

there could have been a better discussion and a better consideration on the budget and the Appropriation Bill.

Therefore, I charge them for having failed Indian democracy. I charge them for having betrayed the people of Bihar and I advise them even now at this late hour to agree to co-operate with the other group of their own Congressmen as well as the other democratic parties in Bihar and help them to form themselves into a coalition Ministry and afford the people a good enough legislature and also a good enough Government for the people of Bihar.

SHRI YOGENDRA SHARMA: Has Prof. Ranga assumed the leadership of both the factions of Congress in Bihar?

SHRI RANGA: I can give them advice.

SHRI P. C. SETHI: I am thankful to Acharya Rangaji and I have nothing more to say except that coalitions cannot be formed unless there is a likeminded approach about the problems and principles if Acharya Rangaji's recommendation is to be followed.

MR. DEPUTY-SPEAKER: The question is :

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the State of Bihar for the services of the financial year 1969-70, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The question is:

"That Clauses 2, 3 the Schedule, clause 1, the enacting formula and the title stand part of the Bill."

*The motion was adopted.*

*Clauses 2, 3, the schedule, clause 1, the enacting formula and the title were added to the Bill.*

SHRI P. C. SETHI: I move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

*The motion was adopted.*

14.23 hrs.

# INDIAN TARIFF (AMENDMENT) BILL

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI RAM SEWAK) : I beg to move that the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration.

Before the hon Members of this House participate and express their views over this Bill, I would like to say a few words about the objects and reasons why this Bill is being introduced here for consideration. This Bill seeks to amend the First Schedule to the Indian Tariff Act, 1934 in order to give effect to the Government's decision on the recommendations of the Tariff Commission relating to the sericulture industry. Hon. Members know that the protection to this industry is going to expire on 31st December 1969. Copies of the Tariff Commission's report on the sericulture industry and the Government's resolution issued thereon have already been laid on the Table of the House. A gist of the Tariff Commission's report and the recommendations of the Sericulture Industry have been circulated to the Members. Imports of raw silk into this country.....

SHRI SRINIBAS MISRA (Cuttack): On a point of order, Sir, I want this matter to be decided once for all...As per Art. 117 of the Constitution a Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President etc. etc. It must not be introduced or moved without the recommendation of the President. Here, this Bill is only recommended to be introduced. Where is the recommendation for moving?

Two alternate recommendations are necessary—introduce or move. Here he has got permission for introduction. Please see page 3:

"The President having been informed of the subject matter of the Indian Tariff (Amendment) Bill, 1969, recommends under art. 117 (1) of the Constitution of India, the introduction of the Bill in the November-December, 1969, session of the Lok Sabha".

[Shri Srinibas Misra]

This is the recommendation for introduction. Where is the one for moving? He must get it before moving the Bill for consideration here. After introduction, in the absence of a specific recommendation for moving, this becomes pent-up. Now he is seeking to move for consideration for which there is no recommendation. He has to get it first.

**SHRI RAM SEWAK:** The President's permission has already been obtained.

**SHRI SHIVA CHANDRA JHA** (Madhubani): Was it circulated?

**SHRI RAM SEWAK:** Previously this was the practice. We are following the same practice in this case. Therefore, I do not think there is any substance in the point of order.

**SHRI TENNETI VISWANATHAM** (Visakhapatnam) : Previous practice cannot be a precedent in these matters where a point of order has been raised. Sometimes a Bill is introduced but it is not moved in the same session. It may come up in some other session. The Mover may choose or may not choose to move. That is why the Constitution is very clear on this point that recommendation must be obtained not only to introduce but also to move. These are two different stages of the Bill and one cannot be implied in the other.

**SHRI DATTATRAYA KUNTE** (Kolaba): I am surprised at the clumsy manner in which the Minister wants to quote past practice. If it was a past practice, it was a wrong practice and it was his duty to correct it. Instead of doing that, he wants to plea past practice in support of his stand now. Whatever be the practice, as long as the Constitution very clearly lays this down, nobody can possibly override it. If by oversight it had been done in the past we will have to forget it. But when the matter has been specifically brought to the notice of the House, there is no alternative but to abide by the Constitution.

**MR. DEPUTY-SPEAKER:** Article 117 (1) says:

"A Bill or amendment making provision for any of the matters specified in rule-clause (a) to (f) of cl.

