

Wednesday, 21st March, 1951



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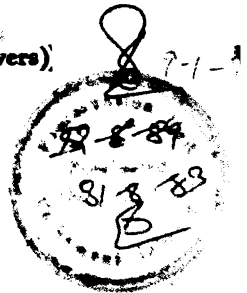
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PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VI, 1951



(5th February to 31st March, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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

2445

2446

PARLIAMENT OF INDIA

Wednesday, 21st March, 1951.

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

[*MR. SPEAKER in the Chair*]

ORAL ANSWERS TO QUESTIONS

PRODUCTION AND PROCUREMENT OF FOOD GRAINS

*2410. **Shri Sidhva:** (a) Will the Minister of Food and Agriculture be pleased to state what was the production of food grains in the State of Bombay in 1949 and 1950?

(b) What was the supply made by the Centre to Bombay State during the same period?

(c) How many towns and villages are under ration in the State of Bombay?

(d) What is the total number of towns and villages in the said State?

(e) What is the criterion for deciding ration area in rural areas?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Production of foodgrains in the Bombay State during 1949 and 1950 were 35,22,000 tons and 43,52,000 tons respectively.

(b) Supplies from the Centre during 1949 and 1950 amounted to 10,74,000 tons and 7,22,000 tons respectively.

(c) 12 cities and 136 towns which are urban in character are under statutory rationing. Throughout the rest of the State comprising 36,140 towns and villages which are non-urban in character a system of controlled distribution exists under which non-producers and inadequate producers are supplied a prescribed quantum of grain from Government shops.

(d) 36,288 (including 12 cities).

(e) Supply position in the area concerned.

370 P.S.

Shri Sidhva: What is the demand by the Bombay Government for the year 1951 and how much has been allotted by the Centre for 1951?

Shri K. M. Munshi: The demand by the Bombay Government was about 10.25 lakh tons. Against it 8 lakh tons have been allotted.

Shri Sidhva: May I know whether the proposal of the Central Government for abandoning rural rationing in Bombay State has been accepted by Bombay?

Shri K. M. Munshi: It has not so far been accepted.

Shri Sidhva: If the rationing is continued in the rural areas may I know what will be the quantity required during 1951?

Shri K. M. Munshi: Between internal procurement and what is given by the Centre it would be considerably much more than what is available at the present moment.

Shri Sidhva: May I know what happened at the Conference that the hon. Minister had with the Ministers in Bombay in connection with this matter and also whether any other Minister from the Centre participated in it and with what result?

Shri K. M. Munshi: About rural rationing?

Shri Sidhva: Yes.

Shri K. M. Munshi: There was no conference with regard to rural rationing at all. A suggestion was placed before the Food Minister's Council by Madras that they would like to give up rural rationing. On that Bombay did not like to adopt the idea. In the result the States were left free to adopt such system as the circumstances may warrant.

Shri Shiva Rao: May I ask whether the figures which my hon. friend gave

in answer to part (a) of the question were supplied to him by the Bombay Government or were they supplied to him by his own Ministry?

Shri K. M. Munshi: So far as those figures are concerned I think they were supplied by the State.

Shri Shiva Rao: Does my hon. friend's Ministry make any independent check about these figures?

Shri K. M. Munshi: There has been random sampling experiment by the I.C.A.R. machinery going on.

Shri Shiva Rao: Is it a fact that there is very frequently striking divergence between the statistics supplied to my hon. friend by the Economic Adviser on the one side and his Statistical Adviser on the other?

Shri K. M. Munshi: There is no divergence between the Economic Adviser and the Statistical Adviser. The discrepancy is between the high estimates submitted by the State authorities and the results of the random sampling experiment.

Shri Jhunjhunwala: Arising out of the answer to part (c) that non-producers in the villages are supplied grain under a controlled distribution system, may I know what is the number of such villagers and what is the quantity of grain supplied to them?

Shri K. M. Munshi: So far as the rationed population is concerned—I take it that that is what the hon. Member wants.....

Shri Jhunjhunwala: No. The number of villagers who are supplied grain under a system of controlled distribution, and the quantity of grain supplied.

Shri K. M. Munshi: I have not got figures separately for rural and urban areas. If the total figure is wanted I can give it.

Shri C. Subramaniam: Arising out of the answer to part (b), may I know what is the basis on which allotments are made to the various States?

Shri K. M. Munshi: First of all, in the Basic Plan which is made, the basis taken is the demands made by each State. That is examined, and after the availabilities are taken into account and also the extent of the foodgrains which could be supplied by the Centre, the figure is arrived at.

Shri Kamath: With reference to parts (c) and (d) of the question, have reports been received from the Government of Bombay or from other public organisations of Bombay State that

in view of the food subsidy being continued by the Centre to the industrial and urban areas there has been a steady movement of population from the rural to the urban and industrial areas recently?

Shri K. M. Munshi: There has been no actual representation with regard to this question.

Shri Kamath: Reports

Shri K. M. Munshi: The reports are that on account of the fact that in some of the cities the foodgrains are sold at a lower value there is a movement of the villagers to the cities. But that is merely a report, it is not an authenticated one.

Dr. Ram Subhag Singh: May I know whether ration is supplied to the rural population of Bombay?

Shri K. M. Munshi: Yes. I think in considerable parts of the State rural population is given rations.

Shri C. Subramaniam: Will the hon. Minister please tell us what was the quantity supplied to the Madras State in 1949 and 1950?

Mr. Speaker: I think it goes beyond the scope of the question. This is restricted to the Bombay State. Let us not go beyond.

Saikh Mohiuddin: In view of the failure of the rabi crop may I know whether Government are considering the question of increasing the allotments to the Provinces?

Shri K. M. Munshi: It will depend upon the availabilities.

Shri Sidhva: The hon. Minister stated that the production in Bombay for 1950 was about 43 lakh tons. May I know how much of it was procured during that year, that means last year?

Shri K. M. Munshi: Procurement during 1950 was 5,70,000 tons, including rice, wheat and other grains.

Shri Sidhva: Since out of 43 lakh tons production only 5 lakh tons and odd has been procured has he enquired what was the reason for it and where the other quantity has gone?

Shri K. M. Munshi: This is the procurement. The rest remains with the people who eat it. Part of it is sent and sold in the black market.

Mr. Speaker: Next question.

Shri Sidhva: Sir, one question about the restoration of the cut.

Mr. Speaker: Let us go to the next question.

PRODUCTION OF TELEPHONE APPARATUS

*2411. **Shri Sidhva:** (a) Will the Minister of Communications be pleased to state whether any schemes for augmenting production of telephone apparatus in the Telephone workshops in Bombay, Bangalore, Jubbulpore and Calcutta have been finalised?

(b) What is the production in these workshops at present?

(c) What is the expected increased output under the new scheme?

The Minister of Communications (Shri Kidwai): (a) A scheme for augmenting production of the P. and T. workshops at Alipore, Jubbulpore and Bombay has been finalised and is expected to be implemented shortly. A programme of accelerated production has also been drawn up for the Indian Telephone Industries Ltd., Bangalore which has not yet gone into full production.

(b) The total production of the three P. and T. workshops during 1949-50 was Rs. 2,34,15,000 as shown below:

	Rs.
Alipore (Calcutta)	80,03,000
Jubbulpore	55,61,000
Bombay	98,51,000
Total	2,34,15,000

The total number of telephones assembled in the Indian Telephone Industries, Ltd., during 1949-50 was 19,216. Manufacture of a large number of components has been taken up and is being speeded up progressively.

(c) It is not possible to say at this stage what exactly the increased output under the new scheme will be.

Shri Sidhva: Will this scheme be controlled by any Committee or Board? If so, may I know the composition?

Shri Kidwai: Yes, Sir. The management has been entrusted to a Board of Management; it will be autonomous. The Members of the Board are: Chairman, Chief Engineer, P. and T., the Additional Chief Engineer, Joint Secretary to the Government of India, Ministry of Finance, Mr. S. K. Kasbekar, General Manager of the P. and T. Workshops and the Deputy General Manager.

Shri Sidhva: Is there any representative of the workers also of these stations?

Shri Kidwai: There is no representative of the workers but one of the employees has been put and his name is Mr. Kasbekar, as I just mentioned.

Shri Sidhva: In view of this new scheme, the hon. Minister stated that he cannot just now visualize what will be the increased output under part (c). May I know if on account of this scheme there is likelihood of an increase of output? Can I have an idea of the percentage increase?

Shri Kidwai: There were certain delays in giving sanctions to the new purchases etc. Therefore, more authority has been given to this Board and we hope that the avoidance of delay will increase production.

Shri Sidhva: May I know whether if the workers produce more they would be allowed some bonus?

Shri Kidwai: That is also under consideration. This Board will decide what bonus should be given.

Shri R. K. Chaudhuri: May I know, Sir, if only the different parts are assembled here or the parts are also manufactured here?

Shri Kidwai: No. In our Bangalore factory the parts are manufactured and we hope that within the 5 years limit, all the parts will be manufactured and assembled. There will be no imports.

Shri Karunakara Menon: Is it a fact that mere assembling takes place here? If not, what are the parts that are made here? What are the parts imported from foreign countries? What is the proportion of the value of the articles that are manufactured here and that are imported from outside?

Shri Kidwai: As I said we started manufacturing parts. It is difficult for me to name the parts because I am told that a telephone is composed of at least 500 parts or even more. I understand that more than half, we are manufacturing here and in the next two years, we will perhaps be manufacturing all the parts.

Shri Lakshmanan: May I know whether there is any scheme for training Indians in foreign telephone factories as technicians?

Shri Kidwai: Yes. Since we entered into this contract with the foreign company, we had sent some people in 1949; we sent another batch in 1950 and we selected some of our students who were studying engineering in England and got them trained in this factory and I think next year we will be sending some more.

Shri Kudrappa: I want to know the installed capacity of these factories and when they are going to reach the maximum production.

Shri Kidwai: I have not been able to follow the hon. Member I hope they will be manufacturing all that and they will fulfil our requirements.

बाबू रामनारायण सिंह: ज़रा मैं एक सवाल पूछना चाहता हूँ।

[**Babu Ramnarayan Singh:** May I ask a question?]

सिस्टर स्पोकर: अभी बहुत वक्त हो चुका है।

[**Mr. Speaker:** We have already spent a lot of time on it.]

बाबू रामनारायण सिंह: मैं बहुत बार उठा हूँ। इन के पहले भी उठ चुका हूँ। यह कैसी बात है?

[**Babu Ramnarayan Singh:** I have risen so many times already. How is this?]

RICE FROM GOVERNMENT OF VIET-NAM

*2412. **Prof. S. N. Mishra:** Will the Minister of Food and Agriculture be pleased to state whether it is a fact, as reported to be announced by the Head of the Viet-Nam Information Mission in India recently, that the Government of Viet-Nam were willing to sell at least 30,000 tons of rice to India?

The Minister of Food and Agriculture (**Shri K. M. Munshi**): On the occasion of the recent visit to New Delhi of the Viet-Nam Information Mission Government of India were informed by the Head of the Mission that the Government of Viet-Nam were prepared to permit the export of 30,000 tons rice to India. Our Representative in Saigon has been asked to obtain Viet-Nam Government's formal agreement and to report on the procedure of obtaining supplies.

Prof. S. N. Mishra: May I know whether there had been any talk about the price of the rice also?

Shri K. M. Munshi: That is being considered. The hon. Member will remember that there is no Government control in Viet-Nam and therefore the deal has to be negotiated with several merchants. At the moment our Consul General is trying to obtain a firm agreement on the export of rice and investigate the most suitable channels for the supply as well as the price.

Prof. S. N. Mishra: Have Government taken care to compare the price of rice in Viet-Nam with the other countries nearby?

Shri K. M. Munshi: As a matter of fact when the price is reported to the Government of India, it will take into account the competitive prices in other countries.

Thakur Lal Singh: May I know whether the Viet-Nam Government have been consulted by us as regards rice and whether it offered to give us rice?

Shri K. M. Munshi: In Viet-Nam there is no Government control and the deal has to be with the merchants.

Shri M. A. Ayyangar: With your permission, may I ask a question? May I ask whether the hon. Minister has received any information or a telegram from the South India Chamber of Commerce saying that large quantities are available in Burma and that he is not taking steps to bring them here?

Mr. Speaker: I think a question on that is tabled.

Shri K. M. Munshi: It is already there. Another question is tabled.

Prof. S. N. Mishra: May I know which other Asian countries have offered to sell rice to India?

Shri K. M. Munshi: So far as I am aware we are negotiating with Burma, Siam, Viet-Nam, China and may be possibly, Japan, I am not sure.

Shri Brajeshwar Prasad: Has any offer of rice been made by the Government of Ho Chi Minh?

Shri K. M. Munshi: I do not know whether there is any such offer.

Shri Ramaswamy Naidu: Will the Government be prepared to issue import license to any person who undertakes to get rice from Siam and other places and import it into India and deliver the same to Government at their rates?

Shri K. M. Munshi: I have not come across a merchant who is prepared to bring rice at the rate at which Government is buying from Governments in other parts of the world.

Shri M. A. Ayyangar: As you suggested, the other two connected questions are Nos. 2428 and 2436 and they relate to the same matter. May I request you to take them together?

Mr. Speaker: Unfortunately the hon. Member is not here, but he may be

permitted. As regards 2436, it is postponed to another day at the request of the hon. Member. I think these questions may be taken up later on.

Shri Deshbandhu Gupta rose—

Mr. Speaker: I am going to the next question now.

NORTH BENGAL HIGHWAY

*2413. **Dr. M. M. Das:** Will the Minister of Transport be pleased to state:

(a) how far the proposal for the construction of the North Bengal Highway — Burdwan—Teilduija—Siliguri Road avoiding Pakistan territory, has been materialised;

(b) whether the preliminary survey has been completed and construction begun; and

(c) what is the expenditure for the preliminary survey and the estimated expenditure for the construction of the road?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Estimates to the value of Rs. 172.50 lakhs have already been sanctioned and the Central Government has accepted further commitments to the extent of Rs. 55.15 lakhs. It will however, take some years to complete this highway which is nearly 283 miles long.

(b) Yes.

(c) Rs. 37,000 and Rs. 227.71 lakhs respectively. These figures apply to the first stage of the construction only.

Dr. M. M. Das: May I know whether this North Bengal Highway is included in our list of National Highways and if the entire cost will be borne by the Central Government?

Shri Santhanam: Yes, Sir. It is included in the National Highway No. 34 and partly in No. 31.

Dr. M. M. Das: May I know whether there is any alternate road connecting the northern districts of Bengal with the western districts of Bengal through the Indian territory?

Shri Santhanam: There is no connected road; there are sections of roads which are maintained by the State of Bengal connecting certain parts.

Dr. M. M. Das: May I know whether the acquisition of land for the construction of this road has been completed and if so, the amount of compensation given to the land owners?

Shri Santhanam: I am afraid I have no information. I want notice.

Shri A. B. Gurus: In view of the fact that the Darjeeling-Himalayan Railway connecting Swoke and Geilig-hola has been finally abandoned, and in view of the pressure on the existing road, may I know whether Government have any proposal to widen the existing National Highway linking Gangtok?

Shri Santhanam: I want notice.

Shri Chaliha: May I know whether there is any proposal to lay a road from Siliguri to Dubri in Assam?

Shri Santhanam: It is rather difficult to remember the geography of these places.

NIGHT LANDING FACILITIES FOR AERODROMES

*2414. **Dr. M. M. Das:** Will the Minister of Communications be pleased to state:

(a) the aerodromes of India that are equipped with night landing facilities; and

(b) the minimum expenditure for providing an aerodrome with such night landing facility?

The Minister of Communications (Shri Kidwai): (a) there are 11 aerodromes which are equipped with night landing facilities for regular services. In addition, there are 31 aerodromes where emergency night landing facilities are available. The equipment is improvised war-time and there is a programme of making it modern as funds become available.

(b) For want of funds improvised Disposal sets have been provided. The cost of runway lighting is Rs.2,300 and the cost of beacons is Rs. 10,000. It may be stated that no more of this equipment is available and modern equipment will cost not less than Rs. 5 lakhs for each airport, the bigger one costing more than Rs. 10 lakhs.

Dr. M. M. Das: I wanted to know the names of the aerodromes that are equipped with night landing facilities.

Shri Kidwai: I may give the names, Sir: Safdarjung (Delhi), Allahabad, Santa Cruz (Bombay), Juhu (Bombay), Nagpur, Ahmedabad, Madras, Begumpet, Dum Dum, Barrackpore, Palam. Then, there are 31 aerodromes where emergency landing arrangements can be made: Lucknow, Gauhati.....

Mr. Speaker: I do not think he need read all the names.

Shri Kidwai: That is what he wanted.

Dr. M. M. Das: May I know whether there is any international standard for these night landing equipment and facilities, and if so, what is that?

Shri Kidwai: The present facilities satisfy the minimum international standards.

Shri Rathnaswamy: In view of the fact that night travelling is becoming increasingly popular, is there any scheme to construct more aerodromes when funds permit?

Shri Kidwai: All the aerodromes that have been constructed and equipped for passenger flights are not being used yet. Therefore it is not found necessary to construct new aerodromes.

Dr. M. M. Das: May I know whether there is any international authority for supervising the night landing equipment?

Shri Kidwai: There is no international authority to supervise. But, there is an international body which lays down the standards.

Shri M. A. Ayyangar: May I ask the hon. Minister whether he would make arrangements to allow landing during night flying at Hyderabad?

Shri Sondhi: Begumpet is there.

Shri M. A. Ayyangar: I am asking for night flying; it is not there.

Shri Kidwai: I will have to go through the list. There is arrangement at Aurangabad and also at Begumpet.

Shri R. K. Chaudhuri: Did the hon. Minister say that there are night landing arrangements in Gauhati? I could not follow.

Shri Kidwai: I said emergency landing arrangements are possible.

Shri S. V. Naik: Is the Central Government thinking of taking over the Deccan Airways because of the continuance of the Night Air Service?

Shri Kidwai: I think that is not covered by this.

DOURALA SUGAR CUBES

*2415. **Dr. M. M. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) the quantity of sugar required annually for the manufacture of Dourala Sugar Cubes;

(b) when the factory for the manufacture of Dourala Cubes first started;

(c) the monthly quota of sugar sanctioned by Government for the manufacture of Dourala Cubes; and

(d) whether the sale of the Dourala Cubes is controlled?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) The manufacturing capacity of the cube plant at Dourala is 5,400 tons per annum but only 1,090 tons sugar was allotted to it during 1950.

(b) In the year 1938.

(c) From 85 to 100 tons per month.

(d) Price is controlled but not distribution.

Dr. M. M. Das: May I know whether there are any other factories in India for the manufacture of these sugar cubes?

Shri K. M. Munshi: Yes; there are six other factories—rather seven—which are allotted sugar for the purpose of preparing cubes.

Dr. M. M. Das: May I know whether these factories have got their own farms for the cultivation and production of sugar cane, or whether the Central Government gives them a certain quota of sugar for the manufacture of cubes?

Shri K. M. Munshi: Most of these sugar mills are in the U.P. and Bihar. I do not think—I speak subject to correction—that they have got farms of substantial areas. There is one in Bombay; it may have got a farm.

Dr. M. M. Das: What is the difference between Dourala sugar and ordinary factory sugar so far as composition and price is concerned?

Shri K. M. Munshi: I should like to have notice.

Shri Sonavane: May I know what steps are taken by Government to see that these cubes are sold at controlled prices to the consumers in Delhi?

Shri K. M. Munshi: Distribution of these cubes is not controlled. Only the price level is fixed. Therefore, it is difficult for Government to control the prices.

Shri M. V. Rama Rao: What is the controlled price of these cubes?

Shri K. M. Munshi: The price is Rs. 0-11-6 per pound when sold in a packet and Rs. 0-10-3 when sold in five pound packets.

Shri M. V. Rama Rao: Has it come to the notice of Government that these cubers are being sold at Rs. 1-2-0 or anything up to Rs. 1-4-0 per pound?

Shri K. M. Munshi: May be.

'GROW MORE FOOD' CAMPAIGN

*2417. **Shri T. N. Singh:** (a) Will the Minister of Food and Agriculture be pleased to state whether Government have decided to reorientate the 'Grow More Food' campaign?

(b) If so, in what direction has there been a change?

(c) Will Government further explain the new methods adopted to reach the target of food production?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Yes.

(b) and (c). I may add that a Report on the Grow More Food Campaign has been placed in the hands of Members recently. I may, however, shortly summarise the steps. There are no really good methods to be adopted for increasing food production; improvement is to be attained in the direction of better organisation and better allocation of priorities in the use of our resources. It is in these respects that the policy has been reorientated. Since taking over as Minister I have emphasized the concentration of G.M.F. schemes in compact areas which have natural advantages of good soil, assured water supply and other facilities for intensive development, so that the G.M.F. effort may not be dispersed over a large area and the maximum results can be obtained therefrom. I have also given top priority to schemes like reclamation of waste lands, construction of tubewells, installation of pumping sets on existing water resources and improvement of lands, which will permanently increase food production. For purposes of close liaison with States and general supervision of G.M.F. schemes, I have divided the country into five regions and appointed four senior officials of the Ministry of Agriculture and one retired I.C.S. gentleman to work as Agricultural Production Commissioners for each of these regions.

Shri T. N. Singh: Sir, may I know what, under this concentrated Grow More Food Scheme of the Minister, has been the result achieved? Has any sample survey been made to find out whether this scheme has produced better results?

Shri K. M. Munshi: The intensive cultivation scheme has come into operation from this year. So it is premature to say what results have been achieved.

Shri T. N. Singh: Sir, may I know as a result of the integrated production scheme, how much of essential food crops such as wheat and rice have gone out of cultivation?

Shri K. M. Munshi: I don't think that as a result of the integrated production programme any substantial area has gone out of cultivation of food grains.

Shri T. N. Singh: May I know whether any effort has been made under the new drive for food production to get the initiative from the cultivator himself in co-ordinating these production schemes?

Shri K. M. Munshi: So far there has not been any scheme implemented. But there is a scheme for having extension services in the different States. As it is, what has been done in the past is being carried over, improved in certain respects, with the assistance of the different regional Food Commissioners.

Ch. Rambir Singh: Sir, what grants or loans have been made to the different States for the construction of percolation wells and tube-wells?

Shri K. M. Munshi: I think it is in the report published by the Agricultural Ministry. I have not got the figures with me now.

Shri Dwivedi: Sir, taking it for granted that 29 lakhs of acres are lying vacant in Vindhya Pradesh, may I know what is the practical result of the Grow More Food Campaign in that region?

Shri K. M. Munshi: Sir, I don't understand how it can be taken for granted that.....

Shri Dwivedi: May I interrupt?

Mr. Speaker: Order, order. The question is there and the hon. Minister is giving the reply.

Shri K. M. Munshi: What can be granted is that 29 lakh acres of land are to be reclaimed by large-scale and tardy processes which cannot be done just now. There cannot be any results of any Grow More Food this year.

बाबू रामनारायण सिंह: अधिक खाद्य पदार्थ उपज करने की जो चेता केन्द्रीभूत की गयी है या की जा रही है, इस का क्या मतलब है ?

[Babu Ramnarayan Singh: What is the significance of the centralisation of the efforts for growing more food?]

मिस्टर स्पीकर : मैं आप का सवाल कुछ समझा नहीं हूँ।

[Mr. Speaker: I have not been able to follow your question properly.]

बाबू रामनारायण सिंह : मैं समझा देता हूँ। अधिक खाद्य पदार्थ उपज करने की चेष्टा केंद्रीभूत की जा रही है, इसका क्या अर्थ है ?

[Babu Ramnarayan Singh: I shall explain it. What is the significance of the statement, 'the endeavour to grow more food is being centralised' ?]

Mr. Speaker: He asks why it is being centralised.

श्री के० ऐम० मुंशी : वह केंद्रित नहीं हो सकती है, सेंट्रलाइजेशन हो ही नहीं सकता है, क्योंकि वह काम तो स्टेट्स को करना है। उन को अलाउंस देते हैं और स्टेट्स प्रो मोर फूड की स्कीम को करती हैं।

[Shri K. M. Munshi: It cannot be centralised. Centralisation is impossible, for this is a job for the States to do. We pay them allowances and it is they who are pushing forth the grow more food scheme.]

Pandit Kunzru: Is it a fact that under the integrated production scheme, about 900,000 acres of land formerly under food crops have been diverted to the production of jute and cotton?

Shri K. M. Munshi: I am not sure about the figure 900,000; but under last year's policy, some considerable portion of the 9 lakh acres must have been diverted.

Pandit Kunzru: How did the hon. Minister then reply earlier that no land formerly under food crops was now being used under the integrated production scheme for any other purpose?

Shri K. M. Munshi: That is because what was done was before the integrated production came into existence. That scheme comes into operation from the 1st of April this year.

Shri T. N. Singh: Sir, what new method has been adopted to get the cooperation and coordination of the cultivator in the proposed scheme?

Shri K. M. Munshi: As I have pointed out, at present there are district and tehsil officers in some of the States who approach the agriculturists and mobilise their cooperation. But we are evolving a scheme for extension service by which this effort could be intensified and larger cooperation secured.

Shri Kamath: Sir, does the new apparatus on your table obstruct your vision?

Mr. Speaker: No, it is penetrating enough to go through it.

SUGAR CANE

*2425. Shri Balmiki: (a) Will the Minister of Food and Agriculture be pleased to state what are the new staple varieties of sugar cane which are disease-free, obtained as the result of research in 1949-50?

(b) How much is being spent on this research work every year?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) and (b). A statement is placed on the Table of the House. [See Appendix XVIII, annexure No. 32.]

श्री कन्हैया लाल बाल्मीक : इस स्टेट-मेंट में आप ने रेड रॉट और स्मट का जिक्र किया है। लेकिन पाईरेला, एनीमी नम्बर वन आफ जगरकेन का जिक्र नहीं किया है। तो क्या ऐसी कोई जगरकेन की बीरआईटी है जो इस को रजिस्ट कर सकती हो।

[Shri Balmiki: In this statement you have mentioned Red Rot and Smut but you make no mention of Pyreila, enemy No. 1 of sugar-cane. Is there any variety of sugar-cane which might resist it?]

श्री के० ऐम० मुंशी : नोटिस चाहिये।

[Shri K. M. Munshi: I require notice.]

श्री कन्हैया लाल बाल्मीक : इन प्रदेशों में जो रिलेब हो रही है, उस का काम उठाने के लिये क्या कदम उठाया जा रहा है ?

[Shri Balmiki: What steps are being taken to take advantage of the research that is being conducted in the States?]

Shri K. M. Munshi: I could not quite catch the question, Sir.

Mr. Speaker: He asks what concrete steps have been taken to take advantage of the expenditure incurred over the research.

Shri K. M. Munshi: The results of the research? As a matter of fact, these control methods are being used in about 1,236 acres in the U.P. out of 1,306 acres. Similar experiments are being tried in other zones.

बाबू रामनारायण सिंह: क्या ऐसी नये प्रकार की ऊस का पता लग गया है जिस में कोई रोग न होता हो ?

[**Babu Ramnarayan Singh:** Has any new variety of sugar-cane been discovered that might be wholly disease resistant?]

Shri K. M. Munshi: Not yet, but we are hoping that some day we will be able to discover it.

सार्वजनिक बस सेवा

*२४२६. **श्री जांगड़े:** क्या यातायात मंत्री उन स्थानों के नाम बतलाने की कृपा करेंगे जहाँ सड़क यातायात अधिनियम के पारित हो जाने के पश्चात् भारत सरकार ने स्वयं अथवा राज्य सरकारों के सहयोग से सार्वजनिक बस सेवाओं को अपने अधिकार अथवा पर्ववेक्षण में ले लिया है ?

PUBLIC BUS SERVICES

[*2426. **Shri Jangde:** Will the Minister of Transport be pleased to state the names of the places, where the Government of India themselves or in co-operation with the States Governments, have taken over the public bus services under their control or supervision after the Road Transport Act was passed?]

