

1954

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Shri Gopikrishna Vyas, Shri
Krishnakant Wadia, Prof. A. R.

NOES Banerjee, Shri
S. Bhanj Deo, Shri P. C. Biswasroy,
Shri R. Deshmukh, Shri N. B.
Dwivedy, Shri S. N. Ghose, Shri B. C.
Gupta, Shri B. Kamalaswamy, Shri T.
V. Kane, Dr. P. V. Kishen Chand, Shri
Mahanty, Shri S. Mathur, Shri H. C.
Mazumdar, Shri S. N. Narasimham,
Shri K. L. Parvathi Krishnan, Shrimati
Prasadaraao, Shri. Sekhar, Shri N. C.
Sinha, Shri Rajendra Pratap
Sundarayya, Shri P. Suryanarayana,
Shri K. Vallabharao, Shri J. V. K.
Venkataramana, Shri V.

MR. DEPUTY CHAIRMAN: The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting. The Bill is passed.

The House will meet again at 3 o' clock instead of at 2-30.

The House adjourned for lunch at half past one of the clock.

The House reassembled after lunch at 3 of the clock. MR. DEPUTY CHAIRMAN in the Chair.

**ALLOTMENT OF TIME FOR DIS-
CUSSING THE INDIAN TARIFF
<SECOND AMENDMENT> BILL, 1954**

MR. DEPUTY CHAIRMAN: I have to inform hon. Members that under Rule 162(2) of the Rules of Procedure and Conduct of Business in the Rajya Sabha, the Chairman has allotted four hours for the completion of all stages involved for the consideration and return of the Indian Tariff (Second Amendment) Bill, 1954, by the Rajya Sabha including consideration and passing of amendments, if any, to the Bill.

**THE INDIAN TARIFF (SECOND
AMENDMENT) BILL, 1954**

THE MINISTER FOR COMMERCE AND
INDUSTRY (SHRI T. T. KRISHNA-MACHARI):
Sir, I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha, be taken into consideration."

Sir, the Bill is not what might be called the ordinary Tariff Bill in the sense that it is similar to the Bills that we bring forward periodically before Parliament almost practically during every session, namely, to implement the recommendations made by the Tariff Commission. This Bill falls into two parts. The first one is the usual thing, that is, to give effect to the recommendations of the Tariff Commission. The other part of the Bill seeks to raise duties on a large number of items which are enumerated in the Schedule.

First, I shall deal with what you might call the routine part of the Bill. Those items which relate to the recommendations made by the Tariff Commission, very briefly put, are as follows. The first recommendation is about the withdrawal of protection in respect of Hurricane lanterns. I think the House will agree with me that an industry of this nature which needed protection is now no longer in need of it and it is also in a position to export Hurricane lanterns and meet competition from other countries abroad.

PANDIT S. S. N. TANKHA (Uttar Pradesh):
May I enquire for how long

protection to this industry has been in force?

SHRI T. T. KRISHNAMACHARI: I shall give that information because I am not very facile about it.

The other part happens to be the recommendations of the Commission in regard to continuation of protection—continuation of the rates of protective duty in respect of preserved fruits, cocoa powder and chocolate, bichromates, cotton and hair belting, sheet glass, antimony, electric brass lamp holders and bicycles including parts and accessories. Sir, broadly speaking the recommendations in respect of these items are different. In respect of brass lamp holders and bicycle parts, the duties are not being reduced as recommended by the Tariff Commission. They are kept in the same scale as before. Hon. Members perhaps know that the reasons why the Government have not accepted the recommendations of the Tariff Commission in respect of these two items are different in each case. In respect of brass lamp holders we find that generally it is a small scale industry and the calculation made by the Tariff Commission in respect of the protection that is afforded by the duties that they have recommended, it was felt, may not be quite adequate because in the case of small scale industries the production cost does not happen to be the same and the policy of the Government now, is to encourage small scale industries. And in the purchases that we make for the Supply Department we do give a percentage of preference sometimes extending up to 10 to 15 per cent. It was felt that we should continue the duty at the same rate as it was before and not accept the recommendations of the Tariff Commission.

In regard to bicycles we accepted the recommendations of the Tariff Commission, namely, to reduce the duty to 45 per cent, *plus* surcharge, "that is, to 47 per cent., but here again we felt that the cheaper categories of bicycles which might come in as a result of the reduced duty might up-

set the local market. Sir, the prices I of bicycles in the country, of those made in India and of those imported still have a very big difference. Indian-made bicycles of companies which have collaboration or a pact with the foreign companies and which therefore must be considered to be of the same quality, command in the market a price of anything like Rs. 30 to Rs. 40 less than that of the imported variety; sometimes it is a little more. Maybe, that is due to consumer preference for the imported article. And it is also possible that apart from the normal markets from which bicycles have been coming, there might be other markets from which bicycles might be cheaper and where the costing is not even marginal costing, but the costing is on a consumer basis like the local consumer subsidising exports which almost comes to dumping. Having all this in view and having in view the fact that the bicycle industry has done reasonably well and that we expect it to grow so as to more or less meet the needs of the country, we thought we could put a specific rate of duty at Rs. 60 or 47 per cent, *ad valorem* whichever is higher so much so the category of bicycles of the quality of, say, Hercules or Robinhood, which landed might cost anything like Rs. 97 to Rs. 98 will bear a duty of Rs. 60 in which case it will be Rs. 157 to Rs. 158 and might give the indigenous cycle of the same variety a little push. At the same time we are trying to get the indigenous cycle manufacturers to reduce their prices progressively. In fact, in one case they have agreed to reduce their price by Rs. 5 every half year. So that is the reason why the Tariff Commission's recommendations in regard to bicycles have not been accepted *in toto* but only partially accepted.

Similarly, import duties on preserved fruits are not being reduced even though the Tariff Commission has suggested reduction, for the reason that preserved fruits that are imported are being consumed by a class of people who could afford to pay

[Shri T. T. Krishnamachari.] some kind of a revenue duty to the Government. In fact, the intention really is to treat it as a revenue duty and we might even say that it falls into the latter category, namely, raising of revenue duties in respect of articles which might be considered to be luxury articles.

There are six other items which have been enumerated in respect of which the Tariff Commission feels that it might not be able to submit its report before the end of the year and therefore we are continuing protection for another year in respect of those items. It is more or less of a routine nature. It is expected that in about three to four months the Tariff Commission's Report will be available on those items and the Government will be able to take a decision on the recommendations of the Tariff Commission.

In regard to the second part of the Bill, I would like to draw the attention of the hon. Members to a statement made by my colleague the Finance Minister in the other House. I believe copies of that statement were also supplied to hon. Members of this House. That statement was made by my colleague before we introduced the Tariff Bill in the other House. It was necessary by reason of the fact that the Tariff Bill was in effect a revenue producing measure and contained a provision for provisional collection of taxes, that is, collection of taxes as a result of the new duties that will be coming into being after the introduction of this Bill. It was therefore felt that the position must be explained by the Finance Minister. His statement gives a bird's eye view of our foreign exchange position for one thing, secondly of our general international commitments in regard to quantitative restrictions and thirdly of our revenue position, or rather our revenue estimate in respect of customs duties which have shown a drop partly by reason of the fact of certain diminution of imports and also in the value of imports, partly because of our reduction in the import

duties on a number of commodities and also because of our policy in regard to manganese ore. The revenue consideration, therefore, is a very important consideration which we cannot lose sight of. Apart from that we have, over a period of about eight to ten months, moved away from using quantitative restrictions as a protective device and resorted more and more to higher revenue duties. The House knows very well that consequent on our having to ban import of goods by reason of our foreign exchange position, certain practices have grown up; and more than that, the growing industries in this country have been accustomed to that shelter, which has been provided by the quantitative bans. And it has become a practice now before any industry starts to say: 'you ban the import of such and such an article which my production is going to supplant'. The normal procedure of protection, as hon. Members will recognize, is by means of the Tariff Commission, the Tariff Commission enquiry and the recommendation of a protective duty. Before the war, ideas of quantitative restriction or imports were not only not used in this country—and they might not have been used for a good reason, because we did not have a Government of our own—but also in other countries quantitative restrictions were only resorted to in extreme cases. As a war-time measure we have got accustomed to that idea. One difficulty in regard to quantitative restriction is that it is dependent on the executive's decision and an executive might perhaps, in some cases, take a correct decision and in some cases it might not. Secondly, it also subjects the executive to the influence of pressure groups. The third factor is that it puts the consumer in an extremely unenviable position, namely, he has to accept the goods manufactured in this country irrespective of the quality of the goods and without any factor of competition determining the price of the goods. Where it happens that there are only one or two factories producing the goods—sometimes only

one factory—they may always come together and make an arrangement in regard to the price. It may be right or it may not be right, but it has to be recognised that in any economy where private enterprise plays a part, the normal methods of checking undue profiteering known to Government and to the economist have got to be adopted; or, alternatively, the State control must be complete in regard to all production and in regard to all prices. We have recognised that in the state of advance that we have made, the State's function in regard to production—and much less in regard to distribution—is a very limited one and operates within a very limited sphere. So we have to use the normal methods of competitive factors—however imperfect they might be—to keep the consumer satisfied both in regard to price and in regard to quality. And so Government have been thinking about this for a long time and we wanted progressively to supplant quantitative restrictions with import duties which will yield a revenue and at the same time the rate of duty which we levy will have a small inhibitory effect with regard to consumption—where we do not want consumption of such articles to rise unduly. That policy was started some time last year, in the last Budget. We raised the duties on something like forty items. Hon. Members might ask, why not wait for the next Budget? There is no particular purpose in waiting till then. There is an opportunity now for getting the approval of both Houses for increasing the duty, because of the short-fall in our customs revenue, as I said, there is a loss of revenue which we badly need to make up. Amongst the many factors, the abolition or diminution of export duties is one reason for the loss of revenue. The figure that has been given by my colleague in the Budget estimates for the current year in respect of customs duties was Rs. 177·5 crores and during the first five months of the financial year we have only realised Rs. 60 crores. I would not be unduly depressed by the fact that the figure is very low, 66 RSD

though it must be taken as a sufficient indication that there is likely to be a short-fall in the receipts, unless something is done to bolster it up. Because our imports and exports gather momentum only in the fall of the year rather than in the middle of the year, it is not quite so bleak as these figures might indicate.

In selecting items for increasing duties, as I have said, we have chosen those items which would hurt the customer least and also items where by reason of our quota restrictions and the scarcity of imports prices have risen unduly and the margin of profit for the middleman is very heavy. We find that this has a very salutary influence on the prices. For instance, take this question of betel nuts on which the duty was very steeply raised in the last Budget. In spite of the fact that the duty was raised from 91 annas a pound to a rupee per pound, the price of betel nut in the market did not raise more than between Rs. 5 to Rs. 10 per maund—allowing for fluctuations. So the profit which was being made by the middleman to the extent of Rs. 35 per maund is no longer going to him and the increase in price is practically negligible—in the region of 4 to 8 per cent. So in the case of these quantitative restrictions where quotas are small, the middleman who enjoyed these quotas is making a high profit. The second factor, as I said, about this quantitative restriction is that we are trying to crystallise our petrified trade in a particular fashion. Who get the quotas? Newcomers do not get their quotas. People who are doing other types of business and who do not have lucrative business, they cannot switch over to another line,—where they are petrified in particular categories of business. I do not think that it is fair for us to do that kind of thing, so long as we allow profiteering in trade. So this kind of increased duties and liberalising the quotas and allowing a fair amount of elbow room for the newcomer to come in is likely to have a salutary effect not only on the price but also on the goods available to the consumer.

fShri T. T. Krishnamachari.] There is also another factor that wants trying some kind of arbitration or evening out of the rival claims of indigenous industry and the demands for quality goods by our people. Take for instance pencils. I do not say that Indian made pencils are all bad, but there are pencils of better quality. We were trying to give protection to these pencils by raising the duty steeply. Nonetheless, cheap Japanese pencils were coming in. Probably it was our mistake which made this possible. We said pencils which cost something less than Rs. 16 a gross should not be imported, when we imposed a further restriction. But the Japanese were very clever. Normally a pencil is 7½ inches long and they made pencils with twenty-two inches length and sent out pencils priced at Rs. 16 per gross. It actually works out one-third of the price. At the same time the demand for high class pencils is there. Our pencil manufacturers have not complained about the 66J per cent, coverage in respect of pencils that come from Europe, Czechoslovakia and other places—hardwood pencils. The people pay the price. It used to be 4 annas or 5 annas even in the old days. We decided, therefore, that we should put a specific duty on pencils up to 2 annas, which gives ample protection to our people. It gives an ample protection to our people. * I do not see how people will purchase a Japanese pencil when an Indian pencil is available for one and a half annas. This device has to be adopted, Sir, in order to save our local industry, as also to provide the consumer with some kind of quality goods.