1 of art. 110 shall not be introduced or moved except on the recommendation of the President....."

It is not the Bill; it is the amendment. The Bill is introduced, but amendment shall not be moved.....

**SHRI SRINIBAS MISRA:** Amendment is also by way of a Bill.

**MR. DEPUTY-SPEAKER:** For introduction of the Bill, Government has got the recommendation of the President....

**SHRI DATTATRAYA KUNTE:** Before you give your ruling, kindly hear other members also. You are landing yourself in difficulties.

श्री कंबर लाल गुप्त (दिल्ली सदर) :  
उपाध्यक्ष जी, जैसा अभी आप ने पढ़ा उस से यह स्पष्ट है विधान में कि इंट्रोडक्शन स्टेज पर भी आप को स्वीकृति लेनी होगी राष्ट्रपति से, और उस के बाद अगर सरकार उस बिल पर कंसिडरेशन चाहती है, उसे मूव करना चाहती है तो उस के लिए भी स्वीकृति चाहिए। इतना ही नहीं उस में यह भी कहा है कि अगर कोई सदस्य या सरकार कोई अमेंडमेंट भी मूव करना चाहे तो अमेंडमेंट के लिए अलग चाहिए। मान लीजिए ऐसा हो सकता है कि एक बार गवर्नमेंट ने परमीशन ले ली मूव करने के लिए भी और इंट्रोड्यूस करने के लिए भी और आज फिर सरकार कोई अमेंडमेंट लाना चाहती है तो अमेंडमेंट के लिए अलग चाहिए या कोई मेम्बर अमेंडमेंट करना चाहता है तो तब भी चाहिए। आप को याद होगा, आप को तो काफी ताजुर्बा है कि अगर हम कोई अमेंडमेंट भजते हैं तो वह राष्ट्रपति के पास जाता है और हमारे पास सूचना भी आती है कि अमेंडमेंट के लिए राष्ट्रपति ने आज्ञा दे दी है। तो मेरा कहना यह है कि जब अमेंडमेंट के लिए जरूरी है किसी भी मेम्बर के लिए भी, सरकार के लिए भी, तो इस के लिए कंसिडरेशन के लिए अलग चाहिए, इंट्रोडक्शन के लिए अलग चाहिए। आज क्या हुआ है कि सरकार ने केवल इंट्रोडक्शन के लिए परमीशन लिया है, कंसिडरेशन के लिए नहीं लिया है। मेरी

प्रायःना है कि कंसिडरेशन के लिए इन्हें अलग परमीशन की जरूरत होनी चाहिए जो इन्होंने ली नहीं, तो जब तक वह न ली जाय तब तक आप इस की आज्ञा न दीजिए कि हाउस इस को कंसिडर करे। आप इन को कहिए कि यह कंसिडरेशन के लिए राष्ट्रपति से स्वीकृति लें। अन्यथा इन को आज्ञा मत दीजिए। जब यह राष्ट्रपति की कमेंट लाएं तब बिल कंसिडरेशन के लिए ले आएँ नहीं तो न ले आएँ।

**SHRI RAM SEWAK:** We have already been getting the recommendation in this form and it was accepted so far. Under article 117 of the Constitution we were getting permission from the President for introduction and not for moving for consideration of the Bill.

**SHRI DATTATRAYA KUNTE:** The Minister has admitted that he has no positive recommendation for moving that this Bill be taken into consideration. Therefore, his recommendation is only for the introduction of this Bill. Past practice is no remedy against the breach of an article of the Constitution and his defence is baseless and it has no substance. Article 117 applies to both the Bill and the amendment. A Bill making provision for any of the matters as well as an amendment making provision for any of these matters. Therefore, it is not either a Bill or an amendment; it applies to both. If the Government want to move an amendment to a Bill for that also a specific recommendation will be needed. A Member wishing to move an amendment must also go to the president before it can be allowed to be moved in this House. A Bill requires the President's recommendation both for introduction and consideration; an amendment requires the recommendation of the President for moving because the question of introduction of amendment does not come in. No Presiding Officer can say: please forgive this.