The Minister of State for Transport and Railways (Shri Santhanam): There is no Central enactment known as 'The Road Transport Act'. Presumably, the hon. Member is referring to the Road Transport Corporations Act, 1950. If so, the reply is in the negative except that the Bombay State Road Transport Corporation, set up under the Road Transport Corporations Act, 1948, has been validated by virtue of Section 47 of the Road Transport Corporations Act, 1950. The Delhi Transport Service is conducted by the Delhi Road Transport Authority

set up under the Delhi Road Transport Authority Act, 1950.

श्री जांगड़े: क्या माननीय मंत्री महोदय यह बतलायेंगे कि दिल्ली ट्रांसपोर्ट अथॉरिटी के लिये सरकार ने कितनी पूंजी लगाई है ?

[**Shri Jangde:** Will the hon. Minister state the amount of capital invested by the Government for the Delhi Transport Authority?]

Shri Santhanam: Sir, I have not got the figures.

Shri Jangde: What is the recurring and non-recurring expenditure incurred on the Transport Authority?

Mr. Speaker: It does not directly arise out of this question.

राष्ट्रीय राजमार्ग परियोजना

* २४२७. **श्री जांगड़े:** क्या यातायात मंत्री यह बतलाने की कृपा करेंगे कि :

(ए) किन प्रावधानों के अन्तर्गत किसी सड़क, नदी के पुल अथवा किसी बन्दरगाह को राष्ट्रीय राजमार्ग परियोजना के अन्तर्गत लिया जा सकता है ;

(बी) किसी सड़क की इस परियोजना के अन्तर्गत लाने के लिये क्या उस सड़क का दो राज्यों में से हो कर जाना आवश्यक है ; तथा

(सी) क्या दुर्गम पहाड़ी सड़कों भी इस परियोजना के अन्तर्गत ली जा सकती हैं ?

NATIONAL HIGHWAYS SCHEME

[*2427. **Shri Jangde:** Will the Minister of Transport be pleased to state:

(a) the provisions under which any road, bridge across a river or any port can be taken under the National Highways Scheme;

(b) whether it is essential that a road must run between two States for purposes of bringing it under this scheme; and

(c) whether the difficult mountain roads too can be taken over under this scheme?]

The Minister of State for Transport and Railways (Shri Santhanam): (a) to (c). The roads forming part of the present, provisional, National

Highway system were selected for this purpose after a long process of consultation with State Governments through the Transport Advisory Council and otherwise. The criteria accepted as the basis of this selection, are given on page 29 of the Ministry of Transport's Report for 1948-49, copies of which are in the Library of the House.

श्री जांगड़े : किन आषारों पर मध्य प्रदेश में राष्ट्रीय राजमार्ग की लम्बाई निर्माण करने को सरकार निश्चित करती है ?

[**Shri Jangde:** What are the criteria for the determination of the length of the national highway in the case of Madhya Pradesh?]

Mr. Speaker: He refers to Madhya Pradesh only?

Shri Jangde: Yes Sir.

Shri Santhanam: I have not got the details of all the National Highways here. They are all given in the Transport Ministry's report for 1950-51, which has been supplied to all Members.

श्री जांगड़े : क्या माननीय यातायात मंत्री यह बतलाने की कृपा करेंगे कि इन राष्ट्रीय राजमार्गों के निर्माण में प्रादेशिक सरकारें कितना आर्थिक सहयोग देती हैं ?

[**Shri Jangde:** Will the hon. Minister of Transport be pleased to state what monetary contribution do State Governments make towards the construction of these national highways?]

Shri Santhanam: So far as the National Highways are concerned the entire construction and maintenance are the responsibility of the Central Government.

* COMPENSATION FOR LOST OR DAMAGED GOODS

*3429. **Shri Krishnanand Rai:** (a) Will the Minister of Railways be pleased to state what amount of money Government had to pay in 1950 in connection with compensation for goods lost or damaged in the course of transit by Government Railways?

(b) Out of the above amount, what was paid after court decrees and what was paid *suo-motu*?

The Minister of State for Transport and Railways (Shri Santhanam) (a) The total amount paid during the year 1950 as compensation for goods lost

or damaged in transit by rail was Rs. 3,95,88,716.

(b) Out of the above amount a sum of Rs. 56,61,144 was paid in respect of decrees against railways and the rest in the normal course of settlement.

Shri Krishnanand Rai: How much of the loss incurred by Government in paying these compensations have been recovered from the defaulting officers?

Shri Santhanam: There is no question of any recovery from defaulting officers, because in most cases no officer could be located as being responsible for the loss. It is all lost in transit owing to many causes.

Shri Krishnanand Rai: May I know whether thefts of goods consignments in 1950 had decreased as compared with the previous year or had they increased?

Shri Santhanam: Yes, Sir, it is decreasing. For instance from 32,000 in 1948-49 it decreased to 29,000 in 1949-50 and to 26,000 in 1950-51.

Shri Krishnanand Rai: May I know whether these thefts are committed more by the railway officers themselves than by outside agencies?

Mr. Speaker: Order, order.

Shri T. N. Singh: Is the Government in a position to inform the House of the amount recovered by sale or auction of such goods which were not delivered to the consignees because of wrong direction or damaged condition?

Shri Santhanam: The Government is in a position to give the information if the hon. Member will put a separate question.

Shri T. N. Singh: What I wanted to know was to what extent was Government reimbursed by such sales?

Shri Santhanam: I would like to have notice.

Dr. Parmar: What is the number of cases pending and the amount involved?

Shri Santhanam: The balance outstanding on the 1st April, 1951, was 64,000. I have not got the amount of the claims.

FOOD PROCUREMENT

*2430. **Shri Krishnanand Rai:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that two procurement officials of West Bengal

were murdered by certain villagers in the current season in the course of procuring rice there;

(b) in what other States scuffles between cultivators and officials have taken place in 1950 in Government's procurement drive; and

(c) whether it is a fact that States have complained to the Central Government that due to fixation of low procurement prices in grains, wide discontent is prevailing amongst producers?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) A patrol party consisting of one patrol leader and 4 patrolers employed on anti-smuggling duties under the Procurement Directorate of the West Bengal Government and stationed at Kaliah (Sadar Sub-division, 24-Parganas), which went out to check the boats carrying rice and paddy in contravention of Bengal Foodgrains Control Order, was assaulted and the entire party murdered.

(b) Minor cases of assaults on procurement staff have been reported by Madras and Hyderabad.

(c) No, Sir, the States have not complained, nor is it a fact that procurement prices are low.

Shri Krishnanand Rai: Is it a fact that there is enough rice in Bengal but due to low procurement prices it is not available to Government?

Shri K. M. Munshi: There is rice no doubt but I do not know whether it is because of the low procurement prices that it is not forthcoming.

Shri Krishnanand Rai: May I know whether the West Bengal Government had asked the Central Government to increase the procurement prices?

Shri K. M. Munshi: I cannot say definitely about the West Bengal Government but other Governments had asked for a rise in the price of procurement and wherever it was found to be fair permission has been given to raise the price.

Shri S. M. Ghose: May I know whether Government are aware of the fact that in West Bengal a large number of *Dhenkies* used for husking paddy are being confiscated by the West Bengal Government from the poorer classes of people?

Shri K. M. Munshi: I have no knowledge. If the hon. Member wants the information I can get it from the West Bengal Government.

Shri S. M. Ghose: Has the attention of the hon. Minister been drawn to the many editorials written in the Calcutta newspapers about this affair?

Shri K. M. Munshi: My attention has not been drawn to that particular editorial and I read a fairly good number of Calcutta newspapers.

Dr. Ram Subhag Singh: In view of the fact that Government is procuring from producers at the rate of Rs. 13 per maund, at what rate does Government supply rice to the non-producers of the very same villages?

Shri K. M. Munshi: I do not think the hon. Member is correct. Paddy which is procured from one district is not necessarily sold in that very district. The paddy is collected and then converted into rice and incidental charges are added and then it is distributed over the whole State wherever there is statutory rationing.

Thakur Krishna Singh: Is it a fact that the procurement prices are much lower than the prices of maize and other commodities in the open market?

Shri K. M. Munshi: So far as other prices are concerned the black market prices are always much higher. So far as the free market is concerned it depends upon the area and the nature of the scarcity and so far as these prices are concerned they are lower than the other prices.

Shri S. N. Sinha: May I know whether any State Government has made any representation against the enforcement of procurement on the ground that it is difficult to do so on account of insufficient statistics regarding acreage under individual cultivators?

Shri K. M. Munshi: I do not think that such protest has been made on the specific ground referred to by the hon. Member.

Shri S. N. Das: In view of the difficulties experienced in procuring foodgrains by the various State Governments, may I know whether the Central Government is going to revise the procurement prices?

Shri K. M. Munshi: As I have already pointed out where States have brought to the attention of the Central Government that prices for procurement should be raised within certain limits they have been allowed to do so.

The Minister of State for Finance (Shri Tyagi): Has any compensation been paid to those persons who were murdered?

Mr. Speaker: Order, order. I think the best convention is that a Minister

does not put questions to another Minister. It is for the other Members of the House to put questions to Government and Members of Government do not put questions.

Shri Abdus Sattar: Is the hon. Minister aware that the Government purchase rate of paddy in West Bengal is Rs. 7-8-0 per maund?

Shri K. M. Munshi: I am expected to remember all that, but I don't remember it at the moment.

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

Shri R. K. Chaudhuri: On a point of order, Sir. Why cannot a Minister of one Department ask a question about another Department, especially when he is not a Member of the Cabinet?

EXTENSION OF BORIVLI RAILWAY PLATFORM

*2431. **Shri Sidhva:** (a) Will the Minister of Railways be pleased to state whether Government have received representation regarding extension of Borivli (B.B. & C. I.) platform which is causing great hardship to passengers?

(b) If so, what is the position?

(c) Is it contemplated to hold over the extension scheme until the High level electrification extension scheme is completed?

(d) If so, how much time will that High level scheme take to complete?

(e) What would be the cost of extension of the platform if taken in hand prior to the completion of the scheme?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Yes.

(b) and (c). It is proposed to take up the work of extension of the platform at Borivli after completion of electrification of the through line between Bandra and Borivli.

(d) The electrification of the through line between Bandra and Borivli is expected to be completed by the end of 1952-53.

(e) Extension of the platform at Borivli if taken in hand prior to completion of Bandra-Borivli electrification would cost approximately Rs. 33,000, but this amount would be rendered wasteful when the remodelling of the Borivli station yard is taken in hand on completion of the electrification.

Shri Sidhva: What arrangements have been made meanwhile for passengers who experience difficulty owing to the absence of this platform, in view

of the suburban services which have nearly 100 trains running up and down every day?

Shri Santhanam: As soon as the electrification scheme is complete all this trouble will be over. Till then people will have to get on as they have been getting on so far.

Shri Sidhva: Have any complaints been made by the various associations and residents of those places that the women also find it very difficult to get down from the trains in view of the platform not being of the proper dimensions? In view of that, what interim steps do Government propose to take?

Shri Santhanam: But it will mean an expenditure of Rs. 33,000 which will be lost in two years' time.

PORT DEVELOPMENT

*2432. **Maulvi Hameef:** Will the Minister of Transport be pleased to state:

(a) whether it is a fact that some officers of the Government of India visited some coastal areas of Orissa for investigating the possibility of port development?

(b) if so, which areas were visited by them and who were those officers; and

(c) what are the reports of the said investigation?

The Minister of State for Transport and Railways (Shri Santhanam): (a) and (b). A group of five French experts, headed by Prof. Jean L. Aubert, was recently invited by the Central Waterways, Irrigation and Navigation Commission to advise on the navigation problems of the Mahanadi river. In January-February 1951, this group, accompanied by the Director of Navigation and two Assistant Directors of the C. W. I. N. C., visited the various reaches of the Mahanadi river from Sambalpur to the sea, and also the likely sites for a sea port (at Paradip on the Mahanadi and Dhamra village on the Dhamra river).

(c) A report on the investigation is expected to be received in a couple of months.

OFFICE OF DIRECTOR OF ECONOMICS AND STATISTICS

*2433. **Shri Jagannath Das:** (a) Will the Minister of Food and Agriculture be pleased to state the expenses incurred on the office of the Director of Economics and Statistics attached to the agriculture section in the years 1948, 1949 and 1950?

(b) What are its functions?

(c) What publications or reports are issued by this section at present?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) The Directorate of Economics and Statistics attached to the Ministry of Agriculture was constituted as a separate office with effect from the 1st October, 1948. The expenditure incurred on the Directorate during the last three financial years is as under:

Year	Expenditure incurred	Remarks
1948-49	Rs. 2,21,866	for 5 months from 1-10-1948.
1949-50	Rs. 5,44,042	
1950-51 (Provisional)	Rs. 5,38,000	

(b) The main functions of the Directorate are:

(i) to collect, compile and maintain statistics relating to food and agriculture;

(ii) to publish standard blue-books of different periodicity based on the statistics collected;

(iii) to prepare memoranda on current issues of economic policy arising out of the work of the Ministry of Food and Agriculture; and

(iv) to prepare special periodical statements and reports for the use of different Ministries of the Government of India, the Planning Commission, the various U. N. bodies etc.

(c) A list of publications issued by the Directorate at present is placed on the Table of the House. [See Appendix XVIII, annexure No. 33.]

Shri T. N. Singh: Besides the statistical work carried on by this department, has any effort been made by it to give figures relating to cost of production and relative yield of various crops?

Shri K. M. Munshi: No.

Shri T. N. Singh: Do Government consider it necessary to carry on such surveys?

Shri K. M. Munshi: It is being done by the Central Statistical Organisation.

MERGER OF PART C STATES

*2434. **Shri Raj Kanwar:** Will the Minister of States be pleased to state:

(a) whether Government have considered or propose to consider the question of merger of the Part C States, viz., (i) Kutch; (ii) Bhopal; (iii) Tripura; (iv) Manipur; (v)

Bilaspur; and (vi) Coorg with their adjoining States; and

(b) what steps Government propose to take to democratise their administration if they are kept as separate States and when any such move is likely to materialise?

The Minister of States, Transport and Railways (Shri Gopaldaswami):

(a) and (b). The attention of the hon. Member is invited to my speech made on the 16th March, 1951 during the discussion on Pandit Mukat Bihari Lal Bhargava's Resolution.

Shri Raj Kanwar: Will the Bill to ensure democratization of administration of Part C States be ready for consideration during the current session of Parliament?

Shri Gopaldaswami: That is what I have already promised the House.

Shri R. K. Chandhuri: May I know when Manipur and Tripura will be merged and with what State will they be merged?

Shri Gopaldaswami: Neither of them is at present intended to be merged in any neighbouring State.

Shri Dwivedi: May I know whether the Judicial Commissioners' Courts in those Part C States where legislatures will be introduced will also be converted into High Courts simultaneously?

Shri Gopaldaswami: That is a matter for later consideration.

MONEY ORDER COMMISSIONS AND INSURANCE CHARGES

*2438. **Shri Ramaswami Naidu:** Will the Minister of Communications be pleased to state the amount realised by way of money order commissions and insurance charges in the years 1948-49, 1949-50 and 1950-51?

The Minister of Communications (Shri Kidwai): A statement giving the information is laid on the Table of the House.

STATEMENT

Year	Money order commission realised	Insurance fee realised
1948-49	2 27 crores	22 31 lakhs.
1949-50	2 48 "	22 84 "
1950-51 (estimated)	2 34 "	23 04 "

CARRIAGE OF MAILS

*2439. **Shri Ramaswamy Naidu:** Will the Minister of Communication be pleased to state:

(a) how many trains carry mails south of Madura along the Virudhinagar—Tenkasi Chord line;

(b) whether mail bags are delivered to all the post offices as are on the railway line; and

(c) whether Government propose to increase the mail service in the line?

The Minister of Communications (Shri Kidwai): (a) Two.

(b) Yes.

(c) No.

NORTH ANDAMAN FORESTS

*2440. **Shri Kamath:** Will the Minister of Food and Agriculture be pleased to refer to the answer given by him to Starred Question No. 1906 asked on 5th March, 1951 and state:

(a) the names of the various firms which tendered for the lease of North Andaman forests, and the rate of tender submitted by each of them;

(b) the terms and conditions of the tender notice issued by Government.

(c) whether Government have examined the capital structure and balance sheets of the firm with whom negotiations are at present proceeding, if so, their position;

(d) whether this firm has previous experience in this field; and

(e) what is Government's final decision in the matter?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) A statement giving the names of the firms which submitted tenders for the lease of the North Andaman forests and the royalty offered by them is placed on the Table of the House. [See Appendix XVIII, annexure No. 34.]

(b) A copy of the tender notice is also placed on the Table of the House. [See Appendix XVIII, annexure No. 35.]

(c) The credentials of the firm selected are being examined.

(d) Yes.

(e) Final decision has not yet been taken.

Short Notice Questions and Answers.

ISSUE OF DATES AS PART OF RATION

Shri Kamath: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that complaints or reports have been received

that ration shops are compelling ration card holders to accept dates in lieu of a part of the grain ration;

(b) if so, from which parts of the country; and

(c) whether it is being done under a directive from or with the approval of the Centre?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) to (c). No such complaints have been received.

Shri Kamath: Has the Minister's attention been drawn to Press reports to this effect and also to the further report which appeared yesterday. I believe, that 8,000 tons or more of Iroqi dates were received in Bombay, but in Bihar they refused to accept them and distribute them to ration card holders in lieu of grain ration?

Shri K. M. Munshi: There is no compulsory distribution of dates. They do not form part of the rations, but in view of the fact that the rations have been reduced from 12 ounces to 9 ounces these dates are placed at the ration shops for those people who care to have them.

Shri Kamath: Has the Food Ministry taken steps to see that the dates distributed for this purpose are fit for human consumption?

Shri K. M. Munshi: They are quite fit for human consumption.

FOOD SITUATION IN BIHAR

Prof. S. N. Mishra: Will the Minister of Food and Agriculture be pleased to make a statement giving full facts about the latest food situation in Bihar which has been characterised as "desperate" by the Food Minister of the State?

The Minister of Food and Agriculture (Shri K. M. Munshi): Sir, I have got a statement here. Perhaps that would make the position clear.

Owing to the failure of the Kharif crop in Bihar, the food situation there has become difficult. The Centre is to supply the State 6 lakh tons of food-grains during the year 1951. From the 1st of January, 1951 to 16th March, 1951, 82,266 tons of foodgrains have been despatched and during the rest of the month about 30,000 tons are estimated to be sent. This has enabled the Bihar Government to open 2,447 fair price shops in catering to a population of over 75 lakhs. As the year advances, the effects of the drought will be felt more and more, and Centre's allotments and despatches will progressively increase. The allotments

for the months of January, February and March are 36,000 tons, 38,000 tons and 49,000 tons respectively; for April and May the allotments as well as despatches will be larger. Special facilities have been arranged for transport of foodgrains into North Bihar. Bihar's case has been given top priority in the matter of food by the Centre.

Its stock position has been improving thus—

- 31st January, 1951—25,000 tons.
28th February, 1951—39,900 tons.
31st March, 1951—49,100 tons
(estimated).

The Bihar Government is fully alive to the seriousness of the new stage upon which the State is entering. As I told the House on an earlier occasion, our critical period begins from April when we will have to put forward the best effort for saving certain parts of the country from a critical situation.

The Bihar Government has opened over 2,400 shops which cater to a population of over 75 lakhs of people. Four districts of Tirhut Division, Poornea, Sasra, parts of Bhagalpur and Monghyr are undergoing a heavy strain and a very large proportion of the shops referred to above are in those districts. Relief works have been started all over Bihar for landless labour and loans have been advanced to the agriculturists. The Government has banned the export of vegetables, fish, bananas and mangoes from Bihar. The Government of Bihar therefore is doing its best to meet the situation.

As parts of North Bihar are difficult of access, special arrangements are being made by the Government of India for the transshipment of foodgrains in Banaras and at other railway stations so that the foodgrains may reach the affected areas quickly. Besides, one special train per day carrying foodgrains has been going via Mokamah Ghat and supplies to Bihar are being despatched by special trains.

As regards the alleged starvation deaths, the Bihar Government has made detailed enquiries and they reveal that none of them are due to starvation. For instance, as the hon. Shri Sinha, Minister in charge, told me on the phone, three persons alleged to have died of starvation in the Gaya District were found to have died three months ago of fever, one person alleged to have died of starvation in that district had a shop, a family with children and this man had died of T.B.

At the same time, there is no doubt that in certain parts of North Bihar scarcity condition is acute. The District Magistrates have been alerted and

they are taking extra precautions to see that the situation does not go out of hand.

In the month of March, 11,771 tons of wheat and 11,968 tons of milo will be despatched to Bihar in addition to what has already been despatched. The U. P. Government is to send 15,000 tons of rice to Bihar and has been requested to expedite the despatch. The total quantity which is expected to be received by Bihar in March is in the neighbourhood of 50,000 tons.

WRITTEN ANSWERS TO QUESTIONS

REVENUE RECEIPTS FROM ANDAMAN ISLANDS

*2416. Pandit Munishwar Datt Upadhyay: (a) Will the Minister of Food and Agriculture be pleased to state the total revenue receipts from Andaman Islands and what percentage does the forest income form of the total revenue?

(b) What are the other major sources of revenue of the Andamans?

(c) What are the acreage of forest area and cultivated area respectively?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) The total revenue from Andamans during the year 1949-50 was Rs. 85,69,981 and the forest income was about 82 per cent. of the total revenue.

(b) (i) Land Revenue.

(ii) Taxes on income.

(iii) State excise.

(iv) Other taxes and duties.

(v) Passage freight and tonnage.

(vi) Miscellaneous.

(c) About 15,11,680 and 5,102 acres respectively.

SMUGGLING OF FIRE ARMS

*2418. Seth Govind Das: Will the Minister of Communications be pleased to state:

(a) whether Government are aware that guns, arms and ammunitions are being sent from West Pakistan to East Pakistan under mail covers via Calcutta; and

(b) if so, what steps are being taken to avoid such transit through Indian territory?

The Minister of Communications (Shri Kidwai): (a) Government are not aware of any systematic smuggling of guns, arms and ammunitions from West Pakistan to East Pakistan under mail covers.

(b) As, according to International rules, the transit of arms and non-explosive ammunitions through India in closed bags is not forbidden and as no case has come to our notice so far in which the transit of arms and non-explosive ammunitions through the post has either endangered the postal personnel or other mails, it was not considered desirable to impose a ban on the despatch of arms and ammunitions (apart from explosives) through the Indian post in closed bags transiting through India.

FIRING ON BORDERS OF ASSAM

*2419. **Seth Govind Das:** Will the Minister of States be pleased to state:

(a) whether firing was resorted to in Manipur bordering on Assam in 1950; and

(b) if so, what were the reasons that led to firing?

The Minister of States, Transport and Railways (Shri Gopalaswami): (a) and (b). There was no case of firing on any crowd but on December 21, 1950, a police guard shot dead a communist who attempted forcibly to enter the house of the Chowkidar of Khabi.

ROADS MILEAGE IN PART C STATES

*2420. **Prof. K. T. Shah:** Will the Minister of Transport be pleased to state the total mileage of roads built or maintained during 1948-49, and 1949-50, in each Part C States, and the total mileage of such roads open to traffic on 31st December, 1950?

The Minister of State for Transport and Railways (Shri Santhanam): The information is being collected and will be laid on the Table of the House in due course.

RAILWAY MILEAGE IN PART C STATES

*2421. **Prof. K. T. Shah:** Will the Minister of Railways be pleased to state:

(a) the total mileage of railways in each Part C State open to traffic on 31st December, 1950; and

(b) the amount of traffic carried, as also of the traffic receipts and total earnings and expenditure on the railways in each Part C State in 1948-49 and 1949-50?

The Minister of State for Transport and Railways (Shri Santhanam): (a) and (b). Information relating to Railways is prepared on the basis of Railways and not by States. Compilation of the information desired is impracticable as it will involve an amount of labour not commensurate with its usefulness. Figures for the Kutch State Railway which is a separate unit are, however, available

and are given in a statement laid on the Table of the House.

STATEMENT

Kutch State Railway (2'-6")

	1948-49	1949-50
(1) Route mileage open on 31st March 1950	72.00 Miles	
(2) Passenger Miles	11,086,000	8,532,000
(3) Goods net ton miles.	917,000	840,000
(4) Passengers carried	519,000	443,000
(5) Goods-tons carried	37,000	41,000
(6) Traffic Receipts Rs.	7,2,000	681,000
(7) Gross earnings ..	7,2,000	681,000
(8) Total expenditure ..	512,000	624,000

RAILWAY SALOONS

*2422. **Prof. K. T. Shah:** (a) Will the Minister of Railways be pleased to state how many officers of his Ministry are entitled to travel by special saloons?

(b) How many other officers of the Government of India, or of States Governments, are entitled to similar facility, while travelling on public business?

(c) Are any special coaches maintained for foreign Tourists, and if so, how many?

(d) On what terms are such special Tourist Coaches allowed to be used by such Tourists, and others?

The Minister of State for Transport and Railways (Shri Santhanam): (a) At present 14 officers from the Railway Board are normally entitled to the use of Inspection Carriages.

(b) A list of these officers is given in Appendix K pages 403 and 404 of I.R.C.A. Coaching Tariff No. 15, a copy of which has been placed in the Library of the Parliament.

(c) Special Tourist Cars are maintained for public Traffic including Foreign Tourists.

(d) The scale of charges for the use of Tourist cars and saloons intended for the public (including Tourists from abroad) is laid down in rule 104 and 107 of the I.R.C.A. Coaching Tariff No. 15.

'FLAG DISCRIMINATION' IN SHIPPING TRADE

*2423. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Transport be pleased to state what is the significance of 'Flag Discrimination' in shipping trade?

(b) Is it in any way objectionable for an under-developed maritime nation like India to encourage and develop her maritime fleet?

The Minister of State for Transport and Railways (Shri Santhanam): (a) So far as the Government of India are aware, the term 'Flag Discrimination' has no universally accepted significance in the shipping trade. Different persons have given different interpretations to it at different times. In terms of the International Maritime Ports Convention 1923, discrimination between ships of different flags in such matters as port facilities (such as berthing, loading and unloading facilities) and port dues such as tonnage, harbour, pilotage and lighthouse charges can be said to constitute flag discrimination.

(b) No, Sir. This question was discussed when the constitution of International Maritime Consultative Organization was discussed. According to the I.M.C.O. Convention, there is no objection to a Government giving assistance and encouragement for the development of its shipping, provided that such assistance and encouragement is not based on measures designed to restrict the freedom of shipping of all flags to take part in international trade.

PALM GUR

*2424. **Shri Deogirikar:** (a) Will the Minister of Food and Agriculture be pleased to state the total production of Palm Gur during the last year?

(b) What was the amount spent by the Government of India for this production and for research and other experiments on Palm Gur?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Total production of Palm Gur during 1949-50 was 9,14,660 maunds.

(b) Palm Gur is produced by private enterprise in several States. An amount of Rs. 4,31,444 was, however, spent by the Government of India on development and propaganda in 1949-50 as under:

	Rs.
(i) Subsidies granted for the Palm Gur Development Schemes in the States.	3,43,208
(ii) Central Palm Gur Training School, Guddalore.	40,360
(iii) Expenditure incurred on Palm Gur Advisers and staff in the Ministry.	47,876
Total	4,31,444

370PSD

FOOD GRAINS FROM U.S.S.R.

*2428. **Shri Kishorimehan Tripathi:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether any efforts were made by Government to get wheat or other food grains from the U.S.S.R. in exchange for Tea or Jute; and

(b) if so, what were the results of the efforts?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Enquiries were made from the Embassy of U.S.S.R. in New Delhi regarding the quantity of foodgrains which U.S.S.R. would be prepared to supply to India and the terms of supply.

