

12.39 hrs.

INDIAN TARIFF (AMENDMENT)  
BILL

**The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah):** Sir, I beg to move:

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

I do not want to take much time of the House on elaborating the different aspects of these industries. This Bill mainly seeks to amend the Indian Tariff Act, 1934, in order to give effect to Government's decisions on certain recommendations of the Commission which are:

- (a) to continue protection beyond the 31st December, 1962 in the case of sheet glass, certain articles falling under non-ferrous metals and ball-bearings; and
- (b) to discontinue protection with effect from the 1st January 1963 on a large number of industries, namely, stearic acid and oleic acid, certain articles falling under non-ferrous metals and plastics (P.F. Moulding powder).

A review of antimony industry was undertaken on the basis of the recommendations of the 1958 report. There is no change either in the existing *ad valorem* duty or the existing period of protection.

Copies of the Tariff Commission's reports on all these industries and of Government's resolutions containing the Government decision thereon have been laid on the Table of the House and circulated to all Members. The notes circulated to the Members contain a gist of the Commission's recommendations for the continuance or discontinuance or for expansion of the scope of protection as the case may be in each case. Hon. Members will no doubt have gone through these documents and I therefore need not take up their time at this juncture.

Protection, as an instrument of industrial development has come to be employed by Government since the first Fiscal Commission made its recommendations in 1921.

In recent years, several times, this issue has been raised, namely, when the country is undergoing difficulties of foreign exchange and when import restrictions are already there, why it is necessary to continue this system of protection through tariff or otherwise. I had the occasion to explain before the House that this helps us in several ways, because we then judge the performance pertaining to every industry that has secured protection and those industries that are of consumer goods for quality for the consuming public. This gives us an opportunity to see that the progress is in the right direction and also to see that protection does not continue beyond what is the minimum possible time-limit that any industry requires to get on its own feet or that the prices charged are not excessive to the consumers. These are all the features which are very well-known to the Members of the House and therefore I need not elaborate on them.

There were 34 industries on the protected list on 1st January, 1959. On the recommendations of the Commission, the permission granted to ten of these industries has since been withdrawn. It is in line with our general policy to withdraw the protection from all the industries as early as possible. Last year, out of the remaining 24 protected industries, titanium dioxide, electric motors, calcium carbide, soda ash and caustic soda industries were reviewed and in all these industries protection was extended with a view to allow the industries to stabilise their position.

**Shri Bade (Kharagone):** May I know why this protection was taken away? Is it because they were not progressing very well and were not taking

advantage of it, or is it because that the Government feels that the protection is not beneficial to the public?

**Shri Manubhai Shah:** Protection was withdrawn because the industry does not need any economic or tariff protection. It has developed well, and it has gained from strength to strength. These prices are commensurate with the international prices, and therefore that has been the policy of tariff protection right from the inception of the Tariff Board—that no industry should enjoy protection even a day more than what is absolutely justified from the economic working and the expansion of the industry. So, it is not a matter of merely using the discretion but to have a thorough examination of the stage to which any particular industry has developed before the protection is allowed to be granted or allowed to be withdrawn.

The Reserve Bank of India's financial analysis of the working of joint stock companies during 1958-1960 shows that the period witnessed general improvement in the financial structure of industries, and the processing and manufacturing group, to which most of the protected industries belong, showed considerable progress.

The Government is anxious that the burden on the consumer, as I said, imposed by protection is reduced to the minimum possible. It is pertinent to say that though certain industries were de-protected during the last three years, in the case of certain others the scheme of protection was restricted by the removal of certain items like copper and brass sheets and bare copper conductors from the protected list. While the process of de-protection continues, even in generic group of industries, whichever industrial items have come to size or have come of age and do not need any more protection, they are deleted from the list of the protected industries. In several cases, the quantum of protection also gets reduced when we find

that the original quantum is no more necessary. There was no enhancement of protective duty even where theoretically justified, while in the instance of diesel fuel injection equipment the duty was considerably reduced. With a view to safeguarding the consumer interests a close watch is also kept by the Government and the Commission over prices, quality and availability of protected products.