**MR. DEPUTY-SPEAKER:** I am not saying that.

**SHRI DATTARAYA KUNTE:** Nobody can say so; no body can condone a breach of the Constitution.

**SHRI LOBO PRABHU :** (Udipi): I should like to strike a different note. There are two circumstances in the Bill which I hope my learned friends will keep in view. The practice has been that in the case of a Bill two separate permissions of the President have not been taken....(Interruptions.) I should like to ask Members present here why they had not observed the practice that permission has not to be taken twice.....(Interruptions.) Law is sometimes allowed to sleep.

A passionate respect for the Constitution cannot arise suddenly. This interest in the Constitution also should be sustained and substantiated. What I want to point out is, this has been the practice and practice can become as good as law.

The second point is this. The permission of the President is a very formal one. I hope there is not one known case in this House where permission has been refused. (Interruption) I would like to point out that this House has already lost so much time. (Interruption)

**MR. DEPUTY-SPEAKER :** Order, order.

**SHRI LOBO PRABHU:** Every minute is precious, and every minute in this house costs Rs. 3,000. Let us not waste our time on formalities of procedure and let us not waste the time of this House on minutia which are of no importance at all. (Interruption)

**MR. DEPUTY-SPEAKER:** I would appeal to Mr. Kunte. You have made your point, and let us hear the other hon. Members. I will call Mr. Goyal and Mr. Jha. (Interruption)

**SHRI SRINIBAS MISRA:** Please look into rule 348.

**MR. DEPUTY-SPEAKER:** I shall look into it.

**SHRI R. D. BHANDARE** (Bombay Central): Mr. Deputy-Speaker, Sir, when we have to deal with the provisions of the Constitution, and when we talk of either introduction or motion for consideration, we have also to take into consideration along with the provisions of the Constitution, the procedural rules framed under

[Shri R. D. Bhandare]

the Constitution itself. I refer to rule 68. A rule cannot violate the Constitution, and the Constitution also deals with rule-making powers.

First of all, I shall deal with rule 68. It reads:

"The order of the President granting or withholding the sanction or recommendation to the introduction or consideration of a Bill shall be communicated to the Secretary by the Minister concerned in writing."

Then, I come to rule 348. (Interruption)

AN HON. MEMBER: It is waste of time.

MR. DEPUTY-SPEAKER: I am not wasting the time of the House. The only thing is, I do not want to shut out any Member I want your co-operation.

SHRI R. D. BHANDARE: Rule 348 read as follows:

"Every sanction or recommendation by the President shall be communicated to the Secretary by a Minister in the following terms:—

"The President having been informed of the subject matter of the proposed Bill, motion, demand for grant or amendment accords his previous sanction to the introduction of the Bill or the moving of the amendment or recommends the introduction of the Bill or the moving of the motion, demand for grant or amendment in the House or recommends to the House the consideration of the Bill.

It shall be printed in the proceedings of the House in such manner as the Speaker may direct."

Rule 348 speaks about the way in which it should be moved. Then, I am coming to article 117. Here, the words "introduction" or "move" are in fact in consequence of the introduction, that the Bill be taken into consideration, and, then it is moved. That is the proper interpretation both of the constitutional provisions and the rules framed under the Constitution, especially rule 68.

SHRI SHRI CHAND (Chandigarh):

I do not know for what purpose my learned friend, Mr. Bhandare, quoted rule 68, which only says: that the communication of the President shall be communicated to the Secretary. The relevant rule is 348 which says:

"The President having been informed of the subject-matter of the proposed Bill, motion, demand for grant or amendment accords his previous sanction to the introduction of the Bill or the moving of the amendment or recommends the introduction of the Bill or the moving of the motion, demand for grant or amendment in the House or recommends to the House the consideration of the Bill."

As a Lawyer I know— and the General Clauses Act will help me—that the word "or" here has been used disjunctively and not conjunctively. If you read article 117, there also it is disjunctively used. It says:

"(1) A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President."

Therefore, if we apply the principles of the General Clauses Act, according to which the word "or" is to be interpreted disjunctively, it separates the two and makes it obligatory that the recommendation of the President has to be sought and obtained for both of these things. The minister is only seeking help from past practice. It is quite possible that this point may not have struck anybody till now. Now it has struck Mr. Misra. Therefore, we should pass a legislation which is likely to be struck down by the Supreme Court because of this legal infirmity. After all, the President is not thousands of miles away. His recommendation can be obtained tomorrow and this Bill can certainly wait for 24 hours.

