

[Mr. Chairman.]

Government to arrest the growth of unemployment in the country nor does it indicate any steps to check it in the future'."

The motion was negatived.

MR. CHAIRMAN: The question is:

"That an Address be presented to the President in the following terms:

"That the Members of the Rajya Sabha assembled in this Session are deeply grateful to the President for the Address which he has been pleased to deliver to both the Houses of Parliament assembled together on the 21st February, 1955'."

The motion was adopted.

SHRI BHUPESH GUPTA: Sir, I want to direct your attention to a telegram which I have received.....

MR. CHAIRMAN: If you have received a telegram, you come to me and show it to me, and then we will discuss it.

SHRI BHUPESH GUPTA: May we have the pleasure of your.....

MR. CHAIRMAN: We proceed now to the third reading of the Imports and Exports (Control) Amendment Bill, 1954.

[MR. DEPUTY CHAIRMAN in the Chair.]

THE IMPORTS AND EXPORTS
(CONTROL) AMENDMENT BILL,
1954—continued

SHRI BHUPESH GUPTA (West Bengal): Mr. Deputy Chairman, the reason for speaking at this third reading stage is to impress on the Government that this extension of time limit should be utilized effectively in our national interests and not in the interests of the monopolists and pro-

fiteers. We made a number of points in the course of our debate and the hon. Minister in charge of the Bill in trying to answer thought it wise to evade the issues by trying to be an imitation of his superior a little. He discovered a number of errors and went on to catalogue them as 1, 2, 3 etc. He is also suffering under a very great error and it is this that he is still thinking that he and his Government can fool all people for all times. Sir, as you will see, it is stated in the Statement of Objects and Reasons of this Bill:

"The balance of payments position, though slightly easier, will need to be watched closely and continuously to ensure the availability of foreign exchange for the purchase of goods required to sustain the rapid industrialisation envisaged in the Second Five Year Plan. On the export side also, it will continue to be necessary to rely on export controls to safeguard the interests of the consumer in respect of items that are primarily required for home consumption."

These are two important objects which have been stated in the Bill where the Government seeks the extension of time. Sir, we know, as we have said before that in the general principles, we are in support of the Government because such a measure is necessary. In fact our complaint is that the Government don't have enough controls over our foreign trade so that the foreign trade is diverted to serving the interests of the nation and the consumer, from serving the interests of the monopolists. Therefore there is no doubt about it that we stand for even greater and wider control of the foreign trade of our country. That is called for in the interests of our economy but to say this thing would not end our story. What we particularly would like to impress upon the Government is that whatever measures you may acquire, they should be utilized for achieving the objects that have been set forth in this particular statement.

In this connection I would like Government to learn from past experience and see that in future the measure is not abused and I shall presently show how it is liable to be abused by the Government. Under this Bill, when it becomes an Act, the Government will be in a position to issue certain orders and on the basis of these orders, foreign trade will be regulated—at least import and export licences will be regulated in our country. Here I would say that in the past it has been found that rules had not been framed properly keeping in view the interests of the country and the consumer. I shall give you an example to make this clear so that the Minister can guard against such contingencies or abuse of power. This Bill is nothing new. Previously it was felt that certain licences were issued with respect to the import of certain commodities and then it was said at that time in 1951.....

MR. DEPUTY CHAIRMAN: Mr. Gupta, there is nothing about rules and this is only an amending Bill. We are at the third reading stage.

SHRI BHUPESH GUPTA: I want to tell at this stage, while supporting the Bill, as to how it should be utilized and how it should be administered.

MR. DEPUTY CHAIRMAN: That is only in the first reading stage. You have made a lengthy speech.....

SHRI BHUPESH GUPTA: I deliberately kept it for the third reading.....

MR. DEPUTY CHAIRMAN: You cannot go on like that.

SHRI BHUPESH GUPTA: If you give the ruling, then I would say that you are stopping discussion on this Bill.

MR. DEPUTY CHAIRMAN: Yes, at the third reading. You can if you are to oppose the Bill but you say that you are supporting it.

SHRI BHUPESH GUPTA: I want the Government to know how this should be administered. I am not discussing clause by clause nor am I going into the details of the clauses. I have only just started. Do you want only to throw bouquets at them?

MR. DEPUTY CHAIRMAN: You have spoken at the first reading and at the consideration stage.

SHRI BHUPESH GUPTA: Supposing I want to speak for another twenty hours?

MR. DEPUTY CHAIRMAN: You cannot.

SHRI BHUPESH GUPTA: Though I have spoken, I am not.....

MR. DEPUTY CHAIRMAN: You are not opposing the Bill.

SHRI BHUPESH GUPTA: I want to know whether I can proceed with the subject. If the Chair does not give us a little help in this matter.....I have only started. I made certain points. Did the Minister answer a single point? He did not answer. It goes on record? How many points he tried to answer except that he discovered certain.....

MR. DEPUTY CHAIRMAN: We are at the third reading stage. All this is beyond the point.

SHRI BHUPESH GUPTA: I know. I consider it my duty under the RulesI shall see what is written for the third reading stage. We have got this book. Will the Secretary kindly tell us on which page this occurs?

MR. DEPUTY CHAIRMAN: It is of course competent for the House to reject it and therefore to comment on the Bill as a whole but you are supporting the Bill. Therefore all these remarks are irrelevant.

SHRI BHUPESH GUPTA: I have not voted on it.