Then, Sir, I would like to mention the case of a very unimportant item, although that might appear to hon. Members as an important item. That is the item of old newspapers. The imports of old newspapers, in normal times, exceeded a crore of rupees, and even at the quota rate, the full quota has been used, and this quota always commanded a price. We have got our 17 factories in this country manufacturing craft paper. The use that is I

made of old newspapers is to wrap the material that is being sold in the bazaar. And the craft paper made in our factories sells at five annas a pound. The intention really was, more or less, to equate the price of old newspaper with that of craft paper, and also try to see if we could not improve the quality of our craft paper. In fact, I have asked the Development Council to examine this matter, and now when we have the 2½ annas duty on old newspapers, they should try to take advantage of the situation and give our people hygienic wrapping paper for their needs.

Sir, one item which might perhaps draw the attention of the hon. Members is the question of cars. We have maintained the duty on cars. Hon. Members might well ask "Do you intend allowing commercial imports?" Well, maybe, we have to allow commercial imports some time or other, if the present trends continue. After all, our motor-car industry is still in its infancy. It has got to get some protection. We find some people going abroad on delegation, and everybody of them bringing a car as part of his baggage. And sometimes they are able to get a car, the price of which probably is equivalent to our price of the car manufactured here. But anyway, there is always that feeling that its being assembled or manufactured in a foreign country is better. So in order to put an inhibitive check on such propensities, we raised the duty on these cheaper cars assembled or manufactured abroad. And if anybody wants to buy a car abroad for £400 which is about Rs. 5,200 he has to pay a very heavy duty, Rs. 5,000 or Rs. 6,000, bringing the price to Rs. 12,000 or Rs. 13,000. So, Sir, this is more a matter of administrative convenience. That broadly gives you the picture of the entire Bill.

Sir, you might ask me whether these quantitative restrictions are not valuable and whether we should not adhere to them. Well, I would like to say here that in departing from the principle of quantitative restrictions as much as possible, it is not the in-

tention of Government to completely give up the principle of quantitative restrictions, if they are necessary, because, though the foreign exchange position today is extremely comfortable, we are envisaging that in the future it might not be so, not because we expect our export trade to drop and our imports to increase, but our demand for imports of certain types of materials is bound to increase in the future, i.e., we are having a big scheme of industrial expansion, and even in that industrial expansion our intention is to manufacture most of the things which we now import, and one of the ideas which are now being progressed is to increase the production of caustic soda, soda ash, machinery for sugar mills, machinery for cement manufacture, machinery for jute manufacture and textile machinery, and so on and so forth. And even if the tempo of industrial expansion gathers momentum, there will be a number of other things which you will have to import. I have been told by the committee which has been surveying the industrial capacity of this country that the position of our machine tools in this country—about two lakhs of machine tools—is something which is alarming, because most of our machine tools are out-of-date. Though we are manufacturing certain types of machine tools, and we propose to accelerate the manufacture of these, there are certain types of machine tools which we might have to import. There are quite a number of other things apart from capital equipment which we have to import, and therefore, it is possible that at some time or other we might have to put a further check on imports so as to meet our needs. I hope that that contingency will not arise and that our exports will increase, and in the meantime, we will be able to find some foreign finance by way of loans. And our people need not be subjected to a measure of undue restriction. But having these things in view, I am not going to give up the idea of quantitative restrictions. Hon. Members opposite might raise the question of our re-

lationship with the G.A.T.T. or some other questions. I do not propose to anticipate what they will say, but if they raise these questions, I am prepared to answer all their questions. Anyway, I am, more or less, meeting that argument in advance by saying that the scheme is not for totally giving up the quantitative restrictions, but a progressive limitation of it, as I said, in the interest of the consumer, in the interest of fairplay and in the interest of the Government as well. Well, I do not know how far we can progress by means of these higher duties; there are obvious limitations which we have to take into account. You might have a higher duty, but people may not take it. I know one hon. friend here used to ask me questions about biscuits. He asked "Why do you allow imports of biscuits?" Well, we probably manufacture, on the average, about 11,000 tons of biscuits; we ought to manufacture more in order to consume more, because the consumption of biscuits has been on the low side all along, and our imports of biscuits, including what we get from the canteen, are to the extent of about 110 tons; 110 tons as against 11,000 tons. The duty on biscuits is well above 50 per cent. The imported biscuits cost Rs. 8-8-0 per tin, whereas the biscuits of Indian make cost about Rs. 4-8-0 per tin. Some imported biscuits do come, but very little, because if they are kept for more than two years, although properly sealed they get rancid. The quantity of imported biscuits is very negligible. I have been very unpopular with the biscuit manufacturers, but I do find, Sir, that unpopularity pays dividends, because in the last two years or so the quality of our biscuits has considerably improved, almost beyond recognition. And when you get an Indian-made biscuit, you do not know whether it is Indian-made or foreign. Maybe, they are getting flurried, but they certainly have taken this remark on the floor of this House to their heart, that the Indian biscuits are not good enough. Anyway, we allow a trickle to come, and it has its own effect. What we lose by way of

[Shri T. T. Krishnamachari.] foreign exchange is very negligible, but it has a very good effect on our Indian industry. It gives our people a better quality of biscuits, and it gives our people a yardstick for comparison. And we shall proceed further with this policy, Sir; but, as I said, from the revenue angle, it has its serious limitations and it cannot be flogged to death. But I would like to tell the House that my colleague, the Finance Minister, has given a rough estimate, since it is rather difficult to give an estimate when we are raising duties very steeply, because some portion of these duties would fall on the goods that are coming and some portion would fall on goods that will be coming in the future. But the expectation is that, in spite of the liberal quantity of imports, the revenue would be some Rs. 3 crores. I think it is an optimistic estimate. Nonetheless, I do expect that in a full year we should be getting some Rs. 4 to Rs. 5 crores by way of revenue.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha, be taken into consideration."

SHRI KANHAIYALAL D. VAIDYA (Madhya Bharat): Sir, I would like to ask a question. What are the reasons for enhancing the duty on safety razor blades?

SHRI T. T. KRISHNAMACHARI: My hon. friend has asked me a question which I should have explained. In fact, I did not write down my speech. This is a case where, I think, I ought to take my hon. friend very seriously, because he is only speaking on behalf of other people. In fact, one or two items here are items that are unbound by the G.A.T.T. and so naturally an increased duty has been imposed. So far as razor blades are concerned, the duty is 40 per cent, subject to an overall limitation of 3 pies per blade. It is very small. In fact, if I am not bound by the G.A.T.T., I should probably have increased it to 60 per cent.

and thrown open the market completely. There are two items on which, as a Minister, I should be chary of imposing any high duties. One happens to be newsprint. I would not touch it, because the press should not be offended. The other thing happens to be the razor blade, because the man who shaves in the morning, if he cuts himself in the process, would curse the Government, and curse the manufacturer, and if it happens to be during the elections, then my hon. friends opposite may win the elections. Probably the man will curse the Government and curse the manufacturer till the n'th generation. This is a matter where we have to be careful. Still the indigenous industry is there and they are shouting. So, we have put a value limit on the import duty on razor blades.

SHRI B. C. GHOSE (West Bengal): In the very beginning I should like to say that we do not depend upon such adventitious factors for winning elections.

SHRI T. T. KRISHNAMACHARI: We depend upon adventitious factors for inducing my hon. friends opposite to laugh.

SHRI B. C. GHOSE: As the hon. Minister has stated, there are two parts to this Bill. One deals with the raising of duties which incidentally implies a liberalisation in our trade policy. The other deals with the recommendations of the Tariff Commission. Now, I want to take up these two parts in the order I have stated them. That is, I want to take up the question of the raising of duties first. There was a time not many years ago, when inconsistency was associated with the import policy of the Government and was a source of great dismay to businessmen. But we have to admit—for which I am also quite willing to give the Minister his due credit—that there has been some measure of stabilisation in that import policy, although at the same time I should like to add, without detracting from the praise which I have

given to the hon. Minister, that this stabilisation is a reflection of the stabilisation in the economic conditions in the country. Now, this liberalisation of the import policy is to be seen in various measures which the Government have recently undertaken. The most important indication is the shift away from quantitative restrictions to the use of customs duties. There are other measures such as increases in permissible quotas, enlargement of the list of free imports and the elimination of the complexities of licensing procedure. All these have brought about a liberalisation in our trade policy. I am willing to concede also that there are valid reasons why our policy should have changed. The most important one is the comparatively satisfactory position of our foreign exchanges. Then there are certain other factors as well such as larger rate of production within the country and the emergence of competitive forces even within the country. Unfortunately this larger productive capacity is not being utilised to the full, a subject which I shall come to presently. Then, there is also the consideration of having import surpluses to meet the problem of deficit financing which is implicit in the financing of our Plan. There is also the consideration that customs revenues, in so far as they were dependent upon export duties, have been falling, and therefore measures should be sought which would augment the revenue. All these are reasons, as I said, which will argue in favour of a liberalisation of trade policy, but I hope the hon. Minister realises—and I am sure he will also be of the same opinion—"that there are other factors which also we should give due weight to in the matter of pursuing this policy of liberalisation, *viz.* the needs of the country to which, of course, he has referred. Then the fact that certain countries have emerged again in the world commercial horizon, *viz.*, Germany and Japan, that we are trying to develop an export trade and that we are also trying to develop our own industries,—all these have to be pro-

I perly assessed and given due weight ; as I have already stated. Even advanced countries do not favour a complete liberalisation of the trade even though that is the admitted objective of the G.A.T.T. to which many of the countries adhere. Even the Randall Commission has not supported a free-trade policy completely or even of a very large measure of liberalisation. So in pursuing this policy of liberalisation, we have to take these facts into consideration and while as and when our needs so demand, we may liberalise the import policy, we should at the same time take every measure to see to it that our vital interests are not prejudiced. In this matter the question of quantitative controls is also important. I am aware that the hon. Minister is rather opposed to this method. It has many defects, I admit. I believe, the hon. Minister is somewhat opposed on any ground to the use of quantitative control measures but even an evaluation of the merits and demerits of quantitative control measures as against, say, tariff or revenue duties do not give us any valid conclusion which can be applicable to all cases. There may be cases where quantitative controls would be more advantageous even in the interests of the consumers; because we cannot always say that even these duties that we may impose will be absorbed by the traders and not be passed on to the consumers. It is not only in the case of necessities that it is possible to pass it on to the consumers, but even in other cases it may not be impossible for the trader to shift the burden of the extra duty on to the consumer. And quantitative controls may be a very effective method of giving protection under certain conditions. I am sure that the hon. Minister recognizes that and I am inclined to believe that—I may be wrong—it is his habit to state a case, sometimes, in a very acute and absolute manner. Therefore he has stated the proposition in that fashion but I do not think that he would be opposed to the use of quantitative controls when there should be a necessity for that. Further

[Shri B. C. Ghose.] I would like to ask him as to what is going to happen to industries which might have grown in this country under the shelter of quantitative controls. Probably they are being taken care of but I should like to have an assurance from the hon. Minister that industries whether rightly or wrongly, which have grown up as a result of quantitative control measures will not be now left high and dry.