श्री शिवचन्द्र झा (मधुबनी) : उपाध्यक्ष जी, जो बात संविधान के आर्टिकल 117 (1) में उठाई गई है कि अमेन्डमेंट के लिये भी राष्ट्रपति की रिकमेन्डेशन चाहिये, मैं आपके

सामने उदाहरण के रूप में एक दूसरे बिल का रेफरेन्स देना चाहता हूँ। मेरे हाथ में—द्वि रिक्वीज़ीशनिंग एण्ड एक्वीज़ीशन आफ़ इम्यूवेबिल प्रॉपर्टी (अमेण्डमेन्ट) बिल, 1969 है—वह भी अमेण्डमेन्ट बिल है, जो नियम साधारण बिल के लिये लागू है, वही अमेण्डमेन्ट बिल के लिये है और इस के पेज 5 पर लिखा है —

“The President, having been informed about the subject matter of the Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 1969, has recommended to the House the consideration of the Bill under article 117 (3) of the Constitution.”

इससे बिलकुल साफ़ हो जाता है कि जब कन्सीडरेशन और पासिंग की बात आती है तो राष्ट्रपति की रिकमेन्डेशन बिलकुल स्पष्ट रूप से होनी चाहिये और हमारे संविधान के आर्टिकल 117(1) में भी यही बात स्पष्ट रूप से कही गई है।

जिस समय इस का इंट्रोडक्शन हो रहा था, उस वक़्त भी मैंने इस बात को उठाया था, लेकिन उस वक़्त आप सख्त पड़ गये, मेरी बात को नहीं पकड़ा। यहाँ बिलकुल स्पष्ट है कि इस में राष्ट्रपति की रिकमेन्डेशन नहीं है जो स्पष्ट रूप से होनी चाहिये। इस लिये मैं चाहता हूँ कि जब तक ये राष्ट्रपति की रिकमेन्डेशन न लाये, इस बिल को विचार करने से रोका जाये।

दूसरी बात ये है कि मंत्रालय के पास इतनी बड़ी पलटन है, सेक्रेटरीज़ की इतनी बड़ी पलटन है और कम्युनिकेशन की सारी सुविधायें हैं लेकिन फिर भी ये मुस्तैदी के साथ यहाँ पर बिल नहीं ला पाते हैं, इससे बड़े दुख की बात और क्या हो सकती है।

MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAGHU RAMAIAH): I am also a lawyer. (Interruptions). If you want light to be thrown on article 117(1), rule

348 does the trick, There, it is used distributively. You cannot introduce an amendment. Therefore, you have to associate “moving” with amendment and “introduction” with Bill. Rule 348 says:

“...to the introduction of the Bill or the moving of the amendment”.

There, the wagon is properly attached to the coach. Under article 117(1), you need President's recommendation only for introduction of a Bill or for the moving of an amendment. As far as article 117(3) is concerned, it does not apply in this case. It applies only in cases where expenditure from the Consolidated Fund of India is involved. It is not involved here. Therefore, recommendation under article 117(3) is not necessary. Recommendation under article 117(1), already obtained, is good enough.

SHRI SRINIBAS MISRA: Article 117 (1) uses two words: introduced or moved. What is moved according to rules is explained in rule 74 where the heading is “Motion after introduction of Bills”. Therefore any motion after the introduction of a Bill is not a motion for introduction. After introduction, what are the motions? According to rule 74, they are the motion that the Bill be taken into consideration etc. Motion is only the known form of move. There is no other meaning. Moving for consideration is a motion after introduction. For that purpose, introduction and moving are to be taken together and for moving also recommendation of the President is necessary.

The Parliamentary Affairs Minister referred to rule 348, but he had no patience to read it till the end. There are alternatives given there and the recommendation of the President will apply to each one of the alternatives. The last alternative is “or recommends to the House the consideration of the Bill”. So, the form prescribed also mentions motion for consideration which should get previous consent. Here there is no previous consent for consideration and therefore, he cannot move it.

MR. DEPUTY-SPEAKER: The main issue before the House is, the recommendation of the President for introduction has been obtained, but recommendation has not

[Mr. Deputy-Speaker]

been obtained for consideration. Before I give my ruling, I would like to ascertain from Government whether this Bill involves any expenditure from the Consolidated Fund of India.