MR. DEPUTY CHAIRMAN: You are not opposing the Bill.

SECRETARY: Rule 96.

MR. DEPUTY CHAIRMAN: Rule 96 says:

"The discussion on a motion that the Bill be passed shall be confined to the submission of arguments either in support of the Bill or for the rejection of the Bill. In making his speech a member shall not refer to the details of the Bill further than is necessary for the purpose of his arguments which shall be of a general character."

Now you are referring to rules which don't find a place in the amending Bill at all.

SHRI BHUPESH GUPTA: I am not going into the details of the Bill at all. All that I am saying is regarding the time-limit. Let me argue that point. You will quietly listen. If you don't keep an open mind, at least listen to us.

MR. DEPUTY CHAIRMAN: You cannot go on at length on the third reading.

SHRI BHUPESH GUPTA: I say that I am not here standing to go into the details of the Bill. It contains very little details anyway. I am here only to deal with certain general aspects of the Bill while I am within the scope of the discussion on the third reading which can reject or accept a Bill. You will see that this is not the first time. On many occasions (Interruption) I want to make a submission. If you interrupt like these people, then I cannot talk to you. I say that there had been occasions—by now we are fairly old in this House and an old hand at this game also. We know in this House even in the third reading, matters have been discussed even going into details. It is nothing new and general questions have been raised when Members have spoken from both sides of the House and if you think that it is going to be ruled out, then let the whole matter be discussed in the Privileges Committee. Let us think it over. When I am on

my legs, if you spring a ruling like this.....

THE MINISTER FOR COMMERCE (SHRI D. P. KARMARKAR): We agree that rules should be enforced.

MR. DEPUTY CHAIRMAN: Be brief, Mr. Gupta.

SHRI RAJENDRA PRATAP SINHA (Bihar): It is 1 o'clock.

SHRI BHUPESH GUPTA: There is no time-limit to adjourn the House.....

MR. DEPUTY CHAIRMAN: We shall finish it.

1 P.M.

SHRI BHUPESH GUPTA: If you had told me that before, much time would have been saved.

MR. DEPUTY CHAIRMAN: We can finish it, come along, in a sentence or two.

SHRI BHUPESH GUPTA: But I will not lose an opportunity of doing a public duty, of speaking on such subjects.

MR. DEPUTY CHAIRMAN: Yes, yes, please go on.

SHRI BHUPESH GUPTA: We are not here to ditto what they say; we are here to expose them and to fight for the rights of the people.

Sir, certain rules were framed under this Act. Now new rules will be framed under this Bill. I caution them as to how the rules should not be framed. I would urge upon them as to how they should be framed, and I hope I am quite within my rights there. Now, in 1951 and thereabout.....

MR. DEPUTY CHAIRMAN: But there is no clause here regarding rules in this Bill.

SHRI BHUPESH GUPTA: But you see, Sir,.....

MR. DEPUTY CHAIRMAN: You cannot go on speaking on the main Act; this is only an amending Bill. I am sorry I cannot allow it.

SHRI BHUPESH GUPTA: Then what will you allow me, Sir? Tell me that, and then I will speak. I say I approve of this Bill, but I will make a general speech.

MR. DEPUTY CHAIRMAN: You are again.....

SHRI BHUPESH GUPTA: Then what kind of speech am I to make? Please tell me that.

MR. DEPUTY CHAIRMAN: It should be relevant. You are an expert parliamentarian and I need not tell you that.

SHRI BHUPESH GUPTA: Sir, while you are in the Chair, you are not only a parliamentarian but the decisive voice. Tell me how I should make my speech. After the lunch hour I will make it.

MR. DEPUTY CHAIRMAN: Be relevant to the subject matter of this amending Bill; it has only four clauses.

SHRI BHUPESH GUPTA: I support it.

MR. DEPUTY CHAIRMAN: You can speak, but just be relevant to those clauses, that is all.

SHRI BHUPESH GUPTA: But we are not now discussing the clauses.

MR. DEPUTY CHAIRMAN: All right, the hon. Member may continue in the afternoon.

The House stands adjourned to 2-30 P.M.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at half-past two of the clock
MR. DEPUTY CHAIRMAN in the Chair.

SHRI BHUPESH GUPTA: I think we should get the procedure clear. Shall I talk on the procedure for a while, Sir?

MR. DEPUTY CHAIRMAN: Not necessary.

SHRI BHUPESH GUPTA: Then I shall speak on the Bill. From the look of the hon. Minister I feel that he is in a mood to listen.

SHRI D. P. KARMARKAR: Yes and I always am.

SHRI BHUPESH GUPTA: As I said, Sir, this measure should be supported. Naturally people will ask me as to why I am supporting this. I say it has got to be supported in the interests of the country, in the interests of the consumers and in the interests of national economy. I am, at the same time, aware of the arguments outside. Some people oppose such measures of control because they do not want to have any control and it is my duty here at this stage to advance certain arguments as to why control should be retained but in doing so, since you are reasonable and objective, we should see that their legitimate grievances are listened to and attended to by Government. It is, therefore, advisable here to keep in mind that there are certain grievances about this. You will find that clause 4 of the Bill deals with the licensing procedure. This is very important. It depends on how you administer this. I say, have, by all means, powers of licensing but see that they are properly administered. In the old days, in 1951 or so, only the essential goods were covered and they came under the purview of the *ad hoc* licensing system. Suddenly, after the formation of this present Government, this Government elected from this Parliament, the rules were changed and certain other things were brought within the purview of *ad hoc* licensing. Soda Ash is one such commodity which was not considered to be an essential commodity and yet it was brought within the purview of this *ad hoc* licensing system. In our country, this industry is a protected industry and so care

