

November 11, 1957

LOK SABHA DEBATES

Second Series

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**THIRD
SECOND SESSION, 1957**

(Vol. VIII contains Nos., 1 to 10)

**LOK SABHA SECRETARIAT
NEW DELHI**

CONTENTS

COLUMNS

No. 1.—Monday, 11th November, 1957

Members sworn	1
Oral Answers to Questions—	
Starred Questions Nos. 1 to 4, 28, 5 to 7, 9 to 11, 13 to 15 and 17 to 24	1-37
Written Answers to Questions—	
Starred Questions Nos. 8, 12, 16, 25 to 27 and 29 to 36	37-46
Unstarred Questions Nos. 1 to 32	46-63
Deaths of Shri Sarangadhar Das and Shri R. S. Sharma	64
Motions for Adjournment	64-72, 73
1. Railway accident at Baranagar	64-68
2. Alleged starvation deaths and drought conditions in various parts of U.P., Bihar etc.	68
3. Disturbances in Ramanathapuram District	68-72
4. Statement by the Minister of Rehabilitation at Rehabilitation Ministers' Conference	73
Arrest and Conviction of a Member	72
Papers laid on the Table	73-76
Message from Rajya Sabha	76-77
Industrial Disputes (Banking Companies) Decision Amendment Bill—	
Laid on the Table as passed by Rajya Sabha	77
President's Assent to Bills	77-78
Delhi Municipal Corporation Bill—	
Report of Joint Committee presented	78
Delhi Development Bill—	
Report of Joint Committee presented	78
Navy Bill—	
Report of Joint Committee presented	78
Evidence on Bills—laid on the Table	79
Correction of Answer to Starred Question No. 1130	79-80
Probation of Offenders Bill—Introduced	80
Business of the House	80-81
Industrial Disputes (Banking Companies) Decision Amendment Bill—	
Motion to consider as passed by Rajya Sabha	81-110
Clauses 2 and 1	108
Motion to pass	108
Industrial Finance Corporation (Amendment) Bill—	
Motion to consider	120-128
Business Advisory Committee—	
Tenth Report	188
Daily Digest	189-196
No. 2.—Tuesday, 12th November, 1957	
Death of Shri Tyabji	197-198
Daily Digest	194-200

No. 3.—Wednesday, 13th November, 1957

Oral Answers to Questions—

Starred Questions Nos. 75 to 90	201-36
Written Answers to Questions—	
Starred Questions Nos. 37 to 74, 91 to 98 and 100 to 127	236-74
Unstarred Questions Nos. 33 to 97, 99 to 101, 103 to 106 and 108 to 177	274-351
Motion for adjournment—	
Statement by the Rehabilitation Minister at the Rehabilitation Ministers' Conference at Darjeeling	351-58
Papers laid on the Table	358-61
Committee on Private Members' Bills & Resolutions—	
Bighth Report	361
Calling attention to matter of urgent public importance—	
Train Collision at Kosma	361-62
Correction of Answer to Starred Question No. 1457	363-64
Statement by Finance Minister on his visit abroad	364
Reserve Bank of India (Second Amendment) Bill—Introduced	365
Statement re. Reserve Bank of India Ordinance—laid on the Table	365-366
Business Advisory Committee—	
Tenth Report	367
Industrial Finance Corporation (Amendment) Bill—	
Motion to consider	367-87
Clauses 2 to 15 and 1	370-85
Motion to pass, as amended	385
Mines and Minerals (Regulation and Development) Bill—	
Motion to refer to Joint Committee	387-469
Indian Tariff (Amendment) Bill—	
Motion to consider	469-84
Daily Digest	485-96

No. 4.—Thursday, 14th November, 1957

Oral Answers to Questions—

Starred Questions Nos. 128 to 132, 134 to 136, 138 to 140, 142, 144, 145, 147 to 150 and 152 to 154	497-535
Written Answers to Questions—	
Starred Questions Nos. 133, 137, 141, 144, 146, 151 and 155 to 169	535-46
Unstarred Questions Nos. 178 to 225	546-70
Papers laid on the Table	570-73
Calling attention to matter of urgent public importance—	
Breaches caused to railway track in Vijayawada—Madras section	573
Indian Tariff (Amendment) Bill—	
Motion to consider	574-626
Clauses 1 and 2	623-24
Motion to pass	624
Public Employment (Requirement as to Residence) Bill—	
Motion to consider	626-701
Clauses 1—5	686-96
Motion to pass, as amended	696
Probation of Offenders Bill—	
Motion to consider	701-04
Daily Digest	705-10

5.—Friday, 15th November, 1957

Oral Answers to Questions—

Starred Questions Nos. 170 to 181, 184 to 186, 188, 189 and 192 to 194 711-47

Short Notice Question No. 1 747-55

Written Answers to Questions—

Starred Questions Nos. 182, 183, 187, 190, 191 and 195 to 205 756-64

Unstarred Questions Nos. 226 to 240, 242 to 265 and 267 to 306 764-814

Papers laid on the Table 814-16

Business of the House 816

Probation of Offenders Bill—

Motion to consider 817-65

Committee on Private Members' Bills and Resolutions—

Eighth Report 866

Resolution *re*. Appointment of a Tribunal to review the cases of dismissed Government employees 866-926

Resolution *re*. Appointment of a Statutory body for controlling the qualifying examination *re*: certifying costing results 925-36

Business Advisory Committee—

Eleventh Report 936

Daily Digest 937-42

No. 6.—Monday, 18th November, 1957

Oral Answers to Questions—

Starred Questions Nos. 207 to 214, 217 to 219, 221-222 943-79

Written Answers to Questions—

Starred Questions Nos. 215, 216, 220, 223 to 227, 229 to 237 979-88

Unstarred Questions Nos. 307 to 348, 350 to 356, 358 to 367 989-1022

Motion for Adjournment—

Disturbance in Ramanathapuram District 1022-26

Business Advisory Committee—

Eleventh Report 1026

Probation of Offenders Bill—

Motion to consider 1027-1131

Amendment to refer to Joint Committee adopted 1131

Navy Bill—

Motion to consider, as reported by Joint Committee 1132-48

Daily Digest 1151-56

No. 7.—Tuesday, 19th November, 1957

Oral Answers to Questions—

Starred Questions Nos. 238 to 246, 248 to 250, 252 to 254 and 256 to 260 1157-93

Written Answers to Questions—

Starred Questions Nos. 247, 251, 255, 261 to 267, 269 to 277 and 279 to 281 1194-1203

Unstarred Questions Nos. 368 to 399 1203-22

COLUMNS

Papers laid on the Table	1222-24
Calling attention to matter of urgent public importance—	
Explosion at Lakhisarai Railway Station	1224-27
Navy Bill—	
Motion to consider as reported by the Joint Committee	1227-1340
Clauses 2 to 11	1315-40
Daily Digest	1341-44
<i>No. 8.—Wednesday, 20th November, 1957</i>	
Oral Answers to Questions—	
Starred Questions Nos. 282 to 287, 289, 291 to 293, 295-296, 298 to 302	1345-81
Short Notice Question No. 2	1381-85
Written Answers to Questions—	
Starred Questions Nos. 288, 294, 297, 303 to 323, 325 and 326	1386-1400
Unstarred Questions Nos. 400 to 468	1400-36
Paper laid on the Table	1436
Committee on Private Members' Bills and Resolutions—	
Ninth Report	1436
Committee on Absence of Members from the Sittings of the House—	
Third Report	1437
Naga Hills—Tuensang Area Bill—	
Introduced	1437-38
Business of the House	1438-39
Motion Re. Second Five Year Plan in relation to current economic situation	1439-1556
Daily Digest	1557-62
<i>No. 9.—Thursday, 21st November, 1957</i>	
Oral Answers to Questions—]	
Starred Questions Nos. 327 to 337, 339 to 341 and 343	1563-99
Written Answers to Questions—	
Starred Questions Nos. 338, 344 to 348 and 350 to 368	1599-1610
Unstarred Questions Nos. 469 to 476 and 478 to 536	1610-53
Ruling of Speaker on certain Questions, Resolutions etc.	1653
Papers laid on the Table	1654
Messages from Rajya Sabha	1655
Cantonments (extension of Rent Control Laws) Bill—	
Laid on the Table as passed by Rajya Sabha	1656
Re. Papers laid on the Table	1656
Calling attention to matter of urgent public importance—	
Non-representation of certain Trade Union Organisation in I.L.O. Asian Regional Conference	1656-58
Leave of Absence	1658
Motion re. Second Five Year Plan in relation to current economic situation	1658-84
Shri T. T. Krishnamachari	1659-84
Navy Bill, as reported by Joint Committee	1684-1796
Clauses 12 to 188	1674-1769
Motion to pass, as amended	1769
Business Advisory Committee—	
Twelfth Report	1797
Ruling of Speaker re. Certain Questions and Resolutions etc.	1797-98
Daily Digest	1799-1804

No. 10.—Friday, 22nd November, 1957

Oral Answers to Questions—

Starred Questions Nos. 369, 371 to 377, 379 to 387, 389 to 391, 393, 394 and 395 to 399 1805-43

Written Answers to Questions—

Starred Questions Nos. 370, 378, 388, 392, 395, 400 to 402 and 404 to 419 1843-54

Unstarred Questions Nos. 538 to 578 1854-75

Motions for Adjournment—

1. Alleged failure of Government to end critical labour situation resulting from monopoly for manufacture of matches; and 1876-78

2. Alleged failure of Himachal Pradesh Administration to regulate plying of Himachal Pradesh Administration Transport buses 1878-79

Papers laid on the Table

1879

Messages from Rajya Sabha

1880

Indian Nursing Council (Amendment) Bill—Laid on the Table as passed by Rajya Sabha 1880

Business of the House

1880-81

Opium Laws (Amendment) Bill—Introduced 1881

Report of Business Advisory Committee (Adopted) 1882

Resolution Re. Reserve Bank of India (Amendment) Ordinance, 1957 and Reserve Bank of India (Second Amendment) Bill—

Motion to consider 1882-97,
1897-1935

Committee on Private Members' Bills and Resolutions—

Ninth Report 1936-37

Recognition (of services to the country) Bill—

Motion for leave to introduce 1937-48

Indian Railways (Amendment) Bill—Introduced 1948

Training and Employment Bill—Introduced 1948

Code of Criminal Procedure (Amendment) Bill—Introduced 1949

All India Institute of Medical Sciences (Amendment) Bill—Introduced 1953

Preventive Detention (Repealing) Bill—

Motion for leave to introduce 1950-52

Salaries and Allowances of Members of Parliament (Amendment) Bill—

Withdrawn 1953-54

Code of Civil Procedure (Amendment) Bill 1954

Motion to consider 1954

Beedi and Cigar Labour Bill 1954-96

Daily Digest 1997-2002

N.B.—The sign + above the name of a Member on Questions which were orally answered indicates that the Question was actually asked on the floor of the House by that Member.