SHRI RAGHU RAMAIAH: No, Sir.

MR. DEPUTY-SPEAKER: I would draw the attention of the House to article 117(3) which reads thus:

"A Bill which, if enacted and brought into operation, would involve expenditure from the Consolidated Fund of India shall not be passed by either House of Parliament unless the President has recommended to that House the consideration of the Bill."

The Government has said very clearly that this Bill does not involve any expenditure from the Consolidated Fund of India. Therefore, a specific recommendation from the President for the consideration of the Bill is not necessary.

The hon. Minister may resume his speech.

SHRI RAM SEWAK: The statutory rate of protective duty of raw silk, under item 46 of the First Schedule to the Indian Tariff Act, 1934, is 60 per cent *ad valorem* plus Rs. 8.80 per kilogram. At the time of the devaluation of the rupee on the 6th June, 1966, this duty was, by a notification under section 4(1) of the Indian Tariff Act, reduced to 50 per cent *ad valorem* plus Rs. 8.80 per kilogram. In view of an unprecedented rise in the price of raw silk from Japan, and a consequent shrinkage in imports and abnormal rise in the prices of indigenous raw silk, the protective duty on raw silk was further reduced, by another notification dated the 28th March, 1968, to 30 per cent *ad valorem* without any specific duty. Since then the effective rate of protective duty on imports of raw silk has continued at the same level, namely 30 per cent *ad valorem*. The Tariff Commission have recommended the continuance of protection at this effective rate of duty and the Bill makes the necessary provision in this regard.

The scheme of protection to the sericulture industry covers, in addition to raw silk, products such as silk yarn, silk sewing thread, silk fabrics and also silk waste. There is

an elaborate gradation of the rates of protective duty on different varieties of silk yarn, silk fabrics etc.

In its report on the sericulture industry the Tariff Commission has also made a number of ancillary recommendations. The decisions taken on these recommendations have been announced in the Resolution which with the report, has already been placed on the Table of the House, and necessary follow-up action is being taken by Government. The present Bill seeks to give effect to the recommendation of the Tariff Commission for continuance of protection to silk and silk products.

With these words, Sir, I move.

MR. DEPUTY-SPEAKER: Motion moved:

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

SHRI TENNETI VISWANATHAM: Sir, I sent you a note just now.

MR. DEPUTY-SPEAKER: I have not been able to look into it.

SHRI TENNETI VISWANATHAM: It is somewhat serious. I was not here at that time.

MR. DEPUTY-SPEAKER: Let me dispose of this, then I will come to you. I did not get the time even to read your note.

SHRI TENNETI VISWANATHAM: It will take a long time. An alarming news was given by the All India Radio that there was fisting in the House before the House adjourned. So, I came now.

SHRI HEM BARUA (Mangaldai): Though the 1.30 English news bulletin of All India Radio said that there was fisting in this House, people were about to exchange blows.

MR. DEPUTY-SPEAKER: Let me go on with the business of the House.

SHRI SRINIBAS MISRA: Sir, I want some clarification of the notes regarding this Bill. For people like me who do not understand it he has to explain these things. According to the rule, the duty is 30 per cent but the copy is wrong because the copy shows 60 per cent.

MR. DEPUTY-SPEAKER: When you speak you can make this point. You will get your chance.

14 55 hrs.

# PETITION RE-DEMANDS OF STUDENTS AND YOUTH

श्री रवि राय (पुरी): उपाध्यक्ष महोदय, मे विद्यार्थियों और युवजनों की मांगों के बारे में एक याचिका पेश करता हूँ जिस पर श्री सुरेन्द्र विक्रम और अन्य व्यक्तियों के हस्ताक्षर हैं।

# INDIAN TARIFF (AMENDMENT) BILL—Contd.

MR. DEPUTY-SPEAKER: Now, we have spent a lot of time on the constitutional and other matters. The time allotted for this Bill is two hours. We should try to confine to that. The division of time is as follows :—

Congress (Opposition)	12	minutes
Swatantra	08	"
Jana Sangh	06	"
D.M.K.	06	"
C.P.I.	06	"
C.P.M.	04	"
S.S.P.	04	"
P.S.P.	04	"
U.I.P.G.	06	"
B.K.D.	02	"
Unattached	06	"
Congress	44	"

SHRI HIMATSINGKA (Godda): Mr. Deputy-Speaker, Sir, the sericulture industry is a very necessary industry. The quantity that is produced in the country is very small and a very large amount of it is being imported. The Tariff Commission having made the necessary enquiry have recommended that it needs protection. They have made these recommendations on that basis.