This liberalisation of trade is also bound up with the G.A.T.T. because that is the objective of the G.A.T.T. Now the G.A.T.T. or the agreements are due for review next year and of course we, as a participating Member, are joining in this conference. I would like to know if Government have evolved any proposals for submission to G.A.T.T. from the point of view of the needs of our country and if so, what are those proposals. I would also like to bring this fact to the notice of the hon. Minister that while G.A.T.T. gives a lot of importance to duties and quotas, there are other methods also by which protection can be given to the industries of any country such as export subsidies, or relief in taxation or transport charges or the grant of export credit which is becoming very important, so that in assessing our position *vis-a-vis* the other countries, we should take all these facts into consideration. I should like to know whether these matters are also being brought to the notice of the G.A.T.T. and whether we have examined the whole position of international trade from this stand-point and whether we have formulated any proposals and also whether we are asking for release in respect of some of the 'bound' items and if so, may I in general know what kind of items are we asking for release from the G.A.T.T.

While on this subject I should like to say a word on a very controversial matter but I will only speak a very few words on the question of Imperial preference. I don't want to bring politics into this matter. It is an economic appraisal that I want. I

am aware that the hon. Minister had stated in the other House that he had an appraisal made and he had found out that it was to our advantage. Even conceding that, I believe the pattern of our international trade, the pattern of our trade is changing, a fact which is due to the economic advancement and development of this country. We are coming more and more in the export field. We are not only an importer. We were formerly, before our independence, an exporter of raw materials primarily. Now we are exporting also more and more finished commodities. That means that it may be to our interests to favour a large measure of multilateral trade without being bound up by these special preferences. Have we examined that case and are we also trying for a progressive deal of reduction of the Imperial preferences? That is the question that I would like to ask. That is all that I have to say about the first part.

Now I come to the question of the protective duties. As a matter of fact we don't oppose the Bill as such. I don't oppose the protective measures, that are sought to be introduced by this Bill but I would like to bring to your notice certain facts in connection with these protected industries which have a bearing on our industrial policy and development as well. One thing I find even about these protected industries is that there is always, a very large gap between the capacity on the one hand and demand on the other. It is characteristic not only of these protected industries but also of many other industries. I could give you figures. For example, if we take the sheet glass industry, the capacity would be about 86-6 million square feet and the current demand is supposed to be 31 million square feet, rising in three years to 36 million sq. ft. Incidentally here I would like to ask a question of the hon. Minister. I don't know whether he is in possession of the facts or some other Department will be in the possession of the facts. That is in regard to the Sodepore Glass Works. I don't know if the hon. Minister has any facts-

about that because there were certain observations in the Tariff Commission's Report which were rather confusing. The Report says that there was once a glass factory to which certain financial assistance was given by the Industrial Finance Corporation, that that factory had closed down and then further assistance had been given to another factory which probably will go into production very soon. But as far as my information goes, there is only one factory which however is not producing on account of which Government is incurring very heavy losses. Then if we come to cotton and hair-belted, the capacity is supposed to be 2,248 tons and the current demand is only 850 tons. The brass lamp holder industry has a capacity of 4.2 million pieces and the current demand is for 1.4 million pieces. And as for chocolate and cocoa powder, the capacity is 28,200 cwts., while the current demand is only 10,000 cwts. Therefore, I should like to ask the hon. Minister why we have this surplus capacity, not only in these industries which I have referred to—I have taken only a few as instances in many of our industries today. I ask this question, because the licensing of the industries is in the hands of Government now and why is it that licences are being issued to industries to develop capacity which is so much in excess of the current demand? This Sir, is creating problems in each of these industries, apart from the fact that a lot of money is being wasted in this fashion.

Another factor which is associated with this question is that in the case of industries where there is already sufficient capacity, permission has been given for establishing new units. And what appears to me certainly objectionable is that many of these units are mixed units. There is foreign collaboration. I understand that in the sheet glass industry, the Hindusthan Pilkington concern was given permission to establish a factory while there was a capacity of 66.6 million square feet available while the current demand was only 31 million square feet.

SHRI T. T. KRISHNAMACHARI: But in calculating the capacity, my hon. friend seems to include the capacity of the Sodepore Glass Works also. 'We must allow for some infantile mortality.'

SHRI B. C. GHOSE: But it appears to me that the hon. Minister is enforcing mortality among the Indian units because of these other units which are set up now in collaboration with foreign concerns.

SHRI T. T. KRISHNAMACHARI: I am sorry to interrupt my hon. friend, Sir. But I can assure him that the mortality so far as the Sodepore Works is concerned is without any reference to any foreign competition.

SHRI B. C. GHOSE: So far as the Sodepur Works are concerned, we are familiar and fully aware of the causes. But a sum of over a crore of rupees of Government money is invested in the factory.

SHRI T. T. KRISHNAMACHARI: It is I.F.C. money.

SHRI B. C. GHOSE: But I.F.C. money is Government money for it is public money and so Government's money.

SHRI T. T. KRISHNAMACHARI: Yes, yes, all are Government money.

SHRI B. C. GHOSE: The hon. Minister is going to set up an industries development corporation. He wants to expand industries and to establish industries, and he must feel that he has the resources to run these concerns. The Government should be perfectly able to run these concerns when so much public money has been invested in them.

As I was pointing out, if you take the chocolate and cocoa powder industry, there is Cadbury-Frys which has been given permission to set up a factory with a capacity of about 14,000 cwts. when the current demand is only 10,000 cwts.

[Shri B. C. Ghose.]

In this connection I may refer to the observations of the Tariff Commission as regards Cadbury-Frys. It appears that they had been given some special privileges for the importation of chocolate powder and also that there was a condition attached to it that they would establish an industry here for the manufacture of chocolates from beans. But it appears nothing has been done so far. And so the indigenous industries have lodged a protest but nothing has been done. The Tariff Commission observe that the above-mentioned licences, namely the two licences which were issued to them were issued on the distinct understanding that Cadbury-Frys would undertake a phased programme of manufacture. But they had so far taken no steps to start the manufacture of chocolates from beans.

I understand that in the case of the belting industry also a new firm has been given permission to be set up in collaboration with some foreign concern, although there was sufficient capacity already existing in the country. The same is true, I understand, of the drum-manufacturing industry also. I want to bring to the notice of the hon. Minister that indigenous units find it extremely difficult to survive, if permission is given to certain foreign firms having an established reputation, an established world-wide reputation, to set up factories in this country, because if that is done, even if the quality of the Indian goods may not be inferior to that of the foreign goods, still because of the consumer's preferences and because of the world-wide reputation of some of these foreign firms, the indigenous articles are always liable to be eliminated in competition with the foreign firms.

Sir, the hon. Minister stated that certain duties are higher than what had been recommended by the Tariff Commission and that it has been done with a view to give preferential treatment to the small man, for example in the brass-lamp holder industry. Well, that is a policy which we all

approve of, if it will have that effect. But even in that particular industry, namely the brass-lamp holder industry, it was pointed out in the other place that there was a foreign firm in Bombay which was a large firm and which might be able to put all the other smaller units out of the market. Therefore, in effect, the advantage that the Government would like to give to the smaller units would rebound to the advantage of the larger units. That may also happen in the case of the bicycle parts industry. Therefore I would like the Government first to assure themselves that when they intend to give any advantage to the smaller units, those advantages will really accrue to the small man.

There is only one other point which I would like to bring to the notice of the hon. Minister and that is about certain obligations which should be imposed upon the protected industries. As it is, they are supposed to furnish such information as might be called for by the Tariff Commission. But it appears from the report on the brass-lamp holders industry, that although the Tariff Commission had asked for certain information from that industry, the industry furnished no such information, and that nothing was being done about that fact. So I should like to know from the hon. Minister as to what machinery there is to see to it that the protected industries do what they are asked to do, by the Tariff Commission, or what may be necessary to be done in the interest of the consumers or the general public. Is there any machinery by which the conduct of the protected industry may be kept under review so that if they are found to be working against the public interest they may be pulled up.

SHRI B. GUPTA (West Bengal): Mr. Deputy Chairman, this is not the first time that we are discussing the question of tariffs in this House. In fact, Sir, this matter has been discussed in the country for a long time. Even during the days of the British, the matter came up for discussion on the floor of the then Legislature and

also in the press and among the public.

4 P.M.

By now, Sir, we have come to a certain understanding of the problems of tariff, partly by our own experience and partly from what we have learnt from other countries. Sir, the very first question that I would like to ask in this connection is as to why we stand for protection. That is the main question that naturally arises in our mind. As far as we are concerned we understand tariff as a means of protection to our national industries so that we can gradually eliminate the foreign domination and foreign encroachment that takes place in the economic field of our country. We view it as a means of helping the expansion of our industry and of putting our economy on a sound financial basis. Then, Sir, we also view it from the point of view of serving the interests of the people. Undoubtedly, when tariff measures are introduced, certain industries thrive and those people engaged in such industries derive some benefit; but in our view, what we should be primarily concerned with is, how we could serve the interests of the consumers or the interests of the producers in so far as expansion of the producers' industries is concerned. We are not primarily concerned with the idea of making profits under protections; nor are we concerned with raising revenues; not that the profits are not made, not even that revenues will not be forthcoming; but the main consideration for us is how to eliminate our backwardness in the economic field and thus place the country on a sound footing. That is our criterion for judging such measures. Now, how are we progressing along the path of economic advancement? It will be admitted on all hands that our economy—the economy of the country at present is bound hand and foot to the capitalist world economy or, if I may use that phrase, the capitalist world market. As you know, Sir, today there is not one single world market; there have come into existence, after the last War, two such

markets, one market is the capitalist world market and another market—as a result of the American policies—which embraces the Soviet Union and other countries of the Peoples' Democracy which include China. We are not living in the pre-war years when despite the difference in systems, there was one single world market; we are now living in a different world where there have come into existence two parallel world markets. Now, we are for the present concerned with the capitalist market. There you have to know a few important features when you discuss your tariff policy.

Firstly, that market is in a crisis. It is not as if that market is flourishing today or is prosperous. Despite the heavy rearmament programmes, the world capitalist market is faced with a growing crisis. There is no doubt about it; sometimes the capitalists recognise it in the recession that has started setting in the economy of the United States of America. In that market you find the domination of the United States of America; I shall come to it later but we are mainly concerned with our relations with the British. There we find that a terrific competition has developed in these recent years between the United Kingdom on the one hand and the United States of America on the other, backed up by Japan and Western Germany in the case of America, Britain is backed by countries of the British Empire. These developments have very serious repercussions on our economy.

Let me now deal with the position in the United States of America. In recent years, there has been taking place a tremendous accumulation of unsold goods and commodities. In the last year, a calculation was made and it was found that the stocks of unsold goods in the United States would be worth a hundred thousand million dollars; inventories were taken and it was found that so much of stocks had accumulated in the United States of America to be cleared from their go-downs and stores. In such a situation

[Shri B. Gupta.] the United States has adopted a particular policy and that policy hits us. In the first place it is a policy of dumping in the markets of other countries, what we call capitalist dumping. That dumping has been going on, that is to say, they sell goods in the foreign markets much cheaper than they sell in their own market. In order to facilitate this dumping, they have adopted a policy of subsidising exports from the United States of America. That is also going on at a terrific speed. As a matter of fact, out of the United States Exchequer a huge fund is set apart for subsidising exports so that the commodities that the United States cannot sell within its own market because of the crisis, be sold outside with two objectives, firstly to clear their go-downs and to make whether profits possible and also to penetrate into the markets of other countries. I have in mind the markets of the capitalist world and there we come into the picture. In addition, there is the policy of restriction of imports pursued by the United States of America. Now, it is not as if the United States today, when they talk about "free world", stand for free trade. They are very very particular about their trade and they have developed a policy which restricts imports into that country while it encourages exports even at the cost of the public Exchequer. These are very important developments.