[Shri Bhupesh Gupta.]
 should have been taken in the matter of licensing Soda Ash. The rule was suddenly changed and Soda Ash, though a non-essential commodity, which does not come within the purview of the Essential Supplies (Temporary Powers) Act—there the names of the commodities are given—, was brought within the purview of this *ad hoc* licensing system. Immediately thereafter, licences were issued in the name of a firm called T. T. Krishnamachari & Sons. I do not know if that firm has any connection with the hon. Minister or not; that is beside the point. That firm was given the permit. For the first time permits were given for the period July-December 1953 and they started importing Soda Ash. A repeat permit was given for the next half year. Some unprecedented steps were taken and they gave rise to certain complaints and criticisms on the part of very many people, including businessmen. I think the Government should look into such complaints and grievances and should not just dismiss them out of court. A large number of permits were issued in the name of certain other concerns. Contrary to the assurances given by the hon. Minister for Commerce & Industry that individual permits not above the value of Rs. 3 to Rs. 4 lakhs would be issued, yet certain firms were given permits to the extent of Rs. 6½ lakhs. Biddle Sawyer & Co., and Universal Trading Co., Calcutta, were two such firms who were given such huge permits. This is another way of doing things and I think the hon. Minister should, at least in future, keep his word. He should see that the permits are given to the right persons and are distributed among as large a number of businessmen as possible so that all can have their business run.

All on a sudden again they changed their policy and started what is called 'canalising import'. This is a technical term. A Notification was issued in the *Gazette of India Extraordinary* on the 3rd February 1955 asking for offers. The Notification said that the offer

should be sent in a sealed cover superscribed 'Offer for Soda Ash' to the Chief Controller Imports, New Delhi, on or before the 12th February 1955. That is to say, nine days were given for the offers to be made. There is another provision in the said Notification; it said that "it shall be the responsibility of the offerer to obtain necessary export permit from the competent authorities in the country of origin.....". This means that before making the offer to the Government, an importer in India who makes that offer would have to have negotiations with the parties abroad and also give an indication of the consent of the exporting country for such export within these nine days. Naturally, this process would take time and it stands to reason that this cannot be done within the space of eight to ten days. Correspondence takes a little time. Complaints arose from the businessmen and others; they said that they would not have the time to enter into correspondence with the foreign countries and foreign firms who would export such things. On the 11th of February, again without notice and suddenly, the date was extended up to the 16th February. That does not help them either because the people who thought that they would not be able to submit an offer within the short time gave up all efforts. They read in the Press that the date had been extended and they were helpless even then because they could not do anything in the days that were left between the 11th to the 16th. In the meanwhile what happened is very interesting. In the name of canalising imports two firms were given the licences for import on the basis of their offer; one was the I.C.I. and the other was Tatas. Of course, Tatas was a window-dressing in order to silence them. I.C.I. is the real company or concern which was given the permit to bring in Soda Ash. I.C.I. was in a position to make an offer because they have got their factory in England; they are producing Soda Ash there and the I.C.I. here—acting as the agents of the parent concern—could immediately tackle

this here, quote prices and also get the export permission from the United Kingdom because that firm is already engaged in export business with India. Thus the I.C.I. was given the permit and today they are the biggest importers. This, I say, is wrong and unjust. I.C.I. and Tatas are now given handling charges of 12½ per cent. whereas in 1950-51.....

MR. DEPUTY CHAIRMAN: You are going into too many details at the third reading stage.

SHRI BHUPESH GUPTA: These things should not be done.

SHRI D. P. KARMARKAR: That is all right.

MR. DEPUTY CHAIRMAN: Leave it there

SHRI BHUPESH GUPTA: This is a business of imports and exports.

MR. DEPUTY CHAIRMAN: All these details are irrelevant at this stage. Come to the next point.

SHRI BHUPESH GUPTA: There is no point in talking if you do not go into details.

MR. DEPUTY CHAIRMAN. You cannot go into these details at this stage.

SHRI BHUPESH GUPTA: The handling charges that are to be paid to Tatas and I. C. I. have been fixed at 12½ per cent. of the landed cost of such material. Even in 1950-51, it was only 10 per cent. and so I.C.I. makes the biggest profit on its production because it is a producing concern in England and is also exporting. It makes a profit of 40 per cent. or 45 per cent. on the whole. As you know, this money also does not remain here; it goes outside our country. I.C.I. also make it a point to see that Soda Ash is sold in this country only to such concerns as buy other commodities from them. They

exert their pressure on other little concerns in order to force them to buy I.C.I. materials rather than other manufactures. Because they hold the soda ash in their hands they will say: I won't sell soda ash to you until and unless you buy certain other things from us. This is how they are bullying other concerns. I think this matter has to be taken into account as a serious matter. Not only that they are making enormous profits. Now you see a big monopoly concern, a foreign concern in the name of protecting industries, in the name of consumers, in the name of national industry and economy is being given these advantages in order to make profits in two ways, firstly as a producer, then secondly as an importer of such goods. I say: Can we not find our own firm, Indian firm, to handle such materials in our country. Can we not give licences to them instead of to this I.C.I., a monopoly concern? What sort of socialism it is? What sort of patronage it is, what sort of a protection to national interests it is when you give these licences to these foreign monopoly concerns?