The Bill has come to give effect to the recommendations made by the Tariff commission. It is absolutely necessary that this important industry should be encouraged and it should be protected from competition from outside. With these words,

I support this measure. I do not have much to say on this and take the time of the House. I do not take any more time of the House even though you have given me so much time.

SHRI S. S. KOTHARI (Mandsaur): Mr. Deputy-Speaker, Sir, the Tariff Commission is a valuable institution which has built up over a period of years expertise, qualified staff and a rich tradition. But what I have been deeply concerned about during the last few years is that attempts have been made to denigrate the Tariff Commission and the Government has not cared to give due importance to it or even to defend it properly. The consequence has been that, gradually, its importance is being reduced. Now that the imports are being allowed within the country to an increased extent, I believe, the tariffs have acquired importance as an instrument of planned policy and, as a consequence to the changes in the economic situation, more and more importance will have to be to tariffs.

Besides, the Administrative Reforms Commission has also recommended that the Tariff Commission should be given a different shape. I am surprised that like Nero the Administration Reforms commission wants to demolish and reconstruct. The fact is that they want the Commission to be re-named as the Commission Costs, Prices and Tariffs. The idea is that the functions of this Commission should be expanded. In my opinion, there is no need of abolition or anything of the kind. The Commission may or may not be re-named or christened. It makes little difference by whatever name you call it. So long as rose is a rose, by whatever name you call it, it makes little difference. But the main point is that the Tariff Commission's functions must increase. It should be allocated further duties so that its expertise is used to the greatest advantage in the interest of the nation. Before I go into the further functions which should be allocated to the Tariff Commission, I should like to make two or three points with regard to the Commission's functioning so that its importance may increase.

15 hrs.

Firstly, the Government's complaint is that the Tariff Commission takes a con-

[Shri S. S. Kothari]

siderable amount of time in giving its report. I think, it is necessary that the Commission should streamline its procedures and with the requisite staff—it can recruit additional staff, cost accountants, as necessary—it should see that its reports are expedited.

Secondly, in the determination of the price of any commodity, the Tariff Commission must ensure that it provides for rehabilitation-of-machinery allowance. Many of the industries in the country have become rather old; particularly in the case of cotton and sugar, the machinery have become old and worn-out over a period of years. It is, therefore, necessary that, in calculating the fair price for any commodity that is referred to the Tariff Commission, rehabilitation allowance in respect of machinery should be accounted for. Then, it should provide for a fair return on the capital employed; this is necessary to ensure that the industry develops properly and is enabled to plough back and re-invest the profits for expanding that industry. Thirdly, in an inflationary regime, it is necessary that the Tariff Commission also provides for what is known as 'escalation clause'. This means that if the prices of raw materials or the various components that enter into the price of any commodity increase, in that event the prices that are sanctioned by the Tariff Commission should automatically increase. These three factors must be taken into account by the Tariff Commission and then it would be able to arrive at prices which would be fair and reasonable.

The Tariff Commission Review Committee stated that in imposing statutory control over prices, the Tariff Commission shall always be consulted. But at times what happens in that certain government department decides to impose certain pre-determined price and having pre-determined the price, they say that because it would take time they would not refer the matter to the Tariff Commission but would appoint some *ad hoc* departmental committee. That is a negation of the legitimate processes with regard to the tradition that has been established that all matters with regard to price-fixation shall be referred to the Tariff Commission. If it goes to the Tariff Commission, being an expert body they would recommend fair prices, but the

Government, as I said, predetermine the prices and then refer to some *ad hoc* committee which just makes a show as if it is recommending fair prices but actually arrives at the conclusion concurring broadly with the pre-determined prices. This is not correct, fair and proper, and in all cases of price-fixation, Government must refer the matter to the Tariff Commission which would indicate fair prices on the basis of its expert examination.