(b) No reply has been received to these enquiries.

STATE-SPONSORED INDUSTRIES

*2435. **Shri Sarwate:** Will the Minister of States be pleased to state:

(a) whether the Committee appointed by the Government of India to report on the State-sponsored industries in Part B States has presented its report;

(b) if the reply to part (a) above be in the affirmative, what steps Government have taken, or do propose to take, on the report; and

(c) if the reply to part (a) above be in the negative, what are the names of the members of the Committee, and when is the report likely to be presented?

The Minister of States, Transport and Railways (Shri Gopalswami): (a) to (c). Shri Kasturbhai Lalbhai has been invited by the Government of India to review and report on the State-owned and State-aided industrial concerns in Hyderabad, Mysore and Travancore-Cochin.

He has submitted his reports regarding Hyderabad and Mysore and these are under examination in consultation with the respective State Governments.

The report regarding Travancore-Cochin is likely to be made available to Government by the end of March or early in April.

TELEPHONES FOR PRESS REPRESENTATIVES AT SANTA CRUZ AIR PORT

*2437. **Shri Joachim Alva:** (a) Will the Minister of Communications be pleased to state how many exclusive telephones are provided for the representatives of the Press at Bombay's Airport at Santa Cruz and whether they are provided free of charge for the benefit of the Press?

(b) How many waiting or rest rooms are placed at the disposal of the representatives of the Press who keep watch both day and night for in-coming and out-going aeroplanes?

(c) Is any conveyance placed at the disposal of these journalists?

The Minister of Communications (Shri Kidwai): (a) No separate telephones have been provided at the Santa Cruz Airport for the exclusive use of the representatives of the Press. There are however two public telephone call offices provided in the passenger lounges which can be used by the Press representatives also on payment of the usual charges.

(b) There are two large and well furnished halls provided for the use of the passengers and the public at the airport. No separate rooms have been provided for the exclusive use of the representatives of the Press.

(c) No, Sir.

NATIONAL HIGHWAYS IN HYDERABAD

*2441. **Shri S. V. Naik:** Will the Minister of Transport be pleased to state:

(a) how many miles of road in Hyderabad State have been declared as National Highways;

(b) what is the annual cost of maintenance of these roads; and

(c) whether any part of this is also borne by the Government of Hyderabad?

The Minister of State for Transport and Railways (Shri Santhanam): (a) 581 miles as designated at present.

(b) About Rs. 6 lakhs at present.

(c) None from 1950-51.

AGRICULTURAL ASSISTANCE

*2442. **Shri R. Velayudhan:** Will the Minister of Food and Agriculture be pleased to state whether any change has been made that assistance to a State and from the State to a farmer is based on an agreed percentage of the extra yield that will be surrendered to Government as extra procurement of that area?

The Minister of Food and Agriculture (Shri K. M. Munshi): The hon. Member is perhaps referring to the re-orientation in G.M.F. Policy regarding the concentration of G.M.F. effort in intensive cultivation areas and the linking of procurement with production. It has been suggested to the States that they should procure 60 per cent. of the additional production

from the intensive cultivation areas receiving G.M.F. assistance, and this procurement should be reflected in the overall deficit or surplus of that State. In other words, if it is a deficit State, its import quota will be reduced to that extent and if it is a surplus State, its export quota will be increased correspondingly. The Self-Sufficiency Campaign cannot yield the desired results unless this principle is effectively implemented.

हरपालपुर-सतना रेलवे लाइन

* २४४३ श्री शार० ऐस० तिवारी :

(ए) क्या रेल मंत्री यह बतलाने की कृपा करेंगे कि बिन्ध्य प्रदेश में जहां सैकड़ों मील तक कोई रेल यातायात सेवा नहीं है, कोई नये रेल पथ बनाने की प्रस्तावना है।

(बी) क्या हरपालपुर को छतरपुर होकर रेल द्वारा सतना स्टेशन से जोड़ने के लिये कुछ समय पूर्व कोई भूमापन किया गया था ?

HARPALPUR—SATNA RAILWAY LINE

[*2443. **Shri R. S. Tewari:** (a) Will the Minister of Railways be pleased to state whether it is proposed to construct any new Railway in Vindhya Pradesh where there are no railway communications for hundreds of miles?

(b) Was a survey made some years back with a view to join Harpalpur with Santa Station via Chhatarpur by rail?]

The Minister of State for Transport and Railways (Shri Santhanam): (a) New Railway lines will be constructed in Vindhya Pradesh as in other part of the country as required by national needs and permitted by national resources.

(b) No survey was carried out for a direct railway connection between Harpalpur and Satna. A Traffic survey was, however, carried out in 1926-27 for a Railway line from Harpalpur to Chhatarpur only.

IMPORT OF BROKEN RICE

*2444. **Shri Sanjivayya:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government have any intention to import broken rice;

(b) if so, from which country and what quantity; and

(c) whether any offer of the same was already made to the Government of India?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Yes.

(b) From Thailand. The quantity will be about 50,000 tons.

(c) Government receive numerous offers from private parties for the purchase of broken and whole rice from all parts of the world.

Paniwala MAHARAJ (OIL RESOURCES)

***2445. Shri Sanjivayya:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government propose to send Paniwala Maharaj to the State of Assam to find out fresh oil resources; and

(b) whether he has any previous achievement to his credit in this sphere?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Though no formal proposal has yet been drawn up, such a question is engaging the attention of Government.

(b) My Ministry has no information on the subject.

RAILWAY CONSIGNMENTS BOOKED FROM PAKISTAN

***2446. Giani G. S. Musafir:** Will the Minister of Railways be pleased to state:

(a) whether the Government of India admit their liability in respect of Railway claims arising out of consignments booked by displaced persons from various stations in Pakistan to destinations in India after 15th August, 1947;

(b) whether Government are aware that a large number of Government officials who opted for India, have been affected by losses of consignments referred to in part (a) above; and

(c) if the answer to part (b) above be in the affirmative, the action that Government propose to take in that direction?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Claims for compensation whether from displaced persons or others, relating to consignments booked after 15th August, 1947, from railway stations in Pakistan to destinations in India are dealt with by the Indian Railways according to the circumstances of carriage and the Railway's legal obligations in each case.

(b) A number of Government officials, who opted for India, have preferred claims for compensation for loss of or damage to consignments booked by them from stations in Pakistan to India.

(c) Each claim is dealt with on its merits.

PLANE ACCIDENT BETWEEN BANGALORE AND COIMBATORE

***2447. Shri Kamath:** Will the Minister of Communications be pleased to state:

(a) whether the enquiry into the accident to a passenger plane between Bangalore and Coimbatore has been completed;

(b) if so, what are the findings;

(c) how many bodies were found on the spot and how they were disposed of;

(d) whether it is a fact that the relatives of the victims were not allowed by the Civil Authorities to go to the scene of the wreckage, even though they offered to pay for the arrangements;

(e) how much luggage, and of what kind, was found intact;

(f) whether it is a fact that no police guard was posted near or around the wreckage, and consequently, many articles were stolen;

(g) how many secret files were found on the spot; and

(h) whether there exist any set regulations for the Civil Authorities to follow when such accidents take place?

The Minister of Communications (Shri Kidwai): (a) Yes, Sir. A copy of the Report has been placed in the Library.

(b) The cause of the accident has been found to be the pilot's error in navigation, particularly in his adoption of letting down procedure in an area of which he was uncertain.

(c) At first 6 bodies, and later 12 more, were found, all of them in a high state of decomposition and disintegration and many of them in small pieces. Two other bodies, completely burnt, were found, making a total of 20. It was impossible for the officials or such relations of the deceased as were there to identify the bodies. It was decided on the spot, by the relations, the representative of the United Kingdom High Commissioner and Government officials, that it would be impossible to remove the bodies which, therefore, were cremated.

(d) This is not so. On the other hand, assistance was given to every one of the relatives who visited the scene.

(e) 110 items of property were salvaged.

(f) Police and Forest Officials guarded the wreckage from the time it was discovered by the search party. It is difficult to say whether, before the discovery, any article was stolen.

(g) A few secret files were among the property recovered; exactly how many files, I do not know but I am having the information collected.

(h) Yes. The Aviation Authorities inform the District Police and Military Authorities who make the search.

रेलवे सहकारी भंडार

*२४४८. श्री आर० ऐसतिवारी : क्या

रेल मंत्री यह बतलावे की कृपा करेंगे :

(ए) इन रेलों के नाम जिन पर कर्मचारियों के लिये सहकारी भंडार खोले गये हैं ; तथा

(बी) इन भंडारों की प्राथित पूंजी कितनी है ?

RAILWAY CO-OPERATIVE STORES

[*2448. Shri E. S. Tewari: Will the Minister of Railways be pleased to state:

(a) the names of the Railways where Co-operative Stores have been opened for the employees; and

(b) what is the amount of subscribed capital of these stores?]

The Minister of State for Transport and Railways (Shri Santhanam:)

(a) and (b). The information is

being collected from the Railway Administrations and will be laid on the Table of the House in due course.

LETTING OUT OF RAILWAY LAND

*2449. Prof. Yashwant Rai: Will the Minister of Railways be pleased to state:

(a) the terms and conditions on when the railway land near block No. 67 (Class IV staff) Railway Servants' Quarters, Moresarai, Queens Road, Delhi, is let out to Messrs. Harnamdas, Mohanlal, Butaram. Om Prakash, Gurdasmal and others;

(b) who is responsible for its sanitation and maintenance;

(c) what kind of structure is built thereon;

(d) what kind of business is carried by them there;

(e) whether any official of the Railway is collecting any rent from them; and

(f) if so, under which head of account it is credited to the Government, if not, the reasons therefor?

The Minister of State for Transport and Railways (Shri Santhanam:)

(a) No land at the locality mentioned has been let out to the persons named in the question or to anybody else.

(b) The Railway Administration.

(c) and (d). Blocks of residential quarters are built in this area and some vacant land is in unauthorised occupation of a number of refugees who have constructed temporary structures thereon for residential purposes. Two or three of these unauthorised structures near the main road are being used as ordinary grocery shops.

(e) The reply is in the negative.

(f) The question does not arise



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME IX, 1951

(5th March, 1951 to 30th March, 1951)

Third Session

of the

PARLIAMENT OF INDIA

1950-51



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THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers.)
OFFICIAL REPORT

4896

4897

PARLIAMENT OF INDIA

Wednesday, 21st March, 1951.

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

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

11-52 A.M.

ELECTIONS TO COMMITTEES

PUBLIC ACCOUNTS COMMITTEE

The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha): I beg to move:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (3) of rule 143 of the Rules of Procedure and Conduct of Business in Parliament, fifteen Members from among their number to serve on the Committee on Public Accounts for the financial year 1951-52."

Mr. Speaker: Motion moved:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (3) of rule 143 of the Rules of Procedure and Conduct of Business in Parliament, fifteen Members from among their number to serve on the Committee on Public Accounts for the financial year 1951-52."

Shri T. N. Singh (Uttar Pradesh): I wish to draw the attention of the House and your goodself to the fact that this Committee which was working and is now proposed to be elected for 1951-52 had a great handicap in the sense that the Audit Report of the Railway Accounts was not placed before the House in time. Though a copy of it was privately available and it was also with the special permission of the Chairman made available to members of the Com-

6 P.S.D.

mittee, at the same time as procedure requires it should have been placed on the table of the House when it was ready. That Report was ready as early as November and it was not placed on the table of the House when the House sat during November-December; nor was it placed when the House met again in February. It was not placed till as late as March 14. I therefore wish to draw the attention of the House that a breach of the rules has occurred and some steps should be taken so that the Ministries concerned may present the Audit Report to the House in time and at the proper occasion.

Mr. Speaker: Breach of what rules?

Shri T. N. Singh: Breach of the procedure laid down for the presentation of these Audit Reports. They should be placed before the House before they are considered by the P.A.C. In this case, the Audit Report was not placed before the House although by the authority of the Chairman of the P. A. C. we were allowed to consider it. Normally, the procedure should be that these reports should be brought before the House and laid on the table as soon as they are ready.

Mr. Speaker: I think it is a matter which the Public Accounts Committee will take note of and do the needful.

The question is:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (3) of rule 143 of the Rules of Procedure and Conduct of Business in Parliament, fifteen Members from among their number to serve on the Committee on Public Accounts for the financial year 1951-52."

The motion was adopted.

ESTIMATES COMMITTEE

Shri Satya Narayan Sinha: I beg to move:

"That the Members of this House do proceed to elect, in the manner

[Shri Satya Narayan Sinha] required by sub-rule (2) of rule 145 of the Rules of Procedure and Conduct of Business in Parliament, twenty-five Members from among their number to be Members of the Committee on Estimates for the financial year 1951-52."

Mr. Speaker: Motion moved:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (2) of rule 145 of the Rules of Procedure and Conduct of Business in Parliament, twenty-five Members from among their number to be Members of the Committee on Estimates for the financial year 1951-52."

Shri M. A. Ayyangar (Madras): The Estimates Committee has been in existence for nearly a year and has been submitting reports from time to time. During the course of this year they have looked into three Ministries and next year they may look into two or three other important Ministries, like Defence.

Having been Chairman of the Estimates Committee, I would like to take the House into confidence regarding certain matters which we have gained by experience. The three important Committees of the House are the Public Accounts Committee, the Standing Finance Committee and the Estimates Committee. The Public Accounts Committee look into items of expenditure after they have been incurred and the Auditor-General has scrutinised them—it is something like a *post mortem* examination. Matters of principle which were not gone into at the time the Budget was passed are referred to the Standing Finance Committee. The Estimates Committee in its turn scrutinises the blocks of expenditure of the various Ministries, item by item, and suggests economies.

I feel that out of the twenty-five members who constitute the Estimates Committee two or three must be chosen from among the members of the Standing Finance Committee and two or three from the personnel of the Public Accounts Committee. Otherwise, the wealth of experience that is drawn during the course of the year from the proceedings of the Standing Finance Committee and the Public Accounts Committee is not available to the Estimates Committee. As at present each one of the Committees is beating the air in a different direction without coordinating their efforts. Of course, the Estimates Committee summons officers from various Ministries, but from actual experience I feel that two or three members of the Public Accounts Committee and Standing Finance Committee must be on the

Estimates Committee. I am making this suggestion at an early stage. If I had sufficient time, I would have tabled an amendment, but I do not consider it necessary. I am sure hon. Minister will take a note of this and see to it that two or three members are common to the Estimates Committee and the Standing Finance Committee. Also some two or three Members of the Public Accounts Committee may be requested to serve on the Estimates Committee.

Shri Satya Narayan Sinha: For reasons which I shall try to explain to the hon. Member outside the House, it is not possible for us to accept that suggestion.

Shri Raj Bahadur (Rajasthan): On a point of order, Sir.

Mr. Speaker: Let us not waste time in points of order.

This is a matter which can be adjusted informally by a sort of convention or an arrangement among the Members themselves, that there will be some members common to all these Committees, if they are agreeable to that.

The question is:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (2) of rule 145 of the Rules of Procedure and Conduct of Business in Parliament, twenty-five Members from among their number to be Members of the Committee on Estimates for the financial year 1951-52."

The motion was adopted.

12 Noon.

Mr. Speaker: I have to inform hon. Members that the following dates have been fixed for receiving nominations and holding elections, if necessary, in connection with the following Committees:

(1)	T A C	} Date for nomination 7-4-51
(2)	Th ates Com- m	

The nominations for these committees will be received in the Parliamentary Notice Office upto 12 Noon on the date mentioned for the purpose. The elections, which will be conducted by means of the single transferable vote, will be held in the Assistant Secretary's Room (No. 21) in the Parliament House between the hours 10-30 A.M. and 1 P.M.

INDIAN TARIFF (AMENDMENT)
BILL.—Contd.

Mr. Speaker: The House will now proceed with the further consideration of the following motion:

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

Shri M. A. Ayyangar (Madras): This Bill consists of four parts. The first and the most important one raises a point of principle, namely, whether Government should be clothed with the power to accept the recommendations of the Tariff Board regarding the granting of tariff protection in any particular case or cases and then bring it to the notice of Parliament in the form of a Bill.

There is no doubt this Bill seeks to give power to Government only for a period of two years. It is provided there that when Parliament is in session the Bill must be introduced during that session if there is sufficient time, of say, a fortnight. If the house is not sitting a Bill ought to be introduced in Parliament at the next session; unless the Bill is passed into law within a period of two months the protection will automatically cease to be in operation.

I have got a fundamental objection to this procedure, though we passed it in 1946. This power was sought with respect to those industries which were encouraged to come into existence during the war and to which an assurance of protection against unfair competition was given. The industries for which protection is sought in this Bill are also war time industries and the power is evidently intended for protection to be given in an expeditious manner. That is why the limitation of two years is imposed and the Government does not want the power after two years. Even during this period, I do not think it right that Government should have power to give protection while Parliament is in session. As my hon. friend Mr. Krishnamachari said yesterday there is nothing to prevent the Government coming forward with a Bill when the House is in session. When it is not in session an order can be passed or an Ordinance issued imposing these protective duties. That practice is already in vogue and is provided for in the Constitution itself. I, therefore, do not see any reason for this separate legislation clothing the Government with extraordinary power. If it is meant to be used in an emergency, that situation may as well be met by issue of an Ordinance.

There is a difference between power to issue an Ordinance and this power.

Whereas an individual Minister can use this power, an Ordinance can be issued only by the President and should have the approval of the Cabinet which by itself is a safeguard. Now I cannot conceive of a case where normally it will be absolutely necessary to impose a protective duty immediately after a recommendation is made. A Tariff Board is bound to take some time to discuss the matter, go into it in detail and suggest imposition of tariff protection. Therefore, the Government can easily wait. If, however, the Government feel that there is any legal impediment to the promulgation of an Ordinance, I agree it is not possible to adopt it. All authority of Parliament is derived from the Constitution. The Constitution itself gives that power, and as far as I am able to see the power to lay down an Ordinance is not restricted at all. Government will therefore kindly look into this matter and unless it is impossible to use the existing device for this purpose I would not ordinarily be prepared to clothe the Government with this power.

The Deputy Minister of Commerce and Industry (Shri Karmarkar): May I very respectfully intervene for a minute for the purpose of clarification? It is precisely because the hon. Deputy-Speaker supported this method earlier that we have now introduced it in the Bill and we do not want to have recourse to Ordinance. In 1949 he said that Government should not have recourse to the Ordinance-making power and should come by way of notification. And it was that type of advice that led us to have the Bill in this form.

Shri M. A. Ayyangar: I agree that there is some bad odour about making an Ordinance. But of course it is open to any person who speaks on the floor of the House to change his views. The Ordinance-making power is there. I do not see if it is necessary. But I would only make this suggestion that while the House is sitting let the matter be placed before the House. I do not want that the Government should take a decision over the head of the House while Parliament is in session. When Parliament is not in session it is a different matter. But let not the Government put off taking a decision until the Parliament sitting is over. I am not accusing our Government. I have had bitter experience in the previous Government. So long as the House was in session they could certainly place matters before it. But they would wait and take decisions only after the session of the Legislature was over and then come forward with an Ordinance.

Shri Sidhva (Madhya Pradesh): Here also they have done it.

Mr. Speaker: Order, order.

Shri M. A. Ayyangar: Such things ought not to be done. It is doing an injustice to Parliament. I do not want that this power should be exercised, or even that Government should be clothed with that power. However short the period of Parliament might be, a Bill might be introduced. Just as under the powers in the Finance Bill, though the Bill is only introduced today the financial provisions or taxation measures take effect from the date of introduction of the Bill and come into operation immediately, likewise the same power may be applied here also. Under these circumstances I am not in favour of giving this power so that it might be exercised while Parliament is in session—whether it will sit for a few days or for a long number of days is not the question. In between the sessions the power may be exercised. Though there is force in the argument that in place of an Ordinance it is better to use this other power, and this power is only limited in point of time only to two years—I agree with the latter portion—I would request my hon. friend to agree with the former one that while Parliament is sitting he need not have this power to give protection in advance.

The other point is as regards the grant of protection to specific items that have been reported by the Tariff Board. The Fiscal Commission in its report said that a permanent Tariff Commission should be brought into existence for this reason. When protection is given there is no independent agency apart from Government to watch the progress of protection. Protection depends on various considerations. Tariff protection is one of the important methods by which protection is given to an industry. In this Bill the revenue duty has been converted into a protective duty. It is only for a period. The revenue duty will not be interfered with. But over and above the revenue duty nothing has been done. There is another advantage in a protective duty, namely, that if the industry is able to stabilise itself within the specified period the protective duty need not be imposed, it may even be reduced. Those are the advantages of a protective duty. When the quantum or period of protection is fixed by the Tariff Board they expect that the industry will so conduct itself and standardise or rationalise its production that afterwards there will be no need for protection. That is the expectation. But there is no agency which looks into it and finds out periodically as to

whether those expectations have been fulfilled or not. And it is for that purpose that a permanent Tariff Commission was recommended by the Fiscal Commission. I would like to know from the hon. Minister at what stage the consideration regarding the proposal to have a permanent Tariff Commission is there before the Government.

श्री भट्ट : टैरिफ कमिशन बिल तो आया है ।

[**Shri Bhatt (Bombay):** Tariff Commission Bill has been introduced.]

Shri M. A. Ayyangar: I am sorry that I am out of date! I would like to make one more observation regarding the grant of protection. Very often in granting protection the weakest link, that which is even on the margin, is taken into consideration, the cost of production of that is taken into account, and a kind of average is arrived at. I would like that the weaker links, unless they come up to the standard of the others or an average standard within a period of time, ought to be eliminated. Very often they act as drags upon the more efficient ones and impose an additional or unnecessary burden on the consumer.

Now I come to the third item which the Bill seeks to address itself to. That is the continuation of the bilateral agreements that have been entered into with various countries. It is for a period of three years that this extension is sought. I would have expected the hon. Minister at the beginning of this session to have asked for the appointment of a Parliamentary Committee to look into this matter as to how far these agreements have worked to our advantage. Yesterday in the course of his speech the hon. Minister said that there may be neither a profit nor a loss, that our exports and imports might have balanced each other. I would not merely be satisfied with that general remark that after all the advantages on either side may balance each other. We would like them to go into each and everyone of the individual agreements and see how it has worked. I do not also have any information as to whether the other parties, namely, the various other countries, have passed similar legislation continuing these agreements for a further period of three years, whether any of them wanted any change and at what stage, or whether they accept the agreements for another period of three years or not. After entering into these bilateral trade agreements, during all these three years many things have happened. What we had by way of monopoly some time ago or expected we would be able to sell to other countries, we have ceased to have. In all the raw products we do not have a monopoly. As the hon.

Minister himself perceived this matter, our export trade is more and more in that nature with respect to finished goods. There may be a bad competition from other producing countries in the world. Therefore there is nothing like a monopoly in raw products. We are not able to bargain. The bargaining power has gone away.

We have no monopoly at all or even where we are able to sell to foreign countries it does not enter into any of the items. Even there we have no bargaining power. It is only in cases where we purchase certain articles and they are produced similarly in other countries that we would like to have preference and enter into an agreement with foreign countries for these purchases. It is open to a foreign country to purchase some articles from other countries and after all in return, it is only the other article that the other country produces that we would like to have. We must so regulate the agreement that whatever articles are necessary for us by way of capital goods ought to be the articles that are imported as against consumer goods, the use of which we are depriving ourselves and which at a sacrifice we are sending to foreign countries. I am not satisfied with respect to the previous arrangement. We have bargained for a lot of capital goods, so that our country may industrialize itself. Whatever agreements we enter into must be towards that end, whether they are agreements with countries in Europe or in America. I would also urge that greater attention has to be paid to entering into agreements with our neighbouring Asiatic countries. I do not see that there is much utility in entering into agreements with European countries and even with America. During these three or four years we have not had the benefit of capital goods which alone can be utilized for industrialization. We are short of even raw products, such as rice, wheat etc. and there is a little road about in Burma, in Afghanistan, Iran, Iraq and Arabia. These are the places where our finished goods such as cotton piecegoods have got a good market. Therefore attention must be directed to divert the course of trade from this country to European and other countries, to the Middle East countries and our immediate neighbours, Pakistan. I am glad that somehow or other the matter with Pakistan has been settled, though I am not happy over the exchange ratio, which they persisted in. (*An Hon. Member*: They have got it now.) They have got their pound of flesh. We can also appreciate our rupee but it is a matter for the Finance Minister to consider later.

Then I will proceed to the last point which I want to urge before this House. Even now the imperial preference that was granted to the colonial countries still continues. The agreement can be terminated by a notice of six months on either side. There is a recommendation of this Tariff Board that this matter must be reviewed with the United Kingdom. These are bilateral agreements which we have entered into with other countries. I do not know if any negotiations have been started with the United Kingdom Government and at what stage they are and what are the items which our Government is intending to enter into so far as that agreement is concerned.

It would not be proper for me to close my remarks without a word of congratulation to the hon. Deputy Minister, who is in charge of this Bill. He is eminently fitted for this. He was sent as a delegate for the Geneva Conference. From the reports we had even then, we were very pleased to realize that he devoted all his time and attention to this matter. Now with that wealth of experience he has been rightly placed in charge of this Bill. I would urge upon the Government that they need not make any difference between a Deputy Minister and a Minister of State. We would like that there are only two categories of Ministers, though I would like personally only one category of Ministers. There may be the elders among the Ministers who may be taken into the Cabinet on the lines they are working in the United Kingdom. The others may be Ministers of State. It is no longer necessary to have this difference of Deputy Minister and Minister of State. I would through you, Sir, and through this House, appeal to the Government to do away with this difference as early as possible and give the status of Ministers of State to all our Deputy Ministers. They have acquitted themselves wonderfully well and it is right that the Government has chosen proper men to be in charge of the various Ministries, so that in due course they may take the place of their seniors, who might devote their attention to other important matters also. I support this Bill, subject to the observations that I have made.

Pandit Thakur Das Bhargava (Punjab): When a Bill of this nature comes from any of our Ministers, it is not fair on behalf of those who have confidence in those Ministers to say anything against it in so far as their personality is concerned. I have got full confidence in both the Ministers who are in charge of this Department and I should not be misunderstood if I raise my mild voice of protest against

[Pandit Thakur Das Bhargava]

this Bill. My objections to this Bill are based on absolutely different basis than that of one who as a matter of fact has no confidence in those who are sponsoring the Bill. On the 4th and 5th of December, when we were considering the Jute Bill, an objection was raised by my hon. friend, Mr. Tyagi on the floor of this House about the delegation of powers on behalf of this Parliament to the Ministry. At that time, Sir, I submitted for your consideration that according to me a general delegation of powers was not legal. I stick to this view. In my humble opinion so far as the scheme of the Constitution is concerned, Parliament alone can impose any taxation and there must be such an organic connection between taxation and the taxing authority as there is by way of umbilical cord between the mother and the baby. With your permission, Sir, I would refer you to article 265 of the Constitution:

"No tax shall be levied or collected except by authority of law."

I do not want to rake up the old controversy but at the same time, I beg to point out that according to me Parliament alone can exercise this right and Parliament cannot delegate this power in a general manner to any other authority, even though that authority may be a part of itself, as the executive Government is. The word 'by' has a special force. It is not "except under the authority" but "except by authority of law". It can be argued that this authority is given in this Act or as it has been given in the fourth amending Act. This general sort of authority cannot be delegated legally. Therefore, the first objection that I have got to this Bill is that this Bill provides for the general delegation of powers, which according to me, is not competent to us. I need not refer to articles 107 to 116 of the Constitution which say that such a Bill is a money Bill and the money Bill is the only form in which Parliament can impose taxation directly by itself.

[MR. DEPUTY-SPEAKER in the Chair.]

