduction of the passport system, to assure the public in India that the intention of the passport system was not to restrict the freedom of movement guaranteed by the Prime Ministers' Agreement. It is not known what steps, if any, were taken by the Government of Pakistan in this behalf before the passport system was actually introduced.

SOAP

98. Shri K. C. Sodhia: (a) Will the Minister of Commerce and Industry be pleased to state the total quantity and value of Indian soap exported during 1949-50, 1950-51 and 1951-52?

(b) What was the total production of organised soap factories during 1951-52?

(c) What was the import of soap into India during 1949-50, 1950-51 and 1951-52?

(d) From what countries was this import made?

(e) What was the quality of the imported soap?

(f) What are the reasons why the soap factories in India do not produce the soap of the imported quality?

(g) Do Government intend to stop the import of foreign soap and if not, why not?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a)—

Year	Quantity (Tons)	Value (Rs.)
1949-50 . . .	2575.9	48,95,808
1950-51 . . .	977.25	17,26,093
1951-52 . . .	2469.50	51,06,618

(b) 86,000 tons.

(c)—

Year	Quantity (Tons)	Value (Rs.)
1949-50 . . .	142.90	5,77,319
1950-51 . . .	171.75	1,94,261
1951-52 . . .	120.40	2,95,369

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(d) Mostly from the United Kingdom; small quantities were imported from U. S. A., Iraq, Canada, Zanzibar and Pemba and Australia.

(e) Special types of medicated soaps and those required in the manufacture of dentifrices and of synthetic detergents.

(f) Since requirements of these varieties are very small and their manufacture involves special technique, their production in India would be uneconomical.

(g) Import of soaps is already banned except for special types of medicated and dental soaps which are not produced in India.

AMMONIUM SULPHATE CRYSTALS PRODUCED IN SINDRI FACTORY

99. Shri K. Subrahmanyam: Will the Minister of Production be pleased to state whether it is a fact that crystals of Ammonium Sulphate produced at the Sindri Fertiliser Plant are not of the proper size and standard and if so, is any inquiry being made as to the reasons for the same?

The Minister of Production (Shri K. C. Reddy): No.

GERMAN EXPERTS IN SINDRI FACTORY

100. Shri K. Subrahmanyam: Will the Minister of Production be pleased to state as to what are the total emoluments paid to the German expert in the Sindri Fertiliser Factory and what are the amenities he enjoys?

The Minister of Production (Shri K. C. Reddy): The total emoluments paid to the German expert are Rs. 3,000/- per mensem. No special amenities have been granted to him.

BETEL-NUTS (IMPORTS)

101. Shri Achuthan: (a) Will the Minister of Commerce and Industry be pleased to state the quantity of betel-nuts imported into India during the years 1950 and 1951 and the first three quarters of this year?

(b) Have Government enquired as to the cost of cultivation of betel-nuts in these exporting countries and if the answer is in the affirmative, how does it compare with the cost of cultivation in India?

(c) Did Government note the sudden fall in the price of betel-nuts in recent months this year in India?

The Minister of Commerce (Shri Karmakar): (a) The quantities of betel-nuts imported during the years

1950, 1951 and the 7 months January to July 1952 were 1184, 1021 and 524 thousand cwts. respectively. Figures for the months of August, September and October of this year are not readily available.

(b) Information is being collected and will be laid on the Table of the House later.

(c) The prices of betel-nut, except in the case of Palghat variety at Bangalore, have after a temporary fall in the months of February and March 1952, recovered appreciably in recent months. The price of Palghat variety at Bangalore has remained, on the whole, erratic during the recent months with a general tendency towards a fall.

RAW RUBBER

102. **Shri C. R. Chowdary:** Will the Minister of Commerce and Industry be pleased to state:

(a) the annual production of raw rubber in India since 1946;

(b) the total annual exports since 1946 of raw rubber and the countries to which exports were made;

(c) the price at which exports have taken place since 1946; and

(d) whether the prices of raw rubber have recently been increased and if so, by how much?

The Minister of Commerce (Shri Karmarkar): (a) —

Year	Production
	Tons
1946	15,672
1947	15,449
1948	15,422
1949	15,587
1950	15,599
1951	17,148
1952	18,959
	(Estimated.)

(b) and (c) —

Year	Exports	Price per 100 lbs.
	Tons	Rs.
1946-47	299.2	75.1
1947-48	Nil	...
1948-49	6	78.03
1949-50	59.3	80.8
1950-51	945.1	93.9
1951-52	149.3	282.3

Information regarding the countries to which the rubber was exported is being collected and will be laid on the Table of the House.

(d) Yes, Sir. The price was increased from Rs. 128/- to Rs. 138/- per 100 lbs. of Group 1 rubber, f. o. b. Cochin, due to increase in the cost of production of rubber.

KULJIAN CORPORATION OF U. S. A.

103. **Shri T. K. Chaudhuri:** (a) Will the Minister of Irrigation and Power be pleased to state whether it is a fact that the Kuljian Corporation of U.S.A., a firm of consultant electrical engineers, are now acting not only as consultants, but also as construction contractors and purchasing agents as well for the Bokaro Thermal Power Station under the Damodar Valley Corporation?

(b) What are the different sorts of contracts between the Damodar Valley Corporation and the Kuljian Corporation in respect of the Bokaro Thermal Power Station?

(c) Is it a fact that the project officer of the Kuljian Corporation has the final say about the bills for the purchase of materials for the construction of this Thermal Power Station and that the Electrical Engineers of the Damodar Valley Corporation have no voice over these?

(d) Is it a fact that the Engineers of the Damodar Valley Corporation are not allowed by the Kuljian Corporation to inspect the progress of construction of the Power Station nor are any facilities afforded to any Indian nationals to get themselves acquainted with the various stages of construction?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The Damodar Valley Corporation entered into a contract with the Kuljian Corporation covering:

(i) Construction management of the Bokaro Thermal Power Station.

(ii) Purchase of part of the Bokaro Power Station equipment in the USA. This included such materials as valves, piping etc., which were not furnished by the Main Suppliers of equipment namely the International General Electric Co.

(iii) Initial operation of plant.

(b) There is only one contract between DVC and the Kuljian Corporation; it covers the three matters mentioned in reply to part (a).

(c) No, Sir. Purchases over Rs. 3000/- by the Project Manager of the Kuljian Corporation can be made only after approval by the Chief Electrical Engineer of the DVC or by their Resident Engineer at Bokaro. Bills for

such purchases are finally checked and accepted by the Accounts Officer of the Damodar Valley Corporation.

(d) No, Sir. On the contrary, the Project Manager of the Kuljian Corporation is making full use of the DVC engineers placed under him. Some of these engineers who have returned after training in the USA are working in responsible positions.

WORLD BANK LOAN FOR STEEL INDUSTRY

104. Shri T. K. Chaudhuri: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a total amount of some 40 million dollars are being advanced as loans by the World Bank to the Steel Corporation of Bengal, the Indian Iron and Steel Company Ltd., and the Tata Iron and Steel Company Ltd., for the expansion of steel industry in this country;

(b) if so, the amount that is being advanced to each of these companies;

(c) what is the nature of the securities offered by the Steel Companies against these loans;

(d) whether the Government of India are concerned in any way as surety guarantors or otherwise in the re-payment of the loans;

(e) what are the terms and conditions under which these loans are being advanced;

(f) whether there has been any understanding between the above-named companies and the Government of India for a simultaneous advance of further loans by the Government of India to these companies; and

(g) if so, the terms and conditions on which these loans by the Government of India are being advanced?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (g). The Government of India propose to give all reasonable assistance to the Steel Companies in order to make available to them necessary financial resources including loans from the World Bank required for the implementation of their expansion schemes. The terms and conditions of such assistance have not yet been settled.

CHEMICALS AND PHARMACEUTICALS (IMPORT)

***104-A. Shri Tushar Chatterjee:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity and value of chemicals and pharmaceuticals imported into India since 1947 and the countries from which the imports were made;

(b) whether it is a fact that the pharmaceutical interests in India are suffering from competition from foreign firms;

(c) whether Government have considered the question of protecting Indian interests from this foreign competition; and

(d) whether an Inquiry Committee for this purpose is proposed to be set up by Government and if so, what are its terms of reference and personnel?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). The information is being collected and will be laid on the Table of the House in due course.

(c) and (d). The Government proposes appointing, in the near future, a Committee of Enquiry to examine the present stage of development of the Pharmaceutical Industry in the country and to recommend suitable measures for putting this Industry on a sound basis.

THE
PARLIAMENTARY DEBATES

Dated.....29.11.2

(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Thursday, 13th November, 1952

The House met at a Quarter to Eleven
of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-51 A.M.

**RESOLUTION RE LEVY OF EXPORT
DUTY ON MERCURY—Concl'd.**

Mr. Speaker: We will now resume further consideration of the following resolution moved by Shri Karmarkar on the 12th instant:

"In pursuance of sub-section (2) of section 4-A of the Indian Tariff Act, 1934 (XXXII of 1934), the House of the People hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry No. 35-T(1)/52, dated the 8th October, 1952, by which an export duty of Rs. 500 per flask of 75 lbs. was levied on mercury with effect from the date of the said notification."

Shri A. C. Guha (Santipur): Sir, I thought that the discussion on this resolution would not have been so prolonged. At the outset I must say that the system of O.G.L. has been creating some trouble all along. I think the House has not forgotten the fact that in about 1948 or 1949 due to the Open General Licence system certain articles were imported much beyond the needs of the country and we have had to overdraw quite a big amount from the sterling balances that had to be afterwards readjusted and regularised. Such things should not have occurred. I think the initial mistake was in allowing huge quantities

of certain things to be imported, due to the O.G.L. When the Government put certain items in the O.G.L. they should have taken sufficient care to see that the quantity to be imported did not exceed the legitimate necessity of the country. So, I endorse all that was said yesterday by some of the previous speakers that there was something wrong in the import policy of the Government. It has been the subject of criticism in this House and in some Committees of this House. Yet, I think the system has not improved, appreciably.

Then as regards section 4-A of the Indian Tariff Act being applied to the order issued on the 8th October of this year, there also I have my own doubt. Though the language of that section is wide enough, the items mentioned in the second Schedule should be taken as an indication of the power to be exercised by the Government. Those items were definitely of a particular nature. They are all articles which are manufactured here and in which we are surplus, and which the country can export in certain quantities. But this is not an item to be included in that Schedule. This article is not produced in our country. We got an extra quantity due to some laxity in our import policy and then Government has taken shelter under this. Though I do not say that this is technically incorrect, I think, considering the spirit of the section of the Act, this procedure should not have been adopted by the Government. This House may also remember that there was an uproar raised over that clause when the amendment of the Indian Tariff Act was before the House. It was debated for a very long time and there was bitter controversy over the passing of that section and the original motion of the Government had to be modified substantially before the House could agree to pass that amending Bill, to put section 4-A in the Indian Tariff Act. Taking all these things into consideration, I think

[Shri A. C. Guha]

the Government was not justified in issuing this order. I am not saying that it is technically illegal, but if we consider the spirit of section 4-A, this course is not justified. Now that we have no other alternative, this House has to pass this resolution, but I should like to remind the hon. Minister that he should take sufficient precaution to see that when any item is placed on the O.G.L., the O.G.L. is not misused.* In this particular case, the country may have benefited to a certain extent, but such laxity should not have been allowed at all.

Shri Damodara Menon (Kozhikode): Sir, I endorse the view expressed by my hon. friends that the import and export policy of this country requires tightening up. The purpose of my speaking is to put one or two questions to the hon. Minister regarding this export duty. What is the quantity that we can afford to export without considerably affecting the quantity of mercury required in this country? I know that as a result of this export duty Government will be able to mop off excess profits to the exporters, but I want to know whether Government are fixing any export quota.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Yes, it is 10,000 flasks.

The Minister of Commerce (Shri Karmarkar): In fact, it was the complaint of one hon. Member that we had fixed it.

Shri Damodara Menon: I am glad that an export quota has been fixed. Another thing that I want to know is this. What steps are Government taking to see that the internal price is maintained at a reasonable level? Are the Government contemplating any measure in that direction? Otherwise, as a result of this export policy, the internal prices may shoot up.

I do hope that the hon. Minister will explain these two points.

Shri Meghnad Saha (Calcutta—North-West): Sir, the question of export of mercury is a very important one. Mercury is a very strategic material, which is used for the manufacture of scientific instruments and chemicals. It is very essential for laboratory work. There are practically only two countries in the world which have the monopoly of mercury production, namely, Spain and Italy. It is not quite clear why the Government is allowing the export of this strategic material out of India. We were told

that this mercury had been purchased at about Rs. 340 per flask and the selling price outside India at present is between Rs. 800 and Rs. 900. If the price has suddenly shot up in other countries, it is because some very big power is making a stock-pile of mercury in anticipation of future events, say, the Third World War. That being so, I think it is necessary that instead of re-exporting this strategic material—of which we have no sources in India and in fact India produces not a *chattak* of mercury—we keep it in this country and make a stock-pile of it ourselves. Otherwise if war breaks out tomorrow or six months hence, many of the important industries in this country would be deprived of this material and they will have to pay four times the present price. It may rise to Rs. 4,000 per flask. So, I am suggesting to the Government that they should not re-export mercury but should make a stock-pile of it themselves. They should keep it here and sell it at an economic price, so that Indian industries may be protected.

12 NOON

Shri Karmarkar: Sir, during the course of the discussion three principal points have been made. Firstly, the question was raised as to whether it was appropriate for us to have taken action under the law of the land. I shall not dwell on the point whether our action was proper in view of the fact that mercury had not been specifically mentioned in the Schedule, because to my mind it is not a very important point. Obviously, the Schedule referred to imported articles but then we made it applicable to export commodities also. There were two ways of drafting the particular Schedule. Either we could have incorporated a third Schedule detailing which of the articles were liable to export duty under section 4-A, or else,—as we did at that time and as this House was good enough to approve—we could leave the Schedule as it is and only say “either the articles mentioned in the Schedule or any other article” and provide that in respect of such commodities an export duty could be imposed by notification, to be brought before this House as early as possible as provided under that section.

The other point that was made was in regard to the quantum of the export duty. There, with due respect to my hon. friend Shri Gandhi, I could not appreciate his point when he appeared to plead that we should not have imposed an export duty at all

As I made it clear at the commencement, the c.i.f. price at which imports took place was far less than the price now ruling in the world market. The c.i.f. price at the time at which imports took place was somewhere between Rs. 272 in 1949-50 and Rs. 258 in 1950-51. The present price in the U.S.A. is 187 dollars per flask, i.e., Rs. 850. The point for consideration is whether we should have allowed an importer who bought mercury at prices varying between Rs. 272 and Rs. 258 to make a profit of whatever is the difference between that price and the present price of Rs. 850. We thought that it would be considered reasonable by this House if we decided that a large part of this margin should go to the community rather than to individual importers.

[MR. DEPUTY-SPEAKER in the Chair]

Of course, we had to make an allowance for fluctuations. Even then, what would happen is that the man who sells it for Rs. 850 a flask would still make a profit, because with this duty the price comes to only Rs. 572. So, there is an ample margin even now for the person who imported this mercury. It may well be argued that such a large profit should not be allowed. If such an argument had been advanced, I would have appreciated it and Government would have considered that suggestion, but I was not at all in a position to appreciate my hon. friend Shri Gandhi's criticism that this duty should not have been imposed at all. It will run counter to all canons of administration, if I may so put it, if we do not mop up this substantial margin between the import price and export price.