The quality of protected commodities has also generally improved. The industries concerned have generally made satisfactory progress. There are observations by the Tariff Commission in regard to the ball-bearing industries and the consumer industries and they have taken notice of the complaints against quality, but, by and large, in more than 90 to 95 per cent of the sector of the protected industries, the quality has come up to international standards and this is due to the watch-dog position which the Government as well as the Tariff Commission have been exercising on the protected industries.

I shall now deal with the industries reviewed by the Tariff Commission, though not in very considerable detail. I will only mention their names, because the hon. Members have all the details before them. As I said, time is more important to us in these emergent days for other more important work. So, I would not dilate on them. Firstly, there is the sheet glass industry on which there has been tremendous progress as shown in the brochure. The non-ferrous metals industry has also made considerable progress, and only the following items of non-ferrous metals and alloys are enjoying protection, namely, copper rods other than electrolytic copper rods, copper pipes and tubes, lead sheets other than sheets for tea-chests, zinc sheets not otherwise specified, brass pipes and tubes and brass rods.

Then in the industry of ball-bearings, there has been considerable progress. As a matter of fact, we are

[Shri Manubhai Shah]

also considering the putting up of a project for ball-bearing, a ball-bearing factory, in the public sector which will make the country near-self-sufficient in several varieties of ball-bearings. So, also in the stearic and oleic acid industries, we have improved as detailed in the brochure. In the plastic industry, I am quite happy to say and mention before the House that we have made very great progress in the production of raw materials and the primary organic chemicals and intermediates required by the plastic industry, and it has grown from strength to strength. Even in the export angle of these industries, many of them are now playing a considerable role.

I need not take any further time of the House and I only say that in respect of those industries which have been enjoying protection for a longer period, it has been our endeavour to de-protect them as early as possible and it is only for those inescapable industries that I have come up with these proposals to continue the protection or to levy new protection at reduced rates.

With these words, I beg to move that the Bill be taken into consideration.

**Mr. Speaker:** Motion moved:

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

**श्री बड़े** अध्यक्ष महोदय, इंडियन टैरिफ़ अमेंडमेंट बिल जो हाउस के सामने पेश है उस के कुछ अंशों के बारे में मेरा विरोध है। फ्री ट्रेड जो रहती है वह नहीं रहनी चाहिए और अपनी खुद की जो इंडस्ट्रीज़ हैं उन को प्रोटेक्शन मिलना चाहिए। इस वास्ते ऐट दी कौस्ट ऑफ़ दी कंज्यूमर्स, बाहर का जो माल आता है नये होम के लिए टैरिफ़ वाल निर्माण की जाती है और वह टैरिफ़ वाल उन इंडस्ट्रीज़ को प्रोटेक्शन देगी। इस वास्ते

कंज्यूमर्स को मंहगा माल लेने में हर्जा नहीं। लेकिन बाहर का माल अन्दर आने नहीं देंगे इस वास्ते बहुत बड़ी वाल फ्रीट की जाती है और वह दिवार धीरे धीरे गिरती जाती है और डिमौलिश होती जाती है।

टैरिफ़ वोल का एक प्रिंसिपल है। वह प्रिंसिपल पहले ब्रिटिश इंडिया में नहीं चलता था क्योंकि वह अपनी इंडस्ट्रीज़ प्रोटेक्ट नहीं करना चाहते थे लेकिन वे भी इस टैरिफ़ वोल का उपयोग करते थे क्योंकि वह यह चाहते थे कि केवल ब्रिटिश के माल के सिवाय और कोई दूसरा माल देश के अन्दर नहीं आना चाहिए। इस लिए ब्रिटिश माल के लिए तो टैरिफ़ वाल नहीं थी, लेकिन बाकी के देशों से जो माल हिन्दुस्तान में आता था, उस के लिए उन्होंने टैरिफ़ वाल का निर्माण किया। इसी प्रकार से उस टैरिफ़ वाल का फ़ायदा उठा कर, उस टैरिफ़ प्रोटेक्शन का फ़ायदा उठा कर, अपनी इंडस्ट्रीज़ को प्रोटेक्शन देने के लिए यह टैरिफ़ प्रोटेक्शन एक्ट या इंडियन टैरिफ़ एक्ट बनाया गया।