The provisions of law which relate to money Bills are so stringent that even the Upper House which consists of a large number of members has not been given powers to initiate any taxation or any money Bill. In regard to these specific matters which are provided for in the Constitution, I am anxious that the powers which are given to this Parliament by the Constitution should only be exercised by Parliament and not by any other body.

I know there was an Act in 1946 called the Protective Duties Act and at that time when the Bill was being passed, I stated my objection by way of amendment. At that time our Congress Government was not in power; the bureaucratic form of Government was there; they wanted to have this power and the power was of an emergent nature with regard to war time industries. Therefore, Mr. Azizul Haque made a point in this House and said that he should be given such powers. At that time the Central Government was of such a nature that we had no full confidence in it; we were very suspicious. As you have been pleased to remark the word 'Ordinance' had a bad odour. But now Ordinances have not got that bad odour. If necessity required it, I do not look with disfavour on an Ordinance. Previously whenever an Ordinance was made, we thought that the even tenor of the law was not allowed to run its course, that a certain amount of extraordinary power was invoked to give effect to this or that purpose. As I said when that Bill was brought before the House, its provisions were that while the Assembly was not in session at that time the powers could be exercised by the executive Government. As I submitted, I brought forward an amendment stating that without the concurrence of the Standing Advisory Committee no such power should be exercised by the Government. Now, today, I am not raising that point, because we have got full faith in our Government and in our Ministers. At the same time I am very anxious that while Parliament is in session, no Ministers, not even the Cabinet, should have the power to impose any taxation. It is the function of Parliament alone and Parliament alone should be authorized to impose a taxation while it is in session.

Now, this power is sought to be short-circuited by an amendment which says that if Parliament is sitting, within a fortnight and before the closing of the session a Bill should be brought in the House. The Bill may go on merrily to the next session without Parliament coming to any conclusion. The only point is, within 15 days before the close of the session, the Bill should be brought. My submission is that we are not, as a matter of fact, taking full advantage of the provisions of the Constitution. When I read the Constitution this morning, I was very glad to find that the Constitution had provided a remedy for the situation about which our Deputy Minister was telling us. Suppose a situation arises where the Tariff Board makes a report in such a time that he is obliged to bring in a Bill

when Parliament is within a week of its closure. He was apprehensive as to what would happen to the Bill. The Bill could not be passed in less than a fortnight and therefore he thought that a definite power may be given. May I humbly call his attention to an article in the Constitution which really provides a remedy for this difficulty? That is article 119. That article says:

"Parliament may, for the purpose of the timely completion of financial business, regulate by law the procedure of, and the conduct of business in, each House of Parliament in relation to any financial matter or to any Bill for the appropriation of moneys out of the Consolidated Fund of India, and, if and so far as any provision of any law so made is inconsistent with any rule made by a House of Parliament under clause (1) of article 118 or with any rule or standing order having effect in relation to Parliament under clause (2) of that article, such provision shall prevail."

Even the ordinary rules of procedure made by the House under article 118 (1) and (2) are, as a matter of fact, of no avail before a provision of this nature. This House has the full right to complete the financial business in a day or two or even in two hours. I know the nature of the recommendation of the Tariff Board. Usually in respect of some industry a report is made. Within two hours a Bill could be passed. It should be very easy. I think these Bills are not of a complicated nature. Even taking the present Bill, which provides for several cases, if we take away clause 2, very little remains. There is not much of drafting. Therefore, if such a situation arises, the hon. Minister can come to this House. This House has got full confidence in him and it will take only two hours for him to get the Bill passed. They need not transgress the ordinary principle of law that while the House is sitting no such power should be given to the Ministers.

If we examine the provisions of the amendment of which notice has been given by my hon. friend, the position becomes still clearer. Perhaps, to a certain extent, the position becomes more complicated too. According to this amendment, if a Bill is introduced in the House within 15 days of the close of the session, and the House adjourns for three or four months, then, after two months, according to this proviso the whole situation will come to a deadlock. You will not be able to pass your legislation within two months. Suppose the Bill is brought in on the 5th of April and the House adjourns on the 20th of April, and meets after four months, what would happen to such a notifica-

tion? The notification will lapse after two months. Therefore, the effect of this notification will be that taxes will be levied and Parliament will not be in a position even to consider the Bill. I think I am right in saying this; I do not know what the reply of the hon. Minister is going to be.

Shri Karmarkar: If I may interrupt and clarify the position, Sir, in a case like that, assuming for a moment that there are only seven days between the notification and the close of a session of Parliament, if the cause is served by having the Bill passed, naturally, Government would come to the House and get the Bill passed within seven days.

Pandit Thakur Das Bhargava: If that is so, the provision that within 15 days, a Bill should be introduced, becomes nugatory. Taking the very same argument that it will be possible for the hon. Minister to secure legislation from Parliament within seven days, why have these 15 days here? If it is possible to secure legislation, why have this provision at all? Where is the necessity for this provision when Parliament is sitting? Even then, they can impose the tax. If, according to my hon. friend's admission, it is easy to secure legislation from this obliging House which has full confidence in him, there is no reason why they should have a provision like this giving them powers to impose taxes while Parliament is in session? On the contrary, on an occasion like this, if the Bill is introduced in the House and the House does not meet for three months, then after two months, that notification will be infructuous.

Let us now take the other provision in the Bill. If this tax is not subsequently endorsed by the House, and if the House does not pass this legislation, the effect will be, the tax will be collected and the money thus collected will not be refunded. I see the difficulty of my hon. friend. I do not want to insist at this stage that the tax should be refunded because you cannot refund it to the consumers, and the people to whom you can refund the tax we do not want to benefit at the expense of the country. Therefore, the question of refund is much more difficult. All the same, I am very anxious that the spirit of article 265 of the Constitution should not be contravened. That article says:

"No tax shall be levied or collected except by authority of law."

When you come to the House and the House does not endorse your proposal, your previous action cannot be condoned. You had no right to collect the tax. Taking from any point of view,

[Pandit Thakur Das Bhargava]

my submission is that the powers which the Constitution has conferred upon the Ministers is quite enough for all purposes.

If we once agree that while this House is sitting, the Ministers should not have the power to impose taxes, in the intervening period, article 123 makes ample provision. Just as you have been pleased to remark, so rightly, Sir, the effect of the notification is that the Commerce Minister or the man in charge of the Commerce Ministry imposes the tax, whereas the effect of an Ordinance will be, that the President will impose the tax, which means that the entire Cabinet shall have considered it and the President shall have considered it. Cases like this will be very few in practice. We are considering these cases five years after the close of the war. Protection Duties Act of 1946 was an emergency measure. I do not think, ordinarily, there will be many cases of this nature when Government will have to come to the House and impose tax in this way. Why, then, play with the Constitution? After all, so far as an Ordinance is concerned, it is a thing known to the law. According to the Constitution, an Ordinance has the same force as a Bill passed by this legislature, and under article 265, the tax will be levied and collected by the authority of the law. Therefore, my submission is that you do not lose any of your powers if you get an Ordinance passed. After all, the President cannot stand in the way of the Cabinet. You have only to write to the President and he will be too glad to pass an Ordinance; he cannot refuse it. Your powers are not curtailed and the situation of which you are afraid, that you may not be able to help an industry, may not arise. We are all anxious that you should help an industry when it requires help. The powers are there and you may have recourse to those powers in the interests of the country. What is the difference between this special law and an Ordinance? According to article 123, within six weeks of the commencement of the session, the Ordinance will have to be got validated by the House. According to my hon. friend's new amendment, it is two months. There is not much difference. Then, why have a special law? Why should you act against the spirit of the Constitution which says that the taxing authority should be the Parliament? Previously, things were different; there were intervals of nearly six months or sometimes more, between two sessions of the House. Now Parliament is going to meet almost continuously and for months together there will be no

such difficulty. For five years we have given this right to the Ministers, and now I feel there is no occasion or reason to give this power to them any longer. If they still persist on having it, I would ask them to agree that as long as Parliament is sitting, they should not exercise it. I am quite sure that under article 119 they will be capable of getting the necessary law passed in such a short time that no difficulty could arise. You have only to see to it that the session is prolonged by a day or two within which they may pass their measure. But if they are afraid that the House may not agree with them, then that is a different matter. But as long as they feel that they enjoy the confidence of the House there should be no difficulty in this matter. But as far as the exercise of the right is concerned, I am rather opposed to the exercise of it when Parliament is sitting, by any Minister whoever he may be, because it goes against the very spirit of our Constitution. Even with regard to Ordinances we have said that while Parliament is sitting they shall not be promulgated. I can appreciate and understand that there may be difficulty when Parliament is in session but not sitting. But then the difficulty is obviated by bringing in the question when the Parliament next sits. It is not as if Government is shy of bringing in measures before Parliament, as before. We are prepared to give the maximum cooperation to Government and to help it in all possible ways and we will see to it that the Minister gets all the powers that he must have if they are backed by the Tariff Board and we will accept his proposals. But I do not visualise any good coming out of changing the Constitution in this matter. If the Minister is anxious to have the power when Parliament is in session but not sitting, then they can have Ordinances or they can adopt other ways also though according to me, the legality of that will not be justifiable. On the point of merit also I do not see why the Cabinet as a whole should not do what a Minister, in this case the Minister of Commerce, wants to do. Suppose another Minister, say the Home Minister wants that in the intervening period there should be put some sort of tax, say in respect of police. Will we agree to it? We will say, let it come in by the ordinary way according to the spirit of the Constitution. I am loath to allowing anything to be done which goes against our Constitution. The Constitution says that Parliament alone shall levy and collect taxes. When Parliament is sitting no other authority should be able to levy taxes.

With regard to the other points, they are mostly immaterial. If the period is reduced to six weeks instead of two months, that will be consistent with the spirit of the Constitution. I do not see why this provision should give full power to the Minister when there is an interval between one session of Parliament and another. If the House gives extraordinary power it should be given in such a manner that it may be effective. The giving of this power in the manner suggested will not give the desired effect as the Deputy Minister will not be able to apply it effectively.

Shri Meeran (Madras): The Deputy Minister has explained the provisions of this Bill with his characteristic thoroughness and I shall try only to go into the question with reference to three points.

First of all there is the question of the extension of the GATT, or the General Agreement on Trade and Tariffs for another period of three years. All that the Minister was kind enough to say is that there is no loss nor gain. Of course, he also stated that even if we had a loss by way of revenue, it does not mean a loss, on the other hand he said, it is a gain to the consumer and to the country. I do not know whether he meant it very seriously when he put forward that argument as one of the points in favour of the continuation of the GATT. Personally, I think it is an argument full of patent fallacies. After all, when we levy a duty by way of tariff, it is with a view to see that a stimulus is given to our trade and we see how far that taxation will help any nascent industry. That is the point and not the point whether there is a gain or a profit to the actual purchaser. Even if it is in the nature of a revenue duty and not a protective duty, we still see whether thereby we give a stimulus to the trade or industry of our country. Therefore, from that point of view we have to find out whether these agreements are in the interests of the country and whether the extension proposed is in the interest of the country. But from the Note submitted by the Ministry of Commerce I am not able to find any point in favour of the extension. Facts speak for themselves. There is first of all this fact of the clear admission in the Note that as a result of this General Agreement on Trade and Tariffs, there is a loss—of course it is called a rough estimate—to the extent of Rs. 84 lakhs in 1948-49 and to the extent of Rs. 79 lakhs in the year 1949-50, by way of customs revenue. It is also stated that these estimates are based on the assumption that any increase in

imports was not due to the reduction in the rates of duty agreed to at Geneva. But I do not think there need be any assumption on that point, because the Note in an earlier part, makes it clear that the loss was not due to any reduction in the rates of duty agreed to at Geneva. This is also made clear in Tables I and II relating to the concessions agreed to in the Geneva Agreement and also in the later agreement. Table I shows the value of exports of products covered by concessions to other contracting countries for 1947-48 as Rs. 110.3 crores. Later in 1948-1949 it was only Rs. 88.7 crores and in 1949-50 it is only Rs. 96.2 crores. So there has been a continuous reduction in the exports. In the same way we can find the position from Table II dealing with the import trade. It the year 1947-48 the figure is 65.6 crores and in 1948-49 it is Rs. 58.2 crores and in 1949-50 it is Rs. 50.2 crores. These are with reference only to the contracting countries covered by the concession. Therefore, there is general reduction in so far as exports and imports are concerned with reference to even those countries which had the concession during those three years. And there is an admitted fact here that we have lost to the extent of 84 lakhs in 1948-49 and 49 lakhs in 1949-50 by way of customs revenue.

Then the question arises whether in the circumstances or in the light of patent facts it is in the interest of our country to continue the extension for another period of three years or whether we have got any other circumstances, overweighing circumstances, which would impel us to continue it for another period of three years. Of course there is a note on paragraph 6, which says that if this Agreement was not there it would have resulted in discriminatory taxes or legislation or tariffs by other countries, which would have affected our trade seriously. And in the light of our general belief in our ideologies with regard to international cooperation and agreement on various matters it is said that it will be in the larger interest of our country as a whole, though they have not been able to assess definitely its value for the present and place before the House their view that this is after all a beneficial arrangement. For they themselves say "For reasons explained above the figures in these tables afford little guidance for the purpose of evaluating the effects of the General Agreement on Trade and Tariffs on India's import and export trade." They have definitely

[Shri Meeran]

admitted that they have not been able to place before the House and the country the conclusion that we are gainers and that this Agreement has given an impetus to our trade and that its further extension is going to be in our own interest. But they say that but for this agreement our "trade would have been subjected to unfettered and arbitrary action by other countries during a period when the prevalence of abnormal conditions would have been urged as fully justifying such exceptional action, particularly when no agreement with India existed to prevent the countries from adopting discriminatory measures." In the pious hope that there will be no discriminatory measures in future and also in the hope that things will improve and perhaps after all international cooperation is necessary on various matters—it is on that slender basis this extension is sought to be justified. I doubt whether that will be a very good ground, when we have given concessions in trade tariffs with reference to so many commodities—not one or two. If I remember aright it ranges between 300 to 500 commodities and that too with various countries. Of course we are prepared to give concessions or privileges to other countries with reference to trade and tariffs on this distinct understanding, namely that our paramount consideration is that that will stimulate our own trade and that it will not be to our detriment or disadvantage. So long as that fact is taken note of we are prepared to have international co-operation.

I can say this much. After all this international agreement came into existence in 1948 and was sponsored by very highly industrially developed countries. Those countries were using countries like ours and others as dumping grounds for their finished products all along. Now countries like ours and other countries have woken themselves and have understood the realities of the situation. They are trying to recoup and come up to the level of other industrially developed countries. So naturally those countries have already found it difficult to find a market or at least have not been able to find dumping grounds for their goods as they used to do before. Therefore it is to their interest to see that by multilateral agreements, if not by bilateral agreements, they continue to enjoy the privilege which they were enjoying when the eastern countries were in an undeveloped condition. Therefore we must view to some extent with a

certain amount of reserve, if not suspicion, these agreements, when they are sought to be sponsored by highly developed countries which are in a much better position than us. Therefore it is up to us to see at least at this stage whether we should not have a free and wide scope for our trade. When we give a concession in the matter of tariffs with reference to particular goods or countries, as a result of that agreement, that concession is sought to be applied to all the countries which are contracting parties to that agreement. I can understand that in bilateral agreements with particular countries we might get something in return for the concession we show. But under the GATT one of the clauses is that if one of the contracting parties grants some concession to another all the 53 or 63 countries are also entitled to the same concession. You must see whether that is a matter which is in our own interest and to our advantage. As a matter of fact one of the subjects of reference to the Fiscal Commission was this particular question and they gave in their report a halting and hesitating decision on this point. Of course their argument was that they had only nine months before them to study the experience and result of the GATT. This agreement was entered into in March 1948 and by the end of 1948 or the beginning of 1949 they made their report and they had only nine months' experience to assess the value or results of this trade agreement. Now fortunately we have had another period of two years, namely the whole of 1949 and 1950. In the light of our subsequent experience it is our duty to assess the value of the agreement and come to a conclusion as to whether we should extend it for another period of three years, and not merely because the other contracting parties want it or have agreed to it. As a matter of fact even at that time I find from the report that one of the members of the Fiscal Commission submitted a minute of dissent doubting the wisdom or the usefulness of that agreement so far as our country is concerned. Therefore in the light of that I am rather doubtful whether this extension will be for our own good or not.

As regards the protection that is sought to be given to some of the specific industries I do not want to go into details of various industries but I will take only one instance, where I have my own doubts as to whether it is advisable to continue the protection. At least I expect a fuller and a better explanation for the continuance of the protection which is sought to be given

in that case. That is the only industry which I can remember for the moment and it is the sericulture industry. It began to enjoy protection from 1934 and we are now in 1950 and sixteen years have elapsed since we first gave protection to the industry. As a matter of fact it was intended at that time and it was specifically stated that the protection was to last for only five years. Because the war intervened protection was continued. In 1948 the Tariff Board sent its final report and on the basis of it it is intended to extend the concessions and protection for another year. My question is whether in the light of results obtained this industry is entitled to protection. After all there are certain tests for determining whether protection should be given. One of such tests is to see whether the industry itself has gained anything by experience or has utilised the protection which, in the present case, it has been enjoying all these fourteen years, whether it has come up to the level expected, and whether it is able to stand on its own legs, though not fully at least to some extent, ever since it began receiving protection. We should also apply the test of seeing whether this protection is not casting a heavy burden upon the community. Well, from the report I find that the position with reference to the sericulture industry is this. The landed cost of foreign silk is said to be Rs. 12-5-4 without duty. Fair selling price of indigenous silk is Rs. 31-12-0. The difference is Rs. 19-6-8, and if you give protection you have to levy a duty (as you are doing) which must be equivalent to this difference. Now this difference, which is 159 per cent., is intended to help the indigenous industry. I am not one of those who will hesitate to give protection to any industry so long as it satisfies at least one or two of these tests, but I want to see whether this industry which has been enjoying this protection all these fourteen years is doing anything to bridge the gap that exists between the c.i.f. price and the fair selling price. Are we going to give protection merely because it is an indigenous industry, so long as that industry does not stick its little finger to raise its own level? As far as I can see from the report, I do not find that ever since this industry began receiving protection from 1934 it has done anything to bridge the gulf between the c.i.f. price and the fair selling price. Especially when the gap is so wide as 159 per cent., the question that I want to ask is whether it is worthwhile continuing this protection so long as you do not have any guarantee or assurance or even signs of the industry trying to stand on its own legs? I have read through the whole report of the Tariff Board but there is nothing there to show either that the

industry has done anything to reduce its cost of production or that there are exceptional circumstances to account for this wide gulf between these two prices. Of course the report states that Italian silk is enjoying some state subsidy but it also says that that subsidy is infinitesimal or negligible. The report similarly ignores other matters like inflation. Even with regard to suggestions made in the report for the future development of the industry, I am not able to see anything which would reduce the cost of production and bring Indian silk anywhere near the imported silk in point of price. Therefore, so long as the industry does not make a serious effort to see that this burden does not fall heavily upon the community, I have great doubt whether we should continue the protection. I hope the hon. Minister will kindly explain these points before he calls upon the House to agree to this measure.

As regards the other points, over the question of levy of taxation by notification, personally I do not enthuse one way or another on that question so long as I believe that Parliament's supremacy with reference to any matter is there and seeing also, as everybody does, that there is no attempt on the part of Government to by-pass Parliament because they know full well that they can any day get their proposals approved by the Legislature. So far I feel there has been absolutely no room for Government to entertain any doubt about their proposals being approved by Parliament, and therefore there is absolutely no reason for them to by-pass Parliament. Therefore, the question is whether it is necessary or prudent to arm the executive with such powers. Of course no Parliament will ordinarily agree to divest itself of its powers of taxation, especially when it is in session, if the Government wants to arm itself or arm the executive with power to levy a tax. Apart from these facts, I personally do not think there is much point in it especially as we have a popular Government with Ministers who enjoy the confidence of this House. Well it may be asked: "What about the future? There may be occasions when such a Government may not be there, and if you clothe the executive with such extraordinary power it is liable to be misused." I do not know whether that is likely, but even if any executive does that Parliament is always there to correct—either to send them out or to rectify the matter. That being so, I do not personally enthuse myself over such academic questions.

That is all I have to observe on the provisions of this Bill. I am quite sure the hon. Minister will satisfy the House

[Shri Meeran]

on the various points that I have raised. In the light of that I am prepared to support this Bill.

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 Sidhva rose—

Mr. Deputy-Speaker: There is no time-limit in the case of such Bills as the one under discussion, but may I suggest to hon. Members to confine themselves to, say, fifteen minutes each, so that other hon. Members may also have an opportunity to speak and if possible we may try to finish this Bill before the evening?

Shri Sidhva: I shall bear your suggestion in mind and certainly finish my speech as soon as possible.

Sir, you and other friends very rightly dealt with this question. At the outset, I congratulate my hon. friend Mr. Karmarkar for very ably presenting his case. He has grasped the subject and he spoke with full knowledge of the case. There is no doubt about it. But I cannot congratulate him for the extraordinary provisions made in the Bill and for very many other reasons. I do feel that it is an encroachment upon the rights of Parliament if Government adopt the procedure for which they seek the approval of this House. The levy of a duty is essentially a matter for the Legislature. That is so in all free countries. Previously, this power was vested in the Government under the Tariff Act, but that was an irresponsible Government. I have tried to find out whether in any responsible and free country such a power was vested in the executive. So far as I can see, in countries like the U.S.A., the U.K., and New Zealand no such provision exists. It is therefore really regrettable that my hon. friend Shri Mahtab, for whose intelligence I have great respect and who I know is also jealous of the rights and privileges of this House, should have forgotten that this is really wrong procedure and wrong precedent. You cannot take away the power from the House and invest it in Government. It may have been done with the best of intentions, but sometimes what is based on the best of intentions has to be set aside for a greater cause and here the greater cause is the preservation of the power of the Parliament. I do not say that Government will misuse the power. They will use it rightly. That is not the point. The point is that we, that is to say, Parliament are equ-

ally jealous in safeguarding our rights. I do not want to surrender my right which I consider to be very valuable. If Government want to have more powers, I feel that I have certain powers and I, that is to say, Parliament, would not want to relinquish those powers under any circumstances.

Under the Constitution, the President can issue Ordinances during an emergency when Parliament is not in session. Now that Parliament is sitting and they cannot issue an Ordinance, Government have come out with a 'notification' in order to circumvent this position. As my hon. friend Pandit Bhargava stated, the previous Government used to enact Ordinances even when the Legislature was sitting but I say that when we were a Dominion and sitting as the Constituent Assembly (Legislative) some Ordinances did issue even when we were sitting in session. They did so because the power was there. Now the power is not there and in order to circumvent the position, they have used the word 'notification'. That is very improper, I submit. The imposition of a duty or tax is the function of the Legislature and when Parliament is not in session the President has the right to promulgate an Ordinance, but here the executive wants to take this power to itself. This is very bad. Every Member is against such a provision being allowed to be made. I would request the hon. Minister and the Deputy Minister kindly to reconsider the matter and remove this clause.

After all, what is the emergency that is going to arise? I have got literature here which describes the position in the U.S.A. The President there cannot issue any Ordinance. The power is vested in the Tariff Board and if the President wants to levy a tax or duty he should issue a proclamation of emergency. Take the position in the U.K. There they have a Board of Trade just like our Tariff Board and the provision that exists there is as follows. I am reading from the Import Duty Act, 1932:

"Any order made by the Treasury or the Board of Trade under this Act shall be laid before the Commons House of Parliament as soon as may be after it is made."

Then it says:

"Any such order as aforesaid imposing a duty of customs shall cease to have effect on the expiry of a period of 28 days from the date on which it is made unless at some time before the expiration of that period it has been approved by resolution passed by that House."

The position is very clear. There the House of Commons is sitting continuously and my hon. friend should remember that though we may not sit continuously now, next year after the fresh elections there would be no alternative but to sit continuously. However much Government may desire not to sit continuously, we would be forced to sit continuously. In democracy the work is increasing. There is no doubt about it. We are functioning in a democracy and democracy means larger amount of work and larger expenditure also on the Legislature. That cannot be denied. Therefore, in view of the fact that this power is vested not in the executive but in Parliament, even in an advanced country like the U.K., I hope my hon. friend will reconsider this matter.

Having said that, I now turn to another point. When the Tariff Board sits to consider this case now are the interests and viewpoints of the consumer going to be represented and safeguarded and suitable recommendations made? We have been repeatedly urging this point in the past. When you protect an industry, you should protect it only if it would prove a pride to our country and compete with foreign countries. The other small industries which are on their last legs should be liquidated. During the British regime we were protecting any and every industry, because under the then prevailing circumstances we had no other alternative. But we should revise the position now. Let me give you a concrete instance. Government want to give protection to the pencil industry. This industry has been in existence in this country for over two decades and this is the first time after those two decades that they have come forward with a proposal to give protection to that industry. There used to be 17 pencil factories in this country, out of which only eight exist now. They made a large amount of money—everybody made money during the war, as a matter of fact—and they spent it away. They did not put it in the reserve. The Report says that only eight factories are functioning now and nine are idle while some are functioning like a cottage industry. I want to know from the hon. Minister what steps he is taking to see that the small factories also exist and cater to the needs of the neighbouring areas. With due deference to the big producers and manufacturers, and with much regret, I have to say that even after twenty years of existence these pencil factories produce pencil of quality of which is inferior to that of the imported pencil. If you sharpen a pencil, the wood being hard the lead breaks

up. The oldest of the pencil factories are in Madras and Calcutta. One is Gupta's and the other factory is somewhere in Quilon. They were the best of our factories, but even their products have deteriorated in quality. I do not know whether Government have issued any directions to the Tariff Board to warn these firms that unless the quality of their products is improved, the protection that is being afforded to them will be withdrawn. Naturally when an industry appears before the Tariff Board to give evidence it makes out a case that it is incurring a loss and that unless immediate protection is given it may go down. It is also stated in this report that soft wood which is used in the manufacture of pencils is not available, and even if it is, it is only in small quantities. My question is, what steps have Government taken to ensure continued supply of this important raw material to this important industry? A suggestion has been made in this report that old railway sleepers will be very good for pencil manufacture. My hon. friend Mr Karmarkar mentioned the case of one or two industries. But he did not make any mention of the pencil industry. Are Government making any effort at utilising railway sleepers for pencil manufacture? I know that today railway sleepers are used for fuel—this is a great national loss. This is an industry which has been in the field for the past twenty years and it has been enjoying tariff protection for some time. During the war years their plants have been completely worn out. But they have done nothing either to provide for a reserve or depreciation fund to replace the machinery or to improve it. Instead, they come to Government for protection and Government is only too willing to oblige them. I say this is a bad policy—this is not the proper policy at any rate. I am as anxious as my hon. friend the Minister to encourage indigenous industries. But every year this performance is made in this House and every year one or two years' extension is given.

Therefore I want to know how Government is going to protect the interests of the consumers. By giving further protection to the pencil industry you will be only increasing their prices, thus adding to the spiral of inflation. I think Government have forgotten at all times to tell the Tariff Board to bear in mind the interest of the consumers. Even if they do not, a report of a Tariff Board is not binding on Government and it is always open to them to refer the case back

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to them with a view to its being examined further. After all it must be recognised that these factories have been running for a number of years now. Supposing the period of protection is extended: What guarantee is there that they will improve their quality or make the country self-sufficient within a certain period? No attempt appears to have been made to examine these matters and today we are asked to extend the period of protection up to 1953. I for one think that the period should not be for more than one year. I know that period is too small. But unless you give an industry a warning in a right perspective that Government would not help an industry unless it improves its quality and be in a position to stand on its own legs, I am afraid our industries will never improve.

One of the industries in the case of which the period of protection is sought to be extended is that of oil pressure lamps. I do not know what these lamps are. Are they hurricane lamps? I know that they are doing very well and the quality also has slightly improved on account of the very strong warning that was sent out from this House to the Tariff Board.