Then comes the competition from America and England. We have been drawn into the vortex of that competition and there is no denying this fact. It is not as if we are gaining advantages out of that competition, that is to say, that we are having the better of the bargain. Britain has been faced with competition from America and, therefore, Britain is interested in maintaining her position against the U.S. competition by carrying on further inroads into the economy of the Empire, making inroads into the economy of the countries like India and Pakistan which

are within the British Commonwealth, or within the orbit of British Imperialist economy. That goes on and fierce competition is being carried on by Britain. On top of it, we find that having the advantageous position relative to Britain, the United States of America is also carrying on fierce competition in this country. In fact, before the war, the trade of America in the British Empire was not very much; it was, I think, less than 20 per cent, but now it has advanced very high and is nearly 40 per cent. Take the case of India. Before the war, the United States of America's share in India's foreign trade was less than 9 per cent, and today that would be in the neighbourhood of 25 per cent.—it varies between 20 per cent, and 25 per cent. This shows how American penetration into the field of trade is taking place in our country. The position of Britain has remained much the same, whether you look at it from the point of view of the British Empire or if you look at it from the point of view of India. . The share of the United Kingdom in the foreign trade of India—or, for that matter of the British Empire—has not advanced very far. We have, therefore, become a battleground of competition, a hunting-ground of competition of these two big powers. It has to be noted in this connection that between them, the United Kingdom and the United States of America share nearly 50 per cent, of our foreign trade; thus, they enjoy a kind of monopoly position in respect of our foreign trade, whether it is a question of exports or it is a question of imports. That is a very important development of recent times. Unfortunately the policy of the Government has not been able to stop that thing, that is to say, the fierce competition that is going on in our country has not been at all checkmated by the fiscal policy of the present Government; on the other hand it has been further accentuated and the process is going on. A mere glance at the trade figures will reveal how from year to year that process is going on, is developing. Now in one year there may be a slight fall;

in another year there may be some rise, but on the whole if you look at it, the position is becoming extremely precarious as our trade is tied up with ' the trade of these countries in which these two great powers with their financial resources, having had certain initial advantages undoubted advantages—over our economy enjoy all the benefits of the trade, have the best of the bargain by which we suffer. Now this is the background of the Government's policy.

Correspondingly if you look at our trade with other countries that have come into existence, I mean the socialist countries, our trade is negligible. It was stated in the other House that with a vast country like the Soviet Union our trade last year amounted to only about Rs. 2 crores or so, which is absolutely nothing. Now if you take the other countries into account you will find a very small percentage of trade; 2 to 3 per cent, is accounted for by that huge market which we have left completely untapped and with whom we have but little relations by way of trade, etc. Now this is another aspect of the background here, in which we are faced with foreign competition in this situation. Now the foreign competition, as I have pointed out, is increasing. The United States is invading our economy not only directly but also through Japan and through Western Germany, especially through Japan. Now Britain, on the other hand, is also trying to have a stronger hold on our trade and send more goods into our country and exploit the resources of our country. I would not go into the details of it, but I would only like to mention one fact. It is alarming to note that during the past few years the commodities that we send out, I should say the commodities that we export, especially our raw materials, are fetching much less price for the same quantity than they used to whereas the price of imports more or less remains the same. It has been pointed out I think in Government publications in terms of units, that for about 74 units

of our imports we have to send about 100 and odd units of exports. That sort of divergence is arising. We are at a disadvantage. Now this is something which has been admitted at the Sydney conference also and was discussed here when some of the representatives of the British Treasury came and discussed certain matters of Commonwealth economy here at Delhi. Now it has been admitted on all hands that the prices for our export commodities are falling as a result, which means more exploitation of our resources, which means intensified exploitation of the primary producers, especially the peasants. Yet we find this invasion of imports in our country. Now the hon. Minister has elaborated a new concept. I think that has been working in their mind for some time and we know why. I shall come to that question presently. They want to protect industry by a tariff wall and not by bothering about the quantum of imports that we get from other countries, the restrictions on imports are to be progressively removed whereas the tariff wall should continue and in respect of some commodities such tariff should be maintained for a length of time. I shall come to that later.

Now, Sir, taking these two aspects of the matter, first the revenue considerations and then the raising of the import duties but liberalising at the same time the total imports, first of all, Sir, as I had pointed out already, we are not of the same opinion as the hon. Minister for Commerce and Industry that revenue consideration is a very important factor. It may be an important factor. So many things are important. But it is going to be the determining factor when you take up the question of our tariff policy. I think it should not be. Revenues have to be found. They have to be found from the internal resources of the country and also by such customs duties as we could legitimately impose. But that should not be the main consideration in dealing with the question of tariff. Our mind should be directed to the question as

[Shri B. Gupta.] to how this tariff is going to protect our industries, as to how they are going to help the existing lines of industries and as to how they are going to check the foreign competition in the country, at the same time encouraging the production in our own country. Now as the Finance Minister has pointed out in his statement, he thought Rs. 177 crores would be found by way of customs duties but due to certain developments he could get during first five months of this year only Rs. 60 crores. Therefore some more money has to be found. Therefore increase the tariff and all that! This is how they have viewed the matter. This is their approach. I do not say that they should not be concerned about finding money from customs duties but when they are discussing the question of tariff that should not be the guiding factor of their approach, that is what I am saying. Now, Sir, I do not know how much money this will fetch. As the hon. Minister himself said, it may fetch about 4 to 5 crores of rupees; not more than that. This is not much. If we take into account our object but at the same time when the gain is not much, the loss on other accounts would be very very serious, and that is the point which I want to emphasise here.

Then I find that there is a red book. I think they don't like 'red' but now they have developed red books, I find. It is the red book where you get these import liberalisation schemes, the items and all that. It has come out also in the press that a number of items—this is the red book which contains them—of import have been liberalised. I am not going to take the time of the House by reading them out item by item, but it is admitted, you won't deny it. Now, "Sir, I think this is wrong. What we feel is there should be two processes simultaneously. There should be import duties and at the same time there should also be restrictions on the quantity of imports or restrictions on imports. Now I say so because it is necessary, ours being an under-deve-

loped economy, every possible nursing is required so that the industries that are existing faced with a very difficult situation, especially in view of the competition that is taking place in the country, may be given every possible care. Now I can understand the consumers' preference business> but at the same time we have also patriotism. There was a time, Sir, when we used much inferior quality commodities in preference to foreign manufactured superior quality commodities. Now that mentality has not gone. Therefore if it is a question of choice between inferior quality and better quality goods certainly we should view it from the angle of the larger interests of the country and I know the people do take that thing very much into their heart and into their scheme of things and they would like to use country-made goods. That has to be encouraged. I know that at the same time efforts should be made to improve the quality, but the fact that the quality of our goods, commodities or articles is not very good in some cases should justify the liberalisation of imports is an argument that does not stand to reason if we have in mind the specific conditions of our economy to-day. Therefore, Sir, my suggestion in this case would be that both should be pursued, protective duties and tariff and at the same time there should be import restriction. The red book should be closed as far as possible. If you like 'red' come to us, you will understand what red is, but do not try to cultivate a love for the red in that manner because it will make you absolutely white after the blood has totally been sucked out of you. Therefore to have such kind of red things, such a red book should be closed. And then you find from time to time announcements made, O.G.L. liberalisation of imports. Now why are they being made? Now the hon. Minister has not given an explanation for it. I have an explanation for it. It has become the policy of the British Government to-day to encourage imports into countries within the British Commonwealth. Why? Because they

know that if they remove these restrictions on imports in the various countries it would be possible for them, when they go to the G.A.T.T. Conference next month, to demand similar facilities from the United States of America because the United States of America is causing much concern to the British producers and manufacturers by way of restrictions within its spheres of influence. Now this is one thing. Secondly they know that it would not affect them very much because although they are in favour of convertibility of the pound for the non-resident countries; they are not in favour at the moment of convertibility of the sterling in the Commonwealth countries so that if we import from countries outside the sterling area, shall we say from the Soviet Union, we would not be entitled on that ground to claim sterling from the United Kingdom for that purpose. Therefore it is they who are pressing for it. In fact many conferences have taken place and even at the time of the Sydney Conference in the beginning of the year, the question was mooted and suggestions were made in the British Press that the Commonwealth countries, countries within the orbit of the Commonwealth, should gradually incline towards a policy of more and more trade amongst themselves. In our case it would mean more imports from the United Kingdom because the United Kingdom is one of the biggest exporters to India, that is to say, we, as importers, are one of their biggest clients. That is the idea and therefore they are doing it. Our hon. Finance Minister—I do not know what a steward of finance he is becoming, but one thing is clear about him—is so fond of British economy and so fond of the dictation of the British that whenever he sits with them he swallows everything absolutely that comes from the British and follows the British economic policy and the dictation of the British Imperialists. The so-called Commonwealth Conferences have become a kind of school for these gentlemen, the small ones that go trotting

all round the world to meet the Commonwealth chiefs, to get certain lessons; and these are translated into the economic policy of our country to the utter ruination and detriment of our economy. Therefore I would say that this is not an advisable course-on which the hon. Minister has embarked today.

Then there should be drastic reduction in the import of luxury goods. There are very few people who believe in luxuries, I do not think the hon. Minister believes in them except that he has a very fine car, a costly car that he rides in. I do not know his domestic life; maybe something flourishes there. But I suppose the time has come when we must make a drastic cut of luxury goods because we are a poor country and we cannot fritter-away our resources by bringing in luxury goods, when people need to stand on their legs and when Government has to help them to stand on their legs. Therefore cut these luxury goods and restrict them drastically.

With regard to the other goods, do not follow the policy of liberalisation. If you want to be liberal, be liberal with us; be liberal with bank employees; be liberal with the peasants and workers; and be liberal with the Communist Party if you like, but why are you going to be liberal with the British Imperialists who are threatening you? Thornycroft has literally threatened you that if you do not allow more imports of British goods into India, he will retaliate. The Financial Times has an article, out cut similar threats to you. I think our Ministers, great as they are, powerful as they are and mighty as they may be, cower in fear under the threats given out by the British ruling class because I find that their threats are being taken note of in this so-called policy of liberalisation of imports which is being brought about as a result of the threats and frowns from that quarter, the British Commonwealth, to which allegiance is so devotedly and loyally owed. Therefore I say, do not go in for this.

[Shri B. Gupta.]

Another argument that has been given by the hon. Finance Minister.....

MR. DEPUTY CHAIRMAN: Mr. 'Gupta, you have already taken more time.

SHRI B. GUPTA: There are not many speakers, Sir. Now, the other argument that has been given by the Finance Minister, the hon. Mr. Deshmukh, is, 'I have got a balance of payments and how to spend that surplus money in the balance of payments -and therefore more imports would be required to spend that money.' This is one argument, as if we are some big rich man's sons going about Piccadilly Circus with our pockets filled with money, not knowing how that money could be spent. Sir, it is a wrong and perverted outlook. Whatever surplus we have been earning after a good deal of sacrifice -on the part of India and that money is not to be spent away like that. Now, Sir, much has been said about this balance of payments position. May I make one thing clear here, with all humility, to the hon. Minister, that he is indulging in a little kite-flying in this matter, because I find from the statistics that I have got in my possession that as far as the merchandise trade is concerned we are having a deficit almost every year except for the year 1950-51 when there was the Korean war boom. Except for that year, we are having a deficit in the merchandise trade. Some surplus in the balance of payments we are getting because of loans etc. on the one hand that go into that account and, on the other because of the fact that food imports have declined. Now, we are not yet out of the wood so far as the food situation is concerned. Any moment it might be necessary for us to resort to heavy imports of food. Therefore, we cannot say that the position has become very bright and that we can just throw about our funds for bringing in all kinds of materials that we do not essentially require.

Another argument of the Finance Minister is relating to deficit financing.

If I am referring to deficit financing-----

MR. DEPUTY CHAIRMAN: We are now concerned with the Commerce Minister.