इस बिल के सम्बन्ध में मेरा मुख्य आब-जेक्शन है बाल बियरिंग्स के बारे में। बाल-बियरिंग्स की ऐसी कथा है कि उस की दो इंडस्ट्रीज़ हैं। एक तो जयपुर में नेशनल इंजीनियरिंग इंडस्ट्रीज़ है, जो कि लार्ज-स्केल इंडस्ट्री है। दूसरी एक छोटी इंडस्ट्री थी, जिस का नाम था धीरजलाल एंड कम्पनी। उस को बड़ा कर के उसे एन्टी-फ़िज़न बियरिंग कार्पोरेशन का नाम दिया गया है। इस के अलावा बाल-बियरिंग का निर्माण करने वाली बाकी ३६ स्माल-स्केल इंडस्ट्रीज़ हैं, जिन में से ३४ पंजाब में, १ दिल्ली में और एक कलकत्ता में है।

मैं यह निवेदन करना चाहता हूँ कि स्माल स्केल की तरफ़ शासन का कुछ भी ध्यान नहीं है। इस के विपरीत टैरिफ़ कमीशन ने, जोकि हर साल अपनी रिपोर्ट देता है, अपनी रिपोर्ट

में कहा है कि स्माल स्केल इंडस्ट्रीज को प्रोत्साहन नहीं देना चाहिए, क्योंकि उन में अच्छा माल नहीं निर्मित होता है। जिस प्रकार से जापान में बाल-बियरिंग्स तैयार करने के छोटे छोटे कारखाने हैं, वैसे कारखाने यहां भी स्थापित करने के लिए छोटी इंडस्ट्रीज को प्रोत्साहन दिया जाना चाहिये, बल्कि उन को डिसकरेज किया जाता है।

जहां तक जयपुर की नेशनल इंजीनियरिंग इंडस्ट्रीज का सम्बन्ध है, उस को १९५२ से १९६२ तक, दस साल तक, प्रोटेक्शन दिया गया, फिर भी उस ने कोई प्रोफिट नहीं की है। इतना ही नहीं, उस का माल इतना खराब होता है कि कारखानेदार उस को उपयोग में लाने के लिए तैयार नहीं हैं। उन्होंने कमीशन के सामने एविडेंस दिया है कि उस को इतना प्रोटेक्शन दिया जाता है और उन को बाहर से माल नहीं लाने दिया जाता है, लेकिन उस के बालबियरिंग्स खराब होने की वजह से बड़ी कठिनाई होती है। उन्होंने बताया कि जब इन बालबियरिंग्स को उपयोग में लाया जाता है, तो उन से श्रावाज होती है। इस के उत्तर में उन को कहा गया कि इस बारे में इंस्ट्रक्शन दे दी गई हैं। लेकिन अभी तक वह श्रावाज होती है। इतना ही नहीं, वे बाल-बियरिंग्स जल्दी जल जाते हैं। इस के बारे में कोई इंस्ट्रक्शन नहीं दी गई है और न ही इस बारे में शासन का कोई कंट्रोल है। यही नहीं, ये बाल-बियरिंग्स महंगे बेचे जाते हैं। जब इस बारे में प्रश्न किया गया, तो यह उत्तर दिया गया कि यह तो इन्डिजिनस इंडस्ट्री है, अभी तक यह दस साल का बच्चा है। लंगड़े आदमी को चलने के लिए कुबड़ी दी जाती है। मैं यह पूछना चाहता हूँ कि इस इंडस्ट्री को टैरिफ़ वाल के रूप में कब तक कुबड़ी दी जाती रहेगी। जब इस इंडस्ट्री को प्रोटेक्शन दी जाती है, तो यह भी देखना चाहिए कि वह किस प्रकार काम करती है।

टैरिफ़ वाल का निर्माण तो एट दि कास्ट आफ़ कन्ज्यूमर्ज़ किया जाता है। वह माल

खराब, रट्टी और महंगा होता है और कहा यह जाता है कि नेशनल इंडस्ट्रीज को प्रोत्साहन देना है, इसलिए टैरिफ़ वाल का निर्माण किया जाता है। १९५२ में जब इस को प्रोटेक्शन दिया गया था, तो यह आश्वासन दिया गया था कि यह प्रोटेक्शन सिर्फ़ पांच छः साल के लिए दिया गया है। फिर उस को १९६२ तक प्रोटेक्शन दिया गया। अब १९६२ में यह कहा जा रहा है कि १९६५ तक प्रोटेक्शन दिया जायगा। मैं माननीय मंत्री जी का ध्यान इस तरफ़ दिलाना चाहता हूँ कि कमीशन ने अपनी रिपोर्ट के पेज ३६ में कहा है :

"There are complaints that despite ten years of protection and large expansion of production, prices have not been brought down and are still considerably higher than imported prices."