LOK SABHA
ALPHABETICAL LIST OF MEMBERS

'A'

Abdul Latif, Shri (Bijnor).
Abdur Rahman, Molvi (Jammu and Kashmir).
Abdur Rashid, Bakhshi (Jammu and Kashmir).
Achal Singh, Seth (Agra).
Achar, Shri K. R. (Mangalore).
Achint Ram, Lala (Patiala).
Agadi, Shri Sangappa Andanappa (Koppal).
Agrawal, Shri Manakbhai (Mandsaur).
Ajit Singh, Shri (Bhatinda—Reserved—Sch. Castes).
Alva, Shri Joachim (Kanara).
Ambalam, Shri P. Subbiah (Ramanathapuram).
Amjad Ali, Shri (Dhubri).
Anjanappa, Shri B (Nellore—Reserved—Sch. Castes).
Anthony, Shri Frank (Nominated—Anglo-Indians).
Arumugham, Shri R. S. (Srivilliputhur—Reserved—Sch. Castes).
Arumugham, Shri S. R. (Namakkal—Reserved—Sch. Castes).
Ashanna, Shri K. (Adilabad).
Assar, Shri Premji R. (Ratnagiri).
Atchamamba, Dr. Komaraju (Vijayavada).
Awasthi, Shri Jagdish (Bilhaur).
Ayyakannu, Shri M. (Nagapattinam—Reserved—Sch. Castes).
Ayyangar, Shri M. Ananthasayanam (Chittoor).

'A'—contd.

Azad, Maulana Abul Kalam (Gurgaon).
'B'
Badan Singh, Ch. (Bisauli).
Bagdi, Shri Maganlal (Hoshangabad).
Bahadur Singh, Shri (Ludhiana—Reserved—Sch. Castes).
Bajaj, Shri Kamalnayan Jamnalal (Wardha).
Bakliwal, Shri Mohanlal (Durg).
Balakrishnan, Shri S. C. (Dindigul—Reserved—Sch. Castes).
Baldev Singh, Sardar (Hoshiarpur).
Balmiki, Shri Kanhaiya Lal (Bulandshahr—Reserved—Sch. Castes).
Banerjea, Shri Santosh Kumar (Cooch-Behar).
Banerjee, Shri Pramathanath (Contai).
Banerjee, Shri S. M. (Kanpur).
Banerji, Shri Pulin Behari (Lucknow).
Banerji, Dr. Ram Goti (Bankura).
Bangshi Thakur, Shri (Tripura—Reserved—Sch. Tribes).
Barman, Shri Upendranath (Cooch Behar—Reserved—Sch. Castes).
Barrow, Shri A. E. T. (Nominated—Anglo-Indians).
Barua, Shri Hem (Gauhati).
Barupal, Shri Panna Lal (Bikaner—Reserved—Sch. Castes).
Basappa, Shri C. R. (Tiptur).
Basumatari, Shri Dharanidhar (Gopara—Reserved—Sch. Tribes).

'B'—contd.

Beck, Shri Ignace (Lohardaga).
 Bhadoria, Shri Arjun Singh (Etawah).
 Bhagat, Shri Baliram (Shahabad).
 Bhagavati, Shri Bijoy Chandra (Darrang).
 Bhakt Darshan, Shri (Garhwal).
 Bhanja Deo, Shri Laxmi Narayan (Keonjhar).
 Bhargava, Pt. Mukat Behari Lal (Ajmer).
 Bhargava, Pt. Thakur Das (Hissar).
 Bharucha, Shri Naushir Cursetji (East Khandesh).
 Bhatkar, Shri Laxmanyaoji Shrawanji (Akola—Reserved—Sch. Castes).
 Bhattacharyya, Shri Chapala Kanta (West Dinajpur).
 Bhogi Bhai, Shri P. B. (Banswara—Reserved—Sch. Tribes).
 Bidari, Shri Ramappa Balappa (Bijapur South).
 Birbal Singh, Shri (Jaunpur).
 Birendra Bahadur Singhji, Shri (Raipur).
 Boroohah, Shri Prafulla Chandra (Sibsagar).
 Bose, Shri P. C. (Dhanbad).
 Brahm Prakash, Shri (Delhi Sadar).
 Brajeshwar Prasad, Shri (Gaya).
 Braj Raj Singh, Shri (Firozabad).
 Brij Narayan "Brijesh", Pandit (Shivpuri).

'C'

Chakravarty, Shrimati Renu (Basirhat).
 Chanda, Shri Anil Kumar (Birbhum).
 Chandak, Shri Bhikulal Lakhmichand (Chhindwara).
 Chandra Shanker, Shri (Broach).

'C'—contd.

Chandramani, Kalo Shri (Sundargarh).
 Chaturvedi, Shri Rohanlal (Etah).
 Chaudhuri, Shri Tridib Kumar (Berhampore).
 Chavan, Shri D. R. (Kared).
 Chawda, Shri Akbar (Banaskantha).
 Chettiar, Shri R. Ramanathan (Pudukkottai).
 Choudhry, Shri C. L. (Hajipur—Reserved—Sch. Castes).
 Choudhury, Shri Suresh Chandra (Dumka).
 Chuni Lal, Shri (Ambala—Reserved—Sch. Castes)

'D'

Daljit Singh, Shri (Kangra—Reserved—Sch. Castes).
 Damani, Shri Surajratan Fatehchand (Jalore).
 Damar, Shri Amar Singh (Jhabua—Reserved—Sch. Tribes).
 Dange, Shri Shripad Amrit (Bombay City Central).
 Das, Shri Kamal Krishna (Birbhum—Reserved—Sch. Castes).
 Das, Dr. Mono Mohan (Asansol—Reserved—Sch. Castes).
 Das, Shri Nayantara (Monghyr—Reserved—Sch. Castes).
 Das, Shri Ramdhani (Nawada—Reserved—Sch. Castes).
 Das, Shri Shree Narayan (Darbhanga).
 Dasappa, Shri H. C. (Bangalore).
 Dasaratha Deb, Shri (Tripura).
 Dasgupta, Shri Bibhuti Bhushan (Purulia).
 Datar, Shri Balwant Nagesh (Belgaum).
 Daulta, Chaudhari Pratap Singh (Jhajjar).

'D' — contd.

Deb, Shri Narasingha Malla Ugal Sanda (Midnapur).
 Deb, Shri P. G. (Angul).
 Deo, Shri Pratap Keshari (Kala-handi).
 Deo, Shri Shanker (Gulbarga—Reserved—Sch. Castes).
 Desai, Shri Morarji R. (Surat).
 Deshmukh, Shri K. G. (Ramtek).
 Deshmukh, Dr. Panjabrao S. (Amravati).
 Dhanagar, Shri Banshi Das (Mainpuri).
 Dharmalingam, Shri R. (Tiruvannamalai).
 Dige, Shri Shankarrao Khanderao (Kolhapur—Reserved—Sch. Castes).
 Dindod, Shri Jaljibhai Koyabhai (Dohad—Reserved—Sch. Tribes).
 Dinesh Singh, Shri (Banda).
 Dora, Shri Dippala Suri (Parvathipuram).
 Drohar, Shri Shivadin (Hardoi—Reserved—Sch. Castes).
 Dube, Shri Mulchand (Farrukhabad).
 Dubliah, Shri Vishnu Sharan (Sardhana).
 Dwivedi, Shri M. L. (Hamirpur).
 Dwivedy, Shri Surendranath (Kendrapara).

'E'

Eacharan, Shri V. Iyyani (Palghat).
 Elayaperumal, Shri L. (Chidambaram—Reserved—Sch. Castes).
 Elias, Shri Muhammed (Howrah).

'G'

Gaekwad, Shri Fatesinghrao Pratapsinhrao (Baroda).
 Gaikwad, Shri Bhaurao Krishnarao (Nasik).

'G' — contd.