So far as buttons, studs and cuff links are concerned (item 85), we are doing fairly well.

Therefore, I want to know before the hon. Minister asks the sanction of this House for the extension of the period of protection, as to what undertaking he has from the industries concerned that by the time the period of protection comes to an end the quality of products would have improved and ultimately the industry will be in a position to stand on its own legs. Unless a categorical and definite assurance to that effect is forthcoming, this House should not be asked to give its assent to measures of protection from time to time.

I do not want to go into the case of other industries, because I have no particular knowledge; nor have I studied them. So far as the pencil factories are concerned, I have visited some of them and I am anxious to see that they flourish. But may I ask the hon. Minister to cite an instance where in an independent country, an industry which had been working for two decades, despite any improvement in quality, had come up for further protection? I know an instance of a pencil factory, where the machinery has completely broken down, simply

because the management had not set apart any depreciation for replacement. The output of the whole industry has fallen and quality has considerably deteriorated.

The reason given for all this is the paucity of raw materials. I want to know what action Government has taken to provide them the requisite raw materials. These are some of the points which require clarification before the House is asked to approve this measure. I also would like to know what special assistance is being given to the nine factories which are helping the cottage industries. Why do you neglect those factories? They will not have any special advantage by the imposition of 30 per cent. They are in a peculiar position as to require some special help from the Ministry of Commerce and Industry. If these eight factories are made self-supporting in that area, we will be doing a right thing. Even if it means some sacrifice on our part I would not mind it. Do, what you may, unless you have a chain of cottage industries in this country, you are not going to make our country self-sufficient. Here is a glaring instance brought before the Tariff Board that these are serving cottage industries and that they are tottering. One of the planks of Government policy which Minister after Minister has been proclaiming is that they want to encourage cottage industries. But no practical steps have been taken towards that end.

In regard to soft wood, it was pointed out that American wood was being imported and on account of devaluation of our currency and consequent dollar shortage this supply has stopped. Now do you want your industry to flourish, or do you want to count your dollars? You cannot have two things at the same time. If you want to see our industries flourishing you have to make arrangement to procure the raw material irrespective of the currency area from which it comes. These are some of the points we have to bear in mind and I am sure the Deputy Minister who is in charge of this Bill and whom I have complimented for his able presentation of the case and full knowledge of this subject will keep these in mind. At the same time his keen sense of patriotism will induce him to keep the interests of the consumers at heart.

Under your Chairmanship the Fiscal Commission has made a report and a Bill has been introduced. I would submit that the Bill is of a very important character and is going to replace the present Tariff Board.

Mr. Deputy-Speaker: I was only a member.

Shri Sidhva: But you played so important a part that I thought you were the Chairman.

My suggestion is this. This Bill may of course go to a Select Committee. But a Tariff Board is existing and therefore there should be no hurry over this matter. We are pressed with work at present and the Bill should not be moved for consideration in this session. I have not studied it, I have no time. I would like to study it clause by clause. The House will have no time to go through it now. The Budget has to be passed. I therefore submit that this Bill may be moved in the next session and sent to Select Committee. As I have stated there is a Tariff Board existing and there should be no hurry. When we want to have a permanent Tariff Commission it is a very important thing and let the Members study it fully. It may be stated let the Bill go to Select Committee. But even before it is sent to Select Committee we would like to know what the report has stated, how many recommendations have been provided for and we would like that some of the ideas which we may have may be presented to the House and then it may go to Select Committee. I am making this suggestion in the interest of the country as this has a bearing on the future of industries. I submit that the fullest opportunity should be given for studying the provisions relating to a permanent Tariff Commission. I am sure that if you send it to Select Committee now it will be done hurriedly because the House is pressed with so much work.

With these words and with these objections of mine I shall conclude. If satisfactory replies to my objections are forthcoming I shall whole-heartedly support the Bill.

Shri A. C. Guha (West Bengal): This Bill has two primary purposes. The first is to give protection to certain Indian industries; the second is to extend the life of the General Agreement on Trade and Tariff. As for the principle of giving protection to Indian industries I think the House is almost unanimous. At the same time it should be remembered that giving protection should not be interpreted as giving indulgence to inefficiency. The Ministry has been kind enough to supply us two Notes regarding this Bill. I wish that this example is followed by other Ministries as regards other Bills also. I think the Minister in charge of piloting this Bill for supplying us these two very useful

Notes. At the same time I would like to say that these Notes ought to have been supplied along with the Bill or at least a few days earlier than the date we got them. This Bill would have come before the House on Monday and we received the Notes only on Sunday morning.

The Note regarding the proposal for giving protection to certain industries gives us a very sorry picture of our industries. As regards the sago industry, we had 100 factories of which at present forty are in a position to operate and only twenty are reported to be in actual production. Out of 100 factories eighty have practically gone out of production. As regards the pencil factory, here the language used is: "At present there are seventeen large units producing pencils in India of which only eight are reported to be functioning for the present". I cannot understand when only eight units are functioning for the present, how seventeen units can be called as producing pencils.

Shri Sidhva: It is capacity.

Shri A. C. Guha: No, it is not capacity. With respect to every industry we see that quite a large number of units have ceased to function. Moreover, almost in every industry we see that the present production is only about one-eighth or one-tenth and in one case about one-eleventh of the rated capacity. In regard to sago, the production is less than one-third of the rated capacity. In regard to pencil the production is less than one-tenth of the rated capacity. In regard to fountain-pen ink the production is about one-fourteenth of the rated capacity. This is the case with almost all the industries to which this Bill proposes to give protection. From that point of view it is rather a belated measure. If the Government would have taken steps earlier, I think production would have increased and some of these factories might not have stopped working. At the same time we should also enquire why all these factories have ceased functioning. It is known that these factories earned quite inordinate profits during the war period. Immediately after the war period they have started closing down. This is not a very good sign of their efficiency or even of their business honesty. I would like that the Government, either itself or through the Tariff Board, should exercise almost a constant watch and control over the working of these industries. Moreover, when a factory either for its whole production or for a particular item of its production comes up for protection before this House, it should also be

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enquired whether that factory or that industry has been earning any profit during the last two or three years. If a certain unit is producing, say, 100 items and only for one item it has approached the Government for protection, then Government should see whether that industry or that unit was earning any profit on the other ninety-nine items. If that be the case then the Government should be careful in giving protection to that particular item. The industry or the particular unit should be made to compensate the loss in the particular item from the profit earned in other items.

Shri Karmarkar: If my hon. friend permits an interruption, do I understand him to say that if a party is running, say, five industries and he is making very great profits on four of them but is losing on one of them, it does not matter if that particular industry which is losing is not protected because the man would be compensated otherwise?

Shri A. C. Guha: I have not exactly made that point. Here one particular item of chemical has been included for protection, but those two companies are not manufacturing only that particular item of chemical. They must have been producing some other items also. It has to be enquired whether those two companies, as complete units, have been earning profits for the last two or three years or not. If they have been, then those profits should be utilised to compensate the loss on that particular item. My point is that a unit should be treated as a composite whole and not item by item.

An Hon. Member: Even bye products?

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Shri A. C. Guha: Bye products or whatever they may be. Sarabhai Chemicals and the Calcutta Chemical Co., Ltd., are producers of calcium lactate and particularly this item has come for protection. I would like to enquire whether these two companies have been earning profit on other products. If so, before giving protection to this particular item, they should be asked to compensate at least a part of the loss and make up their deficiency in that particular item.

When we see that a particular item is more costly in our country than imported goods, it is generally to be presumed that it is due to some sort of inefficiency or lower production, and higher costs or something like that. That company as a whole or that particular unit of industry as a whole

should be made responsible to make good that loss or make up that inefficiency. The protection proposed in this Bill, I think in almost all the cases is that only a revenue duty is converted into protective duty. That gives the consolation or security that this duty will continue for three years. It gives a sense of permanence at least for three years. But in some cases the gap between the cost price of our production here and the price of imported goods is about 100 per cent. I do not know whether this small mercy would be able to protect an industry. I am again referring to calcium lactate. Our production cost comes to Rs. 4-2-6 whereas the imported article's C.I.F. price is Rs. 1-15-2 and this means a difference of about Rs. 2-4-0. The Tariff Board and the Government too, we find, have reason to believe that even by converting the revenue duty to protective duty without increasing the rate, this industry would be able to make up at least a portion of the gap. I feel that the Government have been too optimistic in that. Either you should condemn that industry altogether as not worth having any protection or you should decide that protection is deserved and should be extended; and then the protection should be effective. I am very much doubtful whether by simple conversion of revenue duty to protective duty this industry can make up the gap of Rs. 2-4-0 per lb. I would like the hon. Minister and the Government to reconsider this case. If they feel that this particular industry does not deserve any protection, then every kind of protection should be withheld from it. If the Government feel that it deserves protection, then that protection should be generous and effective.

As for the other purpose of the Bill, the extension of the time of the General Agreement, we have been given a short note on that also. I would agree with you, Sir, that the House ought to have been given better facilities to study the working of this Agreement. That note may only present one side of the medal. There may be another aspect of the thing which it has not been possible for us to probe into. So before extending that Agreement, I think Government should have given an opportunity to this House to examine that agreement. On general principle, I support that Agreement and so I support its time extension also. Today the world has come to such a pass that free trade—a free exchange of commodities has become of utmost importance but that is being gradually restricted. We have seen only the other day the Schuman plan as regards steel in the European countries where they are making a

combination for the distribution of the steel products. Then we know of the Benelux combination which is something more than a Customs Union and according preferential treatment to the parties of that combination. We have also the Indo-British Trade Agreement. These are tendencies which are dividing the world into so many compartments in spite of the fact that the world has become a single family.

So, I support the general principle of this Trade Agreement and its time extension, but I would like to point out one thing: One of the signatories of this Trade Agreement is the Union of South Africa. I do not know how our position stands with that Union in view of our practical trade embargo with that country, how this trade agreement affects our relations with South Africa as regards trade, whether that trade embargo stands or any part of it is abrogated by this Trade Agreement. The figures of the customs revenue given in that note are not a sure indication of the success of any trade agreement. A trade agreement is to be judged by how it has been able to make consumers goods more easily available to the public and how our manufactured goods or our surplus commodities have been exported to other countries. The short note that we have been supplied, I am afraid, does not give a clear picture on that point. However, as I have stated before, I support the extension of time of the Trade Agreement.

Then, I would like to refer to another point which is only indirectly connected with this Bill, and that is our Indo-British Trade Agreement. That Trade Agreement was signed in 1939 and since then the world has changed almost without recognition. The whole set-up has changed radically and it is to be wondered that our Government even now feels that India is bound by the terms of that trade agreement. That trade agreement could never have been taken by India in good grace. It was almost a continuation of the much denounced Ottawa Pact. It is rather shameful that on our achievement of Independence, our National Government during these three or four years have not been able to revise that trade agreement. In this deal also the spirit of the trade agreement has been fully respected and to what effect, I would like to point out. As for the sago industry, our chief competitor is Malaya. But by this new deal also we are giving ten per cent. preference to Malaya. When it is a protective duty, are we to give any preference to our chief competitor, which may simply ruin our industries? I would appeal to Government that they should immediately take up the 6 P.S.D.

case of revising, if not completely abrogating the trade agreement. We should no longer feel ourselves bound to the apron strings of British plutocracy and continue to be under its economic thralldom.

Much has been made about the power being given to Government to impose protective duties without previously having the sanction of this House. Such an authority was given in 1946 to an alien Government. I do not see any reason why we should withhold that privilege or authority from a Government which is fully responsible to this House. We should not consider this Government apart from and independent of this House. Government stands or falls at the discretion of this House. No Government can be so irresponsible to issue a notification in a light-hearted and frivolous manner. It has to face this House within 15 days of the notification or after the re-assembling of the House and if the House rejects that, then, Government will either have to eat the humble pie or it will have to quit. That is not a very pleasant and comfortable position to Government. Of course, I can understand the anxiety of the Members about the dignity of the House. But a Government which is a component part of this House can be safely given this authority as we are passing through emergent times. The times are changing so quickly that it may be necessary for Government to issue a notification within two or three days or even two or three hours. In this connection, I would like to remind the House about the devaluation. I think the first telegram or telephonic message was received in the midnight and the next morning the Government had to decide the question of devaluation. Of course, I would say that that was a hasty step, particularly because Government took the step without consulting Pakistan and Ceylon with whom we had intimate economic and financial connections. Anyhow, Government felt that it was an emergent situation and it had to take that decision. As far as I remember, most of the Members at least did not take any objection that Pakistan was not consulted or that Ceylon was not consulted. That was altogether another side of the thing. But, my point is that an emergent situation was created and Government had to take a very definite step within a very short time. Even this time, in connection with the jute and cotton export duty, almost a similar situation was created. In respect of jute duty, every day India was losing a few lakhs of rupees and Government had to take action immediately. However unpalatable it may be from theoretical democratic principles, I think, from a practical point of

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view, and considering the emergent times that we are passing through, this Government, which is fully responsible to this House, should be given this authority.

With these words, I support this Bill.

Shri B. K. P. Sinha (Bihar): Sir, . .

Mr. Deputy-Speaker: Hon. Members will speak for 15 minutes each.

Shri B. K. P. Sinha: I will finish in 15 minutes, Sir. This Bill has three important features and raises three important questions. The first is that this Bill empowers the Government to impose a protective duty by notification, that notification to be followed by formal legislation. The first thing to be considered in this connection is whether this House is constitutionally competent to hand over such a power to the executive. Such a question was raised in connection with the export duty on jute when Government were seeking powers from this House to impose an export duty. The constitutional question was raised and debated. Those who raised the objection today, raised the objection that day too. But, after the intervention of the hon. Law Minister, this House was persuaded to the view that our Constitution empowers this House to extend such a power to the executive. It was in recognition of that fact that this House agreed to an amendment by Government which empowered them to impose taxes by notification. But, it made it obligatory on them to introduce legislation after a certain time in this House. Therefore, the question of constitutional competence, in my opinion, does not arise. The more important question is whether it is necessary to hand over such a power to the executive. In this year of grace 1951, when the whole world, when all the democratic countries in the world have recognised that, in view of the complexity of modern social life and Government, such a power is essential in the hands of the executive, I am surprised that this question is raised in this House. It is recognised in the United Kingdom, in Australia and even in the U.S.A. where the Government is based on an entirely different principle, that the executive should have such a power. In Australia, I find that the Customs Tariffs Industries Preservation Act, 1921, empowers the executive to impose duties, in certain circumstances. In the United Kingdom, the Import Duties Act, 1932, by section 19, empowers the executive to impose a duty. But, the executive has . . .

Shri Sidhva: What about section 16?

Shri B. K. P. Sinha: I have not read that; it may have a different interpretation. But, section 19 empowers the executive to impose taxes; but the executive has to seek formal sanction from the House by a resolution within 28 days. The power is there; but there are certain safeguards and restrictions.

Then, I come to America. I am quoting the same Act which the hon. Member from Madhya Pradesh quoted. I have read the Act differently and interpreted it differently. Sections 303, 315, 316 and 317 of the Act empower the Secretary of the Treasury in certain cases, and the President acting in consultation with the Tariff Commission in other cases, to impose duties. There, even the additional safeguard that we have in the U.K. of subsequently bringing the matter before Parliament is absent. The American Government is based on the principle of division of power; it is only the legislature which has the monopoly of legislation, the executive has the monopoly of execution. Moreover their Government or State machinery is based on the principle that the legislature derives its authority or power from the people. The people delegate to the legislature the power to legislate and a delegate cannot further delegate. In view of these two special features of the American Constitution it was held by constitutional pandits of importance that the American House of Representatives and the American Senate were not competent constitutionally to delegate such powers to the executive. But then the operating logic of modern society and the compelling necessity of modern Governments have led to the breaking up of the crust of constitutionalism and the Constitution is interpreted in a different way and even in a country like America this power is being increasingly given to the Government. I, therefore, see no objection to extending such powers to the executive of this country, although I feel that these powers should be hedged in with safeguards and certain restrictions. The restriction proposed by the hon. Minister in his amendment is, in my opinion, sufficient to serve the purpose.

In this connection, I would like to make a suggestion. In the United Kingdom, in view of the large number of Statutory Instruments that have come into being, they have standardised the procedure and practice and passed a legislation putting the whole thing on a scientific basis. Since in this country also we are faced with a similar problem, would it not be proper for the Government to have a

similar Act on the Statute Book as the Statutory Instruments Act of 1946 passed by the British Parliament? Why not we also regularise and standardise the practice and procedure in this connection, following the example of the United Kingdom?

The second safeguard they have is this. There is a Select Committee of the House of Commons which deals with all these Statutory Instruments that are placed on the Table of the House. It was made obligatory by the Statutory Instruments Act to place all such delegations, rules or orders on the Table of the House. But it was the experience of the House of Commons that though they were placed on the Table, nobody took any notice of them. Therefore, to keep the executive in check and to maintain the supremacy of Parliament over the executive, a Select Committee of the House was constituted. This Committee is constituted every year and its business is to scan and scrutinise all such Statutory Instruments. I would suggest, especially for your consideration, such a procedure and ask whether it is not proper for us to have such a Committee in this House. As I said I feel that we should extend such powers to the executive, but at the same time, these safeguards should be there. I am glad the Minister by his amendment has made great concessions and I think we should be satisfied with them.

This Bill gives protection to certain industries and extends existing protection to certain other industries. In this connection, I would like to say one or two words. In the case of two industries, calcium lactate and fountain-ink industries, the Tariff Board has recommended scales of duty which in their opinion fall short of what is adequate to protect the industries. But they have recommended smaller quantum of duty in the hope that these industries would bring down their cost of production and then the protection would be found to be adequate. I feel this line of reasoning is not quite right, and the industries would find themselves in a vicious circle. It is the hope of the Tariff Board that if there is full production, the cost of production will come down. But so long as there is no protection, these industries have to face the competition from foreign products and in view of that competition, they will not be able to have full production. And if there is not the full production, then the cost of production will not come down. And so there is the vicious circle—competition, no full production, costs not coming down. In my opinion it would be

better in such a case to extend adequate protection for a certain definite period of time, say one year or two years, within which the industry should be asked to improve its operating efficiency and thus bring down the cost of production within that period. If the industry did that, well and good. If it did not, then the quantum of production will be reduced. This is a suggestion I make for your future consideration. I do not think in the absence of adequate protection it will ever be possible for these two industries I have mentioned to bring down their cost of production. I feel a higher duty would have been proper in these two cases. In most cases the duties now proposed as protective duties have always been there as revenue duties. Take the case of the sago industry, or the pencil industry or the oil-pressure lamps industry. The quantum of duty has been there. But the position changed when they were placed in the O.G.L. Then there were huge imports and in view of such imports from foreign countries, these industries began to languish as they could not face the competition from foreign countries. The quantum of duty was the same but it could not afford any protection when the articles were placed in the O.G.L. How can it do that now simply because the article is now given a protective duty instead of a revenue duty? This I would like to know from the hon. Minister. I feel it was not the duty that was affording the protection. When the Tariff Board made its enquiry, the fact that they were not in the O.G.L. gave them the protection. Imports dwindled, the supply fell short of the effective demand of the country and so prices went up. It was at that stage that the Tariff Board made its enquiry. So there is a flaw here. The quantum of protection should be raised. If it is not raised, then Government should see to it that the import control machinery works in perfect co-ordination with this duty imposing department. There are certain passages in the report of the Tariff Board which suggest that it is not possible nor proper for the import control and the duty department to work in co-ordination. They say:

“While recognising this fact, we have to see that import control is maintained primarily on balance of payments ground and is not intended to serve as a form of protection.”

But my fear is, that if by inadvertence these items are given a place in the O.G.L. then our industries will not be able to face the foreign competitions. That is why I say that either

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of these two things should be done. Either the quantum of protection should be raised or there should be perfect co-ordination between the import control department and the department which deals with protection to the industries. I am afraid that the calculations of the landed costs and the c.i.f. prices are not satisfactory. The Fiscal Commission have made an admission on pages 177 and 178 of their report that they have to rely on the prices quoted by the importers. I feel there is necessity for improvement in this direction. We have our consuls and trade agencies in other countries. Why should we not try to get first-hand information regarding the cost of production of these industries in those foreign countries? If conditions are what they are today and if we base our enquiries on the facts given by importers I do not think there will be adequate protection. It is always in their interest that the importers should have imports. We should not confine ourselves to them. We should perfect our machinery in this connection.

The Tariff Board in their report always make certain suggestions for the industries and it is for the industries to fulfil those obligations. I would like to know from the Minister if there is any machinery to keep a watch over this, to see whether the industries concerned are fulfilling their obligations, laid upon them in the report of the Tariff Board. In certain cases I have found that the conditions imposed upon them have not been fulfilled by the industries and nothing has been done to pull them up. I would like to know how matters stand now and what Government proposes to do to improve matters.

Lastly I come to the G.A.T.T. The Fiscal Commission in their report have justified it but they have conceded in their report that they had studied only the statistics for nine months. To me the question of losing a few lakhs does not appear to be very important. The more important fact is the effect of these agreements on the general economic set up and economic evolution of this country. If these agreements in practice hinder our economic development, then they must go. If they do not hinder our economic development then they may stand. The Fiscal Commission had only nine months' experience before them. We have had two more or practically three years of experience now. I would therefore suggest for the consideration of the Government whether it is not proper to have a committee consisting of Members of this House and some

experts to scrutinise the practical effects of this agreement on our economic development. If they help our economic development well and good but if they do not, they should go. I am always very suspicious of the talk of the elimination of trade barriers and the propaganda for free trade done by industrial mammoths. When America was struggling to build up her industries they were all for protection. After America has built herself into a huge industrial mammoth, they are all for free trade. Our industries are still in a nascent stage and in the circumstances of the case would it be proper for us to be guided by the considerations which guide the highly industrialised nations of today? This is the point of view from which I would like the Trade Agreement to be judged.

I find that under this G.A.T.T. whenever there is an item which is the subject matter of preference, then the consent of the country affected, such as the U.K. or the colonies, has to be sought. It is a good procedure. But this reminds me of something which is more important.

Since our Independence, not only our political status but the direction of our trade and the character of our trade has changed. We had more trade intercourse previously with the Dominions and we had practically no commercial intercourse with the countries of Asia. After our Independence our commercial intercourse with these countries is on the increase. Formerly we were exporting raw materials and now we are exporting manufactured goods. Would it not be proper in the circumstances to review the whole question of imperial preference and put it on a new basis?

While speaking of imperial preference I would ask whether it is not proper for us to review our tariff laws in general and the tariff schedules in particular. In Pakistan they are going on revising their whole tariff schedules. Our schedules and theirs have been the same but they have realised in good time that the whole thing has to be reviewed and put on a sound footing. When firms import machinery it is charged at one rate but the components are charged at another rate. There was a demand, a justifiable demand, in Pakistan that machinery and their components should be charged at the same rate. Is it not proper that we should have something like that here also? Even in U.S.A. Mr. Gordon Gray has suggested that the whole tariff schedule should be revised. Why then should we not revise our tariff schedule?

Formerly we used to get a lot of dried fruits from inside India and we imposed a certain duty on imports from outside. Now the whole of our dried fruit region belongs to another country. Should we then be maintaining the same duty on dried fruits? This instance is only illustrative not exhaustive—the case of machinery and the case of dried fruits. The character of our trade at present requires a revision of the tariff schedule and that is the order of the day. With these remarks I support the measure.

श्री भट्ट : माननीय उपाध्यक्ष महोदय, मैं आज इस बिल से सम्बन्ध रखने वाली कई बातों के मुतालिक ज्यादा नहीं कह सकता हूँ, क्योंकि समय भी कम है और तकाजा भी हमारे चाबुकसवार का है जल्द खत्म करने का, लेकिन मैं एक दो बातों का जिक्र किये बिना नहीं रह सकता। इस बिल (Bill) के दो पहलू हैं। एक तो सरकार विशेषाधिकार चाहती है और दूसरी तरफ़ कुछ उद्योग धंधों को हम संरक्षण देना चाहते हैं और उनके संरक्षण को हम चालू रखना चाहते हैं, जारी रखना चाहते हैं और इस दोनों चीजों के विषय में भाषण हुए हैं। लेकिन संक्षेप में माननीय मंत्री महोदय से पूछना चाहता हूँ कि यह विशेषाधिकार आज क्यों लेना चाहते हैं। सन् १९४६ में, उपाध्यक्ष महोदय, जब आप भी इस भवन में थे, जब कि हमारे माननीय गाडगिल बगैरह भी थे उस समय के जो हालात थे वह अलग थे और जुदा थे और उस समय ऐसा हमें बतलाया गया था और बाढ़ भी सूखी और ठीक थी और यह विशेषाधिकार देने और लेने की बात भी मुनासिब थी क्योंकि युद्ध को खत्म हुए कुछ ही महीने हुए थेने हमारे व्यापार उद्योग के पनपने के लिए जरूरी था कि सरकार के हाथ में कुछ विशेष सत्ता दी जाय, क्योंकि कुछ विशेष सत्ता देने से हमारा काम आगे बढ़ सकता था। यह उस समय के हमारे जो

संदस्यगण थे उन लोगों ने स्टैंडिंग फाइनेंस कमेटी (Standing Finance Committee) में और कामर्स कमेटी (Commerce Committee) में भी ऐसा सुझाया था और उस समय की सरकार ने यह मान लिया था और इस वजह से वह यह एक प्रोटेक्टिव ड्यूटीज बिल (Protective Duties Bill) लाये थे, और अब थोड़े दिनों के बाद वह खत्म होने वाला है। सरकार को लगता है कि ऐसी एक सत्ता उसके हाथ में न रहे, यह ठीक नहीं है, और इस सत्ता को कोई छोड़ना नहीं चाहता है, इसे मैं मानता हूँ, भले ही मैं हूँ, या दूसरा कोई मेरे स्थान में हो। सत्ता को कोई सहज में छोड़ना नहीं चाहता है। लेकिन यह मानते हुए भी कि हर कोई अधिकार रखना चाहता है और उसे छोड़ना नहीं चाहता मैं ऐसा नहीं मान सकता हूँ कि हमारी आज की सरकार सत्तालोलुप है और वह एकमात्र सत्ता अपने पास ही बनाये रखना चाहती है, ऐसा मैं समझने में असमर्थ हूँ और मुझे विश्वास है कि हमारे मंत्री महोदय ऐसे लालची नहीं हैं। मैं सरकार से एक प्रश्न करना चाहता हूँ कि सन् १९४६ से लेकर आज तक कोई ऐसा मौका आया है जब कि सरकार ने अपने इस विशेषाधिकार से अपनी सत्ता की रू से किसी उद्योग धन्धों को पनपा ने के लिए कदम उठाया हो और उनके कदम उठाने से उद्योग धंध कितने ज्यादा बढ़े या जो उद्योग धंधे खतरे में रहे हों उनको बचा लिया गया हो? मैं यह जानना चाहता हूँ कि सन् १९४६ से लेकर आजतक टैरिफ बोर्ड ने जिन जिन विषयों के मुतालिक अपनी सिफारिशों कीं और वह सिफारिशों सदन के सामने लाने के पहले जो इतना नुकसान उस उद्योग धंधे को

[श्री भट्ट]