शासन ने टैरिफ़ कमीशन के इस रिमार्क की तरफ़ कोई ध्यान नहीं दिया है। अपने भाषण में भी माननीय मंत्री जी ने यह नहीं कहा कि हम प्राइसिज को नीचे करने जा रहे हैं या हम प्रोडक्शन को अच्छा करना चाहते हैं, वे बाल-बियरिंग्स जो श्रावाज करते हैं, उस की तरफ़ हमारा ध्यान है।

नेशनल इंजीनियरिंग इंडस्ट्रीज का कहना है कि हम को इम्पोर्ट लाइसेंस नहीं मिलता है, अगर हम को मिले, तो हम बाहर से मशीनरी लायें और अपनी इंडस्ट्रीज को बढ़ाये और ज्यादा मिनि करें। उन्होंने कहा है —

"National Engineering Industries which had received an industrial licence for substantial expansion (1.5 million bearings) in 1960 and was expected to complete this expansion by 1962 has not yet been able to secure import licence.....".

यह देरी क्यों होती है ? उनको इम्पोर्ट लाइसेंस क्यों नहीं मिला ? वह १९६० से आज तक पेंडिंग क्यों पड़ा हुआ है ? इन बातों

[श्री बड़े]

के बारे में माननीय मन्त्री जी ने खुलासा नहीं दिया है। नेशनल इंजीनियरिंग इंडस्ट्रीज के बारे में कम्प्लेंट है कि बाल-बियरिंग के बारे में उस की मानोपाली हो गई है और जोती एण्ड श्रादर, जय इंजीनियरिंग कम्पनी तथा किलोस-कर इलेक्ट्रिक कम्पनी, बंगलौर, ने इन बाल-बियरिंग के बारे में अपना डिस्ट्रीटिफिकेशन प्रकट किया है। उनको ये बाल-बियरिंग उपयोग में लाने के लिये कम्प्ले किया जाता है। एक फ़ारेन कम्पनी ने कहा था कि अगर इन बाल-बियरिंग पर हमारा सिक्का, मार्क, लगाया जाये, तो उनको स्टैण्डिंग क्वालिटी का समझा जाये, लेकिन ऐसा नहीं किया गया।

विलेज इण्डस्ट्रीज में जो बाल-बियरिंग तैयार होते हैं, वे साइकल, साइकल रिक्शा, पम्पस, आयल फ़ायरिंग और पानी निकालने के रूटों में काम में आते हैं। वे सस्ते बच्चे आते हैं। लेकिन शासन ने या इस कमीशन ने इन स्माल इण्डस्ट्रीज की तरफ कोई ध्यान नहीं दिया है। इसके विपरीत उन्होंने कहा है कि उनको सहायता या महत्व देने की जरूरत नहीं है, क्योंकि वे रूटी बाल-बियरिंग तैयार करती हैं। मैं निवेदन करना चाहता हूँ कि विलेज इंडस्ट्रीज को ज्यादा महत्व दिया जाना चाहिए और उनको नई नई मशीनें लगाने लगाने की सुविधा प्रदान की जाये, ताकि वे और भी अच्छा माल तैयार कर सकें। शासन विलेज इंडस्ट्रीज का इतना नारा लगाता है, लेकिन उन को प्रोत्साहन नहीं देता है।

अध्यक्ष महोदय, मैं इस बिल के बारे में अग्मेंडमेंट देता, लेकिन कल पांच बजे यह बताया गया कि यह आज आने वाला है, इसलिये मैं ऐसा नहीं कर सका।