Ganapathy, Shri T. (Tiruchendur).
 Gandhi, Shri Feroze (Rai Bareli).
 Gandhi, Shri Maneklal Maganlal (Panchmahals).
 Ganga Devi, Shrimati (Unnao—Reserved—Sch. Castes).
 Ganpati Ram, Shri (Jaunpur—Reserved—Sch. Castes).
 Gautam, Shri Chintaman Dhivrjuji (Balaghat).
 Ghodasar, Thakor Shri Fatehsinhji Ratansinhji (Kaira).
 Ghosal, Shri Aureobindo (Uluberia).
 Ghose, Shri Bimal Coomar (Barrackpore).
 Ghose, Shri Subiman (Burdwan).
 Ghosh, Shri Atulya (Asansol).
 Ghosh, Shri Mohindra Kumar (Jamshedpur).
 Godsora, Shri Sambhu Charan (Singhbhum—Reserved—Sch. Tribes).
 Gohain, Shri Chowkhamoon (Nominated—Assam Tribal Areas).
 Gohokar, Dr. Deorao Yeshwantrao (Yotmal).
 Gopalan, Shri Ayillath Kuttieri (Kasergod).
 Goray, Shri Narayan Ganesh (Poona).
 Goundar, Shri N. P. Shanmugha (Tindivanam).
 Gounder, Shri A. Doraiswami (Tiruppattur).
 Gounder, Shri K. Periaswami (Karur).
 Govind Das, Seth (Jabalpur).
 Guha, Shri Arun Chandra (Barasat).
 Gupta, Shri Chheda Lal (Hardoi).
 Gupta, Shri Sadhan Chandra (Calcutta—East).

'H'

Hajarnavis, Shri Ramchandra Martand (Bhandara).

Halder, Shri Kansari (Diamond Harbour—Reserved—Sch. Castes).

Harvani, Shri Ansar (Fatehpur).

Hasda, Shri Subodh (Midnapur—Reserved—Sch. Tribes).

Hathi, Shri Jaisukhlal Lal Shanker (Halar).

Hazarika, Shri Jogendra Nath (Dibrugarh).

Heda, Shri H. C. (Nizamabad).

Hem Raj, Shri (Kangra).

Hukam Singh, Sardar (Bhatinda).

Hynniewta, Shri Hoover (Autonomous Districts—Reserved—Sch. Tribes).

T

Imam, Shri J. M. Mohamed (Chitaldrug).

Iqbal Singh, Sardar (Ferozepur).

Iyer, Shri S. Easwara (Trivandrum).

'J'

Jadhav, Shri Yadav Narayan (Malegaon).

Jagjivan Ram, Shri (Sasaram—Reserved—Sch. Castes).

Jain, Shri Ajit Prasad (Saharanpur).

Jain, Shri Mool Chand (Kaithal).

Jaipal Singh, Shri (Ranchi West—Reserved—Sch. Tribes).

Jang Bahadur Singh, Shri (Almora).

Jangde, Shri Resham Lal (Bilaspur).

Jadhe, Shri Keshavrao Marutirao (Baramati).

Jena, Shri Kanhu Charan (Balasore—Reserved—Sch. Castes).

Jhunjhunwala, Shri Banarsi Prasad (Bhagalpur).

Jinachandran, Shri M. K. (Telli-chery).

Jogendra Sen, Shri (Mandi).

Jogendra Singh, Sardar (Bahrainch).

J—contd.

Joshi, Shri Anand Chandra (Shahdol).

Joshi, Shri Liladhar (Shajapur).

Joshi, Shrimati Subhadra (Ambala).

Jyotishi, Pandit Jwala Prasad (Sagar).

'K'

Kale, Shrimati Anasuyabai (Nagpur).

Kalika Singh, Shri (Azamgarh).

Kamble, Dr. Devrao Namdevrao Pathrikar (Nanded—Reserved—Sch. Castes).

Kamble, Shri Bapu Chandrasen (Kopargaon).

Kanakasabai, Shri R. Pillai (Chidambaram).

Kanungo, Shri Nityanand (Cuttack).

Kar, Shri Prabhat (Hooghly).

Karmarkar, Shri D. P. (Dharwar North).

Karni Singhji, Shri (Bikaner).

Kasliwal, Shri Nemi Chandra (Kotah).

Katti, D. A. (Chitodi).

Kayal, Shri Paresh Nath (Basirhat—Reserved—Sch. Castes).

Kedaria, Shri Chhaganlal Madaribhat (Mandvi—Reserved—Sch. Tribes).

Keshar Kumari, Shrimati (Raipur—Reserved—Sch. Tribes).

Keshava, Shri N. (Bangalore City).

Keskar, Dr. B. V. (Musafirkhana).

Khadilkar, Shri Raghunath Keshav (Ahmednagar).

Khadiwala, Shri Kanhaiyalal (Indore).

Khan, Shri Osman Ali (Kurnool).

Khan, Shri Sadath Ali (Warangal).

Khan, Shri Shahnawaz (Meerut).

Khedkar, Dr. Gopalrao Bajirao (Akola).

Khimji, Shri Bhawanji A. (Kutch).

'K'—contd.

Khuda Buksh, Shri Muhammed (Murshidabad).
 Khawaja, Shri Jamal (Aligarh).
 Kistaiya, Shri Surti (Bastar—Reserved—Sch. Tribes).
 Kodiyan, Shri P. K. (Quilon—Reserved—Sch. Castes).
 Koratkar, Shri Vinayak Rao K. (Hyderabad).
 Kotoki, Shri Liladhar (Nowgong).
 Kottukapally, Shri George Thomas (Moovattupuzha).
 Kripalani, Acharya J. B. (Sitamarhi).
 Kripalani, Shrimati Sucheta (New Delhi).
 Krishna, Shri M. R. (Karimnagar—Reserved—Sch. Castes).
 Krishna Chandra, Shri (Jaleswar).
 Krishniah, Shri D. Balarama (Gudivada).
 Krishnamachari, Shri T. T. (Madras South).
 Krishnappa, Shri M. V. (Tumkur).
 Krishna Rao, Shri Mandali Venkata (Masulipatnam).
 Krishnaswamy, Dr. A. (Chingleput).
 Kumaran, Shri M. K. (Chirayinkil).
 Kumbhar, Shri Banamali (Sambalpur—Reserved—Sch. Castes).
 Kunhan, Shri P. (Palghat—Reserved—Sch. Castes).
 Kureel, Shri Baij Nath (Rae Bareli—Reserved—Sch. Castes).

'L'

Lachhi Ram, Shri (Hamirpur—Reserved—Sch. Castes).
 Lachman Singh, Shri (Nominated—Andaman and Nicobar Islands).
 Lahiri, Shri Jitendra Nath (Singapore).
 Lal, Shri Ram Shanker (Dantia-ganj).

Laskar, Shri Nibaran Chandra (Cachar—Reserved—Sch. Castes).
 Laxmi Bai, Shrimati Sangam (Vicarabad).

'M'

Mafida Ahmed, Shrimati (Jorhat).
 Mahagaonkar, Shri Bausaheb Rao-saheb (Kolhapur).
 Mahanty, Shri Surendra (Dhenkanal).
 Mahendra Pratap, Raja (Mathura).
 Majhi, Shri Ram Chandra (Mayurbhanj—Reserved—Sch. Tribes).
 Majithia, Sardar Surjit Singh (Tarn-Taran).
 Maiti, Shri Nikunja Bihari (Ghatal).
 Maliah, Shri U. Srinivasa (Udipi).
 Malaviya, Pandit Govind (Sultanpur).
 Malaviya, Shri Keshva Deva (Basti).
 Malvia, Shri Kanhaiyalal Bherulal (Shajapur—Reserved—Sch. Castes).
 Malviya, Shri Motilal (Khajuraho—Reserved—Sch. Castes).
 Manaen, Shri T. (Darjeeling).
 Manay, Shri Gopal Kaluji (Bombay City Central—Reserved—Scheduled Castes).
 Mandal, Shri Jailal (Khagaria).
 Mandal, Dr. Pashupati (Bankura—Reserved—Sch. Castes).
 Maniyangadan, Shri Mathew (Kottayam).
 Manjula Debi, Shrimati (Goalpara).
 Masani, Shri M. R. (Ranchi—East).
 Masuriya Din, Shri (Phulpur—Reserved—Sch. Castes).
 Matera, Shri Laxman Mahadu (Thana—Reserved—Sch. Tribes).
 Mathur, Shri Harish Chandra (Pali).
 Mathur, Shri Mathur Das (Nagaur).
 Matin, Shri S. A. (Giridih).
 Meekhi, Shri Syed Ahmed (Ranipet).

"M" —contd.

Mehta, Shri Balwantray Gopalji (Gohilwad).
 Mehta, Shri Jaswant Raj (Jodhpur).
 Mehta, Shrimati Krishna (Jammu and Kashmir).
 Melkote, Dr. G. S. (Raichur).
 Menon, Dr. K. B. (Badagara).
 Menon, Shri V. K. Krishna (Bombay City North).
 Menon, Shri T. C. Narayananakutty (Mukundapuram).
 Minimata, Shrimati Agamadas Guru (Baloda Bazar— Reserved—Sch. Castes).
 Mishra, Shri Bibhuti (Bagaha).
 Mishra, Shri Lalit Narayan (Saharsa).
 Mishra, Shri Mathura Prasad (Begusarai).
 Mishra, Shri Shyam Nandan (Jainagar).
 Misra, Shri Bhagwan Din (Kaisarganj).
 Misra, Shri Raghubar Dayal (Bulandshahr).
 Misra, Shri Raja Ram (Faizabad).
 Mohammad Akbar, Sheikh (Jammu and Kashmir).
 Mohan Swaroop, Kanwar (Pilibhit).
 Mohideen, Shri M. Gulam (Dindigul).
 Mohiuddin, Shri Ahmed (Secunderabad).
 Morarka, Shri Radheshyam Ramkumar (Jhunjhunu).
 More, Shri Jayawant Ghanshyam (Sholapur).
 Mukerjee, Shri Hirendra Nath (Calcutta—Central).
 Mullick, Shri Baishnav Charan (Kendrapara—Reserved—Sch. Castes).
 Munisamy, Shri N. R. (Vellore).
 Murmu, Shri Paika (Rajmahal—Reserved—Sch. Tribes).
 Murthy, Shri B. S. (Kakinada—Reserved—Sch. Castes).
 Murty, Shri M. S. (Golugonda).
 Musafir, Giani Gurmukh Singh (Amritsar).
 Muthukrishnan, Shri M. (Vellore—Reserved—Sch. Castes).