Much has been said about our import and export policy. A reference has been made to "jumps" and "jerks". We have had a lot of jumps and jerks during the last five years, a large number of them due to reasons absolutely beyond our control. If at all we seek to judge our import and export or foreign trade policy, we should not do it over a period of a specified six months or a year but over a fairly long period of, say, three or four years. If we do so, I am sure that any hon. Member who makes a little closer study of our foreign trade policy during the last four years will concede that by and large our import and export control work has been satisfactory. We were confronted during the year 1948 and after with not one difficulty, but many difficulties. We had a lot of inflation; we had a lot of extra purchasing power; we had a shortage of consumer goods. Then again there were conflicting factors

operating outside the country also—a rise in prices owing to the Korean War, followed by a collapse in prices this year.

Faced with all these difficulties, some vital considerations had to guide our foreign trade policy. Within the limited foreign exchange resources, we had to keep four different factors in mind. Firstly, food imports had to be given prior consideration. Whatever else is imported or not, necessary imports of food had to be made, cost what it might in foreign exchange. Last year we had to import huge quantities of food. We could not say at that time that we would stint in the matter of food and permit the import of other goods. Our second item in priority is capital goods. We are fast developing into an industrial country. We could not neglect the requirements of industry in regard to capital goods. So we gave them priority No. 2. Naturally, if we want to develop industries we have to import raw materials. Lastly came consumer goods. There it is that I regret to say that Government measures did not receive that amount of co-operation from public opinion as would be conducive to the interests of the country. Take, for instance, mercury; take, for instance, penicillin; take, for instance, art silk. Now we are forgetting in this age of controls, that the normal channel of trade is free trade. So, O.G.L. is the natural thing. Controls are unnatural things. For proper utilisation of foreign exchange, controls are necessary, but we cannot afford to forget the fact that ultimately trade prospers and is at its best with no control whatsoever. Blood has to run freely through the arteries to the different parts of the body and through the veins back to the heart. We cannot, therefore, control trade beyond a particular limit.

Therefore, I was not in a position to appreciate at all the argument—surprising enough for me—elaborated upon by my hon. friend Mr. Guha. For instance, he expressed himself against O.G.L. I should have expected him to urge for more and more O.G.L., so that ultimately we may arrive at the position when everything is on the O.G.L.

Shri A. C. Guha: If it is a general principle that is one thing. But when O.G.L. is like a loophole in a controlled system, that is another thing. That creates difficulties.

Shri Karmarkar: I appreciate that position. But with due deference to my hon. friend, I should point out that

[Shri Karmarkar]

you have to proceed from a period of control to a period of absolute freedom from control step by step. You cannot proceed from a period of control to a period of free trade all of a sudden. We have been attempting during the past two years to free as many articles as possible from control. Mercury is one of the articles for which, as has been rightly mentioned by my hon. friend the scientist Member, we have to depend on other countries. Like sulphur it is an item which we do not produce in sufficient quantities. So, we decided to place these items on the O.G.L.

I had a sort of review made regarding our policy in regard to mercury ever since 1947-48. During 1947-48 and 1948-49 because our dollar position was a little difficult we did not import anything from the dollar areas till about January to June, 1950. From the soft currency areas, during the period 1947-48 we imported, 4,352 flasks of mercury. During the years 1948-49 and 1949-50 we placed it on the O.G.L. so far as soft currency areas were concerned. We thought: it does not matter, it is not a danger to have a little more of this substance which is essential for indigenous industries and medicinal requirements. During 1949-50 we imported 1,793 flasks. Then during 1950-51 we had this huge import of 37,666 flasks.

When you keep a particular commodity on the O.G.L. there are other factors operating—it is not Government policy alone that is operating. In some sectors of our imported commodities this has happened. People having learnt a wrong lesson from the past, seeing that there was a large margin of profit in an earlier period, imported huge quantities of certain items expecting to make a huge profit. Mercury was one of the cases of that speculative kind. We cannot be saddled with responsibility for what others do. It is of course open to hon. Members to ask: "Why did you permit such a thing?". Well, no harm has resulted from it: on the other hand, some good has resulted, for if during the next two or three years price were to prevail as high as they are at present, there is all the advantage for the internal consumer in our having secured an article at half the price. In fact, I was expecting congratulations from all sides of the House for having deliberately or undeliberately imported 37,000 flasks of mercury during one year.

I was really expecting a strong plea on the lines made by my hon. friend

Dr. Saha: "Why do you export this at all?" Ultimately it does not make a very great difference in terms of foreign exchange. We have, however, seen to it, that we retain within the country a quantity which would be required for the next two or three or four years. What is the use of retaining an extra surplus quantity. We made a careful computation, taking into account all the imports made during the last two or three years. After retaining what we consider to be our reasonable requirement for the next three years, we decided: "Let these 10,000 flasks go out; it does not hurt the interests of the country."

In these circumstances, I need hardly add that I am not able to appreciate the general complaint that has been made about our import-export policies. I really would beseech hon. Members who have made these observations to make a little closer study—and I am prepared to co-operate with them with all the necessary material—of the position, and I am quite sure they will agree with me that by and large Government's policy regarding imports and exports has been very satisfactory. Just at the moment, after all these fluctuations, we are able to see that we are entering somewhat of a normal period.

Our export-import policy, as I have already observed, has to be judged on four counts: Have we satisfactorily imported food in sufficient quantity? Have we supplied our industries with capital goods? Have we supplied them with sufficient raw materials? Lastly, have we been able to establish today a market, so far as it is possible, normal in respect of supply of consumer goods? To all these four questions, I am sure that the answer will be in the affirmative. I do not wish to dilate on it much longer. But since that issue was raised, I thought it proper to take up the time of the House to reply to it.

Sir, I commend the resolution to the acceptance of the House.

Shri Meghnad Saha: What about my suggestion—that you should not allow a single drop of mercury to be exported, but stock-pile it for future use, because mercury is needed for defence and for scientific purposes? It is a key material. Therefore, instead of allowing it to be exported, it should be stock-piled in the country.

Shri Karmarkar: We have stock-piled to the extent that we consider to be reasonable and in future we shall consider the point mentioned by

the hon. Member. In fact, that point has been in our mind always.

Pandit Thakur Das Bhargava (Gurgaon): May I know what are the special reasons for the increase in the price of mercury in foreign countries? The previous price was somewhere about Rs. 275; while the ruling price abroad is said to be Rs. 850?

Shri Karmarkar: I think, Sir, that is much too broad a question to ask. That will require a thorough study, as the hon. Member will appreciate, of the foreign trade conditions in that country. We have not been instrumental in raising the price. It may be due to cornering of stocks, stock-piling, speculation and so many other reasons. But I shall study that point and convey my impressions to my hon. friend.

Mr. Deputy-Speaker: The hon. Member (Dr. Saha) evidently wants to be a little guarded. If any particular material is necessary in the interests of our defence etc. and if that material is taken away, ultimately we may discover that we have lost so much of the material. It is for that purpose that he wants to know the position.

Shri Karmarkar: Sir, we have made the best possible calculations in that regard and taken all possible precautions. The material (a little part of it) is required for Defence purposes, part of it for drugs and medicines and part of it for laboratory purposes. We have made a fair study of these requirements and we have provided sufficient for the next three years. It is not as if these requirements will all of a sudden leap, and in our opinion the arrangements are fairly satisfactory.

Shri T. T. Krishnamachari: Sir, the point to be taken into consideration is the capacity of these people who have now got them to hold on to them. There is an enormous amount of stock, anything between 28 to 30 thousand flasks—we have not got the correct picture, but that is our estimate—and the capacity of these people to hold on to their stock is not infinite. Therefore there is a certain amount of speculation, the price comes down and it is being played about in the market. We therefore felt that we were quite within the limits of safety in permitting the export of 10,000 flasks, which will leave roughly 16 or 17 thousand flasks and which, according to the most optimistic estimate, will last for more than three and a half years. I think my hon. friend Prof. Saha will grant that the provision for three to four years is quite reasonable and I

do not think we need project our minds beyond a period of four years.

Mr. Deputy-Speaker: The question is:

"In pursuance of sub-section (2) of section 4-A of the Indian Tariff Act, 1934 (XXXII of 1934), the House of the People hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry No. 35-T(1)/52, dated the 8th October, 1952, by which an export duty of Rs. 300 per flask of 75 lbs. was levied on mercury with effect from the date of the said notification."

The motion was adopted.

INDIAN TARIFF (FOURTH AMENDMENT) BILL

The Minister of Commerce (Shri Karmarkar): I beg to move:

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

Sir, this is one of a series of measures which the House will be called upon to consider from time to time. I know the keen interest which the House takes in matters generally relating to tariff protection. As hon. Members will have observed from the Statement of Objects and Reasons, the object of this Bill is to continue the period of protection which is due to expire shortly in respect of twenty-nine industries. Out of these twenty-nine industries the period of protection for twenty-six industries will expire on the 31st December, 1952 and that for one industry, namely the cotton textile machinery industry, on the 31st March, 1953. Sir, notes, fairly exhaustive, have been circulated to Members of Parliament and detailed particulars about these twenty-nine industries will be found therein.

As regards the duration of protection now sought, it works to nine months for the cotton textile machinery industry, one year for twenty-six industries, two years for the photographic chemicals industry, and three years for the motor vehicle battery industry. Hon. Members might like to know why protection is being extended for such a short period, that is to say up to the 31st December, 1953 in respect of twenty-seven industries. To this my answer is that the new Tariff Commission, which has replaced the old Tariff Board, was established on the 21st January, 1952, and this Commission inherited from the latter a

[Shri Karmarkar]

heavy back log of cases, five relating to claims for protection, three for review of prices, and forty-two for continuance of protection. In addition, Government have referred to them for enquiry and report, ten fresh cases. Owing to the number of important enquiries which the Commission have had to undertake during the last ten months it has not been possible for them to hold regular investigations in respect of all the twenty-nine industries referred to earlier. They have, however, completed their investigations and submitted their reports on two, namely the photographic chemicals and the motor vehicles battery industries. Their recommendations are that the period of protection for the former should be extended up to the 31st December, 1954 and that for the latter up to the 31st December, 1955. Government have accepted these recommendations of the Commission. The Commission is now engaged in reviewing the cases of the plywood and battens, sericulture and aluminium industries, but have not completed their work. They have expressed the opinion that it would not be desirable to allow protection to lapse in the case of any industry without proper investigation and that the duration of protection in respect of these twenty-seven industries should for the time being be extended up to the 31st December, 1953.

Of the twenty-nine industries concerned, protection has been granted to twenty by the mere conversion of the revenue duty into an equivalent protective duty. The significance of such conversion is that once an industry is protected, the quantum of protection can be varied from time to time by notification under section 4(1) of the Tariff Act, 1934 without having recourse to legislation. In these cases there is no additional burden on the consumer. The extension of the period of protection for a year in these cases will not therefore, I hope, be open to criticism.

As regards the iron or steel baling hoops industry, although the rates of duty were increased when protection was originally agreed to in September, 1948, the increased rates have not been brought into force as they were conditional on the fulfilment of certain measures by the sole concern engaged in this industry. Jute baling hoops are manufactured by the J. K. Iron and Steel Company and when recommending protection the late Tariff Board recommended that the location of the factory should be shifted from Kanpur to the neighbourhood

of Calcutta because in their opinion there are certain natural advantages to be derived by locating it in the neighbourhood of Calcutta. The other condition was that the concern should be converted from a private firm to a public limited company. After a good deal of effort the management of the concern have succeeded in securing a suitable site for their factory at Rishra near Calcutta where a factory has been erected and it has commenced production on 1st August, 1952. The concern have yet to convert themselves into a public limited company. When this condition is fulfilled the industry will qualify itself for the protection and steps will have to be taken to give effect, by a notification, to the enhanced rates of duty, that is 30 per cent. *ad valorem* (preferential) and 40 per cent. *ad valorem* (standard). Continuance of protection in this case may therefore be regarded as purely formal for the present.

Now I come to the remaining eight industries where protection was initially granted by an increase in the revenue duty in force prior to the grant of protection, namely soda ash, calcium chloride, photographic chemicals, coated abrasives, sericulture, plastics, bicycles and cotton textile machinery industries. The rates of duty before protection and those in force at present are indicated in the Notes which have been circulated. It is not proposed to modify the present rates.

As the House is aware, the Tariff Commission can *suo motu* make enquiries and report on various matters such as increase or decrease in customs duty in relation to the protection of any industry, prevention of dumping of goods, abuse of protection, etc. The late Tariff Board did not have this power. The Tariff Commission, unlike the Board, have been given wide discretion both in regard to the general principles relating to the fixation of tariffs and the principles relating to the obligations of protected industries. Among the general principles, as hon. Members are aware, to be taken into account is the effect which protection has on an industry. The obligations laid on the protected industry into which the Commission has to carry on investigations at suitable intervals are the scale of output, the quality of output, the prices charged, technological improvements, technical research, training of personnel and the use of indigenous resources. The Tariff Commission keeps a watch over the progress of protected industries and if the Commission

thinks that the existing protection is inadequate or insufficient in respect of any industries which seek protection, it will be open to them to recommend a modification of the rates of duty. This can be effected at any time by a notification under section 41 of the Tariff Act.

Sir, I do not want to burden this House with any further observations. Members of the House have been supplied with the necessary material and all the Tariff Board's reports are also in the Library of the House. I do not propose to deal at any length on these matters. Actually, as I have said, the two industries that come up for fresh protection are there and in respect of others what we propose is to continue protection till the condition of those industries is again re-examined carefully by the Tariff Commission.

Mr. Deputy-Speaker: Motion moved:

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

Shri S. V. Ramaswamy (Salem): Sir, I support this Bill. In supporting it, I wish to submit that I do not understand the principle underlying the frequent amendments. I also fail to understand why it is necessary to make these amendments so often, say twice a year. It was only in June last that this was amended and again this has come up. What I humbly submit is this, Sir, that, as far as possible, tariff protection must be given for such a period that it will be able to attract people to invest their money and reap the rewards of their efforts. If you go on amending the Act and seek to provide protection only for a period of six months, how will you be able to attract capitalists to come and invest in these industries? Because they may not be sure whether the protection might be extended or continued beyond the period of six months or whether it would be for one year. If you want to really improve the trade concerned, if you want to increase the capital invested in these industries, and if you want really that the industries should develop and the country should also benefit by it, the period of protection given must be of a longer duration. I submit, Sir, this is a cardinal principle which the Government will kindly take note of. I would refer only to two items on which I would like to make submissions. In regard to Serial No. 2 in the list, sago globules and tapioca pearls, the protection sought to be given is only up to 1953. I have tabled an amendment to bring it under clause 2(1) in order that protection may kindly be given

at least up to 1954. Sir, sago globules, as you know, are made out of tapioca roots. In my District of Salem about rupees twelve crores worth of tapioca roots are grown and two or three years ago because a large number of import licences were given to import these from Java, half of the sago mills were nearly liquidated. The imported sago was cheap and people of small means who had invested in about 100 sago factories in Salem District were mopped up because of the large import from Java and other places. This consequently hit not merely the manufacturers of sago but the producers of tapioca root as such. Also the producers of the raw material were at a disadvantage. It is essential that protection should be given to this industry for at least two years so that they must steady themselves and not keep out due to foreign competition or import. If a long period of protection is given, they will be able to make some profit, improve the trade, learn the methods of economising in the cost of production and will ultimately be able to give benefit to the consumers as well by the reduction in the prices and ultimately they will also be in a position to compete with the foreign staff. That is why I submit that it is necessary to continue to give protection to this industry for at least two years.