Then the Bill says that the consumers' interests have to be protected. Now you must reduce the handling charges. Otherwise the prices will go up and you must see that this monopoly domination is ended. Otherwise you cannot reduce the price of soda ash in our country. Now the whole field is left free to the I.C.I. and we think we are going to control the prices. Such things cannot happen. Government may live in a fool's paradise if it likes, but we common people and common men would not like to live in a fool's paradise. In the same manner I say there is something very wrong and serious in this matter.

Then, Sir, I would like to know on what basis the licences are being issued. I say they are being issued on the basis of certain affiliations and connections. I would like to know how many licences have been issued

[Shri Bhupesh Gupta.]
 in the name of T. T. Krishnamachari & Sons since this Government came into existence, namely, the present Government. I say that before 1951 and thereabouts they got very few licences from the Government of India. Today they are flourishing in licences. Today they have got businesses all over the country. Today they are enjoying this position. I do not know what is going on in their favour but certain things are there which make it possible for them to carry out their objective and the licences are being issued by the Government of India. And not only that. They take advantage of certain connections, this I.C.I. and other people and they know as to what is going to be the export and import policy before even the export and import policy is announced. They manipulate things; they get to know things and they can be ready so that they can under-cut others and forestall all kinds of competition and get the whole of the bargain in this manner. All these things are very serious; therefore I make allegations. These are not mere allegations. These are very rightful and legitimate complaints made from all quarters and have to be gone into by the Government. Take these measures if you like, but see that this kind of pampering of certain monopoly concerns does not take place and patronage is not showered on them in the name of issuing import and export licences. When I suggested that we are conditioned by the fact that the British hold certain positions he objected to that thing; he thought I was erring. I wish I was committing a mistake. I wish I was erring in this matter, but how is it that the tea auction takes place not in Calcutta but in London, a thing which is objected to by all.....

MR. DEPUTY CHAIRMAN: That is another matter.

SHRI BHUPESH GUPTA:including the Prime Minister of Ceylon?

MR. DEPUTY CHAIRMAN: That is another matter. Unfortunately you do not hear me, Mr. Gupta.

SHRI BHUPESH GUPTA: Then how is it that jute exports are the monopoly of the British?

MR. DEPUTY CHAIRMAN: That is still another matter.

SHRI BHUPESH GUPTA: These things have to be put an end to. Therefore I say that the mere passing of this measure will not help us, will not help you either, you have been dealing in certain commodities, spices and all that I know and I have been dealing in other things including Congressmen. Therefore I say.....

MR. DEPUTY CHAIRMAN: Do you mean the Chair—that I am dealing in some commodities?

SHRI BHUPESH GUPTA: No, Sir, some commodity committee. You were.....

MR. DEPUTY CHAIRMAN: I am not dealing with any commodity.

SHRI BHUPESH GUPTA: Very good. It was some commodities' control committee, control of prices, I saw you somewhere.....

MR. DEPUTY CHAIRMAN: I was the chairman of that committee.

SHRI BHUPESH GUPTA: You were doing a good job; I do not know what results you produced. Anyway you should be interested; you should be interested in the protection of national industries as a national economy.

MR. DEPUTY CHAIRMAN: Not as a businessman.

SHRI BHUPESH GUPTA: So let the Minister not say that I am making wild allegations. Some facts and materials are before them. Various quarters have made representations to the President of India and to the

Houses of Parliament and many representations have been made to the Minister. It is necessary for them to take a proper view of the whole matter and look into this matter with impartiality and without any fear of being victimised this way or that way by their superiors. I say today a whole clique has developed around the Commerce & Industry Ministry. A whole clique has developed. That clique has to be disbanded and broken up. I say at the back of these people there are monopolists and big people, foreign and Indian. These people have to be dispersed and broken. Their fangs have to be taken out. This is what I say. I say. Control this thing. Do it properly and see that they do not get undue chances in this matter, that the whole thing in the name of control is not given to them. We control our economy; we control our export and import trade not for the sake of helping these people, not for giving patronage to these firms but for helping the industry, helping the commerce and above all helping our national concerns and national interests. Now this is a scandalous thing, it is a shameful thing. It is the most reactionary thing. That is where we are talking about a socialistic pattern, that you cannot find any other person than the ICI to import soda ash for you and please you.....

MR DEPUTY CHAIRMAN: Order, order. You are repeating; you are coming back to soda ash.

SHRI BHUPESH GUPTA: They live with the I.C.I.....

MR DEPUTY CHAIRMAN: Please wind up.

SHRI BHUPESH GUPTA: Now I say this has got to be stopped. It has got to be, it is an anti-national thing that they are doing. I say that this whole business of T. T. Krishnamachari & Sons, no matter who the Minister is

MR DEPUTY CHAIRMAN: Please do not repeat your arguments.

SHRI BHUPESH GUPTA: Names are unpalatable, not the arguments.

MR DEPUTY CHAIRMAN. Order, order, do not use names.

SHRI BHUPESH GUPTA: That Krishnamachari. ...

MR DEPUTY CHAIRMAN. You have been persisting in mentioning names, Mr. Gupta. Hereafter if you mention any individual names that portion of the proceedings will be automatically expunged.