होने वाला था, क्या सरकार ने उस विशेषाधिकार की रू से उन धंधों को बचा लिया? एक बात मैं यह जानना चाहता हूँ और उसकी सारी फ़ेहरिस्त जानना चाहता हूँ, तब हम यह समझेंगे कि यह विशेषाधिकार कितना उपयोगी है और उस विशेषाधिकार का उपयोग सरकार को किसी साल में कितनी मर्तबा करना पड़ा, पिछली मर्तबा कितनी बार करना पड़ा, इन सब बातों को अगर हमारे सामने हमारे मंत्री महोदय रख दें, तो चित्र साफ़ हो जाता और हमारा और इस सदन का बहुत कम समय खर्च होता, लेकिन वह चीज़ न होने के कारण और चित्र साफ़ न होने के कारण और हम अंधेरे में होने के कारण शायद यहां पर बहस भी फ़िज़ूल करते होंगे। हमारे मंत्री महोदय के लिए यह ज़रूरी था कि वह एक तफ़्सीली नोट (Note) बनाकर हमारे सामने रखदे जिससे मामला साफ़ हो जाता। सन् १९४६ का समय तो युद्ध के तुरन्त बाद का समय था, और आज सन् १९५१ का समय मालूम नहीं घिरे हुए बादलों के बीच में हम लोग बैठे हैं और शायद सरकार को ऐसा लगता हो कि जिस समय में हम लोग आज बैठे हैं, उस में कोई ऐसी आफ़तें आने वाली हैं, जबकि हम लोग संसद् में मिल ही नहीं पायेंगे और शायद महीनों तक न मिल पायें, तो उस दरम्यान सरकार के लिए यह ज़रूरी हो जाय कि देश की भलाई के लिए और जनता की भलाई के लिए और सब विचारों से देश का फ़ायदा है कि वह उन विशेषाधिकारों की रू से ही यहां का काम चला सकेंगे, हो सकता है सरकार का ऐसा ख्याल हो।

माननीय उपाध्यक्ष महोदय, मैं यह बात मानना चाहता हूँ और कबूल करना चाहता

हूँ कि यह विशेषाधिकार लेने की जो बात है वह और निर्यात कर, इक्सपोर्ट ड्यूटी (Export duty) बढ़ाने की बात वह अलग अलग चीज़ें हैं। उसमें एक दिन में लाखों और करोड़ों रुपयों का नुक़सान होने की सम्भावना हो सकती है। लेकिन यह संरक्षण आगे बढ़ाने की बात बिल्कुल मामूली है और इसमें कोई असाधारण बात नहीं है, कोई ऐसा पहलू नहीं है, ऐसी कोई चीज़ हमारे सामने नहीं है जिससे हम समझ सकें कि यह एक असाधारण परिस्थिति पैदा हो गई, या तो एक इमरजेंसी (emergency) पैदा हो गई। किसी इमरजेंसी का सवाल किया होता तो हम जरूर कहते कि हमारे उद्योग मंत्री को यह सत्ता दी जानी चाहिए, हमारी सरकार को यह सत्ता दी जानी चाहिए तब तो मैं मानता हूँ। अब एक मिनिस्ट्री (Ministry) यह कहे कि हमें फलाना काम करना है इसलिए विशेषाधिकार चाहिए—क्योंकि आप लोगों के सामने हम रख सकें या न रख सकें, इसलिए विशेषाधिकार की मांग आज रखते हैं। तो मैं यह नहीं समझ सका हूँ कि आज ऐसी कौन सी परिस्थिति है जिसके लिये यह विशेषाधिकार उनको चाहिये। मैं संरक्षण सिद्धान्त, उसकी चर्चा और अंगरेजों के व्यापार और उद्योग नीति जो करीब सन् १६०० से चली आती थी और जो हमारे देश में आकर घुसे और सन् १८५० और उसके बाद जो नीति उन्होंने यहां पर चलाई उसके इतिहास में नहीं जाना चाहता हूँ और न उसमें ज़मने से कोई फ़ायदा है। समय भी बहुत कम है और वह हमारे विद्वान मित्रों को और आपको बताने की कोई ज़रूरत भी नहीं है। लेकिन मैं यह कहना चाहता हूँ कि टैरिफ बोर्ड (Tariff Board) अभी तक आपका अस्थायी रूप से बना हुआ है जिसकी मियाद अभी अभी

पांच महीने के लिये बढ़ाई गई है। टैरिफ कमीशन (Tariff Commission) बनाया गया या नहीं यह मालूम नहीं है। सन् १९२१ और २२ के अन्दर एक फिस्कल कमीशन (Fiscal Commission) बना था और उस फिस्कल कमीशन ने भी यह सिफारिश की थी कि टैरिफ बोर्ड स्थायी रूप से बनना चाहिये। उसके बाद कितने साल बीत गये। उसके बाद कितनी दफा प्रोटेक्शन ड्यूटी (Protection Duty) आई, प्रोटेक्शन ड्यूटी कंटीनुएशन बिल (Protection Duty Continuation Bill) आये लेकिन फिर भी किसी को यह नहीं सूझा कि इसको स्थायी रूप दे देना चाहिये। अब १९५० में फिस्कल कमीशन की जो रिपोर्ट (report) हमारे पास आई उसमें भी यह कहा गया और सीभाग्य से अब हमारे सामने वह बिल आया है लेकिन मालूम नहीं कि इस सेशन (Session) में हम वह चीज ले सकेंगे या नहीं और उसको मंजूर करने के बाद यह टैरिफ बोर्ड के इस अस्थायी रूप को खत्म कर देते हैं या नहीं। जितना उनसे काम हो सकता है वह ज़रूर करते हैं लेकिन मैं यह पूछना चाहता हूँ कि कौन सी ऐसी दिक्कत है जिस दिक्कत के बारे में सरकार ने टैरिफ बोर्ड के सामने नये प्रस्ताव भेजे हैं, नई चीजें जांच करने के लिये भेजी हैं। यह वह हमें बतला दें और कह दें कि हमने उनको दस बारह चीजें भेजी हैं जिनके ऊपर राय आने में एक दो महीने लगने की संभावना है। आप लोग मिलेंगे करीबन चार पांच या छः महीने के बाद या आम चुनाव के बाद। इसलिये यह ज़रूरी है कि आप हमें यह अधिकार दीजिये। तो हमारे माननीय मंत्री बाहोश हैं, अपने विषय में विशारद हैं निपुण हैं, उनकी प्रशंसा की गई है, और मेरे पुराने साथी हैं, जेलखाने में हम दोनों साथ में रहे हैं,

लेकिन पता नहीं क्यों उन्होंने इस पहलू को बहुत सफ़ाई से और सफ़त से दूर रखा है। अगर वह कहते कि जो विशेषाधिकार सन् १९४६ में दिये गये थे वह ऐंक्ट खत्म हो रहा है, हम चाहते हैं कि वह अधिकार आप हमें दे दीजिये तो हम कोई ऐसे कृपण थोड़े ही हैं कि न दें। हम अधिकार लेकर बैठे हैं तो देने ही के लिये ले कर बैठे हैं। हमारे पास जो चीज है उसे आप मांगते हैं तो ले लीजिये। आप तो हमें जो कुछ देते हैं कागज़ पर देते हैं, हम आप को सचमुच देते हैं, तो अगर आप इस तरह की कोई चीज हमारे सामने रखते तो हम दूसरों से कह सकते कि हाँ, जो कुछ उन्होंने कहा है वह वाजिब है और हमको वह अधिकार उनको सौंपने ही चाहियें। मगर ऐसी कोई बात हमारे सामने नहीं आई। आपने अपनी बहस सुनाने के बाद कई चीजें हमारे सामने रखीं। हवाना कन्फरेन्स (Conference) के चार्टर (Charter) की और ट्रेड एग्रीमेंट (trade agreement) की बातें कहीं लेकिन इस बात को बहुत ही थोड़े शब्दों में टाल दिया है। उन्होंने अपना एक संशोधन रखा है जिस संशोधन में यह है कि जब हम लोग यहां बैठे हों तब भी उनको एक विशेषाधिकार चाहिये। बहुत बिचित्र बात है। हम जब मौजूब हैं यहां पर एक चीज को मंजूर करने के लिये, एक बिल पर बहस करने के लिये, सोच विचार करने के लिये, और अगर आप चाहते हैं कि पांच मिनट में पास हो जाय तो पांच मिनट में कर देते हैं, हम तो एक मिनट में ही पास कर देंगे। कई ऐसे मौके आते हैं, नई ऐसे प्रश्न आये हैं जब हम लोगों ने आपके साथ बहुत ही अच्छा बरताव किया है और उसमें आपको कोई शिकायत नहीं रही है तो जब हम पार्लियामेंट में बैठे हैं, संसद का अधिवेशन हो

[श्री भट्ट]

रहा है उस समय, उपाध्यक्ष जी, मेरी समझ में नहीं आता कि क्यों वह प्रस्ताव हमारे सामने नहीं लाते हैं। अगर कोई कहे कि कुछ ऐसी दिक्कतें हो सकती हैं और अगर उसको संरक्षण न दिया तो वह उद्योग धंधे पर आयेंगे यह एक बात, और दूसरी बात यह है कि उसका फायदा दूसरे लोग उठावेंगे। जो माल बाहर से आ रहा है उससे लोग फायदा उठावेंगे। सम्भव है उसमें कुछ लोग थोड़ा बहुत फायदा उठावें। लेकिन इससे क्या हुआ। २८ फरवरी को हमने अपना बजट यहां पेश करवाया और उसमें नये कर लगाने के प्रपोजस (proposals) भी हमारे सामने आये, उन सुझावों को जब हम मंजूर करेंगे उसके बाद फाइनेंस बिल (Finance Bill) पास होगा। तब तक क्या हालत है देश में। तब तक आप देखिये कि जिन जिन चीजों के बारे में सुझाव पेश किये गये हैं उन सुझावों के कारण कीमत पर कितनी बढ़ती हो गई है। बीड़ी को ही आप देख लीजिये। अगर इसमें कोई खास बात नहीं है यह तो होता ही रहता है। हमारे डी० टी० कृष्णमाचारी ने कहा, वह तो शायद इंटेलिजेंस डिपार्टमेंट (Intelligence Department) के आदमियों के नाम जानते हैं। उन्हें गुप्त रूप में समाचार मिला है। तो उन्होंने कहा कि टैरिफ बोर्ड में किस उद्योग को संरक्षण मिला रहा है, वह सब को पता है कि कलानी कलानी बाबत में क्या हो रहा है लेकिन इससे क्या हो सकता है, इससे कोई खबराने की बात नहीं है। इसके लिये कोई विशेषाधिकार की जरूरत नहीं रहती है। विशेषाधिकारों की जरूरत तो विशेष परिस्थितियों में हुआ करती है, और वह विशेषाधिकार भी जब संसद् बैठती हो तब क्यों। मैं कह ता हूँ कि जब हम बहुत

कर सकते हैं, जब हम इन चीजों पर गौर कर सकते हैं, तब इस विशेषाधिकार के माने क्या है यह मेरी समझ में नहीं आता। यह मैं समझ सकता हूँ यदि आप को कुछ डर मालूम होता हो आप कहें कि हमें इस चीज को आप से मिलने की जरूरत है और हम आप से वह अधिकार लेना चाहते हैं तब तो ठीक है, लेकिन जब हम आप का काम करते हैं और आप को देना चाहते हैं तब क्या बात है। इस प्रकार के विशेषाधिकार लेना ठीक बात नहीं है यह किसी तरह से तर्कसंगत नहीं होगा। आप कह सकते हैं कि यह तर्क में शुद्ध है क्योंकि हर एक का दिमाग अलग अलग होता है, राय अलग अलग रहती है आप कह सकते हैं कि हम ने इस को बहुत सोच समझ कर आप के सामने रखा है लेकिन मैं बड़े अदब के साथ कहूंगा कि इस चीज पर फिर से आप गौर कीजिये। जो आप का सुझाव है कि संसद् के होते हुए भी हम यह नोटिफिकेशन (notification) निकाल सकते हैं और फिर आप के सामने रखेंगे, कम से कम इस चीज को हटा दीजिये। दूसरी चीज जो है वह जैस कि मैंने सुझाया दो तीन जगह कि इन चीजों को ऐसा मान लेते हैं कि यह एक साल के लिये या दो साल के लिये है तो ऐसा क्यों नहीं करते कि वह प्रोटेक्शन ड्यूटीज ऐक्ट जो है उस को प्रोटेक्शन ड्यूटी कंटिनुएशन ऐक्ट (Protection Duty Continuation Act) बना लीजिये जिस से आप का सारा काम चल जाता है। यह नया प्रस्ताव क्यों लाते हैं। आप कहेंगे कि टैरिफ ऐक्ट (Tariff Act) में हम इस को शामिल करना चाहते हैं। मेरा ख्याल यह है कि इस चीज को इस तरह से न ले कर सिर्फ एक लफ्ज में यह कह दें कि प्रोटेक्शन ड्यूटी कंटिनुएशन ऐक्ट जो है उसी को ला रहे हैं। मालूम नहीं कि इस में कानूनम कुछ हो

सकता है या नहीं क्योंकि माननीय सन्धानम जी कुछ इशारा कर रहे हैं।

दूसरी बात मैं यह कहना चाहता हूँ कि अगर आप विशेषाधिकार लेते भी हैं तो टैरिफ बोर्ड की जो सिफारिशें हैं उन सिफारिशों को आप मानें या न मानें। किसी मियाद के लिए आप बढ़ाना चाहते हैं, वह अधिकार भी अगर आप के हाथ में होना चाहिये तो मैं यह विश्वास दिलाता हूँ कि जो भी टैरिफ बोर्ड ने सुझाया होगा उस से बढ़ कर हमें कुछ नहीं सुझाना है। अगर आप समझते हैं कि टैरिफ बोर्ड ने जो कुछ सुझाया है वह कम है और अगर आप को ज्यादा सुझाने की जरूरत महसूस होती है तो जरूर कीजिये मगर हम को बताइये।

मैं एक मिसाल देना चाहता हूँ। आप कामर्स मिनिसट्री (Commerce Ministry) की रिपोर्ट में ही सन् १९५०-५१ में देख चुके हैं। लिखा है कि सोडा ऐश (Soda Ash) के बारे में टैरिफ बोर्ड ने यह सुझाया कि बीस पर सेन्ट की प्रोटेक्शन ड्यूटी लगानी चाहिये। लेकिन हमारी सरकार ने चालीस पर सेन्ट रखा। उन्होंने चालीस पर सेन्ट के बाद उस को पचास पर सेन्ट कर दिया। सबसिडी (subsidy) दो डेढ़ रुपया और उस को भी घटा दिया है। लेकिन मैं ध्यान इस तरफ आकर्षित करना चाहता हूँ कि अगर यह अधिकार भी लेना है तो पूरा अधिकार ले लीजिये। जो कुछ करना हो वह अवश्य करें और जितना हम को करना है वह हम कर सकें। आप इस टैरिफ बोर्ड के बन्धन में क्यों आते हैं। उस को तो केवल सुझाव देने का अधिकार होना चाहिये और ज्यादा कुछ नहीं। अगर आप को यह लगता है कि फ्लां उद्योग को पनपने के लिए पांच वर्ष के लिए संरक्षण देना चाहिये तो आप पांच साल के लिए दीजिये। टैरिफ बोर्ड ने भले ही एक

या डेढ़ साल कहा हो, लेकिन अगर आप को अपने विशेष ज्ञान से यह लगता है कि तीन साल के लिए लगाना चाहिये तो यह अधिकार भी आप के हाथ में होना चाहिये।

एक समय ऐसा था कि जब मंत्री या सरकार टैरिफ बोर्ड के समाने अमुक चीज रखते थे। तो उसे रखने का निर्णय करने में ही कई महीने निकल जाते थे, फिर टैरिफ बोर्ड उस की जांच करने में कई महीने लगाता था और उस के बाद सरकार उस पर अमल करने में कई महीने लगती थी। तो यह फ्रिसकल कमीशन की रिपोर्ट में लिखा है कि कई चीजें दो दो ढाई ढाई साल पड़ी रहीं और तब भी उन को संरक्षण नहीं मिला। इस प्रकार की बातें उस समय थीं। लेकिन आज क्या है? आज तो हमारे ही आदमी काम करने वाले हैं। वह राष्ट्रीय विचार के आदमी हैं और वह देश को आगे बढ़ाना चाहते हैं। इस समय ऐसे लोगों के हाथ में हमारा तंत्र है। उन के सुपुर्दे आज यह काम किया है। इसलिये मैं यह नहीं मानता हूँ कि वह महीने के महीने लगायेंगे और इस काम को जल्दी नहीं करेंगे। तो अधिक समय न लेते हुए इन थोड़े से शब्दों के साथ मैं दोनों माननीय मंत्रियों से प्रार्थना करना चाहता हूँ कि वह इस बिल के बारे में फिर से सोच लें कि उन को कम से कम कितने विशेषाधिकार चाहियें, यदि वह विशेषाधिकार न लें तो बहुत अच्छा हो, और हम को बतायें कि कम से कम कितने अधिकारों की उन को जरूरत है और हम उन को वह अधिकार देने के लिए तैयार हैं।

(English translation of the above speech)

Shri Bhatt: I am not in a position to dilate upon the various aspects of this Bill, because the time at my disposal is very short, and at the same time we have been asked by our Chief Whip to hurry up this matter.

[Shri Bhatt]

But in spite of that I cannot help saying one or two things in this connection. The Bill has two aspects. On the one hand the Government seek to arm themselves with special powers while on the other they want to give continued protection to some of the industries. Many a speech has been made regarding both the things. But I would only like to ask this brief question from the hon. Minister as to why they seek all these special powers. Sir, in 1946, when you were a Member of this House, when our hon. Shri Gadgil and others too were in this House, conditions were altogether different; they were somewhat unusual and we were told like that at that time. This was true to some extent and the question of delegation of powers was also proper, because it was only a few months back that the war had ended and it was essential that our Government should have been armed with special powers to give a fillip to our trade and industry, because we could go ahead only after delegating such powers to the Government. The then hon. Members had suggested these measures in the Standing Finance Committee as well as in the Commerce Committee. The Government had also agreed to it with the result that they brought forth the Protective Duties Bill which is going to expire a few days hence. The Government do not like that these powers should cease to exist with them and as a matter of fact nobody desires to give away the powers that he has, it does not matter whether I am in their possession or anybody else is in their possession. Nobody is prepared to surrender his powers easily. But while accepting this fact that everybody wants to have more and more powers and is reluctant to surrender those which he has already got, I do not think that our present Government are mad after power and they want to keep their powers solely with them. I am unable to understand it and I believe that our hon. Ministers are not greedy to such an extent. I want to ask this simple question from the Government whether from the year 1946 any such occasion has arisen when the Government have with the help of these powers taken any action to develop any of the industries, and if so, how far have their such actions helped in the development of that particular industry; or I would ask them to refer to any such occasion when they have with the help of these powers saved any industry which was exposed to one danger or the other during that period? I would like to know whether from the year 1946 the Government have at any time with the help of these special powers saved any industry from any possible loss

before the recommendations of the Tariff Board on those subjects came up before the House? This is one thing that I want to know, and along with it I want to have a fuller list of all such occasions. Then and then alone shall we be in a position to know as to how useful these special powers have proved so far, how many times the Government had to use them during a particular year, and how many times in all they had to use them in the past? Had the hon. Minister been pleased to give us this information we would have before us a vivid picture of the whole affair and at the same time much of the time of the House would have been saved. But in absence of that information and because of our being in dark about the whole situation I am afraid that the present discussion too is perhaps futile. It was essential for our hon. Minister to have submitted a detailed note which would have clarified the entire position. The year 1946 was an immediate post-war year and today in 1951 dark clouds are hovering around us on all sides and possibly the Government might be anticipating any unhealthy development with the result that we may not be able to meet again here for months together, and during this period it would be necessary for the Government to carry on the administration with the help of these powers for the good of the country and for the good of people; may that be their line of thinking. I am prepared to agree that the question of extending these special powers and of increasing the export duties are altogether separate issues. There can be possibility of losing crores of rupees in a single day in the latter case. But the question of extending protection is a very ordinary one and there is nothing extraordinary in it. We have no such occasion or any such aspect of the whole affair before us, from which we may conclude that some extraordinary situation or some sort of emergency has arisen. Had any reference been made to any emergency we would have definitely said that our Minister of Industries should be armed with these powers and that our Government should be given such powers. Then I would have agreed. But if any Ministry were to say that they have to carry out such and such an errand and they want special powers for it, for they fear that they may or may not be able to place it before the House and therefore they want special powers to be given to them, then it might be so. I, therefore, fail to appreciate any possible situation necessitating the acquisition of these special powers by them. I do not want to go into a detailed discussion or the history of the principles underlying the protection policy and the general commercial

and industrial policies pursued by the British ever since 1600 A.D. or the policies they had adopted after usurping our land in 1850 and afterwards. No good will come out of such a discussion. Apart from that, time at my disposal is very short and these details need not be mentioned at all. I, however, want to submit that Tariff Board, whose term has just been extended by another five months, is still functioning on a non-permanent basis. It is not known whether any Tariff Commission had ever been set up. The Fiscal Commission was set up in 1921-22 which had also recommended that the Tariff Board should be constituted on a permanent basis. Many years have passed since then. Ever since the Protection Duty has been the subject of discussion a number of times and on several occasions Bills regarding its continuation have been introduced here. But at no time did it strike anyone to give it a permanent shape. Again the report of the Fiscal Commission of 1950 now with us, repeats the same recommendation and fortunately that Bill has also been introduced now. We are, however, not sure whether it will be possible to take it up for discussion during the current session or whether even after its passage the temporary structure of the Tariff Board will be abolished or not. Surely they work hard enough but I do want to know the difficulties which have compelled the Government to forward new proposals to the Tariff Board and ask them to undertake investigation in regard to certain new items. They should disclose the things to the house and give us an idea of the approximate time i.e. whether it would take one, two or more months in receiving the Board's recommendation in that respect. The House is expected to meet after five or six months or may meet after the General Elections. It is, therefore, necessary for you to ask the House for giving these powers to you. The hon. Minister is quite intelligent, conscious and is well versed in his assignment. He has also been complimented for his work. I know him as an old prison companion of mine and we have passed days together. Nevertheless I fail to understand what has prompted him to feel content to leave this aspect alone so masterfully. Had he only come forward with the statement that term of the special powers conceded by the 1946 Act is about to expire and that he wanted an extension, then the House would have wholeheartedly agreed to the request. If certain powers exist, they are meant to be granted and to be utilized. If you need these powers which the House is competent to grant, you can surely

ask for them and they will be given to you. You give us powers only on paper, but we give real powers to you. Had you placed before us any such proposal, we would have pleaded with others in favour of the fairness of your request and would have told them that it was necessary to grant you these powers. But no such thing has been placed before us. You have referred to many things after stating your case. The Havana Conference Charter and the Trade Agreement have come in for discussion but you dismissed this point only in a few words. An amendment has been moved asking for special powers to be granted even for the time when the House is in session. It is very strange. We are here to discuss a Bill and to pass it after due deliberations and if it is your desire that we should pass it within five minutes then it can be done—we can even do it within a minute. Not on few occasions we have been responsive in an extremely liberal way and you have had no cause for complaint on that score. Sir, I fail to understand why they do not bring forward that Bill even though the Parliament is in session and we all are here to consider it. It is a different thing to say that the difficulties in following such a course are there and yet point out the intense harm that is likely to be done to certain industries in the absence of any Protection Duty whatsoever. Again they may advance the plea that other people are likely to exploit the situation and that people will begin making profits on all imported articles. It is, no doubt, likely that people take advantage of the situation to some extent. But that matters very little. Let us meanwhile examine the situation in the country by the time the Finance Bill is passed here after we have voted the new taxation proposals revealed here on the 28th February in the course of the Budget presentation. You may just take into consideration the fact that the prices of all articles proposed to be taxed have gone up considerably, take for instance the price of Biri. But there is nothing very particular about it. This generally happens. Shri T. T. Krishnamachari has said that according to his information the Tariff Board is going to grant protection to some particular industry. He has received this news confidentially and perhaps he knows the staff of the Intelligence Department personally. But that is, however, now a common knowledge and anyway it matters very little. There is nothing to feel nervous about it. It requires no special powers to do so. Special powers are required only to meet

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special situations. But why should those even be necessary when the Parliament is in session? I fail to understand this logic of 'special powers' in the light of the fact that we are present here to consider and discuss all these things. I can, however, understand the possible apprehensions that you may have in view. Nevertheless you should come forward and say that you need these powers and as such approach us to grant you the same. What is otherwise the reason for not doing so when we are quite responsive and are willing to give these powers to you? It is not the way to acquire such special powers and it is logically inconsistent. You are free to state that it is quite logical. Anyway everyone has his own way of thinking and opinions do differ. You may, therefore, maintain that you have put forward this suggestion after a good deal of thought. But I will respectfully ask you to reconsider the whole position. Remove this impression at least from your minds that you can issue a notification first and only then bring up the matter before the Parliament. Another submission that I have to make, has already been referred to by me on more than one occasion. We generally include a provision that a particular measure is to last for a period of one year or two. Why do not you rename the Protection Duty Act as the Protection Duty (Continuation) Act? It can fully serve your purpose. Why bring a new Bill every time? You may maintain that your Object is to include it in the Tariff Act. I hold that instead of doing that it will suffice to move the Protection Duty (Continuation) Bill to replace all these things. Keeping in view, however, the hint given by hon. Shri Santhanam, one is at a loss to know whether or not it is legally possible to do so.

Again, I have to submit that even if you acquire these special powers, you are still free to accept or not to accept the recommendations of the Tariff Board. If you want this extension only for a specific period and should it be thought desirable to arm you with this power, even then I assure you that we can make no better recommendations than those made by the Tariff Board. But should you, however, consider their recommendations to be inadequate and feel the necessity of further recommendations, you may well proceed to have them; but only approach the House for an enlargement in their scope.

Here I wish to cite one instance. You have seen this in the report of the Ministry of Commerce for the year 1950-51. It has been stated therein that a Protection Duty of 20 per cent. should

be imposed on Soda Ash. Our Government, however, thought it necessary to enhance it to 40 per cent. and they subsequently raised it to 50 per cent. The original subsidy of one and a half rupee was also reduced afterwards. But what I want to draw their attention to is that if you want to take this power also, then have it in a full measure. You must do all that is necessary and we will also try to do our best. Why do you feel bound down by the recommendations of the Tariff Board? Their part should be confined to the making of recommendations only and nothing beyond that. If you feel that a period of five years of Protection is necessary for the proper development of any particular industry then fix that limit of five years. The Tariff Board may have suggested a period of one and a half year for a certain purpose, but if on the strength of your special knowledge you feel that the said period should rather be of three years, then this power should also vest with you alone.

There was a time when the Minister or the Government of the day used to refer certain points to the Tariff Board for their consideration. To start with the very decision to refer those points to them used to take many months and then the Tariff Board, in its turn, further took a number of months to complete their investigation and finally the Government did likewise in the implementation of the decisions. It occurs in the report of the Fiscal Commission that many items were not given Protection even after their cases had been rotting for two to two and a half years. This was the condition then. But what is the situation now? Now none but our own people are in charge of all these things. They possess a national outlook and want to take the country along the path of progress. It is in the hands of such persons that we find our Government today. We have entrusted the Nation's task to them. I, therefore, am unable to entertain the idea that they will also require many months on reaching decisions like these or that they will not expedite matters. So, not taking any more time, briefly I request both the hon. Ministers to reconsider their position in respect of this Bill and get clear as to what special powers they actually need even though it will be much better not to ask for any. They should approach the House with a precise statement of the powers they actually need and we are willing to give these to them.

Mr. Deputy-Speaker: Mr. Subramaniam.

Shri Raj Bahadur (Rajasthan): The question be now put, Sir.

Mr. Deputy-Speaker: I have called Mr. Subramaniam. I have not got any list with me, but as and when hon. Members indicated their desire to speak I have been making a note and trying to adjust the debate. There are three more hon. Members who are interested in speaking. I would appeal to them to reserve their comments for the clause-by-clause stage, so that immediately after Mr. Subramaniam concludes the hon. Minister may be called upon to reply and then the question may be put.

Shri Ramaswamy Naidu (Madras): On the clauses we will not be allowed to speak generally on the Bill.

Mr. Deputy-Speaker: I am here. I will allow discussion.