SHRI B. GUPTA: because it is there in the statement. I would just finish this point in one sentence. They want to cover up the damage by deficit financing by liberalising imports. That is a wrong thing to do. Here I will accept his own phraseology and say that I do not accept the major premise, that is to say, I do not at all think that deficit financing is necessary in this country and therefore the question of imports to cover up its injurious effects or its inflationary pressure does not arise in my scheme of things. Therefore you should avoid that thing. This is my another request to the hon. Minister.

Now, Sir, I come to the question of protection. Yes; protection has to be given to the industry but at the same time the Minister should be sure as to who is deriving the benefits of such protection. I will, Sir, join issue with him here. He has not said anything on the subject but he has given a list of those industries which are enjoying protection. Now, I would say that the protection that you are giving to the motor industry is being eaten up by the foreigners who are entrenched in our economy. Now, they do not always come in straight. They burgle the house, take positions there and bore in from within. There is this Hindustan Birla-Nuffield Agreement, the Chrysler-Premier Agreement, the Hind Motors, the Premier Automobiles and the Ashok Motors. They are all shared between the British and the Americans on the one hand and our great Indian plutocrats on the other. Some plutocrats will be here in this House also.

SHRI B. C. GHOSE: He is not here.

SHRI B. GUPTA: I am very sorry if he is not here. I would like to see plutocrats for a change when I speak on this subject.

Now, that Birla-Nuffield Agreement is a well known Agreement; a notorious Agreement we call it. What happened is this. It is mainly an assembling plant. For the last two years we have been told that the car is 60 per cent, *swadeshi* and 40 per cent, foreign. When the car was presented to the President it was advertised that the component parts were in the proportion of 60 per cent. *swadeshi* and 40 per cent, foreign. That proportion has not been changed; that ratio remains even after three years and the entire advantage of it is being derived by the foreigners who have come into a sort of collusion with their Indian counterparts. Now, here it is written about the agreement itself that "Nuffield organisation are to manufacture and supply the technical parts which could not be economically made in India and Nuffield's technicians are apparently to decide which components should be made in India and which in Britain", Capital— it is their paper—dated January 3, 1946. So, you find twenty to thirty per cent, of the share capital goes to Mr. Nuffield's firm and a profit is guaranteed for fifteen years. And then they are given royalties for patents and other rights. Similarly, you find in the case of Premier Automobiles the programme was to have started, but it has not started yet. The programme of this concern was to manufacture their own parts in India and produce an automobile within three years of starting the factory. The factory was started in 1946. That is to say, by 1949 we should have the product out on the street. Now, what is the position. Even now the Company says that they will undertake manufacture on an unspecified date. This is the sort of thing that is going on under cover of protection.

Now, the cycle industry is mentioned here. The Hercules T.I. cycle combine comes from the south—that combination, unholy union, has taken place in the south. Another combine has taken place in our part of India in Bengal, Sen-Raleigh. We have got

people who believe in consorting with these people. There again the benefits are being derived by foreigners. They have combined with certain Indian firms and the advantages that are available go to these people who are foreigners, who carry on competition not from without but from within, against the entire policy of the Government of India.

Now, sheet glass has been mentioned here and the hon. Minister said that the Sodepore Glass Works is closing down. I think it has closed down. Pilkington has come into collusion or entered into a contract with Hindustan—Mr. N. R. Sirkar's company, he was a Minister in your regime and he has unfortunately died—and the benefits and advantages will go to Messrs. Pilkington. Messrs. Pilkington have got other firms outside Calcutta. Pilkington in collaboration with Hindustan, will produce 21 million square feet of sheet glass, which means, again, that the advantages and benefits will go to this foreigner.

Then, of course, there is chocolate and Cadburys. Whenever I talk of Cadburys I feel a little embarrassed because all sorts of unsavoury stories are associated with it. I am not going into that, although I would like to say that Cadburys have been given facilities, the benefits or protection given to chocolate and cocoa will also go to them. An hon. Member has pointed out that certain extra facilities were given to them to make certain imports.

Now, Sir, you take the other duties that have been imposed, for example, duty on soap. Who gets that protection? Lever Brothers are enjoying the protection under this duty, because fifty per cent, of the market and seventy per cent, of the organised market for soap is monopolised by them. Lever Brothers are sending one small concern after another into liquidation because of the fierce competition they carry on. Some of their commodities are sold even cheaper in this country in order to keep down Indians, to crush the Indian concerns;

[Shri B. Gupta.]

and I find the hon. Minister has given or is considering a proposal for allowing further expansion of Lever Brothers. They have applied for importing plants worth Rs. 25 lakhs so that they can expand their production. At the same time thirty per cent, of the installed capacity of Indian industry is lying literally idle, when Lever Brothers and such concerns are working overtime for making profits in this country. Therefore, let us not delude ourselves with the idea that because you are giving protection to some industries, these industries are benefiting and such benefits accrue to our country leading us to put our economy on a sound basis. On the contrary if the protection policy is linked up with checking these foreign machinations that have been taking place in our country, they are bound to fail. We will not be able to produce the results that we desire regardless of the parties to which we belong. Therefore, what I would like to urge, in this connection, is when you are giving protection, see how the national units are benefiting. That is very important. See that the foreign units and foreign interests entrenched under false sign boards go. After that I would suggest you confiscate those British interests in the "India Limited" concerns, whether it is Cadburys, whether it is Sen-Raleigh or whether it is Hind Motors, etc. Confiscate them so that the benefits that will be derived from the protection will then come to the Indian interests. I do not mind even if Indian capitalists take a little money, but I hate to see that the capitalists of England should come and get entrenched in our country and run away with money that may have been profitably used in our country for the development of our country. Therefore, confiscate that capital which is functioning here in a sort of collaboration with Indian capital under false titles and under false sign boards. If you cannot do it, then impose excise duties on such commodities in such a manner—work out a mechanism of excise duty—so that you mop up the

profits that would go to the foreign concerns and curtail all the advantages and privileges and extra facilities they are getting immediately. If I were in the hon. Minister's position, I would immediately pass a measure—amending the Constitution if necessary—to confiscate these assets immediately so that we know where we stand and we know how to promote the industrial advancement of our country. At the same time it is also essential to see that.....

MR. DEPUTY CHAIRMAN: The time is up.

SHRI B. GUPTA: I am coming to a close, Sir. At the same time it is essential to see that the workers get a fair deal-

MR. DEPUTY CHAIRMAN: Now you are dealing with an entirely different matter.

SHRI B. GUPTA: The workers should be given fair wages, dearness allowance, etc.

MR. DEPUTY CHAPMAN: What has this got to do with the Bill under discussion?

SHRI B. GUPTA: Now, the Government party does not bother about it. The capitalist always cuts the wages of the workers.

MR. DEPUTY CHAIRMAN: We are not concerned with all this on this Bill.

SHRI B. GUPTA: Sir, I just want to say something about the consumers. You are a consumer, Sir. As a consumer

MR. DEPUTY CHAIRMAN: Leave-me alone at least.

SHRI B. GUPTA: I hope, Sir, that you are not a capitalist. Assuming that it is the privilege of the consumer to occupy the chair, I would say you should see to it that the quality is improved and then other materials should be imported also for improving the qualities, vital raw materials and credit and other facilities should be granted for improving

the quality, so that we are not in the difficulty of so called consumers' preference. Now, the price is also another factor. If you give protection, it means that the society is giving protection to a certain industry, the society is nursing that industry. Therefore, we should not only be interested in regulating the price in such a manner that the people get the benefit of all this advancement of those commodities which are produced under the scheme of protection.

Now, in conclusion, I would only like to say that the present policy of the Government with regard to tariff follows, more or less, the same pattern, with certain quantitative alteration, as the British pattern. We want our economy to be on a sound national basis, independent of all encroachment. We want to fight the fierce competition that is taking place in our economy against our interests, from within and from without, and therefore we want such a policy to be devised which would enable us to fight at all sectors and on all fronts the foreign competitors, the imperialists all these people who are carrying on regular depredations into our economy for smashing our economy and I do not share the view that we can, with things as they are, look forward to a bright future. Everything behind us is dark and everything before us is gloomy, I can tell you. Therefore, the time has come when the Government should discuss such matters actuated by the paramount national interests of our country and take measures against the enemies of our country who by competition, by investment, by all other methods, are sending our economy to rack and ruin. We want to emerge out of that position. We want to climb out of that darkness, into the light which will be shared by the common people and all sections of the people. The national interests must be placed above everything else, must be advanced on all fronts, and in every possible way, and this is the appeal that I would like to make to the hon. Minister for

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Commerce and Industry. I know he is on the retreat, he is on the run. He has to be on the run, because when we fire our last salvos, the Minister cannot stand them. I say, let Indian interests be safeguarded. Let all our policies be so shaped that the entire national interest is served thereby. I hope the Government will consider all the proposals that we have made in our speeches.

MR. DEPUTY CHAIRMAN: Shri Parikh. Before you proceed, I have to inform the House that we will have to sit beyond 5 o'clock—5 to 6—from today onwards.

SHRI C. P. PARIKH (Bombay): Sir, I was quite surprised at the long lecture which Mr. Bhupesh Gupta gave for about fifty minutes, and, I think, I am unable to read anything important in what he said. First of all, Sir, he tried to paint a picture of the United States of America and the United Kingdom having surpluses and their export policy. But, Sir, he has not uttered one word about what India is doing in this respect. If those countries want to develop their export trade, the Asiatic and African countries are quite free to stop their imports into their countries; and that thing is going on not only in our country but in all the under-developed countries. All the Asiatic and the African countries are now quite alive to the fact that their under-developed economy cannot be exploited any further, and the necessary quantitative restrictions and duties have been imposed by one country or the other. Our country has made a remarkable progress in the matter of our import policy which we have been following for the last three years. From year to year, we have made remarkable progress in the matter of our import policy. And especially this thing is very important, because the Government has in this Bill introduced 30 items for revenue duty. We have not seen in the past any such increase in the middle of the year in our revenue duties. Therefore, Sir, my hon. friend, Mr. Bhupesh Gupta, should

I Shri C. P. Parikh. I realise that the Ministry of Commerce and Industry and the Government of India are fully alive to the necessity of maintaining the trade of this country, as also putting the economy of this country on a sound and firm footing, because these 30 items have been duly scrutinised by the Government. And as soon as the Minister got an opportunity to introduce the Bill, he did so. And I am quite sure, Sir, that he has many other items still under investigation and scrutiny, and I expect that there will be a revision of duties on a scale which will improve the economic position of our country.

Now, Sir, that only is not enough. The revenue duties have been increased but they have been increased on a steep basis. In some cases they have been increased twice and in some cases they have been increased three times. This drastic revision of duties on a higher scale is significant of the policy which the Government is following. Sir, the quantitative restrictions which existed allowed the middlemen to reap all the benefits, and I think, Sir, this House is aware of the fact that licences were sold for 50 per cent., 100 per cent, and 200 per cent, of the value. And I think, Sir, that after every six months the hon. Minister for Commerce and Industry is bringing forward a measure to revise these revenue duties. We have seen that in the 1953 Budget; we have seen that in the 1954 Budget. And now the middlemen will have to pay the duties to the Government Exchequer, and they cannot transfer these increased duties to the consumers.