I now come to Serial No. 13, sericulture. Sericulture, as you know, Sir, is a cottage industry of very great importance. Hosur taluk in my own District of Salem is vitally interested in this. It will also be of interest to know that it is quite close to Mysore which has got vast areas of sericulture. I see from the note appended that the total requirement of the country in the matter of silk is to the tune of four million lbs. We are not able to produce two and a half million lbs. The rest I presume is met by imports from foreign countries. If you want really to be self-sufficient in the matter of raw material of this vital commodity it is absolutely necessary to give a long period of protection and not go on making amendments every six months, every one year. I repeat, Sir, this is vitally important as a cottage industry and as you know, it is very difficult to persuade people with money to come and invest in such a cottage industry. Nevertheless it is still of vital importance that this industry should also be protected and encouraged. If that is the aim, I submit it will be necessary to extend the protection by two years and not one year.

With regard to several other items also, I submit the principle itself is

[Shri S. V. Ramaswamy]

wrong in frequently amending and extending the Act for short periods. This is my submission, Sir.

Dr. Lanka Sundaram (Visakha-patnam): Sir, one of the very serious doubts or misgivings which has assailed some of us on this side of the House has been set at rest by the Minister in his speech just delivered introducing this Bill, that is, the attempt to grant extension of protection for a period of one year for the majority of the 29 industries listed. I quite see, Sir, that barring a few industries which he mentioned—photographic materials, cotton textiles and motor batteries—26 of the 29 industries listed would automatically have protection upto the end of next year. I personally feel that the Bill before the House is a routine affair which cannot be avoided, but I must say with a sense of responsibility that this method of approach to tariffs, in particular, has become, unfortunately, a routine or *ad hoc* matter, lacking a positive approach to industrialisation, export and import trade and also the interests of the consumer. I am sure some of my hon. friends in this House will consider a statement like this to be rather too wide and general in character. I am prepared to sustain this statement by making an analysis of some of the figures made available to the Members of the House in the note circulated by the Ministry. Now, let us take the internal demand for certain commodities and the production targets reached or planned to be reached by the industries concerned:

Preserved fruits: Internal demand is 6,230 tons; production last year, 1951, is 5,700 tons; sago—internal demand is 7,000 tons; production is 6,000 tons; cocoa powder and chocolates—internal demand is 15,000 tons, production is 3,477 tons; Soda ash—demand is 115,000 tons, production is 47,000 tons; pencils—demand is 500,000 gross, production is 242,567 gross; coated abrasives—demand is 96,000 reams, production is 27,000 reams; plywood—demand 100 million tons, production 46 million tons, sericulture—demand four million lbs., production 177,338 lbs.

I do not wish to weary the House with further figures. The point that I am trying to make is this. Whatever the capacity of the industry, whatever the internal demand for the product of that industry, the same tariff action, as I have said, *ad hoc* and routine, is doled out to it. Actually I am anxious to find out from the hon. Minister the measures that the Government propose

to take in order first to bridge the gap between the demand and installed capacity of each particular industry, and secondly to bridge the gap between the installed capacity and the production target reached. I have worked out figures from the data supplied by the Ministry. I think my hon. friends will feel rather wearied with the recital of the targets aimed at and reached and not reached. I believe I have said enough to show...

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Will my hon. friend repeat those figures?

Dr. Lanka Sundaram: They are all collected from your own notes.

Shri Bansal (Jhajjar—Rewari): Plywood could not be in tons.

Shri T. T. Krishnamachari: Plywood and Pencils.

Dr. Lanka Sundaram: For plywood it is Square feet. As an overall proposition that does not matter very much.

I believe I have said enough to show that the gaps are wide and the same type of tariff protection is sought to be given to every industry simply because of the reasons explained by the hon. Minister in his introductory speech, viz that the Tariff Commission is going to look into these cases and it has to complete its enquiry before any further definite action could be taken.

The second important observation I would like to make is this. Barring the routine and *ad hoc* tariff protection in most of the cases listed here, conversion of the revenue into protective duty seems to be the only instrument with which Government proposes to deal with the protection needs of the country. I believe that mere routine handling of problems of this vital magnitude would not, as I have said earlier, lead to a sound industrial expansion policy and also an export policy and import policy, and to a solution of the problem involved in the question of consumer interests.

I am very glad that the hon. Minister made reference to the enlarged functions of the Tariff Commission. Hon. Members would remember that on the last occasion, when the Indian Tariff (Second Amendment) Bill came before the House, I ventured to remark that the Tariff Commission is still not properly and comprehensively equipped to deal with the enormous amount of work which is heaped on it

from time to time. It is a bit extraordinary that nine enquiries should have been completed by the Tariff Commission in so many months since its constitution in January this year. I quite see that it is a tribute to the speed with which it is carrying on its work. The important point, however, is this: the paucity of Membership or smallness of Membership, and the lack of appropriate apparatus are definite handicaps. To that extent, anything done in a hurry would not be comprehensive and efficient as an enquiry. I am not saying anything to belittle the work of the Tariff Commission. I am sure my hon. friend Mr. T. T. Krishnamachari would remember that I was on the last occasion very genuine in my approach to this problem, when I said that we must strengthen not only the personnel of the Commission, but also the Secretariat of the Commission and its apparatus in order to ensure that nothing is done in a hurry by way of completion of an enquiry. Because, anything done in a hurry would be disastrous in its implications, and would reduce the value of the recommendations made by the Tariff Commission. I do hope that I will have enough indication this afternoon, when the Minister replies to the debate, that some positive steps are taken to see that the Tariff Commission is enabled to carry on its work with an apparatus equal to the task involved.

I am sure my hon. friend Mr. Karmarkar would again repeat exactly the performance of my hon. friend Mr. T. T. Krishnamachari on the last occasion, when I make reference to the existence of imperial preference. I have got the official record of the debate on the last occasion and with your permission, Sir, I would like to quote two passages from the speech of my hon. friend Mr. T. T. Krishnamachari on 28th May this year.

Shri T. T. Krishnamachari: I need hardly be reminded of that.

Dr. Lanka Sundaram: I am only reading it for the benefit of my hon. friend Mr. Karmarkar.

Shri Karmarkar: Nor do I need it either.

Shri T. T. Krishnamachari: I shall deal with it myself if the point is raised.

Dr. Lanka Sundaram: He said:

"I am glad to have had the support of two Members on this side. (Myself and Mr. Nambiar) We

are not new to this game. It is a baby which we probably handed over to hon. Members opposite."

Shri T. T. Krishnamachari: I am glad the baby is alive.

Dr. Lanka Sundaram: I am glad the hon. Minister is in a happy mood. I am now coming to the serious portion of the statement. It runs as follows:

".....this is a matter which is engaging the attention of Government constantly and if preference in any particular item or series of items operates against the interests of the country, we shall terminate the agreement."

I should like to have information, if not actually an assurance, during the course of the debate, when the hon. Minister is replying to the debate, whether since May this year, an examination has been made by Government at appropriate level of the point whether imperial preference in respect of certain categories of commodities manufactured here which are competing with manufactures abroad, has really harmed the interests of this country, and if so, what those commodities are, and more than everything else, whether Government is prepared to take the action promised by my hon. friend Mr. T. T. Krishnamachari on the last occasion, namely, to give notice of termination to this imperial preference. I am not given to whipping a dead horse. It is a very live and important question.

Shri T. T. Krishnamachari: It is very nearly dead.

Dr. Lanka Sundaram: I am going to listen to the speech of my hon. friend as to what exactly is the incidence of imperial preference in relation to our national industries, and once I get a statement of that character, the entire House and the country at large will get a chance to know where we stand.

There are one or two small points which I would like to refer to before I sit down. I find from the data supplied by the Ministry that production has increased,—a very gratifying fact—in most of the industries given protection last year, barring alloy tool and special steels, antimony, calcium chloride, glucose, jams, and machine screws industries. The point which engaged my attention rather seriously was something of a curiosity in terms of the economic phenomenon in this country. Barring one or two items which are given protection, like hydroquinone prices of most of the

[Dr. Lanka Sundaram]

protected commodities have fallen since last year. It is an extraordinary phenomenon, not easily explainable by the ordinary canons of economic approach, with the result that one or two doubts have arisen. Does the fall in the prices of the protected commodities during the past few months, twelve months and more, indicate the exhaustion of the protective action taken by the Government in order to enable industry to carry forward? Or, does it only represent the facts that (a) there is no purchasing power in the hands of the community, and (b) there is a glut of stocks in the hands of Indian industry. I am raising these points in order to set them in their proper perspective in relation to the problem whether the interests of the consumer are being properly looked into. If prices fall over a period of months for protected articles, there must be an answer available as to whether the protective action has exhausted itself, in which case something must be done to see that protection is not conceded. As a general proposition I personally feel that this country must be industrially advanced, and any sacrifice made by the consumer is worth its while. I have always held that opinion, and I have nothing to say in detraction of the opinion which I have held for 20 years, but what strikes me is whether we have come to a stage where the grant of protection can be lowered in order that the consumer's interests are not jeopardised consistent with the industrialisation of the country.

Last time I made an observation which drew forth from Mr. Krishnamachari some sort of a humorous counterattack. I spoke about the behaviour clause which I insisted upon from the industrialists or industries before protection is granted. The hon. Minister will allow me to explain what I meant to convey. It is simply this, that when protection is granted to an industry, there must be an attempt to follow up the manner in which the protection has operated—questions of quality control of the products produced, and questions of price control. As I have said earlier, the price factor seems to be extremely favourable, even though I do not know whether it is due to glut of stocks or exhaustion of the protective action taken by Government. But I believe that something more positive than what has been done so far is necessary on the part of Government in order that Indian industry may march forward with courage, and also with an adherence to quality and

excellence, without which I am afraid mere continued protection would be of no use to the country, because while the country must be industrialised, the products of industry also must be of a quality comparable with the products which foreign countries are likely to export to us. This is the reason why I have said that this aspect of the question must be looked into. From some of the notes circulated to us on the working of the Tariff Commission, I am convinced that, with the enlarged powers and technical information available to the Commission, an attempt of this character is being made, but I again repeat that the Tariff Commission, as it is at present constituted, is not sufficient or equal to the tasks entrusted to it. With a frightening total of 29 industries—actually 40 commodities are under the protected list—a Commission of four individuals—I believe I am right in saying that—cannot possibly cope with this sort of work which is highly technical, complicated and laborious. I have come across instances—my hon. friend will correct me if I am wrong—where it has practically come to individual members of the Commission being entrusted with the enquiry of the tariff needs of a particular industry. It may be quite arguable that members divide the work among themselves, but the Commission must be a group of experts who are capable of applying their undivided joint attention to the needs of every industry in the country. I consider four members on the Tariff Commission are not enough for the needs of the country. I do hope the hon. Minister would have to say something on this aspect of the question.

I welcome this Bill but I do hope that once this temporary difficulty of the Commission's creation early this year is got rid of, there would not be an attempt from the next session on the part of the Government of India to come forward with any periodical, almost fractional approach to protection, say once or twice a year, or even, sometimes, more than that in a year.

Shri P. T. Chacko (Meenachil): The tariff policy of the Government was given in a statement on the industrial policy of the Government in 1948. It is said that "the tariff policy of the Government will be designed to prevent unfair competition and to promote the utilisation of India's resources without imposing unjustifiable burdens on the consumer." From this view point I wish to examine the

proposed protection for one or two industries.

I am first concerned with the aluminium industry as part of the work of a manufacturer in this industry is done in my State, and as I know something about the working of the factory in my State. The protection given is as follows:

Items 66(a) and 66(I):

Aluminium Manufactures—30 per cent. *ad valorem*.

Aluminium crude form—also 30 per cent. *ad valorem*.

It is stated that the Tariff Commission will be reviewing the industry, and so the protective duty now existing is sought to be extended as an interim measure. So, I wish to make some observations in the hope that the Government and the Tariff Commission will take into consideration these facts, when the revision is made.

There are only two producers in this country—The Indian Aluminium Co. Ltd. and the Aluminium Corporation of India Ltd. This metal is increasingly used now in the manufacture of domestic utensils and furniture. Therefore, it is necessary that the price of the metal should be such that even the poorest in the country can have access to it.

India is having a very rich reserve of bauxite ore. The estimated demand of the metal in India is 15,000 tons a year, and the production at present is estimated at 4,000 tons. Therefore, India has to import 11,000 tons from other countries for which 30 per cent. more has to be paid by the consumer because of the protective tariff.

The Indian Aluminium Co. Ltd. has a share capital of Rs. 200 lakhs, and Indian nationals hold only a share of Rs. 60 lakhs. The Aluminium Limited, Canada, holds shares worth Rs. 140 lakhs. This Company is selling the major portion of its production of sheets to one Jiwanlal Limited, Calcutta, who is manufacturing utensils. Jiwanlal Ltd., is a subsidiary Company of Aluminium Ltd., Canada. Therefore, it can be clearly seen that out of the profits of the company, 70 per cent. goes to the Aluminium Limited, Canada. Also, the entire profits of the Jiwanlal Ltd. goes to the Aluminium Limited, Canada. Moreover, it is seen that for technical advice tendered to the company, the company is paying to a subsidiary company—the Aluminium Limited 15,000 Canadian dollars a year; and also 1,200 Canadian dollars to another subsi-

diary company of the Aluminium Limited for advice and assistance in respect of finance and accounting. The General Manager, Secretary and Chief Engineer are even now non-Indians, appointed by the Aluminium Limited, Canada. The estimated cost of production for ingots is Rs. 1,780.4 per ton, and the landed cost without duty is Rs. 1,914. It will be seen that the cost of production is less than the landed cost. In the case of Aluminium sheets, the landed cost without duty is Rs. 3,123, while the cost of production is estimated at Rs. 3,574 per ton. This cost of production includes the heavy establishment charges: When the fair selling price was estimated by the Tariff Board, four per cent. interest on working capital plus a return of ten per cent. on block capital and a depreciation at fifteen per cent. were allowed. From these, it is quite clear that the protection given to this Company with its lion's portion of the shares belonging to a Canadian Company, is more than what is actually needed. As a result of this protection the price of aluminium products is not coming down to a level which is accessible to the poor people. My submission is, that we are having enough bauxite with us. According to the estimate made by the Tariff Board, the quantity of bauxite in India will be sufficient for us for about 100 years to come. The total production of the Indian Company and also the company to which I have referred earlier, is only a small portion of the demand in this country. I wish to ask whether it is justifiable in these circumstances to give such protection to this foreign company. Moreover, this company is given electricity at a very cheap rate by the Travancore-Cochin Government. There was an agreement between the Travancore-Cochin Government and this Company, for the period of the duration of the war. After the end of the war, the Government wanted to revise the rates. I do not know whether the Government have revised the rates now. Even now, I think, electric power is given to this company at a very cheap rate. I wish to suggest that by giving subsidy for electricity, will it not be possible to help the production of aluminium in this company? The Tariff Board itself says:

"There is no doubt that the aluminium industry in this country cannot have a reasonably low cost of production, until the capacity of existing units has been expanded to at least 15,000 tons. One of the main hindrances to enlarging the capacity of existing units is the lack of adequate power supply."