"N"

Nadar, Shri P. Thanulingom (Nagercoil).
 Naidu, Shri R. Govindarajalu (Tiruvallur).
 Naidu, Shri T. D. Muthukumaramsami (Cuddalore).
 Nair, Shri C. Krishnan (Outer Delhi).
 Nair, Shri K. P. Kuttikrishnan (Kozhikode).
 Nair, Shri P. K. Vasudevan (Thiruvella).
 Naldurgkar, Shri Venketrao Shrinivasrao (Osmanabad).
 Nallakoya, Shri Koyilat (Nominated—Laccadive, Minicoy and Amindive Islands).
 Nanda, Shri Gulzarilal (Sabarkantha).
 Nanjappan, Shri C. (Nilgiris).
 Naraindin, Shri (Shahjahanpur—Reserved—Sch. Castes).
 Narasimhan, Shri C. R. (Krishnagiri).
 Narayanasamy, Shri R. (Periyakulam).
 Naskar, Shri Purnendu Sekhar (Diamond Harbour).
 Nath Pai, Shri (Rajapur).
 Nathawani, Shri Narendrabhai P. (Sorath).
 Nayak, Shri Mohan (Ganjam—Reserved—Sch. Castes).
 Nayar, Dr. Sushila (Jhansi).
 Nayar, Shri V. P. (Quilon).
 Negi, Shri Nek Ram (Mahore—Reserved—Sch. Castes).
 Nehru, Shri Jawaharlal (Phulpur).
 Nehru, Shrimati Uma (Sitapur).
 Neswi, Shri T. R. (Dharwar South)

"O"

Onkar Lal, Shri (Kotah—Reserved—Sch. Castes).
 Oza, Shri Ghanshyam Lal (Zalawad).

"P"

Padalu, Shri Kankipati Veeranna (Golugonda — Reserved — Sch. Tribes).
 Padam Dev, Shri (Chamba).

'P'—contd.

Pahadia, Shri Jagan Nath Prasad (Sawai Madhopur—Reserved—Sch. Castes).

Palaniandi, Shri M. (Perambalur).

Palchoudhuri, Shrimati Ila (Nabdwip).

Pande, Shri C. D. (Naini Tal).

Pandey, Shri Kashi Nath (Hata).

Pandey, Shri Sarju (Rasra).

Pangarkar, Shri Nagorao Karojee (Parbhani).

Panigrahi, Shri Chintamani (Puri).

Panna Lal, Shri (Faizabad—Reserved—Sch. Castes).

Parmar, Shri Deenabandhu (Udaipur—Reserved—Sch. Tribes).

Parmar, Shri Karsandas Ukabhai (Ahmedabad — Reserved — Sch. Castes).

Parmar, Shri Yeshwant Singh (Mahasu).

Parulekar, Shri Shamrao Vishnu (Thana).

Parvathi Krishnan, Shrimati M. (Coimbatore).

Patel, Shrimati Maniben Vallabhhai (Anand).

Patel, Shri Nanubhai Nichhabhai (Bulsar—Reserved—Sch. Tribes).

Patel, Shri Purushottamdas R. (Mehsana).

Patel, Shri Rajeshwar (Hajipur).

Patil, Shri Balasaheb (Miraj).

Patil, Shri Nana (Satara).

Patil, Shri S. K. (Bombay City South).

Patil, Shri Uttamrao Laxman (Dhulia).

Patnaik, Shri Uma Charan (Ganjam).

Pattabhi Raman, Shri C. R. (Kumbakonam).

Pillai, Shri S. C. C. Anthony (Madras North).

Pillai, Shri P. T. Thanu (Tirunelveli).

Pocker Sahib, Shri B. (Banjeri).

Prabhakar, Shri Naval (Outer Delhi—Reserved—Sch. Castes).

Pragi Lal, Chaudhari (Sitapur—Reserved—Sch. Castes).

'P'—contd.

Prasad, Shri Mahadeo (Gerakhpur—Reserved—Sch. Castes).

Prodhan, Shri Bijaya Chandrasingh (Kalahandi—Reserved—Sch. Tribes)

Punnoose, Shri P. T. (Ambalapuzha).

'P'

Radha Mohan Singh, Shri (Ballia).

Radha Raman, Shri (Chandni Chowk).

Raghubir Sahai, Shri (Budaun).

Raghunath Singh, Shri (Varanasi).

Raghunath Singhji, Shri (Barmer).

Raghuramaiah, Shri Kotha (Guntur).

Rahman, Shri M. Hifzur (Amroha).

Rai, Shri Khushwaqt (Kher).

Raj Bahadur, Shri (Bharatpur).

Rajiah, Shri Devanapalli (Nalgonda—Reserved—Sch. Castes).

Raju, Shri Pusapati Vijayarama Gajapathi (Visakhapatnam)

Raju, Shri D. S. (Rajahmundry).

Rajyalaxmi, Shrimati Lalita (Hazari-bagh).

Rakhmaji, Shri (Bhir).

Ramakrishnan, Shri Peelamedu Rangaswamy Naidu (Pollachi).

Ramam, Shri Uddaraju (Naraspur).

Ramanand Shastri, Swami (Bara Banki—Reserved—Sch. Castes).

Ramananda Tirtha, Swami (Aurangabad).

Ramaswami, Shri S. V. (Salem).

Ramaswamy, Shri K. S. (Gobichettipalayam).

Ramaswamy, Shri Puli (Mahabubnagar—Reserved—Sch. Castes).

Rameeshwar Rao, Shri J. (Mahabubnagar).

Ram Garib, Shri (Basti—Reserved—Sch. Castes).

Ram Krishan, Shri (Mahendergarh).

Rampure, Shri Mahadevappa Y. (Gulbarga).

'R'—contd.

Ram Saran, Shri (Moradabad).
 Ram Subhag Singh, Dr. (Sasaram).
 Ranbir Singh, Ch. (Rohtak).
 Rane, Shri Shivram Rango (Buldana).
 Ranga, Shri N. G. (Tenali).
 Rangarao, Shri M. Sri (Karimnagar).
 Rao, Shri B. Rajagopala (Srikakulam).
 Rao, Shri Devulapalli Venkateswar (Nalgonda).
 Rao, Shri Etikala Madhusudan (Mahabubabad).
 Rao, Shri P. Hanmant (Medak).
 Rao, Shri R. Jagannath (Koraput).
 Rao, Shri T. B. Vittal (Khammam).
 Raut, Shri Bhola (Champanar—Reserved—Sch. Castes).
 Raut, Shri Rajaram Balkrishna (Kolaba).
 Ray, Shrimati Renuka (Malda).
 Reddy, Shri Chegireddy Bali (Markapur).
 Reddy, Shri K. C. (Kolar).
 Reddy, Shri R. Lakshmi Narasa (Nellore).
 Reddy, Shri T. Nagi (Anantapur).
 Reddy, Shri R. Narapa (Ongole).
 Reddy, Shri Vutukuru Rami (Cuddapah).
 Reddy, Shri K. V. Ramakrishna (Hindupur).
 Reddy, Shri T. N. Vishwanatha (Rajampet).
 Roy, Shri Biren (Calcutta—South West).
 Roy, Shri Bishwanath (Salempur).
 Rungnung Suisa, Shri (Outer Manipur—Reserved—Sch. Castes).
 Rup Narain, Shri (Mirzapur—Reserved—Sch. Castes).

'S'

Sadhu Ram, Shri (Jullundur—Reserved—Sch. Castes).
 Sahodrabai, Shrimati (Sagar—Reserved—Sch. Castes).
 Sahu, Shri Bhagabat (Balasore).
 Sahu, Shri Rameshwar (Darbhanga—Reserved—Sch. Castes).
 Saigal, Shri Amar Singh (Janjgir).
 Saksena, Shri Shiban Lal (Maharajganj).
 Salam, Shri M. K. M. Abdul (Tiruchirappalli).
 Salunke, Shri Balasaheb (Khed).
 Samanta, Shri Satis Chandra (Tamluk).
 Samantainhar, Dr. N. C. (Bhubaneswar).
 Sambandam, Shri K. R. (Nagapattinam).
 Sampath, Shri E. V. K. (Namakkal).
 Sanganna, Shri Toyaka (Koraput—Reserved—Sch. Tribes).
 Sankarapandian, Shri M. (Tenkasi).
 Sardar, Shri Bholi (Saharsa—Reserved—Sch. Castes).
 Sarhadi, Shri Ajit Singh (Ludhiana).
 Satis Chandra, Shri (Bareilly).
 Satyabhama Devi, Shrimati (Nawada).
 Satyanarayana, Shri Biddika (Parvathipuram—Reserved—Sch. Tribes).
 Seindia, Shrimati Vijaya Raje (Guna).
 Selku, Shri Mardi (West Dinajpur—Reserved—Sch. Tribes).
 Sen, Shri Asoke Kumar (Calcutta—North-West).
 Sen, Shri Phani Gopal (Purnea).
 Servai, Shri A. Variavan (Tanjore).
 Seth, Shri Bishaneshwar (Shahjahanpur).
 Shah, Shrimati Jayaben Vajubhai (Girnar).