Now, Sir, a lot has been said about quantitative restrictions. But the words of the Minister for Commerce and Industry have been forgotten in this respect that there is a liberalisation of quantitative restrictions. But when the duties are raised, the quantities will not, in my opinion, be very much more than what are now come. Instead of <),000 articles he may receive 10,000. That will be the

position. With this increased duty there is bound to be the consumers' resistance if higher prices are charged by the middlemen who are importing the articles at present. And the quota-holder will not be not the only monopolist as at present. The users will be there; the consumers will be there, and reasonable competition will be forthcoming. So the system of selling licences will disappear with regard to items which the Minister for Commerce and Industry will bring in every now and then. I know, Sir, the difficulty that is involved in handling some 600 items of the import trade. And they cannot do it all of a sudden, and it is much better that the hon. Minister devotes his time and patience to this job and scrutinises every item. I also consider that this additional revenue of about 4½ crores of rupees will only allow imports, in my opinion, to the extent of Rs. 4 to Rs. 5 crores. And, I think, Sir, that is his estimate. And I know that shrewd as he is in handling the economy of our country, if the imports go over and above Rs. 5 crores, say, to Rs. 10 or Rs. 15 crores, he will immediately cut down the imports, because there is a six-monthly revision of these quotas. I think, Sir, he has watched the situation for the last two years. The policy of liberalisation is adopted to improve the quality and to reduce the cost of production in our country. And we have to see, Sir, that the quality and the cost of production of our goods are comparable to the quality and the cost of production of the imported articles. Therefore, Sir, I think that the internal competition will gradually increase and we will be able to improve the quality of our goods and we will also be able to bring down the cost of production. We import all such goods in order that we may be able to see as to what the standard should be of such goods produced in our country. I therefore submit, Sir, that with the steep rise in these duties, which are running from 65 per cent, to 100 per cent., the Indian industries will, in a very short time, be able to make remarkable progress in the

matter of quality and cheapness. There is no doubt that in many industries we have been able to compete in the foreign markets, the international markets, and the goods which we used to import in the past, we -are now exporting. And, I think, very few countries are able to compete with us in some products. That has to be borne in mind. Take the Hurricane lantern industry. This was given protection, and now we are exporting Hurricane lanterns. The Tariff Commission is fully alive to the position, since the Tariff Commission examines the protection which has been given to an industry after the period for which protection is given is over. Now, in that respect, I have to make a suggestion to the hon. Minister for Commerce and Industry that with regard to the industries for which protection has been given, the Tariff Commission should examine the progress made as regards quality as well as cost of production every year and make suggestions to the industry. They should also be told that when the time for revision comes, these factors will be taken due note of. I think this is very necessary. I know that the Tariff Commission is overworked these days. There are only four members and the staff also is very small. But the Tariff Commission is the governing factor in our fiscal policy and therefore we should not grudge any expenses in the expansion of that body. It is important that somebody who is impartial like the Tariff Commission should point out the defects that are found in the private sector. Therefore the progress of the protected industries should be examined every year and instructions should be issued to the industries which are protected to put their house in order. Otherwise, the protection should be withdrawn and Government should interfere in that industry or take such other measures as are in national interests under the Industrial Development and Regulation Act under which the Minister has many powers.

Now, I will come to other points. The Tariff Commission, being an im-

partial body, naturally its reports are adopted in full, but I think—and Mr. Bhupesh Gupta should attend to this—that even the Tariff Commission's recommendations are not adopted *in toto*. As has been pointed out, in three or four cases, the Tariff Commission's recommendations have not been accepted by Government. What are they? That is very important to understand; it has been already explained by the Minister for Commerce and Industry to some extent with regard to small lamp holders, cycle part manufactures and preserved fruits. In the case of these three items the Government has not accepted the recommendations of the Tariff Commission to reduce the duty, and the Minister has given the reasons for this. I would like to amplify it. In order that these small industries may not be ruined, he does not want to reduce the duty. The Government of India is fully alive to the needs of these industries, a fact which Mr. Bhupesh Gupta does not know or does not realise.

Now, Sir, some specific duties have been imposed on pencils, playing cards and old newspapers. The inroads that were made into our economy by foreigners in an indirect manner have been stopped.

Then the hon. Member also raised the point about GATT and Commonwealth preference. He said that under the, GATT agreement we are not getting the advantages that we should get. In regard to the Commonwealth countries, if we examine the articles that are exported to and imported from Commonwealth countries, we will see that we are actually gaining by the preferential duties that we get for our exports in the Commonwealth countries. Our exports will not be so large if the Commonwealth countries are not giving us a preferential treatment, and it is only because of the preferential duties that we are able to export the quantities that we desire. If we see the special preference that is given to them in our own country, we will

[Shri C. P. Parikh.] find that such preference is only to a very small degree. We should also see our pattern of trade now. The present pattern is that we are importing more and more raw materials and essential goods for industrial production and capital goods. Our imports are limited to manufactured goods of a particular quality which we cannot manufacture here. Therefore, we will see that our pattern of imports has considerably changed. The Minister has wisely watched the situation and reduced some duties on raw materials and capital goods. I think the Minister should pay great attention to it that wherever goods or raw materials are not available in the country, the burden of the import duty should be the minimum or negligible or may be nothing at all. When the raw materials which are imported are being produced in the country, the position is quite different and here the Minister is fully alive to the needs of the situation.

Mr. Ghose also raised the question of the GATT agreement. With regard to the GATT agreement, we must understand that our trade is a two-way traffic, import and export. Now, if we try to get many commodities removed from the GATT list in order that we may have more freedom in relation to them, the position will be that other countries also will demand corresponding releases. Naturally they will say, "If you do not want our goods, we also do not want your goods." Therefore, what will happen to the economy which we have developed, to the exports that we have developed, unless we are in an accommodating mood? We are watching the situation. Now, there is a possible entry of Japan in the field. The United States with surplus production will be taking the initiative with regard to this agreement. Therefore we are watching the situation, and I am sure the hon. Minister for Commerce and Industry will give full instructions to our delegation there on the subject. We have not suffered at all by this agreement. The fact is that India's views are recognised in that confer-

ence. We are not taken in by the arguments of other countries. The industrial development of India is being fully recognised by other countries. I think that it is now fully recognised by the countries of Europe and America that India is going to be a great competitor in the Asiatic and African countries in the goods that these countries need. What are the reasons for our being in a position to compete with those countries? The reasons are mainly that our agricultural products are cheap as compared with those of other countries. Our labour is also cheap as compared with that of the other countries. The European and American nations will have to come down a lot in bringing down their cost of production in order to compete with us. Why are we able to export our textile goods? It is because our cotton is cheap, and this is an advantage which cannot be taken away from us, because it is an advantage derived from our cheap agricultural production.

I THE VICE-CHAIRMAN (SHRI R. C. GUPTA) in the Chair. 1

In the matter of other goods also, we can have similar advantages if we allow our economy to develop on certain lines.

The other point that he raised is about the participation of foreign capital in our industrial development. I think he does not understand that Members of this House are fully aware of the participation of foreign capital in the industrial development of this country. We know that we cannot do without foreign:

technical aid. That is the main thing at the bottom. We cannot establish major industries in the country, essential basic industries in the country without the technical knowhow of the other countries and I think we must consider ourselves fortunate that those countries are assisting us by lending technical aid. We have only to see that when we receive, such technical aid there are certain conditions that have to be given. Because when technicians come, they cannot do anything without machinery..

We have also to import machinery which will be operated by the technicians and that machinery is not manufactured in this country. That is the second handicap which the 3ion. Member has to understand because we want to develop our country both in the matter of defence industries as well as in essential industries •or producer-industries.

An Hon. MEMBER: The trouble is •we are not getting machinery.

SHRI C. P. PARIKH: Some countries are refusing to sell machinery but it is only the civilised countries that •give us machinery because without them what will you have done? You -must be in good contact with other •countries in order that we can get help from them. That is the first thing to understand. Have we developed our resources in the country in Hie forests and mines? Now we have the machinery for manufacturing petrol. There are so many developmenr. sources in our country but we are suffering for want of technical knowledge apart from machinery, and machinery is also not available in the •country. There are machines existing in other countries which we may not dream of and we may not get those machines. In some of the industries where essential commodities are to be manufactured, we shall have to import those machines and those capital goods in order that we may not have to import those goods in finished form. That is the main thing. We may not like foreign capital or foreign technicians. We will then have to get these finished goods. Is it better to have foreign goods or foreign capital and technicians? I think we have to balance that and the Government of India is capable of doing it without the advice of Shri Bhupesh Gupta. Now with regard to foreign participation what is the policy laid down in 1948? I think it is unfortunate that the remarks of such Members are giving some shaky feelings in the minds of foreigners for investment in this country but I think it is necessary to assure the foreign capitalists in

order that we invite them on certain conditions as long as they are prepared to observe those conditions.

SHRI' B. GUPTA: We shall fight them tooth and nail in any investment.

SHRI C. P. PARIKH: But your voice counts only for about -001 out of millions in this country and as long as that voice is there you have no right to speak on behalf of the masses of India.

SHRI B. GUPTA: Your voice is loud because you have a big purse in your pockets. (*Interruptions.*)

SHRI C. P. PARIKH: Now with regard to foreign capital which is also another matter and in which he has given a wrong impression. Foreign capital is admitted into this country on certain conditions that Indian participation will be there more than about 70 per cent, but wherever Indian participation is not coming, then the figure is reduced to 50 per cent, or 20 per cent. If Indians are not coming forward with capital or technical skill should we continue to import those goods or allow even foreign manufacturers, as we have done in the case of petroleum companies? Should we import petrol or should we • import crude oil because once those industries are established we would have made much progress in the matter of industrial development; instead of bringing those goods from those countries if those very factories are existing in our country, that would make a lot of difference and if we want to develop we shall have to borrow knowledge, we shall have to borrow skill, we shall have to borrow capital if it is not existing in our country.

SHRI B. GUPTA: And you shall borrow capitalists!

SHRI C. P. PARIKH: My hon. friend does not understand that the foreigners have no voice in the management after a certain time. Practically there is Indian management and Indian con-

[Shri C. P. Parikh.]
 trol. The foreign technicians are also training Indian technicians and all these conditions are laid down in our agreements. With regard to certain firms about which he may be talking, they were firms which were established before the Industrial Development and Regulation Act came in and I think the British interests which were existing in this country could not be expropriated under our Constitution and.....

SHRI B. GUPTA: We will change the Constitution.

SHRI C. P. PARIKH: We are against expropriation and it is the policy of the nation. We believe that in the larger interests of the country it should not be done. We are given a certain time to improve our industries. As long as America and Russia are having their quarrels for one economy or the other, certainly we have a great hope to build our industry and we should not lose that opportunity. We have made great progress by avoiding such quarrels and this Bill is coming as a pointer to that. Instead of importing, we are now able to export many articles. Lastly, I will say one word with regard to some of the industries for which the protection is given and for which a note was struck' fortunately by Mr. Ghose. The small iamp holders—there may be a big factory which may wipe out others. When we are giving protection to industries, we must remember that the industries are existing in the country on a large scale, on a small scale and on a cottage scale. Whenever protection is given, we must demarcate what should be produced on the large-scale and to what quantitative extent in the small scale as well as in the cottage scale. Unless we limit the production in certain cases of large and small units our economy will not be sound. It may be pointed out that there are 4 or 5 British companies which are manufacturing consumer goods which can be manufactured on a cottage scale. In the one single instance of Wimco—in the match industry—graded duties are levied. The

match industry is classified into A, B, C, D and E class according to the volume of production. Therefore—when total production can be greater,, and when small industries exist in this country, it is necessary that excise duty and cess are levied at differential rates according to the volume of production, so that the volume of production of the bigger units like Batas, Lever Bros., Imperial Tobacco or Wimco may not expand. We cannot differentiate. There may be also> some Indian units also which may be having installed capacity to supply 70. or 80 per cent, of the requirements of the country. Therefore we have to see that the production of big units, should not expand and the Government has a right to see in this respect.. If only this policy is followed, then, it will be very welcome to the development of our small industries. One last point I wish to make with regard to personal baggage which is allowed. in this country in certain items duty free. Now so many people are going, to foreign countries and are bringing commodities far above the value which Government desire and if Government puts a limit over the importation of such quantities by saying that you can import only Rs. 2,000 or Rs. 3,000 worth goods that will be good. If concession is given to import any quantity of that commodity at any high price, say, watches of Rs> 2,000 duty free, I think we should go into the matter. If cameras of Rs. 3,000 and Rs. 4,000 are allowed to be imported duty free as personal

SHRI RAJENDRA PRATAP SINHA (Bihar): Who are those lucky persons?