[Shri P. T. Chacko]

The Travancore-Cochin Government can supply sufficient power at cheap rates, if another project which is now under work, the Chengulam project, is also completed immediately. I would suggest to the Government that they might help the Indian Aluminium Company by giving a subsidy to the Travancore-Cochin Government so that sufficient quantity of electric power could be immediately produced from the project under construction. Take into consideration that almost the entire profits of this foreign company goes to The Aluminium Limited, Canada.

Mr. Deputy-Speaker: Will the hon. Member take some more time?

Shri P. T. Chacko: I would require about ten minutes more.

Mr. Deputy-Speaker: In that case, the hon. Member can continue his speech after lunch.

The House will now stand adjourned till 2-30 P.M.

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

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

[MR. DEPUTY-SPEAKER in the Chair]

Shri P. T. Chacko: Sir, I was saying in the morning that there is only one Indian company which manufactures Aluminium. It is the Indian Aluminium Corporation. The paid up capital of this company is Rs. 90 lakhs. It is almost a family concern and the members of the J. K. family hold share worth 45 lakhs and debentures worth 25 lakhs. Thus the family owns shares and debentures worth 70 lakhs out of a paid up capital of 90 lakhs. This company is producing something less than 2,000 tons of aluminium a year, and even the Tariff Board in its report has noted the inefficiency of the working of the company. There is great inadequacy of machinery and there is dearth of technical experts. With all that the company's cost of production per ton of IGNOT is Rs. 1,839 and the landed cost, without duty, is Rs. 1,914. The cost of production of sheets is Rs. 3,600 which may be compared with the landed cost, without duty, of Rs. 3,123 per ton. Sir, my submission is here also it can be seen that the cost of production of aluminium sheets is more than the landed cost without duty because of the inefficiency of the working of the factory. As regards electric power, they are generating their own power at great cost. Of course, Government can supply cheap current after a few years when some of its projects

are completed. Along with this if this company can get some expert advisers and also some expert engineers, it can be seen that they can also produce aluminium sheets at a cost less than the landed cost without duty. So what I am submitting is that the protection now given to this industry is enjoyed by a company which has practically a monopoly in the field. The main concern in the field the Aluminium company is paying huge amounts as salaries to its foreign Manager, its foreign Engineer and its foreign Secretary. Apart from that, this Aluminium Company of India, as I have already pointed out, is paying 15,000 Canadian dollars per annum to the Aluminium Ltd., Canada, for technical advice. This Aluminium Company of India itself is practically a subsidiary company of Aluminium Ltd., Canada, and I do not see any reason why this huge amount should be paid to that company. They are not giving any expert advice as far as I know, except appointing the Manager, the Engineer and the Secretary who are experts in the field for whom the Aluminium Co. of India is paying.

Then there is another matter also which I wish to point out. The aluminium which is produced at Alwaye is taken to a place near Calcutta, about 1,500 miles away from the place of production at Alwaye for rolling the aluminium into sheets. Of course if they wanted, I submit, they could have that factory also along with the factory where alumina is converted into aluminium. These transport charges come to a big amount and it enhances the cost of production. So if these two companies can have more equipment and can produce more, and if cheap electric power can be given to them, aluminium can be produced in India at a cost less than the landed cost of the imported Aluminium. Therefore, I submit, Sir, that there is no necessity to give such an amount of protection to this industry. If any protection is needed for the Indian concern, I submit that the Government can give some subsidy and that too until Government will be in a position to supply electric power at a cheap rate to the corporation. And, as I have already stated, the Aluminium Company at Alwaye can get electric power at a cheap rate within a very limited time if the Travancore-Cochin Government can complete its Chengulam project. I only want to point out.....

Mr. Deputy-Speaker: Does the hon. Member know the figures to show how much of the output of the whole of Aluminium in India is used for industrial purposes?

Shri P. T. Chacko: The entire output is now only 4,000 tons and the demand is 15,000 tons.

Mr. Deputy-Speaker: Is any portion used for industrial purposes?

Shri P. T. Chacko: It is also used for industrial purposes.

Mr. Deputy-Speaker: What per cent.?

Shri P. T. Chacko: I cannot say what percentage. It goes mainly for the manufacture of domestic utensils and furniture. I cannot say what percentage is used at present for industrial purposes. But I only wanted to point out these facts so that at the time of revision at least these facts may be taken into consideration.

I wish to say a word regarding another industry. It is about item numbers 70 (2) and 70 (3), Antimony. There is no Antimony ore in India. Antimony ore is imported and there is a protective duty of 20 per cent. *ad valorem*. Antimony is manufactured by only one Company in India and the fair selling-price of the Indian produce, estimated by the Tariff Board is Rs. 167.56 per cwt. This includes interest at four per cent. on the working capital and return of block capital at ten per cent. on the gross block of three lakhs. The landed cost of Chinese metal is Rs. 168 per cwt., which includes a duty of 30 per cent. Now I do not know why this protection should be given to this industry, because by giving protection we are gaining nothing. If the duty on the crude antimony is removed, the fair selling-price of Indian produce will come down by 20 per cent. In this case I think, this is practically some sort of aid given to a particular individual—I do not think that the Company is a limited concern—which is manufacturing antimony here. We are not having any antimony ore and we can get antimony from other countries at a cheap rate. Why should we manufacture it at all? At any rate we will have to import antimony in the crude form. So, I would like to know from the hon. Minister whether it is to encourage any indigenous industry in this country, whether it is in the interest of the consumer in this country, that this protective duty is imposed on antimony imports.

A word about glucose also, Sir. The demand in this case is 2,500 tons and in 1951 the production in India was 161 tons. The quality of the produce—it is conceded even by the industrialists—is very poor. There are three or four companies which are now engaged in the manufacture of glucose. Now, when the Tariff Board was having its enquiry it could not come to any definite conclusion because there

was dearth of data. The cost of production was not calculated on any data supplied to Government by these manufacturers. It was conjectured. It can be seen from the Tariff Board Report that it was so. These companies could give no data. The landed cost is also not known. It is not given in the report of the Tariff Board. Now, I do not know whether it is justifiable in the interests of the consumer to have such a heavy tariff duty on this, mainly because the production in India is not even a small percentage of the consumers' need.

Finally I wish only to know the policy of the Government in circumstances like these. When there is no prospect for an industry flourishing in India, when the ore or the raw material is not available in India and when the manufactured product itself is something which is necessary for the life of the community, I wish to know whether it would be in the interests of the people at large to have heavy protective duties. If it is not—in the case of Aluminium and also in the case of Antimony—I would request the Government of India to go into the details of the working of the Industries and revise the rates if necessary.

Shri Bansal: Sir, I again find myself in an awkward position of asking questions as to what has happened with the voluminous report submitted by the Fiscal Commission. We have only one action taken by the Government so far, and that is the appointment of a permanent Tariff Commission. But what has happened, to the number of other recommendations made by the Commission? I would refer to one of those recommendations. The Fiscal Commission rightly held that the case for protection to Indian industries no longer required to be argued from the first principles and that discussions on the subject now no longer turned on the old theme of protection *versus* free trade. The Fiscal Commission proceeded forthright to state a criterion which should be applied in the consideration of applications from industries for protection or assistance. In this connection they had recommended that the protection of industries should be related to an overall plan of economic development and grouping of the industries that might be included in the plan under the following classes:

- (1) defence and other strategic industries;
- (2) basic and key industries; and
- (3) other industries.

Mr. Deputy-Speaker: Large extracts are not allowed to be quoted. It is re-writing a book.

Shri Bansal: No, Sir, it is not from any book.

In regard to the first category, namely, defence and other strategic industries, the Fiscal Commission recommended that whether approved plans exist or do not exist, these industries should be established and maintained, whatever the cost may be, on national considerations, and such protection and other forms of assistance should be given to them. In respect of basic and key industries also, the view of the Fiscal Commission was that the fact that they are included in the national plan should itself be a justification for the grant of protection and other forms of assistance that might be needed for their development. Then they went on to say that while the Tariff Commission should proceed with enquiries in certain specific cases on recommendations from the Government of India, they should be free to carry out *suo motu* investigations in regard to those industries which are included in the approved plan. I want to know what has happened to this very vital recommendation of the Fiscal Commission.

Then, we have a long list of industries which have been included in this Bill. Excepting one or two, none of these industries have been dealt with by the Tariff Commission. Obviously, they have had no time to do so, because one or two other urgent cases were in the meantime referred to them. It is natural therefore that the Commerce Minister should come before the House for an extension in the period of protection by another year. But I wish to know for how long this process will go on. This year we are extending the period for one year more in the case of most of the industries. Is it the intention of the Commerce Minister to come again before the House next year? If this process goes on and on, it will neither give the Tariff Commission sufficient time to go into all these industries carefully nor will it afford this House sufficient time to review these very cases closely. Therefore, I suggest that the protection should be for a longer term of years than just a year or two. Most of the industries covered by this Bill are small-scale industries with the exception of two or three large-scale industries, and these small-scale industries have their own difficulties. Most of them were developed during the period of the war and in the post-war period and they have not yet been able to stand on their own feet. Therefore, I do not know why the protection in their

case should not be given for a much longer period, so that the Tariff Commission is not burdened with enquiries on these very industries from time to time.

In reply to a question by me this morning, the hon. Minister pointed out that there were seventeen industries in respect of which requests had been received from the industries concerned for protection and their cases are still under the consideration of the Commerce Ministry. Some of these industries are very important ones. For example, you have the radio, hinges, leather cloth and allied products, polishes, glass, pipe fittings, sanitary-ward and wall glass tiles industries. If the Commerce Ministry takes a year to consider whether these cases should be referred to the Tariff Commission or not, and then the Tariff Commission takes two or three years to consider these applications, the result will be that all these industries will be hanging high and dry.

Shri T. T. Krishnamachari: I wish they are kept dry!

Shri Gadgil (Poona Central): In Bombay they will be dry.

Shri Bansal: It is my suggestion therefore that Government should take less time in deciding whether these cases should be referred to the Tariff Commission or not. If they decide quickly, they should make it easy for the Tariff Commission to work in an efficient manner by taking the load off their shoulders. This can be done by giving protection for a longer term and by increasing the staff of the Tariff Commission. The Fiscal Commission had pointed out that the Tariff Commission should be adequately staffed both in regard to the personnel of the Commission itself and in regard to the research section and administrative staff. I think that a lot requires to be done in that direction.

Then, Sir, in this list which we are going to approve now there are one or two industries included which have been established in this country, but even so some foreign interests have been allowed to come in. I ask the hon. Minister what is the purpose of this legislation then? After all, when Indians are running industries efficiently or at least they are trying their best to put their industries on a sound footing, and when the purpose of protection is to protect them against foreign competition, how can you protect them by allowing these foreign interests to come in and have a

strangle-hold here? It means that instead of allowing our industries to be exploited from abroad, we are installing that exploitation in our own country.

Mr. Deputy-Speaker: Is there any case where, after the grant of protection to an indigenous industry, foreign companies were allowed to come in?

Shri Bansal: Yes, Sir. There is the case of motor batteries. EXIDE and OLDHAM have been allowed to come in.

There is another case, which I may mention, although protection has not yet been granted to it. It is the case of the Remington Typewriters. I understand that after a lot of correspondence the Commerce Ministry has allowed Remington Typewriters to come in, when an Indian concern has invested lakhs of rupees for manufacturing typewriters here. Although they have not come to the production stage, they are going on with their preparations. The Commerce Minister may turn round and ask me, "How long can the country wait for the indigenous manufacturer to come up?" My answer to it is this. "Remington Typewriters have been supplying typewriters for fifty or more years. Where were they all these years? Were they sleeping? Why did they not put up a factory here? They come and think of putting up a factory here only when an indigenous concern tries to establish a factory here." Sir, this is a point which will have to be carefully considered by this House and by the Commerce Minister, because this kind of menace is looming large on the horizon, particularly after the remark made by the hon. Minister during the last session about the "leavening effect" of foreign industries. I am all for leavening effect, but that leavening effect can well be had by allowing the imports of some foreign products. But why allow the foreign industries to be established here? No one can deny today that the quality of Indian products is improving. Take the case of cycles. It is well known that our cycles when they began to be manufactured here were not very good, but now we are not only producing cycles which can compare very favourably with any imported variety but we are also producing them in sufficient numbers. The same is the case with so many other articles. My hon. friend will remember that when the Swadeshi movement began the Indian dhoti was not a dhoti at all. It was just like a sack, but gradually after years of trial and error Indian textiles have gained a standard and also foreign markets and they now compare very favourably with foreign textiles, and

in some respects they are even better than the textiles anywhere else in the world.

Regarding the question of imports versus protection to indigenous industries, this matter crops up again and again, and the Ministry has taken the stand that we cannot use import control as a protective measure. I do not quarrel with that decision at all, but my quarrel is when they say on the one hand that on account of foreign exchange requirements they cannot allow certain commodities or articles to be imported and on the other hand, do not support Indian industries. Is the consideration of the commodity or article being produced in our country not one of the reasons for allowing lesser imports of these commodities or articles? On this question the Fiscal Commission and the Import Control Enquiry Committee have come to the conclusion that there cannot be any hard and fast rule and while it is desirable that for obvious reasons of international repercussions we should not use import control for the purpose of giving protection to our industries, nevertheless in practice we shall have to do so. Therefore, I think that a more practical attitude has to be taken by the Government in this matter. Then, Sir, I just now said that most of the articles which are before us today for protection are products of small-scale industries and I find that some of them are not producing to their full installed capacity. I do not know what is the reason for it, but as they are all quite small-scale industries, they do deserve Government's sympathetic consideration as regards factors which handicap them. In some cases I know the Tariff Commission itself has been pointing out to Government the directions in which those industries can be helped, for example, in the direction of transport costs, in the direction of rebate on import duties on the raw materials which go into the manufacture of those articles etc. But some how in the Government of India's resolutions no mention is made of these suggestions. I would be glad, Sir, if the Commerce and Industry Minister very kindly enlightens the House as to why such recommendations of the Tariff Commission are not being looked into.

3 P.M.

[MR. SPEAKER in the Chair]

Then, Sir, Dr. Lanka Sundaram—for whose views I have the greatest respect—just now said that in the case of a number of articles, the prices are falling and he was wondering whether this fall reflected an exhaustion of the

[Shri Bansal]

protective effect. Then he linked it up with the interests of the consumer. Sir, I was surprised at his diagnosis, because it is as well that prices fall. After all everyone of us want that protected industries progress in a manner that they come to a stage where prices begin to come down and the consumer begins to get the benefit of that price-fall. I really could not follow his argument. I went to his seat, but unfortunately I could not get any enlightenment from him.