SHRI BHUPESH GUPTA: T. T. Krishnamachari & Sons, it is a corporate body. It is "& sons". They may be all the shareholders. The name indicates that it is a corporate body, not an individual. I do not know of any person in India by the name of "T. T. Krishnamachari & Sons." I know of some company by that name. I make such charges against the Government with a certain amount of material backing, with a certain amount of evidence with me, otherwise I would not have said such things. I say, let there be an enquiry into this whole thing as to how many licences and permits were issued to T. T. Krishnamachari & Sons before 1952 and how many after.....

MR DEPUTY CHAIRMAN: You have said all that.

SHRI BHUPESH GUPTA: Let it be found out. The whole thing has become a cesspool of corruption, double book-keeping and backhand deals. The whole thing has got to be stopped. In spite of the import control that you have amended it seems that the whole thing is being canalised through corruption and the country's economy jeopardised and prejudiced. I say the hon Minister should get up and say that he is looking into this allegation, that he is going into the case of T. T. Krishnamachari & Sons although he may be interested in the name of the Minister by that name minus the "& sons". You see all these things are happen-

[Shri Bhupesh Gupta.]
ing, but let him tell before the House and before the public that he is looking into this complaint and that the charges are absolutely without foundation. And, Sir, let him give us the figure. He gives many statistics; let him give this figure as to how many contracts went to them, how many licences went to them before and after.....

MR. DEPUTY CHAIRMAN: Yes, he will reply; give him the floor.

SHRI BHUPESH GUPTA: Therefore I say: It is not merely anti-national. It is something more than that. It is something worse than that. Sir, I say that the Augean Stable of the Export and Import Ministry or the department should be cleansed of this corruption, of this nepotism, of this vice, of these backhand deals and corrupt deals which is something serious we have charged the Government with and which is contrary to the ideal the Government has set before it. I hope Government would now try to fulfil this thing when they are getting so much powers to deal with such matters.

MAJ.-GENERAL S. S. SOKHEY (Nominated): Mr. Deputy Chairman, I rise to ask the hon. Minister, to withdraw this Bill for it does not give him sufficient powers to tackle the problems that he has to face and in its place ask for powers to institute state monopoly of imports and exports. This Act was originally passed in 1947. Several important changes have taken place since 1947. Foremost among them is the task of building up a socialist pattern of society. Not only have we adopted this as our policy, but as Mr. Pant said today, socialist pattern of society is inevitable because of the problems that face us. We have to fight to mitigate the poverty and misery of the 365 million people. To achieve this we have got to industrialise our country. Now, industrialisation does not mean putting up textile mills or putting up factories to make glass or shoes. Industrialisation means pri-

marily giving the country heavy basic industries and enabling the country to make the necessary means for production in the country itself. That is going to be our main problem in the future. To tackle this problem we shall have to harness all the resources we possess. It is going to be a very big job, and a very expensive job too because most of the equipment will have to come from abroad. For this purpose we shall have to undergo a great deal of austerity if we want to make this over-all objective possible of achievement. We shall have to set up steel and other metallurgical plants and units to make machine tools, electric generators, boilers etc. It would require careful handling of our resources. This would mean the State itself doing export and import business. It is a more rational and logical method than the present anarchy. Just as in a household the head of the family works out the expense he must incur to give the family cultured life and then, sets about to earn the income needed similarly the State should give first priority to equipment for basic industries, and import as much as possible to industrialise it rapidly and export all it can to pay for them. This demands that the import and export business in future should be a State monopoly. At present there are thousands of importers; their individual interests are different and millions of licences have to be given. Similarly there are thousands of exporters. They export this and that. The imports and exports cannot be correlated directly. If both import and export are handled by one body, the State, then the two can be correlated and it becomes easily possible to regulate the policy for a number of years on a long-term basis. The proposed planned economy for the Second Five Year Plan will fix the basic material that must be imported year by year and the State would have to export enough to pay for them. State monopoly will also make it possible for the Government to calculate how much the country must

produce and export to finance the necessary imports.

MR DEPUTY CHAIRMAN. This is only an amending Bill All this is

MAJ-GENERAL S S SOKHEY: I am making a case, Sir, that this Bill is not enough

MR DEPUTY CHAIRMAN Are you opposing the Bill?

MAJ-GENERAL S S SOKHEY I am suggesting to the hon Minister that he should withdraw this Bill and ..

MR DEPUTY CHAIRMAN It is too late in the day The House has accepted the principles of the Bill already and has passed it

MAJ-GENERAL S S SOKHEY Sir, I thought that this was the third reading, and that the House had not passed the Bill yet

MR DEPUTY CHAIRMAN. Unless you are opposing the Bill, all this is irrelevant.

MAJ-GENERAL S S SOKHEY I am doing more, I am wanting the hon Minister to withdraw this Bill and bring something better in its place, a Bill for instituting a State monopoly of imports and exports The Government must assume monopoly of import and export to carry through planned development of the country

Then there is another great advantage At present we are building up a lot of individual industries They are attempted to be protected by the clumsy method of tariffs

MR DEPUTY CHAIRMAN We are not concerned with tariffs now. We are at the third reading stage All what you say is irrelevant

MAJ-GENERAL S S SOKHEY Sir, I am trying to explain to the Minister.

MR DEPUTY CHAIRMAN: You can take some other occasion to speak on the tariff policy of the Government We are only concerned at present with this small Imports and Exports (Control) Amendment Bill

MAJ-GENERAL S S SOKHEY I am explaining to the Minister, Sir ..