With regard to the functions of the Tariff Commission, I should like to make two important points. Firstly, the public sector enterprises have been functioning in a manner which is not conducive to efficiency whereby the costs have been increasing all-round; owing to high costs of operation, many of the public sector enterprises are running in a loss. If those concerns are to run efficiently, it is imperative, in the national interest, that their prices, costs, should be properly controlled, and it is necessary that there should be what I would call 'cost reduction vigilance studies'; cost reduction vigilance studies should be conducted in respect of all public sector enterprises, and that can be done by the Tariff Commission. That should be an important function assigned to this Commission and as a consequence, they could identify and indicate the areas of weakness in the public sector enterprises, where those enterprises are losing money.

1505 hrs.

[SHRI K. N. TIWARI IN THE CHAIR].

These cost studies or cost reduction vigilance studies could be of great utility in improving of the functioning and efficiency of public sector enterprises and in reducing the cost of operation of these enterprises which would also result in improving their financial performance and financial results and reduce their losses. Besides, with regard to the determination of the prices of public sector enterprises products, there also the function could be entrusted to the Tariff Commission to examine as to what should be the fair prices of the products which are produced by these public undertakings. If these functions with regard to the examination of the costs and examination of the prices of



products of public undertakings are taken up by the Tariff Commission, I believe it could be a very important body, the functioning of which would ensure to the benefit of the country and would considerably assist in improving their performance.

I would also suggest that the exercises by the Planning Commission could benefit considerably if the function was also allocated to the Tariff Commission in the sense that their studies of prices and costs in respect of selected industrial products should be taken up by the Planning Commission. It would also help the Government in evolving a rational policy in respect of the prices of industrial products, raw materials and intermediate goods. In our economy the prices of many commodities, particularly, industrial products, raw materials and intermediate goods are in certain cases controlled or rather determined by the Government of India. There the Planning Commission has a voice. It also participates in the exercise and if it takes the assistance of the Tariff Commission, I believe this could assist considerably in arriving at industrial prices which would be reasonable and fair not only to the industry but also to the consumers because, in a democracy the interests of the consumer should be sovereign. That is something which this Government does not recognize.

I would like to refer to another very important point. Although the Ministry of Company Affairs and Industrial Development may not be represented here now, I hope the Ministry here concerned would refer it to that Ministry. This is with regard to cost audit. It was recommended that the Company Law Department in prescribing cost audit should consult the Tariff Commission. I do not know if they have consulted. If not, they should consult them in future. The point that I am trying to make is that it is provided in the Companies Act that qualifications shall be prescribed for Chartered Accountants who might also undertake cost audit. The Company Law Department for the last 3 years or more than three years have not prescribed any qualifications. It is probably implied that

this audit should go to the Cost Accountants. The fact is that the profession of Cost Accountants has not developed to that extent and as a consequence, what is happening is that the Managing Agency in certain cases is finding Cost Accountants from their own group, setting them up as dummy cost accountants firms and allocating them the cost audit. The very purpose for which cost audit was established is thereby defeated. I am sounding a note of warning that if the big firms or at least the established firms who are able to resist any pressure or influence by the managing directors or the directors are not appointed to undertake cost audits, and only the large chartered accountant firms come into the picture, then I think the purpose of cost audit would be defeated, and it is for the Company Law Department to take notice of this warning and to prescribe the necessary qualifications. The cost audit profession must come up. It is in the country's interest. Any effort to prescribe to them such audits as they are not in a position to undertake satisfactorily would only lead to the purpose of cost audit being defeated.

Coming to the sericulture industry, protection is necessary and it should be continued. But the progress that the sericulture industry has made during the past few years is not satisfactory. It is slow and it is poor, and today it is known that the quality of the Indian cocoons silk is so poor that whereas one-sixth of the Japanese cocoon material is silk, in India, it is only one-fifteenth....

SHRI JYOTIRMOY BASU : (Diamond Harbour) : Even less.

SHRI S. S. KOTHARI : Therefore, it is necessary that while the Tariff Commission should definitely give protection, it should also see that the Ministry which is looking after this sericulture industry makes efforts to improve the quality of Indian cocoons and that the sericulture industry is able to reach its consummation so that it is able to produce quality products and that the quality of Indian cocoons improves, and to the extent that protection helps it, I think it is most welcome.