Sir, there are one or two cases where although Government have done their best to grant protection, by some conspiracy the full effect of that protection is not availed of by the industries concerned. I refer to the belting industry and the pencil industry. A number of representations, I understand, have been received by the Commerce and Industry Ministry that although protection has been given to these industries, certain imports are being made without payment of import duties under some guise. These loopholes are due, perhaps, to defective notifications or defective classification in our import-export tariff Schedule. I would request the Commerce and Industry Minister to look into this and try to plug these loopholes.

Dr. Krishnaswami (Kancheepuram): Sir, I wish to enter a caveat against some of the arguments that have been propounded in the course of this debate on protection and grant of tariff to certain industries. I should like to make it clear at the outset that this is only a continuing measure and that we have to await the Tariff Commission's investigations on many of these industries.

But having considered that point of view, I should also like to suggest that so far as this measure is concerned, whenever a question of tariff comes up before the Legislature, we are under a duty to examine some of the aspects of our tariff policy and find out whether we should have an extension of tariff, whether there should be a modification in our tariff policy, whether the expectations that we entertained about our policy have materialised.

The classic argument in favour of protective duties seems to have been that in a backward country, it is an obvious instrument for industrialisation. Wherever countries have been retarded industrially, it has been always pointed out that a protective duty does help to create a new industrial framework. The policy helps to build up technical skill and as a result

of the growth of technical skill, other industries also multiply. But there is a difficulty which I find about some of these protective duties that have been suggested in this Bill. The basis of protection, as far as I can make out is that industries grow within a sheltered framework and eventually they are able to satisfy the demands of the internal market. But when we find that certain industries, in spite of protection being given to them, are not able to satisfy the full consumer demand within the country, we have to ask ourselves whether a change in the policy is not called for, whether there ought not to be certain supplements to the policy of protection that we have been pursuing until now. If the gaps between the productive capacity and the consumption requirements of our community are great, what is it exactly that is to be done? Now, on this matter no simple answer can be given. I should like to place before the Government of the day one or two criteria that they may take into account in order to determine the type of policy that they should follow.

Suppose it is an article that is being demanded purely by the lower middle classes or by those who are in the lower income groups and we find, for instance, that as a result of a high protective duty being given to a particular commodity, the local industry in spite of its best efforts is not able to cater to all the demands, what exactly should the Government do? I should like to suggest for the consideration of the Minister for Commerce and Industry that a revision of this policy in a slightly different manner might be attempted. The component parts and raw materials that are to be imported might be given to the manufacturer and a refund of the duty might be allowed as soon as the articles are sold and a sale certificate is produced by the manufacturer. Undoubtedly, one of the complaints which the manufacturer has put forward is that even the duties do not constitute a sufficient protection, because there is what is known as the buyers resistance due to the market having been occupied in the past by foreign producers; due to a goodwill having been built up through years of patient advertising campaigns, it does seem to be difficult for the buyer to switch away from the foreign product to the domestic product. In that event a slightly higher duty, which is not as high as a protective duty, might be imposed, because that would give an opportunity for the lower middle classes to buy

these goods at fairly cheap rates and at the same time give sufficient incentive to the local indigenous producer. That is one of the suggestions that I have to make.

The other suggestion which I should like to place before the Commerce and Industry Minister is this. In the first place, there are certain industries which have been protected in our country. This morning we heard of the aluminium industry: we heard of the Aluminium Corporation. Some hon. Members pointed out that the Aluminium Corporation of our country was a purely family concern. Now, I do not know whether we can possibly help this sociological development in the present set-up of our country. Sometimes it happens that certain families have got the capital and they are busy starting certain industries. On that account I do not see how we can possibly quarrel with them, unless and until we decide to revise our policy and have an outright policy of nationalisation of these industries. But I should like to say this much of the Aluminium Corporation, and I think it would be fair on my part to quote only a brief extract from what the Tariff Commission have said about the Aluminium Corporation.

It was pointed out to them (that is, the members of the Tariff Commission) that the Aluminium Corporation was very much "handicapped due to lack of technical skill and due to the fact that foreign manufacturers were extremely unwilling to lend their technicians to the Corporation". Here it is not an instance of the industry being inefficient—here it is a case of monopolised skill abroad not being made available to the local industry and I do not see why the sins of the monopolists abroad should be visited on the head of the indigenous capitalist here in this particular instance.

But having said that, I should like to point out that even now the capacity of our aluminium industry, even if it gets the maximum protection will not be sufficient to meet the domestic requirements of our country. Therefore, in such cases Government should think, along with protective measures, ways and means of increasing the size of plants in different parts of the country so that the domestic demands might be met. The great difficulty which people find in entering into certain branches of industry is not due to unfair practices on the part of capitalists, but due to the fact that capital by its very nature has a monopoly value. A great deal of capital is required for investment in a 280 PSD

modern factory and it is very difficult for people to make an entry into an industry due to the fact that they do not have sufficient capital. In such circumstances the Government should think of ways and means of encouraging different types of competition to enter into these industries so that there might be a better chance of the community getting the products cheaper.

The argument that has been put forward by the Tariff Board that some of these industries do not have proper costing methods can also be met by the employment of this device, because where you have three or four corporations we can have a comparison of the alternative costs and we will be in a position to determine whether the particular industry has benefited by the protection and whether the consumer is not mulcted unduly as a result of protection being given to the particular industry.

There is one aspect of the matter which seems to have missed the attention not only of the Government but also of the various Tariff Boards which have gone into this question. We have viewed the problem purely from the point of view of indigenous industries being developed. It is an excellent and laudable object. But the transitional difficulties have to be taken into account. For instance, there are a large number of dealers who depend for their income on imported commodities. A sudden changeover in the method of production and a sudden denial of available goods to them tends to bring about a depression in a large sector of our economy. Take for instance an industry which is protected but which is not able to satisfy the full demands of the community. As a result of its not being able to satisfy the full demands of the community, many dealers who depend for their trade and livelihood on this particular vocation are either driven out of employment or they are forced to work at a very great loss. In any event, as a result of the depression in that particular branch of activity, what happens is that the rate of turnover is very sharply decreased, and as a result of it there is also a depression in income. I suggest therefore that when the Tariff Commission next enquires into all these matters it should take into account not merely the interests of the consumer but also the interests of the dealers and others who have been depending on this trade for their livelihood, because obviously a sudden throwing out of work of these dealers would affect the productive mechanism as much as an industrial collapse, and I would like that particular aspect of

[Dr. Krishnaswami]

the matter to be gone into very carefully by the Tariff Commission.

As regards protection the general argument in favour of it (that it ought to be used as an instrument of industrialisation) acquires additional force in the present circumstances. My own view about how far import controls might be utilised for the purpose of giving protection is very simple. In the post-war period, constituted as this country is, in many cases import controls have acted as a protective device for industries. But obviously it would be unfair and unwise on the part of industrialists to depend on import controls as a protective device. I would like the Government to suggest to them that they should not base their plans of production and of expansion on the definite hypothesis that import controls are going to continue for an indefinite period, because import controls have been imposed for the purpose of conserving exchange control, and if suddenly the needs of the country demand a relaxation of the control in favour of the consumers, the industrialists should not come forward and say "we have made our production plans on the definite hypothesis that this is going to continue for an indefinite period, kindly continue the import controls for a longer period". That would be unfair to the community. That would not increase productive efficiency and it would also lead to very large sections of the community grumbling against the Government and suggesting that it is trying to sponsor the interests of vested growth without paying regard to the interests of the community. I suggest therefore that on the next occasion when the Commerce Minister brings forward a Bill relating to tariffs and protection in respect of these various articles, along with the Bill there may be appended a statement of objects and reasons in which all these aspects may be gone into more thoroughly so that we may have an opportunity of examining the question from these points of view.

Shri A. C. Guha (Santipur): Sir, I think there cannot be any difference of opinion as to the necessity of protecting Indian industries. It has been the accepted policy of this Government, and for that very purpose a permanent organisation namely the Tariff Commission has been set up and an Act passed to that effect by this House. But the question here is whether the protection afforded to these industries here is adequate or proper. Most of these industries developed during the

war, and since then they have been getting protection all the time. But from the report that we have got we find that they have not made much progress as regards production of the commodities concerned or as regards quality. In respect of glucose for instance—it has been mentioned in the notes that—against an annual requirement of 2,500 tons our production is only 161 tons. In regard to hurricane lanterns, against our annual demand of 30 lakhs the production is only three lakhs.

Sarv Karmakar: May I correct the figure? Our demand is only three lakhs. That zero is an ink spot, not a zero.

Shri A. C. Guha: Oh, I am sorry.

Shri Bansal: And our production is four millions.

Shri A. C. Guha: In regard to silk, our annual requirement is four million lbs. and we produce only 62,000 lbs. per annum, even though sericulture is an ancient and important industry of India.

In regard to the sago industry, during the war we had 100 factories. The number of factories came down to forty, then to twenty, and the number of units at present in existence is not known. So, to whom are we going to extend the protection? We do not even know how many factories are producing this thing now. This is the case with respect to most of the items, if not all of them. In regard to pencil also I think the number of factories has gone down. For coated abrasives there were five factories and now we have only two. I do not know why the number of these factories is going down. In respect of many of these items these Notes have also admitted that the quality has not been improving satisfactorily.

Our apprehension is that under the protection of these duties some of these capitalists have taken a complacent attitude. They know that they will get their share of profit; so it is no concern of theirs to improve the quality or reduce the cost. I do not know what action Government has so far taken or intends to take to see that these protected industries make an earnest attempt to reduce the cost and improve the quality of the products. Another item, Sir, I am referring now to the belting industry. The Government has admitted that the industry is not making proper progress due to the lack of demand for this article. But during the war, there were practically no imports of foreign belting and the Government and the Indian industries were doing with Indian beltings. I do

not know why suddenly there has been this lack of demand of Indian belting on the part of the Government and the public. As far as I know, Government is a big consumer of belting and about two years ago, there was a reference here in this House that the Indian Railways had been purchasing foreign belting. During the war Indian Railways and the Government have been doing quite well with these Indian beltings. Then, why suddenly the Indian Railways or Government Departments have been importing foreign belting, in spite of the fact that this industry has been getting protection for the last 20 years? It is high time for the Government to see whether this industry really deserves any protection or not.

Then another thing, Sir. I think in the Tariff Commission Act it has been stated that it would be within the competence of the Tariff Commission to look also into the question of the supply of raw materials and of standardisation. I do not know why in many cases it has been stated here that these industries are not getting proper raw materials and if that is the case I want to know whether Government have taken any steps so far or whether the Tariff Commission has made any recommendation as regards the supply of proper raw material.

Then comes the question of standardisation. There is an Indian Standards Institution and the Tariff Commission has also been given the charge of looking into the standardisation of manufactured articles. I would like to know if the quality has not been quite satisfactory, whether any definite attempt has been made by the Tariff Commission or by the Government to improve the quality of the products.

It has been stated by some previous speakers that there are some industries in which only one or two firms are interested. Last time also one or two such things came before this House for protection and in the third amendment to the Tariff Act this year it was pointed out that only one or two firms were interested in producing some of those things. In such cases the Government should take a more strict attitude in giving protection to them. It may be simply that they are so sure of their position—neither is there any internal competition nor any export. They are protected from internal and foreign competition, so they may take a complacent attitude as regards quality and rate.

In certain industries where our internal production is only ten per cent. or twelve per cent. or even twenty per cent. of the actual requirements I think

Government should seriously consider the question whether it should extend protective duties or it should give subsidy to those industries. As against ten per cent. or twelve per cent. indigenous production, 90 per cent. or 85 per cent. foreign commodity is consumed in this country. Due to protective duties their price is also raised by about 30 per cent. or 40 per cent. which means that about 90 per cent. to 85 per cent. of the consumers are penalised for the benefit of the industries which can supply only ten to twelve per cent. of the same goods. In those cases I think it is better, instead of having a protective tariff, to have some subsidy so that the industry may develop and the general consumers may not be penalised for that and whenever Government decides that there should be a protective duty, Government should take definite steps for the setting up of some other factories so that the actual production in the country may be at least somewhat near about 50 per cent. of the actual requirements. Otherwise the consumers' interests, I am sorry to say, will not be taken into consideration.

In the Tariff Commission Act it has been mentioned that the consumers' interest also should be taken into consideration while any protective duty is being imposed. When an industry can supply only ten or fifteen per cent. of the total requirements, the consumers' interests should be protected and instead of giving a protective duty Government should rather give some subsidy to those industries.

Dr. Lanka Sundaram made a reference to what was generally previously called the Imperial Preference. Of course I do not think there is any justification now to call it Imperial Preference. But there is a bad odour in it because of its past...

Dr. Lanka Sundaram: Would you call that a Preference at least?

Shri A. C. Guha: Yes, it is a bilateral pact, it is certainly a preference. I would like to draw the attention of the Commerce Minister to certain news items published recently and I think that things also must have been discussed in the recent Commerce and Finance Ministers' Conference in London last month or about six weeks ago. There is a movement in the United Kingdom to scrap what is called the General Agreement of Trade and Tariff on the GATT and the tendency in the United Kingdom is to have more of Commonwealth or Imperial Preference, by whatever name it may be called, but I think we should take a strong attitude on that matter. We should

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rather move towards multilateral than bilateral commerce and trade and I think every item in the preferential list should be particularly scrutinised. I do not like to quote here the opinion which the present Commerce Minister gave in this House some two years ago but anyhow I think each of these items should be re-examined as an assurance was given by the previous Minister also that all these items would be re-examined, and periodically re-examined. I do not know if all these items have periodically been re-examined and if so, this House should get some idea about the results of those examinations. I do not like that because of its past the whole thing should be scrapped. I do not like to start with that prejudice. Previously because of our political relations with the United Kingdom there was ample reason to take everything with suspicion. Everything connected with the United Kingdom produced suspicion, but now that we have become independent there is no question of political subservience to the United Kingdom. We should not now say that anything coming from the United Kingdom or anything connected with the United Kingdom is bad or to be suspected but in any case because of its origin I think all these items should be re-examined and the results of those examinations should be placed before this House so that the House may have the assurance that whatever agreement we may have with the United Kingdom must be based on the best interests of India. I would also, before I conclude, ask that we should move towards the general agreement on trade and tariff rather than towards bilateral agreement with the United Kingdom or any of the Commonwealth countries.

Shri Karmarkar: I would like to make a small correction. My friend was right in saying that the demand for hurricane lanterns is 30 lakhs.

Shri A. C. Guha: Production is only three lakhs?

Shri Karmarkar: Production meets the whole requirements.

Shri A. C. Guha: It is here stated that the production is 3:3 lakhs.

Shri Karmarkar: That is the monthly average. We shall deal with it later.

Shri A. C. Guha: Not only for one year, but year by year the figure has been given as 3:3 lakhs, or near about that figure.

Mr. Speaker: He may check up, if he likes, at leisure and then point out.