'B'—contd.

Shah, Shri Manabendra (Tehri Garhwal).
 Shah, Shri Manubhai (Madhya Saurashtra).
 Shakuntala Devi, Shrimati (Banka).
 Shankaraiya Shri M. (Mysore).
 Sharma, Shri Diwan Chand (Gurdaspur).
 Sharma, Shri Harish Chandra (Jaipur).
 Sharma, Pandit Krishna Chandra (Hapur).
 Sharma, Shri Radha Charan (Gwalior).
 Shastri Pandit Hirralal (Sawai Madhopur).
 Shastri, Shri Lal Bahadur (Allahabad).
 Shivananjappa, Shri M. K. (Mandy).
 Shobha Ram, Shri (Alwar).
 Shukla, Shri Vidya Charan (Baloda Bazar).
 Siddananjappa, Shri H. (Hassan).
 Siddiah, Shri S. M. (Mysore—Reserved—Sch. Castes).
 Singh, Shri Awadhesh Kumar (Katihar).
 Singh, Shri Babunath (Sarguja—Reserved—Sch. Tribes).
 Singh, Shri Chandikeshwar Saran (Sarguja).
 Singh, Shri Digvijaya Narain (Pupri).
 Singh, Shri Dineash Pratap (Gonda).
 Singh, Shri Har Prasad (Ghazipur).
 Singh, Shri Kamal Narain (Shahdol—Reserved—Sch. Tribes).
 Singh, Shri Kamaal (Buxar).
 Singh, Shri Laisaram Achaw (Inner Manipur).
 Singh, Shri Makendra Nath (Maharajganj).

'S'—contd.

Singh, Shri Rajendra (Chapra).
 Singh, Shri Tribhuan Narayan (Chandauli).
 Sinha, Shri Anirudh (Madhubani).
 Sinha, Shri Banarsi Prasad (Monghyr).
 Sinha, Shri Gajendra Prasad (Palamau).
 Sinha, Shri Jhulan (Siwan).
 Sinha, Shri Kailash Pati (Nalanda).
 Sinha, Shri Sarangdhar (Patna).
 Sinha, Shri Satya Narayan (Samastipur).
 Sinha, Shri Satyendra Narayan (Aurangabad).
 Sinha, Shrimati Tarkeshwari (Barh).
 Sinhasan Singh, Shri (Gorakhpur).
 Siva, Dr. M. V. Gangadhara (Chittoor—Reserved—Sch. Castes).
 Sivaraj, Shri N. (Chingleput—Reserved—Sch. Castes).
 Snatak, Shri Nardeo (Aligarh—Reserved—Sch. Castes).
 Somani, Shri G. D. (Dausa).
 Sonawane, Shri Tayappa (Shelapur—Reserved—Sch. Castes).
 Sonule, Shri Harihar Rao (Nanded).
 Soren, Shri Debi (Dumka—Reserved—Sch. Tribes).
 Subbaroyan, Dr. P. (Tiruchengode).
 Subramanyam, Shri Tekur (Bellary).
 Sugandhi, Shri Murigeppa Siddappa (Bijapur North).
 Sultan, Shrimati Maimoona (Bhopal).
 Supakar, Shri Shraddhakar (Sambalpur).
 Sunnat Prasad, Shri (Muzaffarnagar).
 Sunder Lal, Shri (Saharanpur—Reserved—Sch. Castes).
 Surya Prasad, Shri (Gwalior—Reserved—Sch. Castes).

'S'— contd.

- Swami, Shri V. N. (Chanda).
- Swaran Singh, Sardar (Jullundur).
- Syed Mahmud, Dr. (Gopalganj).

'T'

- Tahir, Shri Mohammed (Kishanganj).
- Tangamani, Shri K. T. K. (Madurai).
- Tantia, Shri Rameshwar (Sikar).
- Tariq, Shri Ali Mohammad (Jammu and Kashmir).
- Tewari, Shri Dwarikanath (Cachar).
- Thakore, Shri Motisinh Bahadursinh (Patan).
- Thakur Das, Lala (Jammu and Kashmir).
- Thevar, Shri U. Muthuramalinga (Srivilliputhur).
- Thimmaiah, Shri Dodda (Kolar—Reserved—Sch. Castes).
- Thirumal Rao, Shri M. (Kakinada).
- Thomas, Shri A. M. (Ernakulam).
- Tiwari, Pandit Babu Lal (Nimar Khandwa).
- Tiwari, Shri Ram Sahai (Khajuraho).
- Tiwary, Pandit Dwarka Nath (Kesaria).
- Tripathi, Shri Vishwambhar Dayal (Unnao).
- Tula Ram, Shri (Etawah—Reserved—Sch. Castes).
- Tyabji, Shri Saif F. B. (Jalna).
- Tyagi, Shri Mahavir (Dehra Dun).

'U'

- Uike, Shri M. G. (Mandla—Reserved—Sch. Tribes).
- Umrao Singh, Shri (Ghosi).
- Upadhyaya, Pandit Munishwar Dutt (Pratapgarh).
- Upadhyaya, Shri Shiva Datt (Rewa).

'V'

- Vajpayee, Shri Atal Bihari (Balrampur).
- Valvi, Shri Laxman Vedu (West Khandesh—Reserved—Sch. Tribes).
- Varma, Shri B. B. (Champaran).
- Varma, Shri Manikya Lal (Udaipur).
- Varma, Shri Ramsingh Bhai (Nimar).
- Vedakumari, Kumari M. (Eluru).
- Venkatasubbaiah, Shri Pendekant (Adoni).
- Verma, Shri Ramji (Deoria).
- Vijaya Raje, Shrimati (Chatra).
- Vishwanath Prasad, Shri (Azamgarh—Reserved—Sch. Castes).
- Vyas, Shri Ramesh Chandra (Bhilwara).
- Vya, Shri Radhelal (Ujjain).

'W'

- Wadiwa, Shri Narayan Maniramji (Chhindwara—Reserved—Sch. Tribes).
- Warior, Shri K. K. (Trichur).
- Wasnik, Shri Balkrishna (Bhandara—Reserved—Sch. Castes).
- Wilson, Shri John N. (Mirzapur).
- Wodeyar, Shri K. G. (Shimoga).

'X'

- Yadav, Shri Ram Sewak (Bara Banki).
- Yajnik, Shri Indulal Kanaiyalal (Ahmedabad).

LOK SABHA

The Speaker

Shri M. Ananthasayanam Ayyangar.

The Deputy-Speaker

Sardar Hukam Singh.

Panel of Chairmen

Pandit Thakur Das Bhargava.

Shri Upendranath Barman.

Shrimati Renu Chakravarty.

Shri Frank Anthony.

Shri Mohammed Imam.

Shri C. R. Pattabhi Raman.

Secretary

Shri M. N. Kaul, Barrister-at-law.

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(Chairman).

Shrimati Sucheta Kripalani.

Shri M. L. Dwivedi.

Shri Raghbir Sahai.

Shri T. B. Vittal Rao.

Shri Surendranath Dwivedy.

Shri Surendra Mahanty.

Shri Jaipal Singh.

Shri Vijayram Raju.

Committee of Privileges

Sardar Hukam Singh (Chairman).

Shri Sarangadhara Sinha.

Shri Satya Narayan Sinha.

Shri Shivram Rango Rane.

Shri Asoke K. Sen.

Shri Hirendra Nath Mukerjee.

Pandit Munishwar Dutt Upadhyay.

Shri Indulal Kanaivalal Yajnik.

Dr. P. Subbarayan.

Shri Bimal Comar Ghose.

Shri Nemi Chandra Kasliwal.

Shri Shraddhakar Supakar.

Shrimati Jayaben Vajubhai Shah.

Shri Hoover Hynniewta.

Shri N. M. Wadiwa.

Committee on Absence of Members from the Sittings of the House

Shri Mulchand Dube (Chairman).	Shri B. L. Chandak.
Shrimati Shakuntala Devi.	Shri K. R. Achar.
Shri V. N. Swami.	Shri Chintamani Panigrahi.
Shri M. Ayyakannu.	Shri Karsandas Parmar.
Shri Ram Krishan.	Shri Yadav Narayan Jadhav.
Shri Kamal Krishna Das.	Shri Harish Chandra Sharma.
Shri Surti Kistaiya.	Shri Ignace Beck.
Shri Rungsung Suisa.	

Committee on Estimates

Shri Balvantray Gopoljee Mehta (Chairman).	Shri Ahmed Mohiuddin.
Shri S. A. Dange.	Shrimati Renuka Ray.
Shri Jogendra Singh.	Shri Uma Charan Patnaik.
Shri Mahavir Tyagi.	Shri Raghubir Sahai.
Shri Satyendra Narayan Sinha.	Pandit Dwarka Nath Tiwary.
Shri Radha Charan Sharma.	Shri Govind Malaviya.
Shri Ranbir Singh Chaudhuri.	Shri R. L. Jangde.
Shri Gopalrao Khedkar.	Shri N. C. Kasliwal.
Shrimati Sucheta Kripalani.	Shri Dodda Thimmaiah.
Shri R. R. Morarka.	Shri M. L. Dwivedi.
Shri M. Thirumala Rao.	Shri A. E. T. Barrow.
Shri J. Rameshwar Rao.	Shri V. P. Nayar.
Shri C. R. Narasimhan.	Shri R. K. Khadilkar.
Shri Amjad Ali.	Shri B. K. Gaikwad.
Shri R. Ramanathan Chettiar.	Shri Shraddhakar Supakar.