Shri C. Subramaniam (Madras): Arguments have been advanced by many hon. Members regarding the competency and propriety of delegated legislation. I want to approach this problem from a different angle altogether. As far as I am concerned, if delegation of power to the executive is absolutely necessary I will not hesitate to do it. The first consideration therefore is whether the power sought by Government is necessary under the circumstances of the case and after careful consideration I feel that it is absolutely unnecessary.

First of all, I would refer the House to the Statement of Objects and Reasons with regard to this clause. In para 2 you will find this:

"As regards (1),"

that is to say, with regard to this delegated power of levying an import duty for protection,

"the powers indicated are at present exercisable under the Protective Duties Act, 1946. This Act is, however, due to expire on the 31st March, 1951."

The next sentence is a little bit important:

"It is necessary to retain these powers permanently and it is convenient to have these powers incorporated in the Indian Tariff Act, 1934".

This statement was made on the 12th March 1951. Today we see in supplementary list No. 2, amendment No. 5, proposed to be moved by the hon. the Mover himself. This is what it says:

"This section shall cease to have effect on the expiry of two years from the commencement of the Indian Tariff (Amendment) Act, 1951."

[SHRIMATI DURGABAI in the Chair]

After the statement that it was necessary to retain these powers permanently, I fail to see why overnight the hon. Minister became wiser and said that it is enough if he had the powers for two years. That is my first point. One is apt to think, and justifiably too, that sufficient consideration has not been given to this aspect—as to whether it is necessary to have these powers either permanently or temporarily.

4 P.M.

Then, the second point is this. This power has been in existence from 1946 onwards. Was this power exercised at any time by the Government? There is absolutely no mention of it. One way of convincing this House that this power is absolutely essential, is to have brought before the House previous instances when this power was exercised, how the necessity for it arose and how it was beneficial and necessary in the interest of the development of our industries. Absolutely no instance has been placed before us. This House has been functioning as the legislature of this country from 1947 onwards and as far as I can recollect there has been absolutely no instance of this power being exercised and a legislation being brought before this House. So, if this power has not been exercised even once, for the past four years, what is the justification now to come and ask us to continue this power again. There is absolutely no justification to ask this House to continue this power either permanently or temporarily.

Thirdly, let us see whether any circumstance is likely to arise when this emergent power would be necessary for Government. After all, who seeks protection? An industry starts manufacture, works for some time and then comes before the Tariff Board for protection. There is a thorough examination after which the report of the Board comes before Government. Can it be urged that if within three or four months protection is not given, the industry will be ruined. I do not think an industry which cannot stand for three months without protection, is worthy of being protected.

The other argument advanced was that goods might be dumped from other countries. I am afraid that argument is not quite valid. Exports and imports are now completely controlled by Government. It is not as if there could be indiscriminate import of any goods. Of course, there are certain items in the OGL. But if Government intends to give protection, they could restrict the licence. So, if they want this power

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only for the purpose of seeing that after knowing the intentions of Government some speculators might step in and dump their goods here, I respectfully submit that there are enough powers in the hands of Government to prevent such a thing happening.

Considering all these aspects, I really fail to see what is the justification for seeking this power. I am afraid once a power is taken, there is always a tendency to continue that power, whether there is necessity for it or not. This may be one of those instances. After listening to the very lucid speech of my hon. friend Mr. Krishnamachari, I heard my hon. friend the Minister of Commerce and Industry remarking that if the House so wishes he would be prepared to withdraw this Bill. It is not a question of the House wishing it or not. I would request the hon. Minister to consider this again, whether as a matter of fact this clause in the Bill is absolutely necessary. If it is not necessary, I respectfully submit, apart from the wishes of the House, the hon. Minister should withdraw this clause.

With regard to propriety also, I am afraid it is not proper that the executive should be given this power of deciding whether protection should be given to a particular industry without going before the Parliament. After all we are following the British tradition in this Parliament—that is the majority party forming the Government. If that be so, when a Government comes to a decision on a point like this, do you think that party will be prepared to throw out the Government on a simple point of protection to a certain industry? Certainly not. The House and the party to which the Government belong will be faced with a *fait accompli* and I do not think there would be any chance of that being varied. It should be left to Parliament to discuss it in open and take decisions regarding the necessity for protection and the extent of protection. We are all human beings; the Ministers also are human beings; the Secretaries also are human beings. It is not as if personalities do not count at all. In spite of us we are prejudiced in favour of certain persons and we have got our prejudices against certain other persons. Is it not likely that the decisions of the executive are likely to be influenced by personalities—though unconsciously, I am prepared to put it. Therefore, it is better that there is an open discussion with regard to this and especially with regard to a serious matter like this and a decision is taken openly in Parliament so that there cannot be any room for any charge though unjustifiably of discrimination

in favour of or against any person or group of persons, or sectors of industry. My respectful submission is that Government should reconsider the position with regard to this.

Another argument advanced was that the predecessor of this House, the Central legislative Assembly, was prepared to clothe the alien executive with this power. At that time we were all clamouring for protection and whatever protection was pleased to be given by the alien Government we were thankful. Therefore, when they wanted to give it either through the Assembly or executive, we were thankful for it and we were trying to clutch at the small mercies they were prepared to show. It is not for a popular Government to come forward and say: "Hand over this power to us; let us have these autocratic powers."

Then I go to clause 3 of this Bill. With respect to clause 3, I feel I am not quite competent to speak with regard to the necessity or the quantum of protection proposed there. But I raise a very serious objection with regard to the principle which has been introduced there, that is, preference shown to British manufactures, even in the matter of protective duties. This matter was considered by the Fiscal Commission also. As far as the Indo-British Trade Agreement of 1938-39 is concerned, protected articles are kept out of its scope and the so called cotton articles were incorporated into it only after special negotiations. In spite of that we find that as far as item 11(6) is concerned, that is, sago globules, the protective duty proposed is 24 per cent. in the case of British colonial manufactures as against 36 per cent. in the case of non-British manufactures. I can very well understand this distinction in a revenue duty, but in the case of a protective duty I really cannot understand why preference should be shown in the case of British manufactures. What is the extent of protection necessary—is it 24 per cent. or 36 per cent. That is the real question. Is it the case of Government that if it is a British Colony manufacture, 24 per cent. duty will be sufficient to protect our industry and if it is otherwise 36 per cent. protection is necessary? Even for the purpose of revenue, this preference with regard to British manufacture is a relic of the past, that too a bitter past. In spite of it we find not only in revenue duties but in the case of protection also this preference being shown. It is shown not only here but in another instance also, namely with regard to item 28(31) where we find 26 per cent. shown for British manufacture and 36 per cent. in respect of non-British manufacture. It is proposed now, in 1951,

after an independent Constitution has come into existence! I find there is absolutely no justification to continue this preference in favour of British manufacture. One other important principle is involved in this, namely, the recognition of a British Colony. We have been crying hoarse that we are against the colonial system, that we would oppose it tooth and nail, and that we would efface it. And here we recognize the British colonial system—not only the existence of it but the British colonial system where the exploitation of the alien power goes on to the detriment of the local population—and British Colony manufacture is recognized for the purpose of giving protection. There is absolutely no justification for them to show this kind of preference even in cases where we are levying a protective duty.

One other aspect and I have done. That is with regard to the grant of protection which my hon. friend Mr. Ahmed Meeran referred to, namely, the protection which we are giving to the sericulture industry. Protection is a double-edged weapon. It could be conducive to the development of industry; at the same time it could spoil the industry and make it inefficient. Just as a child could be spoiled by too much of protection and petting, in the same way too much of protection might spoil an industry also and it might be a premium on inefficiency. In considering whether protection should be given to a certain industry or should be continued, care should be taken in selecting the industries which would be able to develop because of the protection given. It should not be an industry which would exist only because of the protection and which cannot get out of the protection.

With these words, I once again appeal to the hon. Minister to consider this and see that he withdraws clause 2 of this Bill at any rate.

The Minister of Commerce and Industry (Shri Mahtab): I had no desire to participate in the debate in view of the fact that the hon. the Deputy Minister had placed the case so successfully and efficiently before the House. But some points have been raised with regard to some of the aspects of the Bill which I think I should try to clear with the best of my ability.

The Bill, as the hon. Members know, consists of three distinct aspects. The first aspect is that some machinery has been devised, some ways have been suggested as to how quickly to dispose of the recommendations of the Tariff Board. The second one is the continuation of the General Trade Agreement. And the third aspect is the granting of protection to certain industries as

recommended by the Tariff Board. With regard to the first aspect much has been said. Therefore I would deal with it later on. With regard to the second aspect, namely the continuation of the General Agreement on Trade and Tariffs, the wise principle is to continue to remain in a position unless it is proved that that position is wrong. Only when it is conclusively established that that Agreement is leading us to loss or is leading us nowhere, then alone can we think of changing that position. Otherwise we cannot go on thinking of changing settled positions at any time we choose. That position as has been explained in the opening speech of the Deputy Minister, has really increased our prosperity in the sense that our export trade has been helped to a considerable extent.

With regard to the third aspect, that is to say, granting of certain protection to certain industries as recommended by the Tariff Board, special mention was made of the pencil industry and of the sericulture industry. Protection to other industries has been supported. With regard to the pencil industry, hon. Members might well see before them the pencils which they are using here and they will themselves know whether that industry requires protection or not. It is not a fact that the protection is not helping that industry at all. If hon. Members will read carefully the Note which has been circulated they will find that only during the last war a number of pencil factories started in this country. Before that there were only three factories which used to manufacture pencils in small quantities. But during the war, when the import of pencils was completely stopped, a number of industries grew. But they require protection. Unless we protect the pencil industry today the result will be that this industry will be wiped out of existence. It may be said that because of the import of cheap pencils our consumers will be benefited. But the industry as it stands requires protection, and it has to be given protection in the ultimate interests of the country. We may not look to the immediate interests of the consumers, but in the ultimate analysis you will find that the consumers will best be served by indigenous industries if we protect them in the beginning.

Mr. Sidhva has raised one question in this connection, and I can clear it up here namely, whether there is any machinery or any provision to see if the protection which is given to the industries is properly utilised by them or whether they take undue advantage of it for their own benefits and interests. As I once said before, on another occasion in this House, the Tariff Commission Bill which has

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been introduced in this House makes a definite provision and gives a definite work to the statutory Tariff Commission to see that the protection given is usefully utilised by the industries. Under clause 15 of the Tariff Commission Bill it has been provided that "it shall be the duty of the Commission, at such intervals as may be prescribed, to investigate into the manner in which tariff or subsidies in relation to any industry have been working, with particular reference to the cost of production of the protected commodity, the scale of output of the protected industry, the quality of the protected commodity, the prospects of future expansion of the protected industry, the relative competitive position of the industry and the factors entering into it" and so on. You will find here that we very carefully thought of this aspect of the question as to how the protection is utilized by the industries concerned. This machinery which is being provided, I am sure, will go a long way in solving that problem. I admit that there may be some complaints and in some cases the protection which has been granted to industries is not being properly utilized. But, when this machinery comes into being and when an authoritative report is received by Government that a particular industry is taking undue advantage of the protection, then Government will be in a position to take action. What sort of action will be taken by Government, that also has been provided in the Bill. Therefore, that Bill should become law as quickly as possible. I do not agree with Mr. Sidhva and I do not know how his mind is working in a contradictory manner when he wants that machinery to work quickly, and at the same time he wants that the Bill should be postponed till the next session.

Shri Sidhva: I have not studied the Bill. Therefore, I did not know.

Shri Mahtab: Therefore, I suggest that the earliest opportunity will be taken to make that Bill into law so that a ready made machinery may be formed to give effect to the suggestion which has been made, namely, the examination of the working of these protections.

With regard to sericulture industry, it is a cottage industry and unless it is protected, there is no chance of its existence. One of the hon. Members suggested that the weak industries which are now being propped up should be allowed to die. That is a question of opinion. Mr. Subramaniam suggested that it should be an open question in Parliament whether a particular industry should be given protection or not. I would ask hon. Members to think of

the matter whether this can be an open matter in all cases. A question may arise whether cottage industries should be protected against other industries. In that case, it might not be an open question as my hon. friend, Mr. Subramaniam suggested. There is a very strong opinion and I belong to that school of thought that cottage industries should be protected against other industries. If that is the view, then it may not be an open thing. There must be some policy as some sort of pledge is behind it. That is a question which has to be decided by the parties concerned. No Government can give an undertaking or even say authoritatively that any of these matters will be an open question in Parliament. Many political parties might come to Parliament with a definite pledge to support either this type of industry or some other type of industry. Therefore, I cannot say here and now that all these matters will be open questions before Parliament hereafter.

Shri C. Subramaniam: I did not say it should be an open question. What I said was there should be an open discussion.

Shri Mahtab: Of course discussion is open here. What I understood was that he suggested it should be voted not on party basis but on an open basis. Otherwise all discussions are open here. I do not think there is any private discussion here.

With regard to sericulture, as I have already said, it is a cottage industry and from that point of view, it is protected. I think that industry will require protection for many years to come and probably for all time to come. At no stage can a cottage industry be expected to compete with other industries. Therefore, cottage industry stands in need of protection for all time to come against the mills. That is the position. The hon. Member who criticised protection which is given to sericulture, I hope, will reconsider his views when he knows that sericulture is not an industry of the type of mill industry but it is merely a cottage industry. Fortunately because of the protection which was given originally in 1934 this industry is continuing today; otherwise it would have gone out of existence by now.

Then, as you know, effective steps have been taken to improve that industry. A statutory Silk Board has been formed; money has been granted for the purpose and they are doing their work most efficiently and some of the hon. Members here are on the Board. That Board is functioning very efficiently and if protection is needed

anywhere, it is needed in industries of that type.

Then with regard to other industries, we have not gone beyond the recommendations of the Tariff Board. The Tariff Board has made recommendations with regard to certain industries and these recommendations have been examined in different Ministries. Here I may tell you why time is taken to come to a decision and also why it is not possible for one single Ministry to come to a decision on these recommendations quickly. For instance, take the case of fruit products in which various Ministries are concerned. The Ministry which deals with the recommendations of the Tariff Board must be in a position to know the opinions of the other Ministries and the other Ministries also take their own time to know exactly what should be their opinion. In collecting these opinions after due examination, it takes some time and that also does not exceed in most of the cases more than two months or three months. That I do not think is too much.

With regard to the first aspect, namely, the measure which has been suggested for the quick disposal of the recommendations of the Tariff Board, I do not understand why some other motive was read into that provision. A suggestion has been made that the intention of the Government is to take away the powers of Parliament unto themselves. Without meaning any disrespect to any of the Members and with all respect to my senior Members, I have to say that those who have said that the power is being taken away are not conscious of their powers. A person who knows his powers will never complain when the functions are distributed, that his power is being taken away by somebody else. It is not a question of taking away the power. It is merely a suggestion of distributing functions. Because Parliament has got the power, the Members ought to see how that power is properly exercised and if a suggestion is made as to how that power can be properly exercised, I think no wise Member of the Parliament would ever suggest that an attempt is being made to take away his power.

Shri Sidhva: Do you mean that all power should be delegated to the executive?

Shri Mahtab: That will depend on the wisdom of the House as a whole. The House in order to exercise its power must decide also how that power should be exercised. It is not enough to feel that the House has got the power but it should go a little further and see that the power is exercised;

otherwise, by merely feeling that the power is contained in the House will not serve any purpose.

Shri Sidhva: We do exercise it.

Shri Mahtab: Here is a suggestion to Parliament as to how the power which is contained in Parliament should be exercised. The suggestion is here. Then before thinking of exercising that power, hon. Members must be clear in their minds as to the object behind that suggestion. The object is whether the industries should be protected or not. There was a time when the cry was for *swadeshi*, that all the indigenous industries should be protected. Some of the hon. Members have suggested that we here after taking up our offices have changed our minds. It is not a case like that. The case is that somehow the general temper of the country has undergone a change.

Shri Kamath (Madhya Pradesh): You are adapting yourself to the new environment.

Shri Mahtab: I am trying to adapt to the hon. Members on the other side.

Shri Kamath: Do not adopt me.

Mr. Chairman: Let there be no talk across the benches.

Shri Mahtab: There was a time, if the hon. Members go through the proceedings of the debate in 1946, they will see how a cry was raised from all sides that the indigenous industries should be protected. That was the cry then. Today the cry is.....

● **Shri Sidhva:** The Government was different.

Shri Mahtab: The Government has nothing to do with the question. The question is whether the industries should be protected or not. The industries concerned were to be protected by the Government. They were intended to be protected from the imports and not from a foreign Government or a local Government or an indigenous Government. Therefore when the cry was that the indigenous industries should be protected the idea was that our local industries should prosper as a result of which the consumers also would be benefited at the end. That was the position then. I would ask hon. Members to analyse their own minds whether the consumers' interest is working uppermost or some other interest today.

Shri Sidhva: Consumers means what?

Shri Mahtab: I am coming to that. I am just analysing the position. It is

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for the House to decide. If the House decides that all commodities should be made available to the consumers at the cheapest rate, then there will be no import control, nothing of the kind and the type of economy will be something different. But, if the House comes to the decision that indigenous industries have to be supported even though the products of indigenous industries may be a little less in quality and a little higher in prices, and may not be of the same standard as products from elsewhere, then it is a different matter. It is a question for decision by the House. The House has got that power to decide and nobody can take away that power: that is to say whether indigenous industries should be protected against competition from other industries, or whether the commodities should be made available at the cheapest possible price, even at the risk of ruining the local industries. That is the question for the House to consider. It has been presumed by the Government that the general opinion of the House is that indigenous industries should be protected. On that presumption the whole measure has been based.

Let us assume for the time being that the general opinion of the House is that indigenous industries should be protected and that all facilities should be given to them to prosper. If that is the position, the question is how the wish of the House is to be executed. As I have already said, there is going to be a statutory Tariff Board very soon. That Tariff Board will consist of persons of the highest integrity. That Board will make a thorough investigation into all the industries and make recommendations. As soon as their recommendations are received by the Government, they will be examined. Then, the question is how to give effect to those recommendations as quickly as possible. The suggestion is that the Government will issue a notification.

Shri Sidhva: The consumers' interests should not be ignored.

Shri Mahtab: The notification will be issued within the limit of the recommendations of the Tariff Board; it is not that they will go beyond the recommendation. That was the Government's idea.

When it was found out that the House also would like to know and discuss how the Government have examined these recommendations and how orders have been issued, an amendment was proposed and that amendment is before the House. If

that amendment is accepted, the House will have sufficient opportunity to discuss, and accept or reject the orders which have been passed by the Government. There has been no intention at any stage to take away any power from the House. On the contrary, all attention has been paid and very deep consideration has been given to the wishes of the House, assuming that the wish of the House is that all indigenous industries should be protected.

Shri Kamath: Why assuming?

Shri Mahtab: Suppose the House does not agree to this measure and insists upon the points which have been made out by some hon. Members that the recommendations of the Tariff Board should be placed before the House in the form of Bills—I am a novice in this House and most of the hon. Members except one or two are senior to me (*An Hon. Member:* Orissa experience?)—a Bill takes a long time to be passed. A question has been asked, even if it takes one or two months, what is the harm? I will give you one instance which came up to me this morning; it is a curious coincidence. A gentleman who was a Member of the Central legislature here when this Protective Duties Act was under consideration,—I need not give the name of the gentleman—and who spoke at length supporting that measure, and cried hoarse that there should be protection, approached me this morning and placed before me a puzzle. Unless some sort of a measure, as has been suggested is there, how can the House or anybody solve that problem? The problem is this. A starch factory is going into production in a month or two. The raw materials are just arriving. The enterpriser has received telegraphic communication from countries abroad that the raw materials have been shipped. In the meanwhile, starch has been placed in the O.G.L.

An Hon. Member: Why?

Shri Mahtab: Because there was no production here. Starch is connected with the textile industry, as hon. Members know. Therefore, it has been placed in the O.G.L. Licences have been issued for the import of starch to a very large extent. As soon as this starch is imported, the starch factory, in spite of all programme to start production in a month or two will not be able to compete with the imported commodity. What is then going to happen to this industry? This is the problem which I place before the House for their solution. There are certain cases in which quick decisions are necessary, if the intention

is to protect the local industries. Of course, after a decision is taken, that decision must be ratified by Parliament, because Parliament is the authority from which Government draws its own authority. Therefore, Parliament must have an opportunity to consider that decision and accept or reject that as they choose. But, there must be some provision for coming to quick decisions and quick disposal of matters.

Shri C. Subramaniam: On a point of information. Has that industry been considered by the Tariff Board and protection found necessary?

Shri Mahtab: That will be referred to the Tariff Board.

Shri Goenka (Madras): Protection was given to the starch industry last year.

Shri Mahtab: I am placing before you the problem which has been referred to me. By now, the hon. Member must have known who the gentleman is and he can easily verify whether what I say is true or not.

There is another problem which has been referred to by some hon. Members that it is not very difficult to pass a Bill here. Those hon. Members who have suggested this have in view the present character of Parliament. When a law is made, it has to be made in such a way that it would suit for all time. Suppose after the next General Elections, the number of Opposition Members rises very high. It may not be possible to say that a Bill could be passed as easily as it is today.

Shri Kamath: That would be a real Parliament.

Shri Mahtab: As long as I have been.....

Shri Goenka: There is the right of closure.

Shri Mahtab: in this House, I do not see any Bill being passed very easily. If that much of time is taken to come to a decision with regard to duties, in the abnormal situation as it is existing today, it is possible that indigenous industries might be very adversely affected.

Another hon. Member suggested that the law which was made in 1946 was an emergency measure. I do not know why the word 'emergency' has been used in this connection. There is no question of emergency here. It is an ordinary procedure that the Tariff Board will make recommendations, those recommendations will be examined by the Government and decision taken.

Shri C. Subramaniam: "Emergent circumstances" are the words used by you in the Statement of Objects and Reasons.

Shri Mahtab: The law which was made in 1946 had in view industries which were then growing. It has been rightly said that war conditions were prevailing then. My contention is that even those abnormal conditions are prevailing today also. You can very easily know from the ups and downs in the imports and exports that abnormal conditions are prevailing. In spite of the absence of a regular war, war conditions are persisting and probably they have been accentuated in the last few months. If we think that normal conditions are existing today or that we have reverted to pre-war conditions, I think a huge mistake will be committed by all of us.

Therefore, taking the existing abnormal circumstances into consideration, and considering the nascent condition of many industries here, and taking into consideration the authority which Parliament possesses and taking into consideration the anxiety of the Government to protect local industries which I assume is also the desire of Parliament, I am sure this House will agree to the measure which has been brought forward, along with the amendment which has been suggested by the Deputy Minister.

Shri Karmarkar: My task has been very much lightened by the very kind intervention of my senior colleague and in view of the shortness of time and the necessity of passing this measure before five o'clock, I would confine myself to only a few observations on some of the more important points.

The first point which I would like to touch upon or rather which I would not like to avoid is the one raised by my hon. friend Mr. Meeran who was doubtful of the benefit to be derived by the extension for three years of the provisions of the General Agreement on Trade and Tariffs. I tried to make it clear to the House yesterday that in these abnormal times when there are controls exercised both in respect of exports and imports, what we have suffered as loss in customs revenue or what has been lost by the other countries, would not be a correct basis to judge the success or otherwise of this General Agreement on Trade and Tariffs. I suggested yesterday that this Agreement has to be viewed in the new perspective which is before

[Shri Karmarkar]

us in view of the fact that we in India are no longer an exporter of merely raw materials, as we were in the past, but we are fast expanding our industries and if our expanding industries are to find reflection in the proper exports, the House will doubtless realise that the more we export the better our economic condition is likely to be and the greater will be our necessary imports. If this result is to be achieved, it is in our interest to see that there is as large an elimination in the discretion of other countries to exercise unnecessary quantitative restrictions or other restrictive measures. If that be so, then we have to be part or a member of the larger family that is being brought into existence by this General Agreement on Tariff and Trade, because a part of this Agreement is devoted to the elimination to the best possible minimum of such restrictions. Our advantage in continuing to be a member of this Agreement lies in the fact that this opens out for us a future which is a very good future. It is from that point of view that we are to judge this General Agreement on Trade and Tariffs, because there is good reason to expect an expansion of our industries. At one time the idea was a conservative one. But now things have changed. We are asked what do we gain? I say we gain a lot because we have a good industrial future and it is to our interest to see that it is not given to the other countries to restrict our exports to them.

Shri Meeran: But even according to the figures given by the Ministry, the exports have shown a decline.

Shri Karmarkar: We are living in times when export markets are erratic. Last year, as the hon. Member knows very well, owing to the unrestricted O. G. L. we had, we had to restrict our imports to the minimum and in textiles our exports have been enormous. But they cannot be related to the direct effect of the Agreement. Take for instance a refrigerator. Suppose we reduce the import duty on it and next day completely eliminate the import of refrigerators. The reduction in duty will not result in greater imports. Well, that is the position. We have no basis to-day to judge whether the concessions given or the concessions taken in respect of imports or exports in any manner of things have succeeded or not. Therefore, I said we have to judge the Agreement not on the basis of concessions given or taken. In abnormal times these concessions will not have the correct reflection as they would normally have

in normal times. To-day the judgment is on the basis whether India stands to gain by being a member of the family which has entered into this Agreement. It is to our interest to be a member of this family because India is fast developing into an industrial country and we are interested in seeing to it that there are as few barriers as possible to our exports to other countries. I am sorry for want of time I am not able to develop this point further.

I have now to pass on to one or two other points which I cannot want to avoid mentioning. One of them is the point raised by Pandit Thakur Das Bhargava, about the constitutional position. I do not seek to enter into the details of that question; but to my mind it is perfectly clear that the Constitution does not prevent us at all from passing this legislation. It only says that no taxation shall be levied except on the authority of law. This is to provide against arbitrary exercise of power by the executive in respect of any taxation. Apart from the question whether the present one is a tax or duty, even if it is a tax, under the article of the Constitution quoted we are not prevented from bringing forward and passing this measure. And it is because we want to go by the Constitution, because we wanted a measure with the authority of law, because we wanted the authority of law to back us in terms of the Constitution that we came with this Bill before Parliament.

There was next the point about sericulture to which my senior colleague has also referred. It has been asked why there should be such a high duty on sericulture which will be required for a long time. Now, we have to see that our local indigenous industry produces as much as it can. Actually almost half of our needs in silk are being met by the local industries. If we take off the protection, we shall not be able to produce even a small percentage of the two million pounds of raw silk that we produce to-day. No doubt it involves a tax or burden on the consumer. But if we place silk on the O. G. L. then our sericulture industry will, in a matter of some years be completely wiped off. Does the House want such a very important industry to disappear from our midst simply because we do not want to protect it? There will be certain industries which we will have to protect at any cost. Though not a key industry, this sericulture industry is an essential industry which we are bound to protect whatever the sacrifices may be.

As regards the button industry and the pencil industry my senior colleague has referred to them. My friend Mr. Sidhva has raised the point about the present condition of the pencil industry. Well, the Tariff Board has reported and Government also insists that standards should be maintained, that up-to-date machinery should be employed. The Tariff Board advised imports of necessary raw material from other countries. Imports from East Africa do not come to us because Britain has entered into a monopoly there. The Dehra-Dun Institute has suggested cyprus and deodar wood.

Shri Sidhva: What about used railway sleepers?

Shri Karmarkar: If I had the time I would have gone into this question in greater details. That suggestion is under our consideration. That is all that I can say at present on that aspect.

There are one or two more points which I am afraid I will not be able to deal with because of the want of time. But there was one point raised by Shri Gokulbhai Bhatt who asked very pertinently how far these provisions have been helpful as these have been there since 1946. I would only say that the protective duties of 1946 have been helpful to us in many ways. Action has been taken to protect the following industries—grinding wheels, batteries for motor-cars, electrical machineries, soda-ash, textile machinery. We took action first under the Act and then came to the House for its endorsement. There are many other items in which we took action but I have mentioned only a few. I hope the hon. Member is satisfied that under the old Act of 1946 we did not take action unnecessarily.