अध्यक्ष महोदय : माननीय सदस्य अब दे दें। मैं इजाजत दे दूंगा।

श्री बड़े : कठिनाई यह है कि मेरे पास सैक्रेटरी नहीं है। इसको स्टडी करके देना पड़ेगा, इसलिये मैं नहीं दे सकता।

इन शब्दों के साथ मैं बाल-बियरिंग के प्रश्न पर इस बिल का विरोध करता हूँ।

Shri Sham Lal Saraf (Jammu and Kashmir): Mr. Speaker, Sir, while supporting this Bill, I feel that the hon. Member who preceded me has not correctly interpreted the idea of the Tariff Commission, when Government comes up with a Bill like this before the House on the recommendation of that Commission. These are two different and separate functions—that of the Tariff Commission and to check the price of commodities that would be manufactured in the country. Keeping that in view, an institution like the Tariff Commission in our country is always welcome, because it serves like a watch-dog, as the Minister said, with regard to the working of the industry, the progress maintained and there is also the very important factor as to what industries need to be protected, more particularly in a country like ours that has just started taking to industrial development.

My hon. friend may know that the tariff protection is not to benefit the industry, but it is just to protect the industry so that it can stand on its own legs. Tomorrow when you find that it can stand competition from outside, the tariff protection should go. The fittest reply to critics who ask what this Government has been doing for the last 10 years is that in a country like ours, with a vast population, we have laid the industrial base and on that base, we can build up our edifice today. Therefore, the functioning of the Commission may not be confused with other agencies that may be working in the Government. The Tariff Commission is, therefore, a

welcome institution. It has helped not only the industry, but the trade and commerce of the country as well. We are entering into the foreign market and, as such, are entering into competition. Equally, we have to invite that competition in our own country also; of course,—I agree with him—not at the cost of our own industry. Once we see that with all the help that is available, with all the help that we can give, our industries take root, they come of age, such protection should be removed and they should be left open to competition with foreigners so that we can have a hold on the foreign market.

13 hrs.

This is also indicative of the progress that we are achieving, the progress that we have achieved. I would like to place one or two points before the hon. Minister. You are continuing your protection to certain goods: There is non-ferrous metals. With regard to non-ferrous metals the demand is terrific all over the country. The geological surveys have indicated that in a number of places within our own country we have copper, zinc, lead, antimony etc. For instance, in my own State from where I come,—the Tariff Commission speaks much about antimony—in some parts of my State like Kishtwar and Badharwah you will see lumps of antimony lying there. In the words of that great German "financial Wizard"—I forget his name.....

**Shri Hari Vishnu Kamath**  
(Hoshangabad): Dr. Schacht.

**Shri Sham Lal Saraf:**..... Yes, Dr. Schacht. These metals are "ready money." Therefore, strenuous efforts should be made to work out these non-ferrous metals that are in abundance in our country. Most of the places may not have been listed. Our attempt should be, especially in view of the emergency that has arisen—we do not know how long it will last—to give more and more attention to the

working out of these non-ferrous mines and to improving the metallurgical industry.

Again, while you have protected the imports of these non-ferrous metals, sheet glass and ball bearings, you are, at the same time removing this protection from copper rods, lead sheets etc. That is an indication that as far as the processing of these non-ferrous metals is concerned, that industry has gone ahead. I would, therefore, like to congratulate this Ministry for having shown this result.

Keeping all this in view, Sir, I welcome this Bill. As far as the question of continuing this protection is concerned, certainly we agree with the Government. At the same time, as I have said, Government will do its utmost, especially during this emergency, to work out the non-ferrous mines and see that the metallurgical industry grows with the maximum speed possible. Also, where protection is due, that protection must be given as otherwise it will be difficult for us to set up our industries or competing in the foreign markets.

With these few words, Sir, I support the Bill.

13.05 hrs.

#### RE: EXTENSION OF SESSION

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** Mr. Speaker, Sir, with your permission I rise to make the following announcement. I had a meeting with leaders and representatives of various groups in the Opposition as also some other Members of Parliament, and discussed with them the question of duration of the present session of Parliament. As majority of the representatives of various parties were of the view that the present session of Parliament may continue upto the 11th of December as originally planned, the Government have accepted their suggestion.