SHRI C. P. PARIKH: I am giving my view about this and Mr. Sinha will have his time to answer that. Now I have to make this suggestion in order that revenue may not be lost to the country and unnecessary goods may not be imported into this country free of duty. With regard to cars, I say it has been said that assembled cars of very high value may be imported because they are paying 75 per cent, of the value and

people going abroad may bring them] Now I have to make a suggestion here ' that there are also people who take cars from this country abroad and bring them back and it costs them only Rs. 1,800. So if cars are made in India and if Indian cars are going to receive greater fillip, and they pay only Rs. 1,800 I don't think why we should allow the cars of foreign manufacture in an assembled state to be brought into this country even though the person is going abroad and will have made use of the car for 3 or 4 months by allowing him to bring an expensive car.

We do not want such economies to be encouraged, because what I am pointing out is that for Rs. 1,800 these people can take a car from this country and bring it back. Therefore, that sort of thing should be encouraged and we should not allow such expensive models to be brought into our country and it will be a very long time before we can be in a position to be able to manufacture such expensive models in this country.

With these words, Sir, I support the Bill.

श्री कन्हैयालाल डॉ० बंध : उपसभाध्यक्ष महोदय, इस बिल पर चर्चा करते हुए मैं सदन के सामने एक बात रखना चाहता हूँ और वह यह है कि टैरिफ कमीशन जो कुछ भी सिफारिश करता है वे बहुत महत्व की होती हैं और उनके आधार पर हमको मिनिस्ट्री की ओर से एक छोटा सा नोट मिल जाता है । टैरिफ कमीशन की रिपोर्ट मेज पर रख दी जाती है और हम से यह कहा जाता है कि अगर डिस्कशन करना है तो लाइब्रेरी में जा कर देख लीजिये । फिर हमें कोई कागज अध्ययन करने के लिए नहीं मिलता है । मैं इस सदन का ध्यान इस बात की ओर खींचना चाहता हूँ कि देश के महत्वपूर्ण आर्थिक प्रश्नों के ऊपर अगर

हमें टैरिफ कमीशन की रिपोर्टें समय पर न मिलें तो हम नहीं समझते कि किस प्रकार हम बहस में भाग ले सकते हैं । हमें इस बात का पूरा पता नहीं लगता कि किस प्रकार की टैरिफ कमीशन की सिफारिश है । टैरिफ कमीशन की रिपोर्टों के बारे में यह बतलाया जाता है कि वे छपी जा रही हैं । मैं यह नहीं समझता कि वे बिल के पास होने के बाद छपीं और मिलीं तो सिवाय रद्दी की टोकरी में रखने के और क्या काम आयेंगी ।

जो कम्पिटेंट अथॉरिटी पार्लियामेंट है उसमें जब यह बिल आ गया है और उस पर वादविवाद हो गया है तब उसके बाद टैरिफ कमीशन की रिपोर्ट किस काम आने वाली है और देश पर उसका क्या प्रभाव पड़ने वाला है यह मैं नहीं समझ सकता ।

माननीय मंत्री महोदय ने कुछ सिद्धांत की बातें रखीं और यह बताने की चेष्टा की है कि देश के आर्थिक विकास के लिए हमें देश के धंधों को भी बचाना है और इस बात को भी ध्यान में रखना है कि जिन चीजों को हम यहां देश में पूर्णतः नहीं बना सकते हैं वे चीजें विदेशों से आती रहें जिससे कि मध्यमवर्ग के व्यापारी जो मुनाफा खा जाते हैं उसको हम रोक सकें । यह एक ऐसी नीति है जिससे कि हमारा जो स्वदेशी का नारा है वह कुछ ढीला हो जाता है और विदेशी माल के आयात करने का एक रास्ता खुल जाता है । इस विषय में सरकार की नीति ऐसी तो नहीं होनी चाहिये कि वह स्वदेशी के नाम पर, स्वदेशी वस्तुओं को प्रोत्साहन देने के नाम पर, विदेशों से आयात करे और यह कहे कि मांस-

[श्री कन्हैया लाल डी० वैद्य]

वर्ग के व्यापारी जो बहुत मुनाफा कमा लेते हैं उस मुनाफे को रोकने के लिए इस प्रकार की नीति निर्धारित करते हैं। मैंने माननीय मंत्री महोदय से ब्लेड्स और सेफ्टी रेजर्स के सम्बन्ध में पूछा था। वैसे तो मेरा सम्बन्ध ब्लेड्स से और सेफ्टी रेजर्स से नहीं है क्योंकि मुझे उनकी आवश्यकता नहीं पड़ती लेकिन देश के करोड़ों लोगों को उनकी आवश्यकता पड़ती है और इस सदन में बैठे हुए लोगों को और देश के करोड़ों लोगों को अनुभव हुआ होगा कि कुछ महीने पहले ब्लेड्स और सेफ्टी रेजर्स का खुला ब्लैक मार्केट बहुत हुआ, दुगने या तिगने भाव पर ये बिके। यह कौन सी नीति है कि जिसके कारण इनके भाव इस तरह से बढ़ गए और लोगों को ब्लैक मार्केट करने का मौका मिला? इसके पीछे कौन सा सिद्धांत था जिसके कारण जनता को ऐसी स्थिति का सामना करना पड़ा कि एक ब्लेड की दुगुनी और तिगुनी कीमत देनी पड़ी? तो मैं समझता हूँ कि जब आप इम्पोर्ट के लाइसेंस देते हैं तो आप को इस बात का भी ध्यान रखना चाहिये कि जो बाजार में घंघा करने वाले लोग हैं वे इस प्रकार का ब्लैक मार्केट न कर सकें। इस प्रकार की नीति निर्धारित करने से देश में छोटी छोटी चीजों पर बड़ा बुरा असर पड़ता है। ठीक है कि आपने एक ब्लेड पर एक पैसे का नया टैक्स लगाया है और सेफ्टी रेजर्स पर भी कुछ टैक्स लगाया है लेकिन एक पैसे का टैक्स भी हर एक आदमी को सरकार के बारे में सोचने के लिए मौका देता है, जब कभी सुबह सेफ्टी रेजर को बड़ ढाथ में उठाता है तो उस टैक्स के लिए वह सरकार को याद करता

है। हमारी टैक्सेशन की पालिसी ऐसी नहीं होनी चाहिए कि मध्यम वर्ग का और गरीब वर्ग का हर एक आदमी इसको महसूस करे कि सरकार आवश्यक चीजों पर भी टैक्स लगाती है।

एक सिद्धांत की बात और मैं आपके सामने रखना चाहता हूँ। जो लम्बरी की चीजें हैं, जो शौक की चीजें हैं उन पर आपको जितना भी कर लगाना हो लगाइये लेकिन जो जीवन की आवश्यक चीजें हैं उन पर कर लगाना अनुचित है। पेंसिल को लीजिये, होल्डर या निब को लीजिये, किसी चंज़ को आपने नहीं छोड़ा। दलील यह दी गई कि जापान ने २२ इंच की लम्बी पेंसिल बना कर भेज दी और उसके कारण से यह टैक्स बढ़ाना पड़ा और एक पेंसिल पर दो आने का टैक्स लगाने की बात इस बिल में रखी गई है। इस देश के अन्दर जहाँ अज्ञानता है और जहाँ इतने लोगों को शिक्षण की ओर ले जाना है वहाँ पेंसिल या निब लम्बरी की चीज है ऐसा मैं नहीं मानता हूँ। ये चीजें ऐसी हैं जो कि देश के गरीब लोगों के लिए आवश्यक हैं। जितना ही आप गरीब लोगों को पढ़ने लिखने के साधन देंगे और सस्ते साधन देंगे उतना ही उनके लिए अच्छा होगा और उतना ही उनको प्रगति करने में, लिखने पढ़ने में सहायता मिलेगी। यदि आप इन चीजों को टैक्स के जरिये से महंगा बनायेंगे और यह कह कर उनके आयात को रोकेंगे कि अगर हम देश के पेंसिल बनाने वाले कारखानों को प्रोत्साहन नहीं देंगे और विदेशों से माल मंगावेंगे तो देश के कारखानों का जीवन खतरे में पड़ जायेगा, तो मैं समझता हूँ कि ऐसी नीति से देश की जनता का कोई कल्याण होने

थाला नहीं है। दूसरे देशों में और इस देश में भी जिन चीजों से जनता का सम्बन्ध होता है उनके लिए जनता के हितों को देखा जाता है। विदेशों में भी जहां हमारा माल जाता है इस बात की आवाज उठती है कि यदि कोई ऐसी चीज हिन्दुस्तान से आती है जिससे कि जनता के हितों की अवहेलना होती है तो सरकार उसको रोके। वहां भी सरकार उसकी देख रेख करती है और जनता के हितों को संभालती है। हमारे यहां भी जब कि जनराज्य हो गया है तो इस चीज को ध्यान में रखना बहुत आवश्यक है। मैं नहीं समझ पाता कि पेंसिल के मामले में टैक्स लगाने की जो नीति है वह कहां तक उचित है। पेंसिल का जीवन से बहुत सम्बन्ध पड़ता रहता है और मुझे भी उससे सम्बन्ध पड़ता है। मैं समझता हूं कि बाजार में जो हिन्दुस्तानी कारखानों की पेंसिलें मिलती हैं वे बहुत ही हल्की और ऊंची कीमत की होती हैं और उनको खरीदने के बाद सिवाय इसके कि पश्चाताप किया जाय और क्या किया जाय। उनको खरीदने के बाद विदेशी पेंसिलों के खरीदने का मोह होना स्वाभाविक है, चाहे उस पर कितना ही टैक्स लगा हो। विदेशी पेंसिल किसी भी भाव पर बिकती हो लेकिन मनुष्य को मजबूरन लेना ही पड़ता है। मैं कहूंगा कि इस बात की जांच की जाय कि विदेशी स्टेशनरी का सामान कहां जाता है। अगर आप सरकारी दफ्तरों की जांच करें तो आप पायेंगे कि विदेशों से जो स्टेशनरी निर्यात होती है वह दफ्तरों में ही ज्यादातर खरीदी जाती है और ज्यादातर दफ्तरों को ही सप्लाई होती है। मैं मंत्री महोदय से निवेदन करूंगा कि वह इस बात की जांच करें कि

दफ्तरों में जो स्टेशनरी काम में आती है वह कहीं विदेशी तो नहीं होती। अगर आप ऐसा करेंगे तो स्वदेशी को बड़ी प्रेरणा देगे और जो विदेशी माल इस देश में निर्यात होता है वह बहुत कुछ कम हो सकेगा।

मंत्री महोदय ने एक बात की ओर और खास तौर से ध्यान दिलाया था। आपने कहा था कि न्यूजप्रिंट पर भी कुछ टैक्स लगाया जाय लेकिन वह मामला जरा कुछ नाजुक है और उसमें उनको कुछ खतरा सा मालूम होता है। मैं आपसे कहना चाहूंगा कि न्यूजप्रिंट के लिए जो कागज आता है उसको टैक्स फ्री रख कर के आप इस भावना से देखते हैं कि देश की जनता को सस्ते अखबार मिलेंगे, सस्ती चीजें मिलेंगी लेकिन प्रेस कमिशन ने जो रिपोर्ट दी है उस रिपोर्ट को आपने देख लिया होगा। आप देखिये कि प्रेस का धंधा मुट्ठी भर कंपिटलिस्टों (पूजीपतियों) के हाथ में है और जब कि आपने उन पूजीपतियों के लिए अपनी यह पौलिसी निर्धारित की है कि वे जनता को उचित मूल्य पर अखबार उपलब्ध करें, तब भी ये लोग, आपने उनको टैक्सों आदि के मामले में जो सहूलियतें दी हैं, उनका अनुचित लाभ उठाते हैं, जिसका परिणाम आज हम देश में यह देखते हैं कि जो उच्च कोटि के अखबार हैं उनका दाम इस देश के भ्रंदर ढाई आने है। कोई कारण नहीं है कि जब कि सरकार नाना प्रकार की टैक्सों की सहूलियत उनको देती है और उनके लिए उसकी बड़ी उदार निर्यात नीति है, तो फिर ये अखबार वाले पूजीपति लोग अखबारों की इतनी ऊंची कीमत रख कर के जनता को लूटें। आप देखते हैं कि बम्बई का एक अखबार