MR DEPUTY CHAIRMAN I understand you are speaking to the Minister but what you are speaking is irrelevant to the purpose of the Bill at this stage.

MAJ-GENERAL S S SOKHEY I am trying to explain why State monopoly of exports and imports is a necessity

MR DEPUTY CHAIRMAN But that is not relevant That is what I am saying

SHRI D P KARMARKAR I fully appreciate what the hon Member has said It is not necessary to pad it up further

MAJ-GENERAL S S SOKHEY I just wanted to indicate that if Government has the monopoly of Imports and Exports it does not need to have a tariff policy There is still another **advantage**. The moment Government makes itself responsible for procuring the needed imports, it must undertake to produce adequate quantity of exports At present many of the articles exported like tea, jute, mineral ores, oils, oilseeds and so on are being produced by foreign firms over which Government have little control The production of these exportable items must be taken over by Government to make the planned development of the country possible I would request the hon Minister to bear this in mind It has a very important bearing Today the export and import trade of India is very largely controlled by foreign firms Something like 80 per cent of the total import and export trade is either controlled or financed by foreign firms Of the total British capital in India today the largest portion is devoted to the control of

[Maj.-General S. S. Sokhey.]

Indian trade. By just manipulating imports and exports they are getting huge returns. By manipulating the terms of trade these foreign firms have mulcted the country of over 190 crores a year for the last three years. So here is the point that for the same quantity of exports we are getting less and less every year. This is largely because our exports are handled by foreign firms. They purchase things here and sell them to their own or associated companies abroad. It is a matter of great importance and the Government has got to apply its mind to it. If Government itself carried out the business of exports and imports it would not only prevent this huge loss to the country, but give more employment to our citizens.

SHRI D. P. KARMARKAR: There is something like prices and all that.

MAJ.-GENERAL S. S. SOKHEY: It is perfectly true, but the prices are not fixed by God. During the same period when the prices of our exports were falling the prices of our imports were rising. Industrial goods are produced by firms which are very highly organised. They can raise their prices. And producers of primary commodities, not being organised, are at a loss. But in our case the matters are worse. Foreign firms not only control production of our exportable commodities, but also control exportation. If Government were to handle our exports, Government could change the present channels of exports and send our goods to other countries where it could get better prices. These are the reasons for my asking Government not to press on with this Bill but come forward with a Bill to institute a State monopoly of Imports and Exports. At the same time Government should consider the taking over of the production of the raw materials that we are now exporting so that we may use our national wealth to better advantage to industrialise the country rapidly.

3 P.M.

SHRI D. P. KARMARKAR: Mr. Deputy Chairman, I am sorry Prof. Ranga did not get an opportunity to speak, but there is the whole budget discussion later on and I wish him to speak after a little study rather than rise up like that at the eleventh hour. I always welcome his rising up to speak.

Sir, there are only two or three points that have been raised. I think broadly one could generally agree with the suggestions. For once I feel I am in a position to agree with the broad generalisations made by my friend Mr. Bhupesh Gupta and that is this: it is no use passing simply an Act but it is equally necessary to see that the Act is not abused. We are entirely at one with him on that and I hope for once we agree.....

SHRI BHUPESH GUPTA: Agree to words.

SHRI D. P. KARMARKAR:..... agree in principle, but so far as details are concerned, it is hardly necessary to discuss them. Then, Sir, he went out of the routine. I can appreciate your position, because he is helpless. When he listens to you, he does not use his ear-phones. And he is not as adept as another expert that has come to India who can judge what one says by the mere expression of the hands and lips!

Sir, I should like to turn what was a destructive criticism, baseless criticism, to some constructive use. Now, he happened to mention two instances. During the leisure he had between now and the earlier discussions three days back, even after very vigorous research for three days, he has mentioned only two instances. Normally, Sir, it is not our practice to touch upon individual instances, because ultimately if a Member of Parliament has any reasons to feel that something wrong has been done in an individual case, he has the means at his disposal, he can write to

the Minister concerned. He can get an answer.....

SHRI BHUPESH GUPTA: That means writing about sons to father.

SHRI D. P. KARMARKAR: "Son" and "father"—those two words, I know. In the sense in which it has been used is something with which I do not agree. Sir, he mentioned the instance of soda ash. It is one of the things which stand to our credit. I am happy that my friend Mr. Bhupesh Gupta has given me unwittingly an opportunity to explain what the real position is. We do want to prevent this soda ash being imported by different parties and being sold at an unconscionable profit. That was our scheme. We called upon all suppliers to give us their quotations and then we chose the cheapest source. The I.C.I. had absolutely nothing to do in respect of the determination of either the source of supply or the rate at which those supplies were to come. It was more or less an open invitation—I am speaking subject to correction—something like nineteen different parties came and then we found that the offer from East Germany was the most reasonable. Theirs was the lowest quotation. I.C.I. has nothing to do with this. If he will care to find out the facts, my friend will also realise that we have been very careful in this matter and we have been very wise in accepting the lowest offer. The supplies will come from East Germany. And then regarding distribution we had to choose parties about whom we could be certain. We took our judgment. We accepted the two parties, Tatas and I.C.I. as the distributors. The terms of distribution are quite clear. My friend can have a quarrel over the percentage allowed to them. 12½ per cent. is the margin that has been allotted to them. They have to sell at such prices as we dictate and keep to themselves only a margin of 12½ per cent. If they earn anything more than this, then the money has to come to the coffers of the Government, which is really the reason why my friend Mr.