Committee on Government Assurances

Pandit Thakur Das Bhargava (Chairman).	Shri Naval Prabhakar.
Shri Anirudha Sinha.	Shri Jaswantraj Mehta.
Shri Mulchand Dube.	Shri Motilal Malviya.
Shri Bhakt Darshan.	Shri Kamal Singh.
Shri C. R. Basappa.	Shri Atal Bihari Vajpayee.
Shri P. Subbiah Ambalam.	Shri Ramji Verma.
Shrimati Ila Palchoudhury.	Shri R. K. Khadilkar.
	Shri P. K. Vasudevan Nair.

Committee on Petitions

Shri Upendranath Barman (Chairman).	Shri M. K. M. Abdul Salam.
Pandit Jwala Prasad Jyotishi.	Shri Jiyalal Mandal.
Shrimati Uma Nehru.	Shri K. G. Wodeyar.
Pandit Dwarka Nath Tiwary.	Shri Nanubhai Nichhabhai Patel.
Shrimati Sucheta Kripalani.	Shri Pendekanti Venkatasubbaiah.
	Chaudhary Pratap Singh Daulta.

Shri D. R. Chavan.

Shri Nath Pai.

Committee on Private Members' Bills and Resolutions	Shri Ram Chandra Majhi.
Sardar Hukam Singh (Chairman).	Shri Arjun Singh Bhadauria.
Sardar Amar Singh Saigal.	Shri Jagan Nath Prasad Pahadia.
Shri Narendrabhai Nathwani.	Shri Sunder Lal.
Shrimati Ila Palchoudhury	Shri S. Easwara Iyer.
Shri Krishna Chandra.	Shri Balasaheb Patil.
Shri Jhulan Sinha.	Shri Pramathanath Banerjee.
Shri K. R. Sambandam.	Shri Shraddhakar Supakar
Shri S. A. Agadi.	Shri Shambhu Charan Godsora.

Committee on Public Accounts

Lok Sabha

Shri T. N. Singh (Chairman).

Dr. Ram Subhag Singh

Shri Nibaran Chandra Laskar.

Shri N. G. Ranga.

Shri Radhelal Vyas.

Shri A. C. Guha.

Shri N. R. M. Swamy.

Shri Upendranath Barman.

Shri J. M. Mohamed Imam.

Shri H. C. Dasappa.

Shrimati Tarkeshwari Sinha.

Shri Prabhat Kar.

Shri Jaipal Singh.

Shri N. Siva Raj.

Shri Vijayram Raju.

Rajya Sabha

Shrimati Pushpalata Das.

Shri P. T. Leuva.

Shri Shyam Dhar Misra.

Shri R. M. Deshmukh.

Shri M. Govinda Reddy.

Shri Jaswant Singh.

Shri J. V. K. Vallabharao.

Committee on Subordinate Legislation

Sardar Hukam Singh (Chairman).

Shri Phani Gopal Sen.

Shri Anand Chandra Joshi.

Shri Harish Chandra Mathur.

Shri R. M. Hajarnavis.

Shri K. S. Ramaswamy.

Shri Sinhasan Singh.

Shri Jitendra Nath Lahiri.

Shri Bahadur Singh

Shri T. N. Viswariatha Reddy.

Shri Shamrao Vishnu Parulekar.

Shri Aurobindo Ghosal.

Shri J. M. Mohamed Imam.

Dr. A. Krishnaswami.

Shri Braj Raj Singh.

House Committee

Shri U. Srinivasa Malliah (Chairman).

Shri Resham Lal Jangde.

Shri Digvijaya Narain Singh.

Shri Rohan Lal Chaturvedi.

Shri Maneklal Maganlal Gandhi.

Shri Missula Suryanarayananamurti.

Shrimati Maimoona Sultan.

Shri Kamal Krishna Das.

Shri A. E. T. Barrow.

Shrimati Parvathi M. Krishnan.

Shri Khushwaqt Rai.

Shri Bhausaheb Raosaheb

Mahagaonkar

Joint Committee on Salaries and Allowances of Members of Parliament

Lok Sabha

Shri Satya Narayan Sinha (Chairman).	Shri Raghbir Dayal Misra.
Shri U. Srinivasa Malliah.	Shri Doraiswami Gounder.
Shri Diwan Chand Sharma.	Shri Narayan Ganesh Goray.
Shri Chapalakanta Bhattacharyya.	Shrimati Parvathi M. Krishnan.
Shri Kanhaiyalal Khadiwala.	Shri U. Muthuramalinga Thevar.

Rajya Sabha

Dr. Shrimati Seeta Parmanand.	Shri Santosh Kumar Basu.
Shri Amar Nath Agarwal.	Shri M. N. Govindan Nair.
Shri T. J. M. Wilson.	

Rules Committee

Shri M. Ananthasayanam Ayyangar (Chairman).	Shri Tayappa Hari Sonavane.
Sardar Hukam Singh.	Shri Shivram Rango Rane.
Shri Satya Narayan Sinha.	Dr. Sushila Nayar.
Pandit Thakur Das Bhargava.	Shri K. T. K. Tangamani.
Shri C. R. Pattabhi Raman.	Shri Purushottamdas R. Patel.
Shri Tekur Subramanyam.	Shri Amjad Ali.
Shri Radhelal Vyas.	Shri M. R. Masani.
	Shri Bhauraao Krishnarao Gaikwad.

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Sardar Hukam Singh.	Shri Mulchand Dube.
Pandit Thakur Das Bhargava.	Shri Satya Narayan Sinha.
Shri Upendranath Barman.	Shri S. A. Dange.
Shrimati Renu Chakravartty.	Acharya J. B. Kripalani.
Shri Frank Anthony.	Shri Indulal Yajnik.
Shri J. M. Mohamed Imam.	Shri Jaipal Singh.
Shri C. R. Pattabhi Raman.	Shri Vijayram Raju.
Shri B. G. Mehta.	Shri P. K. Deo.
Shri T. N. Singh.	Shri B. K. Gaikwad.
	Dr. A. Krishnaswami.

GOVERNMENT OF INDIA

Members of the Cabinet

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Minister of Education and Scientific Research.—Maulana Abul Kalam Azad.

Minister of Home Affairs.—Shri Govind Ballabh Pant.

Minister of Commerce and Industry.—Shri Morarji Desai.
 Minister of Railways.—Shri Jagjivan Ram.
 Minister of Labour, Employment and Planning.—Shri Gulzarilal Nanda.
 Minister of Finance.—Shri T. T. Krishnamachari.
 Minister of Transport and Communications.—Shri Lal Bahadur Shastri.
 Minister of Steel, Mines and Fuel.—Sardar Swaran Singh.
 Minister of Works, Housing and Supply.—Shri K. C. Reddy.
 Minister of Food and Agriculture.—Shri Ajit Prasad Jain.
 Minister of Defence.—Shri V. K. Krishna Menon.
 Minister of Irrigation and Power.—Shri S. K. Patil

Ministers of State

Minister of Parliamentary Affairs.—Shri Satya Narayan Sinha
 Minister of Information and Broadcasting.—Dr. B. V. Keskar.
 Minister of Health.—Shri D. P. Karmarkar.
 Minister of Co-operation.—Dr. Panjabrao S. Deshmukh.
 Minister of Mines and Oils.—Shri Keshava Deva Malaviya.
 Minister of Rehabilitation and Minority Affairs.—Shri Mehr Chand Khanna.
 Minister of Commerce.—Shri Nityanand Kanungo.
 Minister of State in the Ministry of Transport and Communications.—Shri Raj Bahadur.
 Minister of State in the Ministry of Home Affairs.—Shri B. N. Datar.
 Minister of Industry.—Shri Manubhai Shah.
 Minister of Community Development.—Shri Surendra Kumar Dey.
 Minister of State in the Ministry of Education and Scientific Research.—Dr. K. L. Shrimali.
 Minister of Law.—Shri Asoke K. Sen.
 Minister of State in the Ministry of Transport and Communications.—Shri Humayun Kabir.

Deputy Ministers

Deputy Minister of Defence.—Sardar Surjit Singh Majithia.
 Deputy Minister of Labour.—Shri Abid Ali.
 Deputy Minister of Works, Housing and Supply.—Shri Anil K. Chanda.
 Deputy Minister of Agriculture.—Shri M. V. Krishnappa.
 Deputy Minister of Irrigation and Power.—Shri Jaisukhlal Lalshanker Hathi.
 Deputy Minister of Commerce and Industry.—Shri Satish Chandra.
 Deputy Minister of Planning.—Shri Shyam Nandan Mishra.
 Deputy Minister of Finance.—Shri B. R. Bhagat.
 Deputy Minister of Education.—Dr. Mono Mohon Das.
 Deputy Minister of Railways.—Shri Shahnawaz Khan.
 Deputy Minister of External Affairs.—Shrimati Lakshmi N. Menon.
 Deputy Minister of Home Affairs.—Shrimati Violet Alva.
 Deputy Minister of Defence.—Shri Kolha Raghuramaiah.
 Deputy Minister of Food and Agriculture.—Shri A. M. Thomas.