श्री कन्हैयालाल डी० वैद्य]

है, फ्री प्रेस, जो कि आठ पेजों का अखबार है और उसकी साइज भी वही है जो और प्रसिद्ध अखबारों की है, लेकिन उसकी कीमत सिर्फ एक आना है। मैं नहीं समझता कि उसको चलाने वाले कोई घाटा उठा कर अपने अखबार को चलाते हैं। तो यदि कोई उसी साइज के आठ पन्ने के अखबार को एक आने में दे सकता है, तो कोई कारण नहीं कि उसी स्टैंडर्ड साइज का अखबार दूसरे लोग ढाई ढाई आने में बेचें। वास्तव में सरकार को इस दिशा में अवश्य कदम उठाना चाहिये और यह व्यवस्था करनी चाहिए कि जब वह किसी इंडस्ट्री को, उद्योग को, रौ मैटीरियल (कच्चा माल) सस्ते दामों पर इस आशय से देती है कि देश की जनता को उसके बने हुए माल भारी कीमत पर न पड़े, और इस तरह से जो लोग अखबार पढ़ने वाले हैं उनको सस्ते दाम पर अखबार मिल सकें। सरकार को इस बात की व्यवस्था अवश्य करनी चाहिये कि वह अखबार उद्योग के जो चलाने वाले हैं, मालिक हैं उन पर इस बात के लिए जोर दे कि वे अखबारों के दाम घटाएं क्योंकि मुनाफा पैदा करने की यह इंडस्ट्री अभी इस देश के अन्दर बनी हुई है और उसने अपने कर्मचारियों को भी कोई राहत नहीं दी। इसलिए इस विषय में जितना भी मैं यहां कह सकता हूं, यही कहूंगा कि मुट्ठी भर लोगों ने इस पवित्र धंधे को भी एक शोषण का जरिया बना रखा है, और सरकार को उनकी मनोवृत्ति को बदलने के लिए इस प्रश्न पर गम्भीरता से सोचना चाहिए और ऐसे शोषक मुट्ठी भर पूंजीपति लोग जो इस प्रकार की व्यवस्था कायम किए हुए हैं उनको

किसी प्रकार का संरक्षण न देना चाहिए। संरक्षण उन्हीं तत्वों को मिलना चाहिए जिनसे देश का हित होता हो और देश का कल्याण होता हो।

माननीय श्री पारिख ने एक बात का यहां उल्लेख किया था। उन्होंने ने कहा कि इस देश के अन्दर अग्रीकल्चरल प्रोडक्ट्स, अर्थात् किसानों के पैदावार की चीजें, जैसे कपास है, जूट है या दूसरी सस्ती चीजें हैं जिनके दाम कम होने की वजह से हम दुनिया के बाजारों में उस कच्चे माल को भेज सकते हैं। मैं माननीय मंत्री महोदय को बड़े अदब से इस बात पर ध्यान देने के लिए कहूंगा। माननीय श्री पारिख ने यह बहुत महत्व की बात कही है। यह बात अंगरेजों के जमाने से चली आ रही है कि एक ओर जब हमारे देश का शोषण करने वाले अंगरेज लोग थे जो हमारे यहां से रौ मैटीरियल (कच्चा माल) बाहर ले जा कर जनता का शोषण करते थे तो दूसरी ओर उसी मनोवृत्ति के हमारे हिन्दुस्तानी लोग यहां की गरीब जनता से कच्चा माल सस्ते से सस्ते दाम पर ले कर उसका शोषण करते थे। उस गरीब जनता के करोड़ों लोग जो देहातों में रहते हैं जिनके घरों के अन्दर अंधेरा था और आज भी स्वतंत्रता प्राप्ति के बाद अंधेरा है, वे लोग आज की सरकार से इस बात की अपेक्षा करते हैं—क्योंकि उनकी आर्थिक स्थिति बहुत कुछ व्यापार और उद्योग के ऊपर निर्भर है और सरकार उसके लिए नीति निर्धारित करती है—कि स्वराज्य के बाद उनके घरों में रोशनी का इंतजाम हो, उनकी आर्थिक स्थिति सुधरे। और वह आर्थिक स्थिति तभी सुधर सकती है जब आप ऐसी नीति

निर्धारित करेंगे जिस पर चल कर हमारे देश के पंजीपति और कारखानेदार, जो किसानों से कच्चा माल खरीद कर उन का शोषण करते हैं और विदेशों में उसे भेज कर खूब मुनाफा कमाते हैं, वह मनमानी बन्द हो। मंत्री महोदय ने स्वयं कहा कि सरकार इस बारे में हचेत है कि इस बीच के मार्जिन को जो ये लोग मुनाफे के रूप में कमाते हैं, रोका जाय। आप इस प्रकार की नीति से चलना चाहते हैं कि आप देश के कारखानों को प्रोटेक्शन भी देते हैं जिसके बल पर मध्यम वर्ग के मुनाफाखोर लोग विदेशों से माल मंगा कर फायदा उठाते हैं। इसलिए मैं आप से सुझाव करूंगा कि इस देश के किसानों द्वारा पैदा किये गए कच्चे माल को विदेशों में भेज कर जो करोड़ों रुपये ये लोग पैदा करते हैं, इस व्यापार को बन्द करना चाहिए। हमारी सरकार की एक पौलिसी होनी चाहिए, या तो वह समस्त उद्योगों को नेशनलाइज करने की पौलिसी पर चले जिससे जीवन की आवश्यकता की चीजों को जनता को उचित दाम पर सुलभ किया जाय या फिर कम से कम ऐसी नीति होना चाहिए कि जिसके जरिये मध्यम वर्ग के और गरीब वर्ग के किसानों का शोषण करने का जो तरीका है वह बन्द हो। नेशनलाइज करने की तरफ अभी हमारी कोई निश्चित नीति नहीं है और हम इस प्रकार की स्थिति में नहीं हैं कि हमारे सारे उद्योग जो जीवन की आवश्यकताओं से सम्बन्ध रखते हैं उनको नेशनलाइज किया जाय।

मैंने कल कुछ बातें रूई के सम्बन्ध में कहीं थीं, परन्तु उस समय हमारे माननीय मंत्री जी यहां उपस्थित नहीं

थे। मैंने कहा था कि इस देश के अंदर किसान रूई का उत्पादन करता है और चूंकि उसकी विदेशों में बहुत अधिक मांग है इसलिये रूई के काफी दाम किसानों को मिल सकते हैं, इसलिए रूई का निर्यात करना चाहिए और उसे जापान या और देश जो उसे चाहते हैं वहां भेजना चाहिए। इससे यह होगा कि जो लाभ मिल मालिकों की जेब में जाता है वह उनकी जेब में नहीं जा सकेगा और किसानों को अधिक दाम मिल जायेंगे। इस रूई के मामले में खास कर के बम्बई की जो ईस्ट इंडियन कौटन एसोसिएशन है, यह संस्था उसकी पौलिसी निर्धारित करने में बड़ा भारी खेल खेलती है और उसकी जो रीति-नीति है, उसका जो धंधा है वह ऐसा है कि उसका सारे देश के बाजार में असर पड़ता है क्योंकि रूई के भाव वे ही निश्चित करते हैं। उनकी निर्यात नीति ऐसी है कि उससे किसानों का शोषण होता है। इसलिए सरकार को ऐसी नीति बनानी चाहिए जिससे यह बीच का करोड़ों रुपये का मार्जिन जो कि उनकी जेब में चला जाता है और जिसकी एवज में जनता को सस्ता कपड़ा नहीं मिल पाता और किसान से सस्ती रूई, कपास ले कर उसका शोषण होता है, वह खत्म हो जाय। आपकी आर्थिक नीति ऐसी होनी चाहिए जिसके बल पर आप जनता को सस्ती चीजें दें क्योंकि इस समय मध्यम वर्ग और गरीब वर्ग की जनता की ऐसी स्थिति नहीं है कि वह वस्तुओं को ऊंचे दाम पर खरीद सके।

आपके जो उत्पादन और कृषि मंत्री हैं उनकी रीति-नीति से—या यूँ कहिये, कि ईश्वर की कृपा से अच्छी फसलें देश

[श्री कन्हैयालाल डी० बैद्य]
 के अन्दर हुईं और अनाज के भाव कंट्रोल
 हट जाने से नीचे गिर गए हैं इसलिए—
 देश के अन्दर गरीब जनता को रूखा
 सूखा अब सस्ते दामों पर मिलने लगा है ।
 जनता चाहती है कि इसी प्रकार से उसे
 सस्ता कपड़ा भी मिल सके और बीच
 की जो मुनाफाखोरी है वह बन्द हो ।
 सरकार को इन चीजों पर ध्यान देने की
 अत्यन्त आवश्यकता है । देश इस समय
 निश्चित रूप से एक आर्थिक क्रांति की
 ओर जा रहा है, एक आर्थिक उथल-पुथल
 होने की संभावना है और यदि सरकार
 ने उचित कदम नहीं उठाया तो वह
 क्रांति रुकने वाली नहीं है क्योंकि मध्यम
 वर्ग और गरीब वर्ग के आदमी इस
 स्थिति में नहीं हैं कि वह किसी प्रकार
 के शोषण को बर्दाश्त कर सकें ।

इन शब्दों के साथ मैं इस बिल का
 समर्थन करता हूँ ।

TRAIN DISASTER ON HYDERABAD- KAZIPET LINE

SHRI B. GUPTA (West Bengal): May I rise
 to draw your attention to a great
 , tragedy that has taken place today? A whole
 train carrying 600 passengers from Hyderabad
 to Kazipet has fallen into a river. This train
 connects Hyderabad with the Grand Trunk
 Ex-
 ,press. The matter has been taken up in the
 Hyderabad Legislative Assembly
 ;and I think, Sir, we should find some time in
 the next two days to discuss this matter. News
 is coming in with regard to this grim tragedy.

THE VICE-CHAIRMAN (SHRI R. C.
 'GUPTA) : Mr. Gupta, you may make a formal
 motion.

SHRI B. GUPTA: I would request "you, Sir,
 to convey to the Ministry concerned the
 request of the House and time may be found,
 before we disperse, to discuss this matter.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL 1954—continued

SHRI KISHEN CHAND (Hyderabad): Mr.
 Vice-Chairman, we are discussing this Indian
 Tariff (Second Amendment) Bill and I can say
 that nobody can disagree with the fundamental
 idea of revenue duty or protective duty or the
 fixation of import quotas which are utilised for
 the economic development of any country.
 The question comes in only when we examine
 in detail the various items and test them on the
 basis of their effect on Indian economy. The
 hon. Minister is very fond of immediate dis-
 posing of arguments against him by saying
 that the facts and figures are incorrect. That is
 his usual way of arguing. He is an experienced
 Parliamentarian with a long standing and I
 expect from him a careful examination of
 these things. The objective of the Opposition
 is not destructive criticism. The underlying
 idea is to present the other point of view.
 Therefore, he should carefully examine the
 points and not just pass them by, by a cynical
 remark hitting below the belt, which is most
 unfair. This is not expected of a great
 Parliamentarian of such standing as he is. I am
 a new man but I do give very accurate figures,
 as far as possible. When we are considering
 large numbers it is after all the proportion that
 has to be taken into account, not the exact
 number as to whether it is one digit less or one
 digit more. In a whole economy, say, in our
 production of 70 million tons of food grains, if
 we import a million tons, it is just about 1 per
 cent, and it does not matter very much. Sir we
 are considering the increasing of revenue duty.
 Whether we call it a revenue duty or whether
 we call it a protective duty, if on an imported
 item the like of which is manufactured in our
 country a revenue duty is increased, it really
 amounts to a further protection. We have got
 to see what is the effect of that additional
 protection or that revenue duty and when we
 are testing this, our