Bhupesh Gupta is angry. That is, the additional money will come to us, and not to any Party connected with Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: 12½ per cent. is a very high handling charge to be given to any distributor.

SHRI D. P. KARMARKAR: I have caught the point. I have a fairly good sense of hearing and a good sense of understanding! According to him 12½ per cent. is an unconscionable thing. 10 per cent. or 6½ per cent. or possibly nothing, or they should distribute and contribute something to Government—those perhaps would have been considered reasonable by my friend. Right or wrong we have taken this decision. We do feel that giving this margin will not entail any hardship to the consumer. They would have to charge a particular rate and any profit above 12½ per cent. made by the distributors will come to the national exchequer. Now, I think, Sir, that there is absolutely nothing wrong here. Even my friend, Mr. Bhupesh Gupta would congratulate us on this arrangement, because he knows the difficult supply position of soda ash. Here was an offer from the cheapest source. We have accepted the offer. We have full control over the two firms, Tatas and I.C.I. I.C.I. is no doubt a foreign concern, but it is operating in this country with our full knowledge and consent. So, Sir, the consumers' interest has been the interest that has been uppermost in our minds.

Then, I will deal with the other point raised by my friend, Mr. Bhupesh Gupta. In his hurry he does not know possibly that partly with a view to checking any malpractice in administration, really at the cost of incurring an expenditure which normally might not be considered to be very reasonable, we are issuing week by week huge tables—I think the book runs to 300 to 350 pages—wherein every licence granted to every individual or party is mentioned and all

[Shri D. P. Karmarkar.] the details are given, such as, the serial number, the name of the party, the currency area, the amount of licence, etc. My friend, Mr. Bhupesh Gupta may make a research of the publications for the last two years and gather facts. And if he has any reason to complain that in a particular case we have done anything wrong, he has every right to draw our attention to that case, instead of indulging in vague statements without caring to go through the facts. We went out of our way and wanted to place before the public in limelight all the facts regarding the issue of licences. Anyone can purchase a copy of the book from any book depot and have that statement weekly.

MR. DEPUTY CHAIRMAN: He is supplied free as a Member of Parliament?

SHRI D. P. KARMARKAR: Sir, I am not sure of that.

SHRI BHUPESH GUPTA: How many permits have you given after 1952 to T. T. Krishnamachari & Sons and how many before?

SHRI D. P. KARMARKAR: I am reminded of a particular item which I once read in the Illustrated Weekly: a certain person who approximated in point of reasoning to my friend, Mr. Bhupesh Gupta, accosted his friend with the remark: "How many times have you committed theft?" He had assumed that theft had been committed. This is the sort of logic that my friend has adopted. I am quite sure that he is responsible and he should make us feel on this that he is equally responsible. He has got all the facts. Let him go through those publications. We have gone beyond our normal routine work. It is not for him to say: "You are in the wrong, prove that you are in the right." That is not the proper way for any responsible leader of public opinion.....

SHRI BHUPESH GUPTA: Not public opinion.

SHRI D. P. KARMARKAR: In any case he is responsible for his own opinions. But I say on the point of.....

(Shri Bhupesh Gupta rose)

MR. DEPUTY CHAIRMAN: Order, order.

SHRI D. P. KARMARKAR: We on this side, I say we represent public opinion.....

(Interruption)

MR. DEPUTY CHAIRMAN: Order, order.

SHRI D. P. KARMARKAR: If he can talk, I can talk him out. When a speaker is on his legs, it is ordinary courtesy that he should not be interrupted. I am not yielding.

MR. DEPUTY CHAIRMAN: Order, order.

SHRI D. P. KARMARKAR: Sir, I was only on the point that the whole material is at my friend's disposal. Whether in the case of Messrs. T. T. Krishnamachari & Sons or any other person or individual or corporation or importers or exporters, I shall be extremely willing to go into the details of the case, if he will furnish particulars. He should have known also that the leader of his Party in the other House wrote something to the Prime Minister and the Prime Minister sent a reply. Let him better consult his leader on that point, as to what reply was received from the Prime Minister. So, Sir, (Interruption) except for this vague statement, we did not find anything wrong in any licence that has been granted to any party whatever, including the party that he has mentioned. Now, when we issue lakhs and lakhs of licences, if any case comes to the notice of any hon. Member regarding import licences or export licences, Government would be grateful if it is brought to their attention. The only object of the publication of the book is that the whole thing should be open

to the public. Sir, I would not take greater notice of what my hon. friend, Mr. Bhupesh Gupta said.

Then, my friend and elder, Maj.-General Sokhey had something to say. He asked us to withdraw this Bill, because he would like to have a more powerful Bill. We do want to evolve into a 'socialist pattern', but then this cannot be done overnight. Certainly, in our Ministry also that principle will have to be considered. State monopolies will have to be considered, and the inclusion of co-operative societies for the purposes of import and export licences will have to be considered. And, I feel, Sir, that the powers under this Act will be very handy, because ultimately the powers under this Act will enable Government to take all such measures regarding import and export control. And certainly, when we are able to evolve certain policies in view of the socialistic pattern of society we want to achieve, he will have other opportunities, and then he can give the Government the benefit of his specific suggestions as to what types of goods can be handled by the State and as to what role the co-operative societies can play, and things like that. And I can assure him that we would welcome his suggestions in that regard.