Shri Ramaswami Naidu: When was protection given to the grinding wheel industry?

Shri Karmarkar: We will come to that later.

Finally I should express my deep sense of gratitude for the kindness which the House has shown to me and the manner in which several speakers have referred to me. I may tell the House that in this work in which I had my humble share I had the goodwill of the House and since 1947, when I entered this House as an ordinary Member, it has been one of the principal strengthening factors in the little service that I and others have been able to render.

I should also express appreciation of the high level which the debate maintained all through.

There is one small point about starch. The ceiling of import was fixed and as the House very well knows with a view to create facilities we have doubled the licence for six months. The main point in this connection is this. If under this double licence much more starch comes in than is justified in the light of potential local production, if we find that the year's requirement will be fulfilled by local production, it will place local production in an embarrassing condition. It is in that light my senior colleague referred to the import of starch. That is all I have to say by way of reply.

श्री भट्ट : मंत्री जी ने मुझे एक प्रश्न का उत्तर दिया। उन्होंने बताया कि फलों फलों उद्योगों को इस विशेष अधिकार से वह जल्दी से उन को संरक्षण दे सकें। मैं ने यह पूछा था कि टैरिफ बोर्ड (Tariff Board) ने कब सुझाव दिया और सरकार ने कब क्रम उठाया और उस के बाद पार्लियामेंट (Parliament) में कब बिल आया और उस के पास होने में कितना समय गुज़र गया। मैं यह जानना चाहता था, जिस से हम समझ सकें कि यह काम सरकार करना चाहती थी और सरकार को यह अधिकार नहीं दिया हुआ होता तो उस से इन उद्योगों को यह नुकसान होने वाला था और देश को फलों हादि होने वाली थी।

[Shri Bhatt: The hon. Minister has replied one of my questions. He has said something to the effect that with the help of those powers he could give protection to such and such industries at an early date. I had asked as to when did the Tariff Board submit this suggestion and when action was taken on it; when the Bill was introduced in Parliament and what time it took in its passage. I wanted to know these facts so that we may understand that the Government really meant to do such and such a thing and in case we would not have delegated those powers to them, these industries would have suffered a loss, ultimately resulting in a particular loss to the country.]

श्री करमार्कर : मुझे बहुत संतोष होता अगर इस वक्त यह सब इनफार्मेशन (Information) मेरे पास रेडी (ready) होती। अब तक मेरे पास जो कुछ भी

[श्री करमार्कर]

इनफारमेशन रैडी थी उस को मैं ने आप के सामने रखा। अब आप ने जो कहा है उस के बारे में मैं इनफारमेशन सप्लीमेंटरी (Supplementary) तरीके से आप के सामने रखूंगा। अभी तो वह सब मेरे पास नहीं है।

[Shri Karmarkar: It would have given me a sense of relief if the required information would have been ready with me at this time. Whatever little information I had with me, I have placed it before the House. I shall try to furnish you with all the information that you have sought in a supplementary form. I have not got this information with me at this time.]

Shri Satish Chandra (Uttar Pradesh): Neither the hon. Minister nor the Mover has given any explanation as to why preference is shown to and discrimination made in favour of British colonies in the case of such manufactured products as have to be protected here for the development of home industries.

Shri Karmarkar: I thought my hon. friend knew the obvious reason. We are bound by the Indo-British Agreement. We cannot get out of it. Besides the G.A.T.T. and the Havana Charter have made specific mention of the preferences which already exist. Whatever is written in the Agreement is subject to these duties. It is open to us to terminate the Agreement but that is another matter.

Shri Goenka: Is that Agreement 17 years old? It was made in 1934.

Shri Karmarkar: It is the Ottawa Agreement which my hon. friend is referring to obviously, which has been replaced later by the Indo-British Agreement.

Shri C. Subramaniam: Are not protected articles kept out of the scope of the Agreement, the Indo-British Agreement?

Shri Karmarkar: The only answer I can give offhand.....

Shri C. Subramaniam: It is so, I can assure him.

Shri Karmarkar: That is right. I happened to be a member of this conference and every now and then this question of preference came up. Whenever there was bilateral agreements between countries this point was kept in mind. Whatever changes were made in the case of tariff duties these

preferences had to be kept up and they were kept up.

Shri Goenka: It was only for revenue tariffs.

Shri Karmarkar: At this late stage it is difficult to satisfy every body.

Shri C. Subramaniam: It is a very important point. I shall read from page 319 of the Fiscal Commission's report:

"Under the Indo-British Trade Agreement of 1938-39 also protected articles were kept out of its scope."

I am sure that statement is correct.

Shri Karmarkar: That is right.

Shri C. Subramaniam: Then your reason for keeping these preferences was wrong.

Shri Karmarkar: I am not sure as to what the Member wants. There are three documents—the Fiscal Commission Report, this Agreement and the G.A.T.T. by which we are bound. What is it he wants?

Shri C. Subramaniam: You have shown preference with respect to protective duties also. As a matter of fact even under the Indo-British Trade Agreement these protected articles are kept out of the scope of the Agreement. You are not bound to show preference to the British industry.

Shri Karmarkar: The more convenient way might be to discuss the point on that clause.

Mr. Chairman: The question is:

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

The motion was adopted.

Clause 2.—(Insertion of new section 3A etc.)

Mr. Chairman: I want to know whether any hon. Member proposes to move his amendment.

Shri Ramaswamy Naidu: Whether any Member moves his amendment or not I would suggest that consideration of the Bill clause by clause may be taken up on the next day. There are only three minutes.

Shri Goenka: We may have to oppose certain clauses, although we may not move amendments.

Mr. Chairman: If the hon. Member wants to speak on the clause he can do so. But before that I wanted to know whether any Member wanted to move amendments.

Shri Karmarkar: I beg to move:

In clause 2, for sub-section (3) of the proposed section 3A of the Indian Tariff, Act, 1934, substitute:

"(3) Where a notification has been issued under sub-section (1), there shall be introduced in Parliament if it is in session within fifteen days after the issue of the notification, and if it is not in session within fifteen days of its re-assembly, unless the notification is in the meantime rescinded, a Bill on behalf of the Central Government to give effect to the proposals in regard to the continuance of a protective duty of customs on the goods to which the notification relates, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that where for any reason a Bill as aforesaid does not become law within two months from the date of its introduction in Parliament, the notification shall cease to have effect on the expiration of the said period of two months.

(4) This section shall cease to have effect on the expiration of two years from the commencement of the Indian Tariff (Amendment) Act, 1951."

Mr. Chairman: Amendment moved:

"(3) Where a notification has been issued under sub-section (1), there shall be introduced in Parliament if it is in session within fifteen days after the issue of the notification, and if it is not in session within fifteen days of its re-assembly, unless the notification is in the meantime rescinded, a Bill on behalf of the Central Government to give effect to the proposals in regard to the continuance of a protective duty of customs on the goods to which the notification relates, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that where for any reason a Bill as aforesaid does not become law within two months from the date of its introduction in Parliament, the notification shall cease to have effect on the

expiration of the said period of two months.

(4) This section shall cease to have effect on the expiration of two years from the commencement of the Indian Tariff (Amendment) Act, 1951."

[**MR. SPEAKER** in the Chair]

Shri A. C. Guha: Originally I gave notice of an amendment to the proposed sub-section (3) in clause 2 and I am glad that the Minister has been pleased to accept practically the purpose and spirit of that amendment. I recognise that there may be occasions for the Government to have that power to impose a protective duty by notification; but in the original Act nothing has been stated as to when the Government will produce a Bill to that effect before Parliament.

Mr. Speaker: Is the hon. Member likely to take some more time?

Shri A. C. Guha: Yes, Sir.

Mr. Speaker: We may then take this up later.

5 P.M.

LOAN TO EXCHANGE BANK OF INDIA AND AFRICA

Mr. Speaker: The House will now proceed with the half hour discussion.

Shri Sidhva (Madhya Pradesh): This discussion has arisen out of Starred Question No. 1664 which I had tabled for 22nd February, 1951, regarding the loan of Rs. 85 lakhs given by the Reserve Bank to the Exchange Bank of India and Africa. This question was almost at the end of the list of questions for that day and was not therefore reached for oral answers. I do not know whether my hon. friends have read it but I would just like to state that this question relating to the loan given to this Bank was one on which previously we had discussions and I had also put questions. It was at your request, Sir, that the final answer was reserved, because the case was considered to be *sub judice*. The High Court having decided the case, I wanted to know the exact position as to how this loan was made and who was really responsible, and whether the provisions of the Reserve Bank of India Act were complied with. The hon. Prime Minister in his reply on 22nd February said that the Reserve Bank had not considered the Exchange Bank a secure creditor, and the arrangement was that the first charge on the moneys received by the Liquidator would be claims relating to trust moneys and

[Shri Sidhva]

trust properties, and next in order, to the general cost of liquidation and the payment of wages to certain classes of employees of the Exchange Bank. Fifty per cent. of the balance would be paid to the Reserve Bank of India in satisfaction of its claims and the remaining 50 per cent. in satisfaction of other charges and claims etc. I asked, "What is the loss to the Reserve Bank?" The Prime Minister stated that it could not be ascertained at the time. I also enquired whether the Bank's accounts had been checked and whether the position of the Bank from time to time had been checked. The answer was not given directly but the Prime Minister stated:

"The advances made to the Exchange Bank were sanctioned by the Governor of the Reserve Bank and the procedure laid down in the Reserve Bank of India Act for this purpose was followed. There can be no question of any action being taken against any Reserve Bank authority granting the loan in the absence of negligence or fraud."

I did not ask for any enquiry, nor did I say there was fraud, but the Prime Minister himself has given this answer. But after reading this answer I felt it was not complete and satisfactory. Well, when the case was going on in the High Court of Bombay, our hon. friend, Shri Deshmukh, the then Governor of the Reserve Bank, gave evidence in the High Court. I was reading that evidence and I looked again for the point I was striving all along that is, whether the provisions of section 18(1) of the Reserve Bank of India Act were complied with. Section 18 says:

"When, in the opinion of the Central Board, a special occasion has arisen making it necessary or expedient that action should be taken under this sub-section.....".

My point all along was whether while granting this loan the sanction of the Central Board was taken. To that of course no reply was forthcoming from the ex-Finance Minister, when he spoke in reply on 22nd March, 1950. He definitely stated that he was not in a position to say it. In the court also this question was put, but no answer was forthcoming. I have got the evidence given in the Court, which has been published in a Gujarati paper in Delhi and Bombay. I will give as accurate translation of it as possible. If my hon. friend, the Finance Minister has got an English copy, and if there is any mistake in translating from the Gujarati, I am prepared to accept whatever correction he suggests.

Mr. Speaker: I may suggest that he should not take time in reading the entire evidence.

Shri Sidhva: No, Sir, only the relevant portions.

Mr. Speaker: Also, he may remember that after all what is published in the Press is mere notes and not the actual evidence.

Shri Sidhva: Yes, Sir. This was the evidence that he gave:

"The Liquidator of the Exchange Bank who had filed the suit in the High court made an affidavit and statement that Rs. 70 lakhs were given in February, 1949, against four promissory notes to the Managing Director of the Exchange Bank. Since then a sum of Rs. 15 lakhs was given and the Managing Director, it is stated, borrowed some loan without sufficient authority by the Reserve Bank, and therefore the Exchange Bank is not bound to the transaction which it considers to be an illegal transaction."

The Minister of Finance (Shri C. D. Deshmukh): Is this part of my evidence that he is reading, Sir?

Mr. Speaker: He is reading some extracts, as he alleges, from the affidavit of the Liquidator.

Shri Sidhva: That is so, Sir. This is not the evidence of the Finance Minister.

Then, there was a party in this suit by name the Sindhu Rehabilitation Corporation. They have taken Rs. ten lakhs and they have challenged the Reserve Bank's claim. They say that they are the secured creditors and not the Reserve Bank. Mr. Deshmukh was cross-examined in this connection and in cross-examination he stated that except the incident of 22nd February 1949—he said he was speaking from his memory—he had not seen any records since then and was not in a position to state whether his sanction was recorded in the books. The Reserve Bank has admitted that on the agreement of 22nd February 1949 all the promissory notes and securities were written after the above date. He further stated that excepting the loan of Rs. ten lakhs, in all cases his sanction was obtained. He was not in Bombay on that day. I want to know whether this part of his evidence in which he said that sanction was not given is correct. I want to know who sanctioned this loan. Normally, every application goes to the Department of Banking Operations in the Reserve Bank in the first instance for security. Was this loan first sent to this De-

partment and were any remarks by the Chief Officer thereof invited? I may read the remarks made by the Chief Officer of the Department of Banking Operations, Mr. T. V. Datar. He said: "It would be a bad loan because even by giving the loan the Bank would not be safe under any circumstances." I again repeat that I am not giving the exact words, but this is just the gist. Now, I understand that the Deputy Governors of the Reserve Bank, Mr. Mekhri and Mr. Bhandari were very keen in giving this loan. Their point was that if the loan was not given, Indian credit in foreign countries would suffer. That is also the point which Dr. Matthai made. I want to know at what stage the Government was consulted and if Indian credit was to suffer in foreign countries whether Government considered the question of paying away the amounts deposited in foreign countries. We have actually paid money from our Exchequer. Did Government consider paying away that money and thus refusing to pay this money to the Exchange Bank?

When I asked Dr. Matthai whether the accounts of this Bank were examined under the Reserve Bank of India Act, he stated that since 1947 there appeared to be some discrepancies in the Exchange Bank and the Reserve Bank had made three suggestions to that Bank to improve its working. The Bank wanted extension, and extension after extension were given and the last date was fixed. Finally, the Bank was warned that if it did not comply with the suggestions made by the Reserve Bank by April 1949, the latter would be forced to take a serious view of the matter. My point therefore is that the position was very clear to the Reserve Bank and yet why did they give this loan? My point also is whether a meeting of the Board of Directors was called, because the loan was given at different stages and not at one stage. Was section 18 of the Act complied with? I must say that I have brought this question without any intention to cast any kind of aspersion on anyone. For my hon. friend Shri Deshmukh particularly I have high regard. I am not questioning his integrity. He was the Governor of the Bank and he now happens to be the Finance Minister. But he will realise that I had put my question when he was not a Minister. I was taking interest in the cause of the depositors who have suffered immensely by the failure of the Exchange Bank. Even after the Reserve Bank's advancing this money they did not get anything. I would like to know why the Reserve Bank was so much considerate in giving this money, without taking an undertaking

from them that the depositors' investment was honoured in full.

Again, the Managing Director of this Bank, who happened to be the Chairman of an Airline had taken a loan from the Bank to finance the air company. Dr. Matthai admitted this fact and agreed that this was also one of the irregularities and that steps were being taken against the person.

All these things combined together have created a lot of suspicion in the mind of the depositors and the public and they naturally ask why the Reserve Bank, knowing all these facts, gave this money.

I would also like to know whether the Deputy Governors were in any way responsible. The hon. the Prime Minister assured us that there was no justification for an enquiry. I am not asking for an enquiry. I only want to know whether the Deputy Governors who have acted in this manner were right or wrong. If they were wrong, why were no steps taken against them? Are these two gentlemen still in service—if so, have they been warned?

After all, the fact must be recognised that the Reserve Bank is a State institution and we would like to have persons who are above board at the head of the administration. There should not be the slightest suspicion in the minds of the public: if there is we must remove it at the earliest opportunity. These are the main factors which have influenced me in pursuing this matter from time to time.

Mr. Speaker: I may inform the hon. Member that if he really wants an explanation on important points, he must have some time-limit. He has now taken nearly fifteen minutes. Otherwise he will only make his point.

Shri Sidhva: I have been keeping my eye on the clock, Sir. I just want to make one more point and resume my seat.

I would like to know whether before the payment was made our External Affairs Ministry was consulted.

Mr. Speaker: I may say at this stage that the hon. Member has gone much beyond the points he has mentioned. I believe the principal point that he has made is: whether the procedure laid down in the Reserve Bank of India Act was followed; if not whether it has resulted in a loss of Rs. 80 lakhs. So, he wants to know the responsibility of the persons who have done so.

Shri C. D. Deshmukh: The hon. Member has mixed up facts. I know

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he raised these issues several times. We could not give a full answer earlier, because the very point that he had raised was *sub judice*.

His main points are: the authority under which loans were granted and the person by whom they were granted. He has now raised something which was not in that question, namely, the correctness of the judgment which was exercised in granting these loans. His third point is: Is there any proof that any loss has resulted and if so what is to be done about it?

Now, the first one is the most important point, and that is whether the Governor had any authority under section 18 of the Reserve Bank of India Act to make the loan. Mr. Sidhva bases his conclusion on certain words in section 18(1) which refers to the opinion of the Central Board and on the omission of the words, "or where the powers and functions of the Central Board have been delegated to a committee of the Central Board (then) in the opinion of such committee" by an amending Act. These words were deleted when the Bank was nationalised, and section 7(3) was introduced purporting to give the Governor full powers to administer the affairs of the Bank.

Shri Sidhva: Where is that section?

Mr. Speaker: He may first follow what the hon. Finance Minister says and then refer to the Act.

Shri C. D. Deshmukh: Section 7(3) was introduced when the Bank was brought under public ownership. It says:

"Save as otherwise provided in regulations made by the Central Board"—and there are no regulations made—"the Governor shall have full powers to transact all the business of the Bank which may be transacted by the Central Board".

When this was introduced, my predecessor by an amendment suggested the removal of this particular phrase which I have read out just now, namely, "or where the powers and functions of the Central Board have been delegated to a committee.....etc." Mr. Sidhva seems to think that this was deleted in order to restrict the scope of the authority of the Governor. As a matter of fact, the intention was exactly the opposite. It was because under section 7(3) full powers were vested or purported to be vested that it was considered that any reference to delegation was unnecessary and

superfluous. Therefore, section 18(1) was left merely with the words "the Central Board" and there was no reference to delegation. Then it was considered by the House that there would be complete authority to the Governor to transact the affairs of the Bank. Therefore, both the Government and this House were party to this arrangement, and that was clearly the intention, and it was natural, because the Bank had passed under public ownership. Therefore, the standing of the Governor was different than when he represented, so to speak, the shareholders and was appointed on their initiative with the approval of Government. Indeed, there was an interval when there was no Central Board at all. The Central Board was constituted a little later and the Governor had necessarily to exercise all the powers of the Bank. Also, as a matter of central banking practice, affairs like this, that is to say emergency loans, have always to be granted by the executive head. And it was for this that the old section 18 provided for a possible delegation either to the Central committee or to the Governor.

As long as there was no litigation we were all satisfied that this was quite an adequate provision. Indeed, the Governor, which was myself, thought, "Well, I had made a certain suggestion which was logical and also in accordance with central banking practice, Government has approved of it, and the Legislature has been pleased to accept it and has now vested me with full powers". But the lawyers are always busy and you cannot hold the courts from taking certain view, whatever the intention of the Legislature may be. We consulted the Advocate General there when this issue was taken, and he said—I cannot quote his opinion, that would take some time—but the essence of it was: "With some hesitation I believe that this secures full authority to the Governor to have given the loans". But there were one or two difficulties. That is, the words used in section 7(3) were "transact all the business of the Bank". The point taken was that since "business" is a word which is used only in section 17 and in other sections, the words "affairs and administration" are used, the Legislature, which is always wise, must have intended to make a difference between "affairs and administration" and "business".

Shri Sidhva: It is correct.

Shri C. D. Deshmukh: It may or may not be correct. Secondly, they said, they used the word 'bank' now in this Act, sometimes the word 'bank' occurs, which means the Central Board or the

Committee or the Governor or whoever it may be. In other sections the words "Central Board" occur. So the lawyers said, here the Legislature has again very advisedly used the word 'bank' whereas in section 18(1) the words 'Central Board' are used and therefore it would not have been the intention that the power was to be vested in the Governor. As I say, so far as the Governor of the Reserve Bank was concerned, he was not a draftsman. It was for him to send the substance of his proposals and the proposals were that concurrent power be vested in the Governor for the two reasons I have mentioned (a) central banking practice in emergency transactions and (b) the change in the status of the bank. That point was mentioned in the brief speech which Dr. Matthai made when he moved this amendment. There was no other debate in the Assembly and although the courts are precluded from referring to debates and so on, we can refer to our own debates. I can refer to the brief which was supplied by the Finance Department to the Minister and the conclusion is inescapable that the intention of everybody at that time was that the Governor should have the power. When this point was taken up in court, I said I shall be prepared to sign the affidavit and give my evidence. I hoped that that would give me an opportunity of clearing up the point. When I gave evidence, I was asked various other questions, e.g., about the date of the execution of some of the documents and so on and so forth, to which I will advert later. The Advocate General said that there was a 50:50 chance of the court accepting the construction that we put on it. It may be that the Bank would secure priority for all our debts or it may be that they would not be accorded any priority at all. Since there were various other secured debts the choice was between the Reserve Bank getting Rs. 60 or 80 lakhs or getting Rs. ten or twelve lakhs. We could never make any calculations until the liquidation was complete. You do not really know how much there is to be divided on a 50:50 basis after the first secured debts, the provident fund, the guaranteed debts and various other prior claims are paid. There was also this consideration which I must say influenced me, that somehow it is rather hard on the depositors that when the Central Bank runs to the assistance of a bank in trouble it should have secured itself completely at a time when the interests of the depositors are in jeopardy, and although we could have perhaps made a bid for getting our pound of flesh, I thought it was not right that we should leave the depositors high and dry. They may or may not get anything; we

do not know how much they will get because that depends on the final result of liquidation. Therefore all I say is that they again stood a 50 per cent. chance of getting a little more, corresponding to the 50 per cent. chance of our succeeding or failing in our plea, and I thought it was wise for us to accept the compromise which our Advocate General advised us to accept. What the result will be, I cannot say, but the point that I wish to make is that we did bear in our own way the interests of the depositors in our minds when we entered into the compromise. So, to my mind it is quite clear that somehow there was a prospect of the court holding that we had not translated our intention into the language. Therefore my answer to the question or the Prime Minister's answer would have been: who is to be responsible for the loss would be a very delicate one; it is a loss which the Government, the House and every one shares. It is one of those accidents that happen that we are compelled to carry out what we think should be the intention.

Shri Sidhva: What were your Department's remarks on what I wrote?

Shri C. D. Deshmukh: The hon. Member is on another point. I am on the legal point alone now and that is all that I have to say in regard to the legal point. I should say taking a common sense view no one is responsible for these things, e.g. variance between the language of the statute and its interpretation are matters which are very common within our experience. Had it not been so, we should not have had occasion to amend the laws from time to time. These things are inherent in human affairs. It will be very futile to try and say who was to blame and at what stage.

In regard to the propriety of the loan, so far as the High Court is concerned, they would not have entered into this, because in Section 18(1)(3) of the Reserve Bank of India Act, the law says, "When in the opinion of the Central Board.....", and all that the High Court would have decided was, whether the powers of the Central Board were exercisable by the Governor, if he had given his mind to the problem. If that fact was established, then, the High Court would not have entered into the propriety of the loans granted. Here that question has been raised without any evidence that the judgment was wrong. Because, in the first place, we do not know what losses would have finally emerged had the case gone to the court. It may be that there might have been some loss. It was a year in which the Central

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Bank advanced some 41 crores to Banks in difficulty. It was a peculiarly difficult year. If in an advance of 41 crores, 20 lakhs or 25 lakhs turn out to be a bad debt, it is again a part of the business of the day. I do not think that it is right for the legislature to say now, "We want to know why this loss occurred." They certainly have the authority; but I mean in the conduct of public business, I do not think that such a point could be taken.

The point raised there is that some Deputy Governor sanctioned this loan. That is not correct. The situation arose in this way. That Bank had been under inspection for about three years from time to time, and on the last occasion, the report was made by the Reserve Bank that an improvement has been shown by the Bank in some directions, but in other directions, their progress had been disappointing, but perhaps another six months could be given to the Bank to improve matters. The Reserve Bank's recommendation was that time could be given till the middle of February or thereabout. Then, the Central Government for reasons of its own, perhaps thought that a little longer time may be given and actually they gave time up to April or May, 1949. It is a somewhat ironical situation because this matter developed really after the date which was originally indicated by the Reserve Bank. If the Reserve Bank's recommendation had been accepted, it might be that the Bank's affairs might have been inspected again some time in December in order to see what course of action was to be followed after the 15th of February. But, since the Central Government then gave the date April or May, 1949, no inspection took place from that date, August or September, 1948. Then this crisis came upon the scene just about the third week of February and it came in this way. That Bank had already suspended payment in Aden and three days had elapsed. In such a situation, there is no time for further inspection. Because, the moment you start inspection, with this run on, and this knowledge spreading all over the banking world, before you complete your inspection, whatever harm is to be done has been done. Therefore, we had to take a snap decision basing our conclusion on the last inspection report which was some time in August or September. At that time, some negotiations were in progress in regard to the Central Government taking over a big property consisting of buildings and workshops which had been mortgaged to the bank and which were valued at that time at 29 or 30

lakhs. That was one of the assets against which part of the loan was advanced. There was then a rubber factory; there were various other bills for 14 or 15 lakhs and so on. To the best of the judgment of the Reserve Bank, the total value of this property was about Rs. one crore. As against, first Rs. 35 lakhs and then another Rs. ten lakhs and so on were given. Day after day the Managing Director came and he said there is a little more run and now that you have helped us, help us a little more. It was rather a ticklish year and a difficult period. It was the height of the season and it was felt that there was just a chance of saving the bank. All these crises of confidence are not amenable to arithmetical calculations. If the crisis wears off it may be that one can extricate the bank from its difficulties. But if the crisis develops all of a sudden, then your best calculations may go wrong. That is how at that moment the loans were raised from Rs. 35 lakhs and then Rs. ten lakhs and so on. But there was only one loan that was sanctioned without the Governor's authority. It was for Rs. ten lakhs when I was away in my capacity as Governor or on some other business; or I do not know whether it was an off-day. Anyway I had gone off somewhere and the Managing Director approached the Deputy Governors—it was not Mr. Bhandari....

Shri Sidhva: Mr. Trevor.

Shri C. D. Deshmukh: Mr. Trevor and another Deputy Governor got together and they decided pending the Governor's return and approval to advance to the bank another Rs. ten lakhs. A loan is complete when the documents are executed. But the assurance was given to pay Rs. ten lakhs. I do not remember whether the loan was actually placed at their disposal and whether the documents were executed the next day or what happened, whether a loan was agreed to on the 22nd and the documents executed on the 23rd. How legal these things are has not been decided by the courts. That is the usual practice and this matter has never come before a court. One would never know, if the thing went before a court whether the court would hold finally that this loan of Rs. ten lakhs was not a legitimate transaction. But in this case orders were given by the authority which we considered had the right to issue the orders with regard to the loans. These were the two points that were made by the hon. Member, I think and.....

Shri Sidhva: What about the remarks of the Department of Banking Operations?

Shri C. D. Deshmukh: The remarks of some subordinate officer have no relevance in this connection.

Shri Sidhva: But the Department.....

Mr. Speaker: Order, order. Whatever it is, it is a matter of opinion.

Shri C. D. Deshmukh: Whatever X, Y or Z might have stated on a decision of the Governor, the Governor has to make a judgment on the situation and consider whether it is in the public interest to advance this loan. So whatever the Department of Banking Operations has said has no great relevance, especially in a debate in Parliament.

Shri Sidhva: But it is public money and.....

Mr. Speaker: Order, order.

Shri C. D. Deshmukh: I think that is all that I have to say on this matter and I do not know whether the hon. Member has any other question to which he requires a reply.

An Hon. Member: The time is already over.

Mr. Speaker: Apart from the question of time, no other question has been raised by the hon. Member.

Shri Sidhva: What about the Governor's responsibility?

Mr. Speaker: The time is already over. The House will now stand adjourned.

The House then adjourned till a Quarter to Eleven of the Clock on Saturday the 24th March 1951.