[Shri S. S. Kothari]

I have indicated the various functions that should be allocated to the Tariff Commission and if that is done, I think that this expert body which is a national institution of importance would be of greater help and benefit to the country ; if in the exercises for in determining the costs of commodities.

**SHRI JYOTIRMOY BASU** : It is a great protector of monopolists.

**SHRI S. S. KOTHARI** : Its great potentialities should in my opinion be properly utilised. Therefore, the Tariff Commission should be given its due importance. If the staff needs to be strengthened, then that should be done. If some cost accountants or chartered accountants have to be added to the staff of the Tariff Commission that should also be done. The functions of the Tariff Commission should be enlarged so that as the ARC has recommended, it becomes in effect a commission on costs, prices and tariffs.

**SHRI JYOTIRMOY BASU** : Cocoons do not produce tycoons, but the tycoons have grown very well.

15.14 hrs.

#### RE. ARREST OF SOME MEMBERS

**श्री राम सेवक यादव (बाराबंकी)**

सभापति महोदय, मैं एक बहुत ही महत्वपूर्ण विषय की ओर आपका ध्यान दिलाना चाहता हूँ। अभी-अभी लोक सभा के सामने शान्तिमय जलूस पर जिस में नवयुवक विद्यार्थी पूरे देश से आए हुए थे, बर्बर पुलिस के लोगों ने लाठी चार्ज किया है। महिलाओं के कपड़े फाड़े गए हैं। उनकी मांग क्या थी? उन की मांग थी कि अठारह साल उम्र के लोगों को वोट का हक दिया जाए। उनकी मांग थी कि बेकारों को भत्ता दिया जाए। इस सरकार ने दो मापदंड अपना रखे हैं। इन्दिरा जी के समर्थन में जब प्रदर्शन किया जाता है तब सरकार को धारा 144 से कोई मतलब नहीं रहता है, उस प्रकार का प्रदर्शन पुलिस के साये के नीचे होता है लेकिन दूसरा प्रदर्शन जो शान्तिमय ढंग से भी हो रहा होता है, उसको आगे आने

नहीं दिया जाता है, उन प्रदर्शनकारियों के साथ इस प्रकार का बर्बर व्यवहार किया जाता है। सदस्यों तक से दुर्व्यवहार किया गया है।

**सभापति महोदय** : आपने अपनी बात रख दी है।

**श्री राम सेवक यादव** : मैं एक मिनट में खत्म कर रहा हूँ। एक सरदार लड़का है उसको बहुत बुरी तरह से चोट आई है। पुलिस बहुत ज्यादाती कर रही है। धारा 144 नहीं रहनी चाहिये। लोगों को शान्तिमय ढंग से प्रदर्शन करने की इजाजत होनी चाहिये। जिन्दाबाद सुनने को प्रधान मंत्री को शौक रहता है, अपने समर्थन में बानें सुनने का प्रधान मंत्री को शौक रहता है तो लोगों की जो न्यायोचित मांगें हैं, उनको भी तो उनको सुनना चाहिये। इस तरह से जो लोग लोक सभा के सामने अपनी मांग ले कर आयें, उन पर पुलिस द्वारा लाठी-प्रहार, उन के साथ ज्यादाती और बुरा बर्ताव बहुत ही निन्दनीय है। मैं चाहूंगा कि सरकार इस पर बयान दे, गिरफ्तार किये हुए विद्यार्थियों को तत्काल छोड़ा जाये और उन पर जो लाठी-चार्ज किया गया है, उस की न्यायिक जांच हो। आप मंत्री महोदय को इस बारे में बयान देने के लिए कहें (व्यवधान)

**श्री जार्ज फ़रनेन्डो** : (बम्बई दक्षिण) : दफा 144 को हमेशा के लिए हटा दिया जाये। (व्यवधान)

**श्री रवि राय** : (पुरी) : एक महीना पहले प्रधान मंत्री की तारीफ करने के लिए लोक सभा के सामने एक जलूस आया था और उन लोगों को इजाजत दे दी गई थी, जब कि हम लोगों को नहीं दी गई है। यह एक महत्वपूर्ण सवाल है। जो लाठी-चार्ज हुआ है, उस की जांच की जाये। (व्यवधान)।