Then, Sir, he had something to say about the reasons. While I heartily agree with the general content of the principle which he enunciated, I must make it quite clear that I do not agree with all the reasons that he gave, because when someone, who has devoted all his time to one field, gets into another field, many a time, he gets different conclusions, but I might tell him that his general thesis of the socialistic pattern of foreign trade is certainly a desideratum which we, as a Government will have to consider. The reasons that he mentioned about the import and export prices were rather vague, and I am happy that my friend, Prof. Ranga, heartily agrees by the smiles that he is giving us at the moment.

But I am sorry to say that he has had to be truthful at the risk of his being unkindly to his neighbour. Apart from that, I entirely agree. While we generally accept the thesis, it will take us some time to work out the same.

I have nothing more to add except one point that was mentioned. A question was asked as to how we have improved our supply position in respect of cloth. Although that is an isolated fact, still it is a good thing to deal with such isolated facts. Now, as a matter of curiosity, I myself went into the figures, and I found out to my great satisfaction that just prior to the war in 1939, our normal supply of cloth per capita was about fifteen point something yards. And last year also we achieved the sort of equally parallel objective of making 15 yards of cloth available. But there was one crucial fact that was mentioned, I think, by our elderly scholar over there, that is to say, Dr. Mukerjee that the purchasing power has to increase. That is one of the principal objectives before the Government. But I am sure, and you will agree, that that does not arise out of the consideration of this Bill.

Sir, I should once again say that I feel very much relieved that Mr. Bhupesh Gupta has given me something today to agree upon. And that is a great comfort to me, and I hope, to him also. If only we come a little nearer and nearer, I am quite sure that he will agree with me.....

SHRI BHUPESH GUPTA: Give up your I.C.I., and we shall try.....

SHRI D. P. KARMARKAR: My hon. friend disagrees only for disagreement's sake. I have not lost all hope about him. Although he has disagreed, still, that has not detracted me in my appreciation of the essentially good humour that lies at the bottom of his arguments. And this certainly is a great comfort to me—*(Interruption)*—And I am hoping for the better. I have nothing more to

[Shri D. P. Karmarkar.]
add, Sir, to what I have already said.
I therefore move that the Bill, as
amended, be passed.

MR. DEPUTY CHAIRMAN: The
question is:

"That the Bill, as amended, be
passed."

The motion was adopted.

THE INSURANCE (AMENDMENT) BILL, 1954

THE MINISTER FOR REVENUE AND
CIVIL EXPENDITURE (SHRI M. C.
SHAH): Sir, I beg to move:

"That the Bill further to amend
the Insurance Act, 1938, be taken
into consideration."

Sir, this is a small and simple, and
perhaps a non-controversial Bill. The
object of the Bill is rather to amend
the Insurance Act of 1938 so as to
give powers to the Central Govern-
ment to make applicable to the insur-
ance business carried on by the Cen-
tral Government certain provisions of
the Insurance Act, as may be thought
or considered desirable. Sir, section
118 of the Insurance Act excludes the
business of insurance conducted by
the Government from the operation
of certain provisions, even if they are
thought to be desirable and in the
interest of the insurance business.

As the House is aware, the Central
Government has been conducting the
Postal Life Insurance business for the
last 71 years, and if some of the pro-
visions of the Insurance Act are not
made applicable to the Postal Life
Insurance Fund, there are certain
difficulties which are very apparent.
If we just turn to section 39 of the
Insurance Act, we will find that
under that section certain powers are
given to the policyholders with re-
gard to nomination, i.e., a nomination
can be made in favour of anybody
whom one likes. At the same time,
the policyholder has been given the

right, before the policy matures, or
before he dies, to revoke that nomi-
nation and just to assign that policy
in favour of somebody whom he de-
sires to have the advantage of re-
ceiving payment when the policy
matures or when he dies. And if
that section is not made applicable to
the Postal Life Insurance, as it has
not been done so far, the disadvantage
is to the policyholder. Under the
Postal Life Insurance Fund, once a
nomination is made, that nomination
becomes irrevocable. The result is
that suppose a nominee dies before
the policy matures, or before the
death of the policyholder, then there
is always some difficulty about the
nomination to be made again, because
it is irrevocable. Therefore, by this
amending Bill we want to make the
Postal Life Insurance Fund more
popular, and we want to have its acti-
vities more and more expanded.
Ordinarily, the House is aware that
the advantage of the Postal Life In-
surance Fund has been extended to
all the employees of the Central Gov-
ernment, the State Governments and
the local bodies. And, at the same
time, we are going to extend the
advantages of the Postal Life Insur-
ance to the employees of all the insti-
tutions where the Government has
got some interest. So, in order to
make this insurance business more
popular, we propose to amend this
Act to empower the Government to
make section 39 or section 38 applica-
ble to the Postal Life Insurance Fund.
Therefore, Sir, I say that it is to the
advantage of all the employees who
take advantage of this Postal Life In-
surance Fund that this Bill has been
brought forward.

As I said in the beginning, this is a
non-controversial Bill. And I am
sure that the House will welcome it
and will extend its fullest possible
co-operation to this amending Bill.
Sir, I move.

MR. DEPUTY CHAIRMAN: Motion
moved:

"That the Bill further to amend
the Insurance Act, 1938, be taken
into consideration."