Shri Meghnad Saha (Calcutta—North-West): Sir, along with many other Members on this side of the House, I have my doubts regarding many of the recommendations of the Tariff Commission. As we scrutinise, we find that one thing has not struck many of the previous speakers. While there is a protective duty for many things, there is a discrimination between British manufactures and manufactures of non-British origin. You have, for example, jute baling hoops, protective duty: on goods of British manufacture 30 per cent., on goods of non-British manufacture 40 per cent.; cotton baling hoops; 30 per cent. and 40 per cent., and so on. I know that this kind of discrimination between British manufactures and non-British manufactures exists also in certain other fields. The result is, that though many scientific instruments and other substances could be obtained at cheaper cost from places like Germany and U.S.A., since there is a preferential duty on goods of British manufacture, we are compelled to buy them from the British market. I do not know why after Independence this kind of discrimination should be going on.

The second point to which I wish to invite the attention of the hon. Minister is this. We find that in the case of 30 out of 42 industries revenue duty has been converted into a protective duty. Conversion of the revenue duty into protective duty is justified when it induces more production of the material, when it has the effect of bringing down the prices. Everywhere protective duty has been imposed on the basis of cost of production. It has very seldom taken into account the price which is borne by the consumer. I find that in many cases, the consumer has to pay 30 or 40 per cent. more. In one or two cases, for example, the chocolate industry, he has to pay 100 per cent. more. Does it not mean that the consumer is entirely at the mercy of the producer? Taking advantage of the protective duty, he is extorting a very high price from the consumer. There is no protection afforded to the consumer. When you scan the duties of the Tariff Commission, you find a clause there which says that the consumers' interests should be protected. I think this is known to the hon. Minister. Here it is: "Enquire and report on the effects of protection on the general price level and cost of living". This is one of the duties of the Tariff Commission. I do not know whether the Tariff Commission has got any machinery to find out whether the consumer is at all being protected. I find in many cases

the retail prices are very much higher. So, it may be taken for granted that the consumer is not being protected.

I shall illustrate the ineffectiveness of the Tariff protection in one particular case. We have got a glass industry. The glass industry became very flourishing during the war period because the import of foreign glass was stopped. They not only manufactured all the glass which was needed in the country, but also exported some of this glass to outside countries. At the present time, the glass industry is almost in a state of collapse. It is not a figment of my imagination. You can read the report of the Planning Commission where it is stated that the installed capacity for the manufacture of sheet glass is 12,000 tons whereas the actual production is only 5,000 tons, about one-third. It is the same with respect to hollow glass, bangles, etc. So, the glass industry is in a state of collapse. What is the cause of that? The glass industry requires three fundamental things: sand, limestone and soda ash. Sand and limestone you can obtain at the same price in this country as in Europe. But, what about soda ash? Soda ash is in a very peculiar position. Soda ash is sold in Europe and in England at Rs. 120 per ton or something about that. In this country, it is sold at about Rs. 380 per ton. There are two chemical concerns in this country who manufacture this article, Messrs Tata Chemicals, and another. They say that they cannot manufacture soda ash for anything less than Rs. 360 a ton. We find actually that very little soda ash is being manufactured in this country. Our requirements are 170,000 tons; we are producing only 44,000 tons. That too is mostly of a light variety and not of a heavy variety which is used for the manufacture of glass. There is something wrong somewhere. Soda ash is being made in this country. When the manufacturers are asked why they cannot make it at competitive rates, they give some kind of explanation which has not been convincing even to the Tariff Board. As a matter of fact, the Tariff Board which was the predecessor of the Tariff Commission, said in their report of 1949 that they were not convinced why the price of soda ash in this country should be so high. They actually recommended that there should be a Government factory at Sindri for the manufacture of soda ash at competitive prices. It is there in the Tariff Board's recommendations of 1949. Now, nobody knows why this kind of thing is taking place. The Tariff Board look at the figures supplied to them by the two Chemical concerns and they conclude that soda ash cannot be manu-

factured in this country at less than Rs. 360 a ton. Whereas, in Europe it can be manufactured economically at less than Rs. 120 per ton. Now, here is a vicious circle, and one has to find out why it is so. It is because many of our heavy industries are only manufacturers in name. They are really subsidiaries of the chemical and aluminium empires of foreign concerns—of the Imperial Chemical Industries which has got a chemical empire for the whole of the British Dominions; or, if you take the U.S.A., the Dupont du Nemours Co., and other concerns. Aluminium industry in the major part of the world is part of the aluminium empire of Canada. And it is in the interests of these bodies to see that these industries do not flourish in other countries. Therefore, a vicious circle has been created. Many of our so-called manufacturers, who are also distributors, find it cheaper, and they make more money, by entering into some kind of clandestine contract with the empires to which they are subsidiaries. They buy it at some concessional price from them and dump it at this protected rate here, and make money. This is the reason why no soda ash is being made at competitive prices in this country. And this is a very vicious circle from which we must rescue ourselves. There is no meaning in freedom unless there is economic freedom, and I know that in this country there are sufficient raw materials, and sufficient talent to enable us to achieve economic freedom, provided we, once for all, get rid of the idea that every foreigner is a super-genius and there is no genius in India.

As a result of this vicious circle in soda ash, we find—here I have got the report of the Tariff Commission—the landing price of sheet glass—it is given here—is six annas per square foot, whereas if you buy sheet glass from the market, it is about four times the price. There are sheet glass factories in this country—one in U.P. and others in some other places. You find that the production is just one-third the capacity of these factories. Why is that so? That is because many of these distributors have got an interest in the sheet glass industry, and they are seeing that no sheet glass is produced, so that they can buy foreign sheet glass at a very cheap price, at six annas per square foot, and sell it at more than one rupee and pocket all the money. So, this tariff policy, instead of increasing the production in this country, instead of helping in the development of new industries, is being utilised by the capitalists of this country for their private benefit, and

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this is a thing to which we must pay our very serious attention.

I find, on page six of the report of the Tariff Board, they have extended protection to the starch industry without giving any argument whatsoever. I do not know why this protection has been given. They ought to have given some argument as to why this protection is to be extended.

There are many other items where you find the Tariff Commission and the Planning Commission have come to an agreement. One of these things is that many of the heavy chemicals, which are key materials for the promotion of industries in this country, should be left to the private sector. One of these things is sulphur. Sulphur, as you know, is a very important key material. It is not produced in India. We have to buy it either from U.S.A., or from Italy or from Japan, and all these three countries are under U.S. domination. So, in the event of a third World War, if we do not develop any sulphur industry in this country, then, half of our sugar factories would come to a stop, and our chemical factories would come to a stop. Since 1942 we have been talking of manufacture of sulphur in this country. We have not got sulphur as it is. We have got pyrites; and other European countries in a similar position to ours like Germany, have developed methods for the manufacture of sulphur out of pyrites and it is competing successfully with the price of sulphur imported from U.S.A. and other countries. Why are we not able to manufacture sulphur in this country at competitive prices. The Tariff Commission say that they have consulted some of the factories and they have carried out experiments. Their experiments show that it cannot be manufactured in this country at competitive prices. I am not at all satisfied with that kind of answer, because many of these chemical concerns are really subsidiaries of foreign companies. And when they say something, you have to take it with a grain of salt. Therefore, I suggested the other day that we should not depend upon any of these private chemical concerns for data. Thanks to the initiative of our Prime Minister, we have got a number of national laboratories. We have got a very fine laboratory at Poona—the National Chemical Laboratory. This laboratory ought to be asked to find out a process for the manufacture of sulphur out of Indian pyrites and I think if they can solve this one problem, all the money which has been spent on them will be

well spent. We must not depend upon the figures given to us by any of the private concerns.

Then, we had a lot of interesting discussions on aluminium. The total need of aluminium in this country has been given to be 15,000 tons. That is because we require aluminium only as a mineral which can be made use of for making utensils. The greatest use of aluminium is in the manufacture of aeroplanes, because practically the whole body of an aeroplane is made of aluminium and its alloy duraluminium. As a matter of fact, I know, three or four years ago, a German expert, who was no less a man than the famous designer Messerschmidt, was invited to this country to advise the Government on the manufacture of aeroplanes. The first thing he advised us to have was an aluminium factory otherwise the country would have to depend upon foreign countries for the most important material for aeroplane. But we have every raw material in this country and there is no reason why we should go for aeroplanes to other countries. If you manufacture aeroplanes in this country, our demand for aluminium will not be 15,000 tons. It will come to something like 50,000 tons. And aluminium is the coming metal of the century. It is used not only for making utensils, but for making parts of ships, and it is replacing iron and other things in many other industries. So, this is an industry to which we must give our serious attention.

Shri C. R. Narasimhan (Krishnagiri): On a point of information, my hon. friend Mrs. Kale says that in Canada a bridge was built of aluminium.

Shri Meghnad Saha: We find that instead of producing 15,000 tons, we are producing only 4,000 tons, and the cost of production here is much higher than the cost of production in other countries. Of course, I admit that one of the causes is the high price of electricity, because the main item in the production of aluminium is electricity. To produce one ton of aluminium, you require 120 thousand units of electricity. Unless the cost of electricity can be cut down, we cannot produce aluminium in this country at a cheap rate. But why are you not producing electricity at a cheap rate? The Aluminium Corporation is in a coal area and its cost of distribution is almost nil, but the cost of production of a unit of electricity as shown by the Aluminium Corporation is one anna, instead of 1/4th anna as it should be. This is a great mystery. And I think

the Tariff Commission had neither the means nor the time to go into this question. Also they are simply playing into the hands of the manufacturers who are using the ignorance of the Government and their inability to go deep into things, for their own interests. I quite agree that so long as we leave the manufacture of aluminium, sulphur etc. to private sectors, as has been given out by the Planning Commission, we shall never have any industry at all in this country in spite of the fact that India is very rich in raw materials. I think we have got the best kind of bauxite, all over the country, in Ratnagiri district, in Bihar and in many other parts. As long as we allow ourselves to be guided by our industrialists, in these matters, we shall never be able to reach our goal. We have to go deep into the 29 industries that have been sought to be protected, and see whether they actually need protection, whether by giving protection to them, we are not encouraging inefficiency and cheap methods of making money etc. All these things have to be gone into very deeply. I find from the note circulated that the Tariff Commission has been entrusted with a very large number of duties of an important character. The functions of the Commission are much wider than those of the Tariff Board.

One of the functions of the Commission is 'inquiry and report on the grant of protection, for the encouragement of an industry'. In this matter, I think they are entirely guided by industrialists. But there are other parties in this country as well, who can take interest in industry. I know many of the scientists who are being employed in our National Laboratories, the National Chemical Laboratory, the National Physical Laboratory, the Glass and Ceramic Research Institute, the National Metallurgical Laboratory etc., can give advice of the highest order, not only on scientific matters, but even on cost of production etc. I find that the Tariff Commission has seldom asked for their advice. On the other hand, the Commission is entirely guided by the industrialists; and this, I think, is a dangerous factor.

Another item entrusted to them is the variation in the customs or other duties for the purpose of protecting industries. The fourth item mentioned is the most important one, inquiry and report on the effects of protection, on cost of production, and fixation of prices. The fixation of prices is a very important and large item in the economy of a country. It can promote an industry, or demote an industry, and it can also bring in sufficient

money, if you properly manage it, to the State Exchequer, for the development of the country. On going through the report of the Planning Commission, I find that they have planned a number of industries mostly agricultural, but leaving other industries entirely to the private sector. On looking into the chapter on Finances, I found that their financing is on old-fashioned lines, just having some taxation, some deficit financing etc. But the most important source of financing is the turnover tax which is the main item of taxation with the aid of which Russia has developed her Five-Year Plan on a very wide scale and that has been dismissed by the Planning Commission in one short sentence. The Planning Commission probably has no idea that Russia has developed all their industries from nothing; the main source of their income was the turnover tax. Turnover tax is nothing but fixation of price and taking the surplus for the interests of the country. Instead of the money going to the pockets of private industrialists, it should go to the State Exchequer, so that the State may invest that money in schemes for the promotion of industries. I have given you one example, that of sheet glass. Dealers in sheet glass—I know many of them—are making an enormous income on account of this protective tariff. I doubt very much whether by means of taxes and so on, you will be able to recover the same, because they are much more cleverer than the Government. I would agree to the fixation of price of glass at Rs. 1-8-0 per foot, provided all this turnover tax is taken by the Government and is invested by them for the development of industries in this country. So this Tariff Commission has got a very important function to perform, in the fixation of prices for the industrial development of the country. I think they have not got sufficient machinery to discharge their functions. They must therefore be given additional aid. They must not only consult industrialists, but the scientists and technicians also, as also the representatives of the consumers.

These are my criticisms on the recommendation of the Tariff Board. I am sorry I was not able to make a more detailed study of the note, because I got it only two or three days ago. I think this is a very important question, because, on the policy adopted by the Tariff Board, will depend the growth of industries in this country and the interest that will be taken in that behalf.

Mr. Speaker: Now I call upon the hon. Minister.

Babu Ramnarayan Singh (Hazari-bagh West): I want to say something.

Mr. Speaker: The hon. Member may have his chance after the hon. Minister finishes his speech. The hon. Minister is not replying to the debate now.

Shri T. T. Krishnamachari: I would like to intervene at this stage of the discussions, in order to clear some misconceptions that seem to exist in the minds of hon. Members. My colleague who moved this motion made it very clear that with the exception of three industries regarding which protection has been recommended by the Tariff Board, the rest is merely a matter of extension of existing protection, because the Tariff Board has not been able to go into the question as to whether protection should be continued, if so what should be the quantum of protection, should it be raised or lowered etc. It is more or less an administrative recommendation. I am very glad, that hon. Members who spoke before me recognised the value of the services of the Tariff Commission.

[**SHRI HARI VINAYAK PATASKAR** in the Chair]

The House will forgive me if I make a reference to the President of the Tariff Commission, who has now left this country, Mr. G. L. Mehta, who over a period of years has given this country valuable service and also set the traditions and standards in the matter of tariff inquiries, that should be adopted by the Commission in the future. It is indeed a matter of good fortune for this country that he has been the first President of the Tariff Commission. We have been hard put to it to find a successor to Mr. G. L. Mehta. Now I am happy to say that I have been able to persuade Mr. Bhatt, who has a very fine record of public service and is well known as a man of the highest integrity, to accept that responsibility, though he was rather disinclined to do so.

4 P.M.

Shri S. S. More (Sholapur): Does he know anything about industries?

Shri T. T. Krishnamachari: A little more than what my hon. friend does. I think it is...

Shri S. S. More: He has not replied to my question, Sir. He may know much more than I do, but whether he is qualified to be the Chairman...

Shri T. T. Krishnamachari: Unfortunately for the hon. Member, Mr. More, we happen to be in power and we feel he is qualified. He has got to accept it.

Shri S. S. More: I rise in protest, Sir. When I am seeking....

Shri T. T. Krishnamachari: I am not yielding, Sir.

Mr. Chairman: Let him finish. After that I will allow the hon. Member an opportunity to speak. Let there be no discussion across the Table.

Shri S. S. More: When Members are asking some questions of the Government side, he cannot be so satirical about it. We can return that in a larger measure.

Mr. Chairman: As a matter of fact, he has given a reply. Probably the hon. Member does not appreciate the way in which it was given. I can understand that. But at the same time, it is not desirable to carry on discussion this way. After the hon. Minister has finished, I will take into account what...

Shri S. S. More: We are not a controlled commodity here, Sir.....

Mr. Chairman: Let him proceed. I do not think we need now discuss it.