LOK SABHA DEBATE

VOL. VIII]

First day of the Third Session of the Second
Lok Sabha

[No. 1

2

LOK SABHA

Monday, 11th November, 1957.

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

MEMBERS SWORN

Shri Jang Bahadur Singh (Almora).

Shri A. Vairavan Servai (Tanjore).

Bakhshi Abdur Rashid (Jammu and
Kashmir).

Lala Thakur Dass (Jammu and
Kashmir).

Shrimati Krishna Mehta (Jammu
and Kashmir)

Molvi Abdur Rahman (Jammu and
Kashmir)

Sheikh Mohammad Akbar (Jammu
and Kashmir).

Shri Ali Mohammad Tariq (Jammu
and Kashmir).

ORAL ANSWERS TO QUESTIONS

Peaceful Uses of Atomic Energy

*1. **Shri D. C. Sharma:** Will the
Prime Minister be pleased to refer to
the reply given to Starred Question
No. 1520 on the 5th September, 1957
and state whether India proposes to
present any papers regarding the
Peaceful Uses of Atomic Energy at
the Second International Scientific

Conference on the Peaceful Uses of
Atomic Energy?

**The Deputy Minister of External
Affairs (Shrimati Lakshmi Menon):**
Yes.

Shri D. C. Sharma: May I know
what were the subjects with which
some of these papers dealt?

**The Prime Minister and Minister of
External Affairs (Shri Jawaharlal
Nehru):** I am afraid the subjects are
beyond my ken and the hon. Member's
ken.

Shri Viswanatha Reddy: Apart from
a discussion on international co-
operation in the peaceful uses of
atomic energy, may I know whether
any disclosure on new uses of atomic
energy for peaceful purposes was
made in this conference?

Shri Jawaharlal Nehru: Which con-
ference?

Shri Viswanatha Reddy: In the
international conference.

Shri Jawaharlal Nehru: Is the hon.
Member referring to last year's con-
ference?

Shri Viswanatha Reddy: The recent
one.

Shri Jawaharlal Nehru: I cannot
say what disclosure has been made in
a conference which has to take place
in the future. Is the hon. Member
referring to the past conference or the
future one?

Shri Viswanatha Reddy: The recent
conference in which Dr. Bhabha re-
presented our country at Geneva.

Mr. Speaker: This relates to a conference which is yet to come.

Shri Viswanatha Reddy: I am speaking of a conference which took place about a month back.

Shri Jawaharlal Nehru: That may be. That was a different type of conference, establishing an agency. Is it not the type which the hon. Member is thinking of. That will be held next year.

Press Club Building, New Delhi

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*2. { Shri Shree Narayan
Shri Radha Raman

Will the Minister of Information and Broadcasting be pleased to state:

(a) whether any proposal to grant free allotment of land for the construction of a building for a proposed Press Club in New Delhi has been considered by Government;

(b) if so, the nature of decision taken;

(c) whether any representation in this respect has been received; and

(d) if so, the important points made out in the representation?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (c) No, Sir.

(b) and (d). Do not arise.

Shri Shree Narayan Das: Has Government enquired whether any other country has sanctioned such allotment of land to the Press?

Mr. Speaker: How does it arise? We are not comparing ourselves with other countries

Shri Radha Raman: May I know whether Government has received any application from any of the pressmen in Delhi for such allotment of land?

Dr. Keskar: A Press organisation has made a representation to Government about allotment of such a land.

Shri Keshava: May we know if it is a fact that there is a proposal for a grant, free or at concessional rates, for sites for journalists and a journalists' colony adjacent to the Club?

Dr. Keskar: I am not aware.

National Development Council

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Shri Radha Raman:

Shri Shree Narayan Das:

Shri Bibhuti Mishra:

Shri D. C. Sharma:

Shri N. R. Munisamy:

*3. { Shri Nagi Reddy:

Shri Mohan Swarup:

Shri Maniyangadan:

Shri Easwara Iyer:

Dr. Ram Subhag Singh:

Shrimati Parvathi Krishnan:

Will the Minister of Planning be pleased to lay a statement showing:

(a) the important subjects discussed by the Standing Committee of the National Development Council held in September, 1957;

(b) the important suggestions and recommendations made by it; and

(c) the extent to which these have been accepted by the State Governments and the Central Government?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra): (a) and (b). A copy of the agenda for the meeting of the Standing Committee of the National Development Council held on the 14th and 15th September 1957 and of the summary of conclusions and suggestions arising from the meeting is placed on the Table of the Lok Sabha. [See Appendix I, annexure No. 1.]

(c) Copies of the conclusions and suggestions have been forwarded to the State Governments and the Central Ministries for appropriate action. The Planning Commission and the National Development Council will, in due course, review the action taken by the State Governments and

Central Ministries on the conclusions and suggestions arising from the meeting.

Shri Radha Raman: In view of the limited resources of the country to implement the Plan, may I know whether the National Development Council discussed the subject of duty to be levied on the production centre instead of spreading it over to various States?

Shri L. N. Mishra: The list of subjects discussed at this conference has been laid on the Table of the Lok Sabha. I do not think this subject was discussed at the meeting.

Shri Shree Narayan Das: We are told that since these conclusions and decisions were arrived at by this conference they have been sent to the various State Governments. May I know whether the Governments have submitted their specific schemes to the Planning Commission for being sanctioned?

Shri L. N. Mishra: Recently a circular has been sent to the State Governments by the Planning Commission and we expect their reply by the 25th November, and after that we will have discussions with the State Governments and Central Ministries concerned on specific projects; the question of sanction will arise there after only.

श्री विभूति मिश्र : इस स्टेटमेंट में लिखा है .

"Ceilings on future acquisition of land should be imposed in States where such action had not already been taken."

मैं यह जानना चाहता हूँ कि जिनके पृष्ठर एकीजीशन नहीं होगा और जिनके पास पहरे में जमीन होती है, क्या उन पर भी सीलिंग लगाया जाएगा ?

श्री ल० न० मिश्र : सीलिंग दोनों पर होगा। किसी किसी स्टेट में दोनों पर लगाया

गया है, किसी किसी में पृष्ठर एकीजीशन पर लगाया गया है। पर इसे यह है कि दोनों १२ लगाया जाए।

Shri T. K. Chaudhuri: With regard to plan resources, may I know if there was any suggestion from any State Government, or from the State Government of Kerala in particular, for nationalisation of plantations so that adequate resources can be had for planning expenses?

Shri L. N. Mishra: No such suggestion was made by Kerala at the Development Council meeting.

Shri T. K. Chaudhuri: Or any other State.

Shri L. N. Mishra: No, I do not think.

Shri Tangamani: In the statement we find there are certain items referring to land reforms, viz., protection from eviction and also fixing the ceiling. The hon. Minister was pleased to state that these recommendations have been forwarded to the State Governments. May I know whether any time-limit has been fixed for bringing legislation for these two items?

The Deputy Minister of Planning (Shri S. N. Mishra): I may say that in the case of ceiling, wherever legislative action has been taken, it has been suggested to the State Governments concerned to finalise the administrative arrangements so that they might be implemented in three years. In the case of those State Governments where legislative measures have not been taken, it has been suggested to them that legislative action might be taken by the end of 1958-59.

Shrimati Sucheta Kripalani: May I know whether the U.P. Government has lodged a protest regarding the allocation of funds to that State?

Shri L. N. Mishra: This was not discussed at the National Development Council and it does not come within the purview of that meeting.

Mr. Speaker: Shri Naval Prabhakar.

Shri Naval Prabhakar: इस प्रश्न के मार्ग २८ नम्बर का प्रश्न भी ने लिया जाने की अच्छा हो कर्त्ता कि वह भी इसी ने मन्तव्यित है।

कांतिनगर बस्ती, दिल्ली

*४. श्री नवल प्रभाकर: क्या पुनर्बास तथा अल्पसंलग्नक-कार्य मंत्री यह बनाने की कृपा करेंगे कि :

(क) क्या यह सच है कि रिहैबिली-टेशन इउमिय कारपोरेशन ने कांतिनगर के जमीन के सब टुकड़े बेवद दिये हैं;

(ख) यदि हाँ, तो किस मूल्य पर;

(ग) क्या यह भी सच है कि सरकार ने विस्थापित व्यक्तियों का उनके दावों के बदले में कांतिनगर बस्ती में जमीन के टुकड़े देने का आश्वासन दिया था; और

(घ) यदि हाँ, तो सरकार ने इस आश्वासन को कहा तक पूरा किया है?

पुनर्बास तथा अल्पसंलग्नक-कार्य मंत्री के सभा सचिव (श्री पू० श्र० नासकर) :

(क) जी, हाँ।

(ख) आपसतन १३.३० रुपये प्रतिवर्ग गज की दर से।

(ग) सरकार ने ऐसा कोई आश्वासन नहीं दिया था।

(घ) सभाल नहीं उठता।

कांतिनगर बस्ती के विवादी की आयोजना

२८. श्री नवल प्रभाकर: क्या पुनर्बास तथा अल्पसंलग्नक-कार्य मंत्री यह बनाने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली विकास (प्रस्थाई) प्राधिकार ने जिन शर्तों पर कीर्तिनगर बस्ती के निर्माण की आयोजना पास की थी उनमें से कोई भी शर्त पूरी नहीं की गई जिसके कारण लोगों के मकान के नक्शे पास नहीं हो रहे हैं; और

(ख) यदि हाँ, तो उसके क्या कारण हैं?