The Minister of Revenue and Expenditure (Shri Tyagi): The Government cannot allow...

Mr. Chairman: I think the hon. Minister may now proceed.

Shri T. T. Krishnamachari: I am sorry, Sir. If my hon. friend mistakes what is called humour for satire, it is rather unfortunate. But, unfortunately, 'satire' is not a protected commodity. Anybody is at liberty to use it. If my hon. friend wants to use it, he is at perfect liberty to do so. We are willing to take it. We have a devoted head which will take all that is showered on us. That is by the way. I am very sorry that any remarks should have been made about a person who is not here.

Shri S. S. More: It is not a remark about an individual. I wanted him to clarify. My friend has paid a compliment to a particular individual. We are perfectly entitled to ask about the qualifications of that individual. The individual does not come in. The Chair will concede that we can ask whether the new Chairman is perfectly qualified or not.

Mr. Chairman: I think this small matter has been replied to. Of course, I do not know whether the manner in which the reply was given was correct or otherwise, but the hon. Minister himself says that he is sorry.

Shri S. S. More: I accept the apology.

Shri T. T. Krishnamachari: No apology has been offered?

Mr. Chairman: Let there be no mistake. The hon. Minister did not intend any offence to anybody. Let this small matter end there. We know over such a small matter, we cannot carry on a controversy. I would appeal to the hon. Minister also now to proceed to the merits of the Bill. Let us leave this matter here.

Shri T. T. Krishnamachari: I am deeply obliged to the Chair, Sir. But, Sir, the reference was made because my hon. friend, Dr. Lanka Sundaram, did lay emphasis on the amount of staff and the number of members in the Tariff Commission as being an integral part of the utility of that Commission. Hon. Members will recognise the difficulties that Government has in being able to obtain suitable men to serve on a body like this. He cannot be an industrialist; he cannot have any vested interests; he must be a man who has got the highest integrity, from the knowledge that we possess, and he must have superhuman abilities. These are rather difficult to find, at any rate, in this country—I mean to the extent of the knowledge that I and other members of Government possess. And I made this reference because while we could now appoint another member and augment the number to five, we find it difficult to secure a suitable person. Having appointed a person and finding that he is not good enough for the job is, I think, a little more awkward than not appointing a person at all.

On this question of the work of the Tariff Commission, I would like to say that I had an opportunity of going to Bombay recently and discussing with the members of the Tariff Commission, not their work—that is not within my province, they are entirely independent of Government—but their programme, the extent of the staff that they would need, the number of inquiries that they could complete in a given period and what additional members they would require; for instance, for the inquiries in regard to prices, because the Tariff Commission can also have the assistance of *ad hoc* members. It is after a review of all these considerations that the Government came to the conclusion that it would be better if the period of time when protection lapsed in regard to any particular industry was not in the middle of the year but towards the end of the year. We chose upon the date, 31st December of a year, as be-

ing a suitable date. Instead of having protection expiring in March or April we thought it should extend to December of a particular year.

There is another object also in doing so. It is that the programme of Parliament has to be considered. It is not always possible to bring in a measure of this nature during the Budget Session. We have to hustle the House and pass it at the cost of other business that it has. So my view was that it would be much better to take up consideration of tariff measures in the Autumn Session, towards the fall of the year. And then we reviewed the quantity of the work that the Tariff Commission had on hand. They had about 53 inquiries pending. Out of them, 27 were expiring towards the end of the year or in March, 1953. They have one or two very important inquiries on hand which have to be completed within a short time. It was humanly impossible for them to give us any report, even a preliminary report, in regard to these industries protection to which was expiring by December, 1952 or March 1953. Well, we thought the best thing was, with their concurrence to make an *ad hoc* extension of the time of protection to the end of 1953 and give them more or less a whole year to go through all these inquiries. In the meantime the choice of the subjects on which they should undertake enquiries whether it be industries into which they have to make an exhaustive enquiry or a cursory one, is left for the Commission to decide.

That is really the excuse, the reason, the cause for our having presented the House with what looks like a complex piece of legislation but which in reality is a simple one. I welcome, Sir, any criticism that hon. Members make in regard to the grant of protection or to the failure to grant adequate protection or with regard to the failure of either the Tariff Commission or the Government to inquire into how that protection has been used or abused. We provide every opportunity for hon. Members. I think, having been myself a Member of this House in a private capacity for several years, I cannot altogether forget the fact that a Member of the House wants opportunities when he can examine the acts of the Government with as powerful a microscope as he can possibly get. Therefore, I do not resent any criticisms made. I welcome them in the spirit in which they are offered. If Members feel that Government have not done their duty, I take proper note of what they say and as far as humanly possible for me, with the resources, time and intelligence at my disposal,

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I try to remedy the situation. So if I say a few words in regard to some of the remarks that fell from the hon. Members in a very general way—because I am leaving the particulars to the hon. the Mover—I would ask them to accept them in the spirit in which they are offered.

On this question, Sir,—again to revert to the question of the composition of the Commission—I agree with the hon. Members with the remarks they have made and on a previous occasion I had told them that I was grateful for their suggestions in this regard. At the present moment I could fill in the post of the fifth member in the Commission if the Government could make up its mind on a suitable person. In fact, I have told the Chairman of the Tariff Commission that he should, as far as possible, utilise *ad hoc* members for price enquiries, so that we would be able after a time to know that there are a number of suitable and proper men available. In fact, if this experiment is tried, that will be a testing ground to enable us to make up our mind before we appoint them as permanent members of the Commission. Very possibly before long, I may have to come to the House to permit me to expand the number of members of the Tariff Commission also.

I might, Sir, certainly acknowledge the very valuable suggestion made by that eminent scientist sitting on the other side of the House that we should use the services of scientists. I shall be very grateful myself if scientists would agree to come into the Board or to agree to serve as *ad hoc* members. But it would be wrong for anybody to say that the Tariff Commission ignores scientists and depends entirely on industrialists. They do not. It is a wrong presumption because I suppose the hon. Member who spoke will know exactly how the Tariff Commission went about its work.

Shri Meghnad Saha: Sir, I did not say that he should have only scientists. I said that in addition to industrialists he should have scientists and a leavening of the representatives of other interests.

Shri T. T. Krishnamachari: I am very obliged to the hon. Member. I do agree that there should be a leavening—I rather like the word leavening—of all types possibly—not merely economists but also public servants even though they may just be able to judge what is right and what is wrong—that is a very valuable qualification,—and scientists as well, who

may not always be able to judge from the concrete point of view but who might sometimes judge things from the abstract point of view, even so they have their utility. But it would be wrong to generalise that the Tariff Commission is dependant for its information and guidance on any one set of people. Actually, they are very much dependant on their cost accountants and what the figures say. The evidence of others is heard. It is certainly open to anybody who is interested, not only the industrialists, but also the consumers, to give evidence before the Tariff Commission and their evidence will be welcomed by the Tariff Commission.

Sir, one other matter before I go into details,—I mean the details in a very general way—about these imperial preferences. My hon. friend, Dr. Lanka Sundaram reminded me of my promise. I must tell him that I did not make the promise in order merely to tide over a temporary difficulty. I meant to do something about it, when I made that promise—an evaluation of all the terms of the Indo-British Trade Agreement of 1939, by means of which we have given them some preference, which we, for lack of a better wording at the present juncture, still call 'imperial preference'. I have had a preliminary survey today conducted by competent people. Though I am not in a position to divulge the results, I can show to my hon. friend that the document is very impressive because you find quite a lot of photostat copies of statistics. I have a preliminary survey with me in regard to which I find a certain amount of difference of opinion in the evaluation of these statistics. What it shows is that while sentimental considerations and all that would necessitate the dropping of the words 'imperial preference' the advantages are not entirely unilateral. There are certain advantages which we gain now, which may be temporary advantages but which are, in the contest in which those advantages are, available of course, to us very valuable.

Dr. Lanka Sundaram: May I interrupt my hon. friend, Sir? Is he aware that Pakistan has conceded imperial preference in respect of 30 items?

Shri T. T. Krishnamachari: Imitation is the best form of flattery. I do not propose to flatter Pakistan. The economy of that country and the economy of our country are totally different; the points of similarity are very few. It is a complementary economy, I agree, if Pakistan and we can co-operate; one economy can be

complementary to the other. Manufacturing economy and agricultural economy can be complementary so far as their mutual relationship is concerned. What Pakistan does is not a thing that suits me. And my hon. friend Dr. Lanka Sundaram would have obtained his Doctorate in vain if he passes judgment on the actions of a country merely because it seems to agree with his own particular proclivities. They have to be judged on more serious grounds. Of course, he has to take me in trust.

Dr. Lanka Sundaram: When do you publish it?

Shri T. T. Krishnamachari: I am not going to publish it. What I will publish is something more definite. It is only a preliminary work which is purely confidential for the benefit of the Government and those who have to work with it. I find two or three differences of opinion even on this preliminary investigation. There is, however, some good that has come out of this survey. I was able to find in this in relation to a commodity about the rules of which I am hard pressed at this moment—that these protective duties were of some advantage. So I propose to hold on to it until such time when I feel that the advantages are non-existent. In any event we cannot hold this document or some such document from the gaze of my hon. friend Dr. Lanka Sundaram for any length of time.

Dr. Lanka Sundaram: Is that a promise, Sir, that some of us can see it?

Shri T. T. Krishnamachari: I do not propose to make any discrimination. I remember always article 14 of the Constitution; and, Sir, when it is available for inspection, it shall be available to all the hon. Members of this House and of the other House also. I referred to this now because I felt that I ought to tell my hon. friend that I am doing something about it.

My hon. friend, Mr. Arun Chandra Guha is a very diligent student, for whose diligence I have the greatest respect—he is unfortunately not here—made a reference to something that has happened somewhere in London from the reports he has seen. I am afraid all these reports are wrong. I may tell him there is no possibility of something being done in the shape of 'imperial preference' being crystallised as against the multi-lateral trading facilities that we allow to other nations which are signatories to the GATT. There may be a difference of opinion whether the GATT itself is worth while or not. We do not propose to

sacrifice that for something else unless there are some decisive advantages. Hon. Members all know that we are going on with these bi-lateral treaties with countries. We had got certain advantages in regard to certain commodities that we can sell to them.

I am very grateful to my hon. friend Mr. Bansal but my only complaint is that he blows hot and cold. Yesterday he was very cold, pleasant; today he is very hot, very unpleasant. This is, I suppose, his mood. I suppose an element of the Jekyll and Hyde personality is there in every human being, it is endemic. It is we that make those particular proclivities to come out as we react to our own wishes. I agree that I am sometimes a catalytic agent in this House, and I suppose that is how I have drawn from him the wrath that he has poured out. I do not want to refer to his association with an august body because I have very great respect for that body, but it seemed to me that his association with that body is having an undue influence over him, at this particular moment. I might very well have heard the President of the Federation of Indian Chambers of Commerce speaking today when I heard all that Mr. Bansal said.

Sir, one feels very happy to hear many speakers on the other side supporting us sometimes. It is rather funny that sometimes in certain matters we find strange bed-fellows, holding views which probably I hold. In this question of free trade and protection these are views that there should be no question of protection for all time for any commodity. Nobody says that in future, there should be only free trade, which means that the consumer can be allowed to find his own level if there is any level at all for him. But the idea that protection has come to stay for all times seems to be a little far-fetched for me at the moment to absorb. I must tell my hon. friend Mr. Bansal that I am not yet ready. My education is progressing; I may come to that level sometime but not yet.

Then he said something about foreign interests. If an Indian comes along and says, "I am going to manufacture typewriters", then my hon. friend's suggestion is that since an Indian national has said it and has declared his intention, and probably he may declare that intention before a magistrate and confirm it by solemn oath and the magistrate's seal may be there, the Government of India should not permit anybody else after that to come into that industry. That is the sum total of what my hon. friend said. I know

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this particular friend whom he has in mind, because forty different associations have complained to me about this particular case. Thirty different members of Parliament have written to me and several Members belonging to my party also have written to me, not to speak of other people who are interested in this particular single individual who has got a grouse against somebody else who has started a type-writer industry. Sir, this is one of those cases which are being exaggerated unduly and that is not good for my friend who is going to start the type-writer factory nor for the economy of the country nor for the sponsors of this complaint. There must be some definite basis for a complaint. Supposing it is true that this gentleman has declared his intention to manufacture some 12,000 pieces, and according to our estimate we require about 28,000 to 30,000 pieces. Where are the remaining 16,000 or 18,000 pieces to come from? They must be imported. If they are not to be imported and if I allow somebody else to manufacture them in the country, then what is wrong? This point is left completely out of account. That is where I consider the intervention of my hon. friend Dr. Krishnaswami to be valuable. As an economist he did point out certain basic facts which we cannot altogether ignore. If there is a gap between local production and the amount of demand, what are we to do about that gap? I think he was right when he asked that question. Government must do something to fill up the gap. We cannot allow the gap to remain. One course is to import. But at the same time luckily for my hon. friend Shri Bansal and people who are of his way of thinking, there is a chronic shortage of foreign exchange so far as we are concerned and much as I would not like to help lame industries to thrive or to exist by a measure of protection which is indirectly granted, I have willy nilly to grant them protection though indirectly because when I make up my import budget I have to take into consideration how much of money I have and how much imports are necessary and how much is available through local manufacture and then find out how much I have to import. I think some hon. Members have pointed out the value of there being certain imports. I hold that opinion very strongly. Even if we become a manufacturing country—let us say up to the extent of 99.9 per cent.—even then we ought to allow three or four or five per cent. of goods of a particular type to come from outside, so that our standards can be maintained. It does not matter from which country those goods

come. They may come from any country. Hon. Members may have different preferences, but I do feel that if somebody else makes an article better than we do in this country, and we allow some goods of that type to come into our country, our people here will become dis-satisfied with the indigenous article and insist upon the Indian manufacturer giving the same standard as the foreign stuff. That is the way in which normally industries grow. When I do that, the Federation of Indian Chambers of Commerce and Industry criticises me. It says, "There are local industries and local manufacturers. Why do you allow this?" It is forgotten that I also get kicks from the consumers. Supposing I say that razor blades will not be imported as a measure of protection to the indigenous razor blade industry, then the consumer protests. If supposing I say that bicycles will not be imported for another two months, then the consumer comes down upon me. I do not know which way one can go. If I try to please everybody, I would soon be in the position of the miller, his son and the ass. I think the best way is to adopt the golden mean and not listen to anybody. Perhaps that is the best thing to do in matters of this nature, where academic economists, consumers' representatives and industrialists' representatives—all of them come out with different advices. I must choose my own method of solving the problem rather than listen to any one person. I am perfectly sure that when everybody complains, I am in the right.

On this question of foreign interests, I think I have said on former occasion more than what is necessary. It is wrong for hon. Members here like my hon. friend Shri Tulsidas Kilachand to understand me when I say that there should be a leavening of foreign interests as saying that people of his community are not honest. It does not mean that. If somebody deduces something from what I say, I cannot help it. If he deduces something which I had no intention of making known as my opinion, I cannot help it. I am not fond of the British or anybody else and I think there are several hon. Members who I know are not fond of them either. But we do sometimes feel that if we are not quite sure of our own people—and let me tell you very honestly that sometimes we are not quite sure of our own people—then, I say let us have some foreigners. There may be a few of them; not a whole lot of them. I do not want a whole lot of them here. But a few of them will set up some

standards here. It does not do us any harm. So long as they do us no harm, so long as they play the game, I propose to have them. I propose to give them national treatment so long as they accept national obligations, and there is nothing more to be said about it than that. If even when I do this, you come and say, "Well, you are encouraging the foreigner", then I cannot understand it. I am only trying to do what is in the interests of the country. But if you are only trying to coin a slogan which with gain currency by all means do it. If you want to raise this bogey of foreign interests or of the Government of India favouring foreign interests, then let me tell you that all this discussion is just to raise a slogan and nothing more. It has no more validity than that. Of course, it is true that there are some interests in our country who have come in when the British were here and some of them have large interests. But then various complications are likely to arise in dealing with them. We do not want to quarrel with friendly nations. Some of these interests will probably go in course of time. They will stay only so long as they are useful. But if they are not useful, they will not stay; they will go. And there is nothing more to be said about it.

In regard to particular industries, I shall leave it to my hon. colleague to reply, but I think I should say a word on this question of scrutiny of particular industries at this moment. As I said, this is avowedly an *ad hoc* arrangement, and we are just extending the protection for another year. My hon. friend Shri Ramaswamy from Salem said, "Oh, industries must have some kind of security." I too would like them to have security, but I have not got the means. The Tariff Commission is not in a position to go on making enquiries now. If they do not make an enquiry, I cannot extend protection beyond a year. It is not legitimate. The administrative discretion in this matter can be projected only up to one year and not beyond that. It may be that there are some incidental inconveniences. They have to be put up with it because I have not got the staff.

Then, a point was made about soda ash and the glass industry. My hon. friend the distinguished scientist had something to say about it. I appreciate what he said, because although it may be that he speaks in a type of language that is somewhat different from ours, there is sincerity in what he says and you cannot altogether ignore it. But on this question of import of

heavy soda ash, I think, we are helpless. We have to get heavy soda ash from abroad. There is no manufacturer here who produces this type of soda ash. The one Corporation which controls the distribution of magadi soda ash does not manufacture it but scoops it out from nature. For the glass industry, they want this heavy soda ash. It will take quite a long time before we can manufacture it and even if we succeed, I doubt if it would be economical.

Shri Meghnad Saha: Even in the report of the Tariff Commission, 1949, they have stated that soda ash is the key point in the manufacture of glass and they have suggested the manufacture of soda ash at economic prices. They have recommended that round about the Sindri factory Government should set up a factory for manufacturing soda ash, because the manufacturing processes are practically the same. If you take the ammonium soda process, you have to take ammonium and that will react with lime. The Tariff Commission made some kind of investigation and they found that if such a factory is started there, you can make soda ash in this country on a competitive basis. I want to know why for three years now no action has been taken on this recommendation.

Shri T. T. Krishnamachari: I quite recognise that it can be manufactured but I am rather doubtful if it can be made on a competitive basis, because the price of imported heavy soda ash is certainly cheaper. I may tell him that I have my difficulties in this matter. We have had, as I said, the insistence of the consumers in this matter. I think formerly the Government had to put this under O.G.L. Quite a lot of stuff came in, and what happens in regard to the O.G.L. is that persons who have no interest in the soda ash trade come in and obtain licences for some phenomenal amounts like Rs. 50 lakhs. I know of a firm which has taken licences for Rs. 50 lakhs for import of soda ash and caustic soda—just to corner the stock. I asked somebody to find out what the capital of that firm was and I found out that it was just Rs. 15,000.

Shri Meghnad Saha. It is very easy to answer. You have got the installed capacity of sheet glass. As I find from the report of the National Planning Commission it is 12,000 tons. They are actually producing only 5,000 tons. That shows that they can consume a large quantity of soda ash, if it is available at competitive prices.

Shri T. T. Krishnamachari: I said that estimate of the consumption of soda ash varies. The Tariff Board has said it is 1,07,000 tons; I have heard people say it is 1,20,000 tons; I have known of another estimate which puts it at 1,40,000 tons. The dhobi's demand is something which we have never been able to estimate. The producers say it is only 80,000 tons. It is rather difficult to reconcile these figures. But it does seem that all the imports have been brought in by people who are more or less speculators,—people who have nothing to do with the trade but—merely take out a licence because one is available and all that they do is to spend a hundred rupees for that purpose. This half year we have not allowed any imports. Unfortunately, the two factories that used to produce soda ash have closed down in spite of my persuasion, in spite of my telling them that I was going to control the bringing in of soda ash from abroad. They had not enough faith in me. Perhaps they may open their factories before only. This is only one of my headaches, because every industry causes a headache at one time or other.

That is all that I have to say from a general point of view, to several of the criticisms that have been made. A reference was made by my hon. friend Dr. Saha in regard to scientific instruments. He and I both know what the origin of it was and I can tell him that if there is any real difficulty, that difficulty will be removed. In regard to other matters of detail, I think, my hon. colleague would be able to reply. I am very grateful to you, Sir, for having given me this opportunity.

Pandit Munishwar Datt Upadhyay. (Pratapgarh Distt.—East): Sir, although the hon. Minister has spoken on the most important points raised and on the far-reaching implications of this Bill, I have to say a few words on the lesser important aspects of this matter. I should like to submit that when we are considering the question of giving protection to industries, we are dealing with businessmen, whose main object is profit. They are out to make money: hence the complaints and objections to the protection, because these protective measures are likely to be abused, because the persons concerned are likely to misuse this protection. This fear is absolutely out of place. All that we have got to do is that we should have an efficient machinery for controlling these industrialists and persons who are in a position to abuse the protection grant-

ed to them. It is with that object in view that we have established the Tariff Commission.

The Tariff Commission has a number of functions to perform. It devotes its entire time to this and as the hon. Minister just now told us about the working of this Commission, they have taken up the work very seriously and during the period of about eight or nine months the work they have done and the control that they have exercised over the industries, are I think, by no means, insignificant. The need for a permanent Statutory Tariff Commission has been felt for long. The Fiscal Commission recommended the need for a permanent body and in response to their recommendation the Commission was appointed last year by an Act of Parliament. The functions of the Commission are not limited to the functions of the Board that we had till last year. Now they have to look into the question of granting protection to an industry and also to look to the question of continuing the protection wherever necessary. They have also to recommend the variation of duty, where called for. Besides that they have to look into the abuses, or the malpractices, the manner in which this protection is being used or abused or misused by the persons who are responsible for running the industries.

The Commission also sees that immediate action is taken on its report. Under the Act that we passed last year, the Central Government has to bring before Parliament, the recommendation made by the Commission, within three months of the date of its report. Government have to explain as to whether they have accepted, in toto or in part, the recommendation of the Commission, and if so whether they have implemented it. They should also explain the reasons for non-acceptance of the Commission's recommendation. The necessity of bringing the matter before Parliament within a period of time, does not allow any scope for delaying the matter as used to be the case previously.

When we have set up a statutory body of that sort, I think we must closely study the recommendation of the Commission, before we come to a decision. In fact, the Commission has not been able to go into the details of the working of some of the industries. They could not make enquiries, but they have made a suggestion that the protection in such cases may be extended up to the end of December, 1953. The reason for this has been explained by the hon. Minister and it is but proper that we should accept

that suggestion. There are at present 42 industries receiving protection, as against twelve industries which before the war used to receive protection. The Tariff Board and the Commission up to now have held enquiries into the case of 132 industries. It is quite a large number and to say that the working of this body is not up to the mark would not be justified.

Then I wanted to refer to certain industries in which I am feeling interested. I find that in many rural areas community radio receiving sets have been installed. But they are not working properly because there are no batteries, and it takes two or three days for the people to go to a place fifty or sixty miles away from the village to have the batteries charged. They have no generators there. This question of dry batteries, although it may not be of great importance in other respects, has assumed importance on account of the fact that many of the States have installed community receiving sets in the rural areas where it is not possible to have these wet batteries which require charging every ten or twenty hours. Therefore the provision of these dry batteries for these radio sets has become very important. The working of these radios is mostly unsatisfactory for want of battery.

In respect of dry batteries I find that there are at present only four companies working—formerly there were five, but one has gone out of working. Most of the manufacture is done by the National Carbon Company of India Limited. This company is being financed by foreigners and is managed by foreigners. Eighty per cent of its production is consumed in India and there is a part which is also exported. So, although we think that we have banned imports and are trying to use the indigenous product and trying to help our own industries in the country, the fact of the matter is that even now the entire profit goes to foreigners, the entire management is by foreigners, the key men who are employed are all foreigners, and the greater portion of the money is going to foreigners. As I find from the report, when the question of costing arose this firm did not allow the Tariff Commission and the Tariff Board to look into their accounts, so as to calculate what was the cost of production. The cost of production that we have got (on the basis of which we are proceeding) is the cost of production that was supplied on the basis of the accounts of Estrela Batteries Limited, Bombay. If that is the attitude of these people in spite of all the advantages that they are getting, I

would submit that we should see that the foreign companies do not get that advantage. That can be done only by giving a certain amount of subsidy to the other companies which have newly started and which are not in a position to compete with this company which besides being very old and very well established has other advantages also over the smaller companies.

This dry battery industry can very well flourish in our country as most of the raw materials required for it are available in our country and we only require a little imported mixture of certain other raw materials—it is a technical matter and therefore I would not like to go into details. But mostly the raw material for the manufacture of dry batteries is available in our country. So if we mean to encourage this industry, all that we have got to do is that we should give a certain amount of subsidy to the other companies that are now in the field and that are really Indian concerns.

The position as it stands today is that the production at present is about 180 million cells, and it is expected that by the end of 1955 the production may come up to 200 million cells. Our requirement is much more than that figure. In fact we are not in a position to meet our requirements. Our need at present is 220 million cells. And this foreign company is exporting a number of battery cells. If we mean at all to make this industry our own, we should see that we grant subsidies to the smaller companies which are trying to compete with this big foreign company in our country. As a matter of fact, the exports by this foreign company go to 39 lakh cells. That was the figure in 1947. I do not know what the figure now is. I could not get the figure for 1952.

This dry battery industry was given protection in 1947 and since then we find that it has gradually grown, although the growth has mostly been in respect of the foreign company. But recently I find that the production of dry batteries is gradually going down. That is a very bad sign, and if they are trying to reduce the production of dry batteries it is likely that the abuses of which we complain so much might set in this industry.

The other industry to which I would like to refer is the industry to which we are to grant the longest period of protection, namely the motor vehicle battery industry. It is only this industry about which a detailed report could be given by this time by the Tariff Commission—this industry and probably the photographic chemicals

[Pandit Munishwar Datt Upadhyay]

industry. To the photographic chemicals industry they have recommended an extension of protection up to December, 1954 and to this industry, namely the motor vehicle battery industry, they have recommended it up to December, 1955. They want the longest period to be given for this. In this industry you will find that since the protection was granted there has been considerable improvement. The number of units has increased from ten to eighteen, the capital now invested in this industry is over Rs. two crores, the number of people employed is 1,700 and the increase in production is over 100 per cent. As regards the prices, they are also reasonable. So we find that this industry is working very satisfactorily. I do not know why this industry should not be given even a longer period of protection if they want it.

One point that I wanted to make was that our demand for this wet battery which is being used by motor cars, trucks, motor cycles etc., is over three lakhs. Our supply of this is only 2,50,000. So I think there is a very big gap between the demand and supply. To make up this gap batteries are being imported from foreign countries and I find the price of those batteries is much higher than the price that we have allotted for the batteries of our indigenous production. We find Sir, that although we have been importing, we have been trying to reduce that import gradually but the reduction of import is badly affecting the consumers. As a matter of fact, our policy should be to make up this gap, to import these batteries because they are meant for working certain machines which are very useful for our transport purposes and in case we do not import sufficient number of batteries our work would suffer and the prices of the batteries are likely to go very high. They have gone really very high. My submission is that so far as these industries go, there should be no objection to allow them to take protection for the period that is mentioned in the Bill.

The last thing I would submit, Sir, would be the fruit preservation industry. That is an industry which requires attention. In this industry, although a number of persons have been working, there are a number of factors that stand in the way of the growth of this industry. Unless special attention is paid, unless a subsidy is granted, unless a careful watch is kept over the working of this industry, I am afraid this cannot prosper. We

have a very great advantage in respect of raw materials, we have great advantage in respect of sugar and other things that are necessary for the preservation of fruit industry but still we find that we have not made any headway simply because of the factors that stand in the way of sugar prices and others that stand in the way of the growth of this industry also. With these remarks I support the Bill.

Shri M. S. Gurupadaswamy (Mysore): Sir, I am not a protagonist of free trade. I am a firm believer in the theory of protection. I belong to this school of thought since my student days. There is a saying "Protect the child, nurse the young and free the adult". I say that this should guide our protection policy. Our country is just now passing through a period of transition. It is at the cross-roads and we are just seeing the glimmerings of industrial renaissance in the economic horizon. Is it not but right therefore that this renaissance should have a complete course to enable us to reap good results? Sir, protection is a very good instrument, or shall I say, a very necessary instrument of industrialisation. Without protection today our industry, our advancement, our economic progress will be stunted, the strength of the country will suffer. So, it is of paramount importance that not only should we believe in the theory of protection but also follow it as far as it goes. I know that protection alone is not everything, it alone is not enough to the industrial prosperity of India. Some more complementary measures may be required such as cutting down of imports, positive encouragement of industries by subsidy, and subvention and so on. Nevertheless, protection should play an important role in the growing industrial economy of our country and we should accept this basic fact. Further protection that is given should take a shape, a definite shape. It should be a discriminating protection. It should be a protection, well thought out, well considered, well judged and it should be a protection based on vital factors. In this connection I say that the quantum of protection and the period of protection are very important if the protection policy should succeed well. Further, if we erect a wall of protection, that wall should be very strong and it should not have any holes at the bottom. It should not crack anywhere in the middle. But I do not mean this fortress of protection should remain eternal. What I mean is that so far as the protection wall is there, that should be strong and effective.

There should not be any drawback in that fortress. Now, I would draw the attention of the Commerce Minister—he is not present now—

Shri Karmarkar: I am here.

Shri M. S. Gurupadaswamy: He made a statement that protection policy is good, effective and there are no loopholes. I would draw his attention to one fact. Though industries are protected, they are importing large quantities of goods, protected goods into this country. My friend Dr. Lanka Sundaram pointed out that there is recently a growing tendency of decline in prices of protected commodities in this country. He was at a loss to find what was the reason for it, whether it was due to lack of purchasing power or due to something else. I say, Sir, it is not due to lack of purchasing power—though in a

general way that reason may be advanced—but it is mainly due to the import of goods into this country, goods which enjoy protection here. Also I may point out,—I do not use the word dumping,—there is smuggling now going on in certain types of protected commodities.

Shri Karmarkar: I do not want to interrupt but I should like to know what is the example?

Shri M. S. Gurupadaswamy: I will come to that point.

Mr. Chairman: The hon. Member will take long. The House Will now stand adjourned till 10-45 A.M. tomorrow.

The House then adjourned till a Quarter to Eleven of the Clock on Friday, the 14th November, 1952.