पुनर्बास तथा अल्पसंलग्नक-कार्य मंत्री के सभा सचिव (श्री पू० श्र० नासकर) : (क) जी, नहीं।

(ख) प्रश्न नहीं उठता।

श्री नवल प्रभाकर: क्या मैं जान सकता हूँ कि जब ने आउट मैन्यूर फ़िया जाना है तो उसमें जो शर्तें होती हैं उनको पूरा करना कालों इतने का काम होता है?

Shri P. S. Naskar: So far as the lay-out of the colony is concerned, there were only a few points that the Delhi Development Provisional Authority took objection to, and we have met those points.

श्री नवल प्रभाकर: क्या मैं जान सकता हूँ कि जब स्टाट होल्डिंग से नकाम रुपया ने निया गया है तब डेवेलपमेंट न होने वाला क्या कारण है?

Shri P. S. Naskar: So far as the layout is concerned there has been no difficulty. As regards development, two things were not complete, but they have been arranged. This is about water supply and sanitation. The Delhi Development Provisional Authority has been informed that we have made the necessary arrangements and the schemes for the individual buildings may be taken up for sanction.

Naga Hills

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Dr. Ram Subhag Singh:
 Shri N. R. Muniandy:
 Shri Shree Narayan Das:
 Shri Radha Raman:
 Shri V. C. Shukla:
 Shri Naval Prabhakar:
 Shri Harish Chandra Mathur:
 Shri Rup Narain:
 Shri Mahanty:
 Shri Sanganna:
 Shri Heda:
 *5. Shri S. M. Banerjee:
 Shri B. S. Murthy:
 Shri Tangamani:
 Shri Bibhuti Mishra:
 Sardar A. S. Saigal:
 Shri Assar:
 Shri H. N. Mukerjee:
 Shri Raghunath Singh:
 Shri Wodeyar:
 Shrimati Ila Palchoudhuri:
 Shri L. Achaw Singh:
 Shri Shivananjappa:

Will the Prime Minister be pleased to state:

(a) whether he has had discussions with a nine-man Naga delegation, and the Governor and the Chief Minister of Assam regarding the political future of the Naga Hills,

(b) if so, what is the outcome of those discussions; and

(c) what further developments have taken place after the agreement arrived at with the Naga delegation on the basis of the resolutions of the Kohima Convention?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). I received a delegation of 9 Naga leaders at Delhi on the 25th and 26th September. The results of my discussion with this delegation are embodied in a statement which was issued to the press on September 25. A copy of this statement is placed on the table of the Lok Sabha. [See Appendix I, annexure No. 2.]

(c) There has been no significant development since then. The Select Committee of the Naga People's Convention met at Mokokchung from the 23rd to the 26th October and generally approved of the decisions reached in the course of my talks with the Naga Delegation. We understand that these leaders are now contacting the hostile elements.

So far as Government are concerned, persons who had already been convicted or were under trial for offences against the State have been released.

Steps are also being taken to implement the decision about the new Unit.

Dr. Ram Subhag Singh: May I know whether hostility has completely ceased in that area?

Shri Jawaharlal Nehru: No, I cannot give any assurance about completeness, but there have been very few incidents, and rather minor ones, in recent months.

Dr Ram Subhag Singh: May I know whether there is any proposal to have this Naga Hill area also to be administered by the Home Ministry, or will it be administered by the External Affairs Ministry as was announced originally?

Shri Jawaharlal Nehru: As at present advised I think it is the External Affairs Ministry which will represent the Government of India in this matter, but naturally all these things are done in co-operation and the Home Ministry is very intimately concerned with it.

Shri B. S. Murthy: May I know whether the de-grouping of villages has been taken up in those areas where peace and order have been established?

Shri Jawaharlal Nehru: So far as I know there has been no de-grouping of the grouped villages yet. What we have said is that gradually these villages will be de-grouped as the situation improves in various areas. It may be that in some particular area

it might have been done to some slight extent, but not to a major extent yet.

Shrimati Renu Chakravarty: May I know whether it is a fact that the leaders who met the hon. Prime Minister have stated that it has been difficult for them to contact the hostiles because the police are dogging their footsteps? May I know whether they have been able to contact the hostiles, and what is the latest report regarding their reaction?

Shri Jawaharlal Nehru: I think one of them did make some such statement as the hon Member has referred to—I have not seen the exact statement—and the moment we learnt about it, we issued instructions that every facility should be given to them to contact those people. We have received no intimation from those people about the reactions of the others yet.

Shrimati Mafida Ahmed: May I know whether the Naga delegation made it quite clear that the creation of a separate unit is only an interim measure?

Shri Jawaharlal Nehru: I do not quite know what they are going to make clear. It is for us to make clear what we are going to do, not for them. There has been some talk about an interim measure. That interim measure does not and cannot apply to the basic position. The interim nature of it may be the internal organisation, the internal measure of autonomous arrangements. This, of course, can be discussed, but not the basic fact that that area has to be within the Union of India.

Shri L. Achaw Singh: May I know whether it is a fact that the Nagas have not yet given up their demand for independence?

Shri Jawaharlal Nehru: By the convention that was held at Kohima it was definitely given up.

Shri A. C. Guha: May I know if there will be any legislative enactment to give a final shape to this administrative arrangement, and if the

House will in any way have an opportunity to discuss this matter before the final arrangement is made?

Shri Jawaharlal Nehru: Yes, Sir. This will require legislation by Parliament, not a change of the Constitution but legislation by Parliament, and no doubt this question will come up before the Lok Sabha at a fairly early date, sometime this month I think.

Shri H. N. Mukerjee: In view of the situation being still somewhat complicated, may I know if Government will see to it that nothing is said or done to queer the pitch particularly on behalf of the Assam Government which does not appear to have tackled the problem very gracefully, and that the Central Government itself would look after the problem and see to a solution?

Shri Jawaharlal Nehru: In this matter, whatever steps we have taken have been in full consultation with the Assam Government and with their approval, and I do not think it would be right or fair for any one to suggest that the Assam Government, to use the words of the hon. Member, were queering the pitch.

Shri Gajendra Prasad Sinha: May I know whether the general amnesty applies to all the Nagas including Mr. Phizo, whatever might be the nature of the crime committed by them?

Shri Jawaharlal Nehru: We have said that the general amnesty applies to past offences, not from that date, not the future offences. We did not consider any individual cases. And I have no doubt that this would be interpreted in the most liberal manner.

Calcutta Bank Employees' Strike

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Shri Heda:
Dr. Ram Subhag Singh:
Shri P. C. Bose:
Shri S. M. Banerjee:

Will the Minister of Labour and Employment be pleased to state:

(a) the number of Banks and the number of employees involved in the

recent Bank Employees' Strike in Calcutta;

- (b) the number of days it lasted;
- (c) the demands of the employees and the objections of the employers to meet the demands; and
- (d) the action taken by Government in the matter?

The Deputy Minister of Labour (Shri Abid Ali): (a) 30 banks and 7629 employees.

(b) 31.

(c) The demand of the employees was that they should be given a compensatory allowance at the rate of 25 per cent. of basic pay with a minimum of Rs. 20. The employers were of the view that the demand of the employees is covered by the provisions of the Bank Award.

(d) As the parties did not come to a settlement, Government referred the matter for decision to Shri Salim M. Merchant as to whether the demand of the employees was covered by the Award. Later the dispute was also referred for adjudication to Shri Merchant.

Shri Heda: In view of the long duration of the strike and the difficulties that the general public faced, may I know why Government did not take this step earlier, which they took in the ultimate analysis?

Shri Abid Ali: Under section 6 of the relevant Act, this matter was referred to Shri Merchant before the strike commenced.

Shri S. M. Banerjee: May I know whether the representatives of the Bank Employees' Association met the Chief Labour Commissioner on 9th September, 1957, and if so, what steps were taken by the Chief Labour Commissioner to avert this labour unrest?

Shri Abid Ali: In this matter particularly, the employees' representatives did not want Government intervention. They wanted to settle the matter themselves.

Shri S. M. Banerjee: May I know whether the Deputy Minister of Labour visited Calcutta during that strike, and if so, whether he met the representatives of the All India Bank Employees' Association, and if so, with what results?

Shri Abid Ali: I did not meet them.

Shri P. C. Bose: May I know whether some of the employees were prosecuted for taking part in the illegal strike, and if so, what has happened to those persons?

Shri Abid Ali: Those cases have already been withdrawn.

Dr. Ram Subhag Singh: May I know whether the terms of reference of the adjudication which has been referred to Shri Merchant have been made very specific so that they may not be misinterpreted later on?

Shri Abid Ali: I could not catch the question.

Dr. Ram Subhag Singh: What is the specific term of reference which has been referred to Shri Merchant for adjudication?

Shri Abid Ali: It was whether this particular demand was covered by the award.

Shri S. M. Banerjee: May I know whether the recommendation of the Chief Minister of West Bengal for a change in the terms of reference has been accepted or is being accepted by Government?

Shri Abid Ali: We have not received any such request as yet.

Shri Tangamani: The point is this. There was a reference, but after that reference, there was a strike. When the strike was on, the Chief Minister of Bengal intervened, and there were some terms of settlement, and one of the terms was that the terms of reference would be prepared by the Bank Employees' Association and forwarded to the Central Government. May I know whether such a term has been forwarded, and whether the terms of

reference are going to be suitably modified?

Shri Abid Ali: I have already submitted that we have not received any such request as yet.

Tea Exports

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*7. { **Shri H. N. Mukerjee:**
Shri M. Elias:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have any figures regarding the unusually high profits made on the re-exports of Indian tea, bought in the Calcutta and London auctions, to countries on the continent of Europe; and

(b) whether there is a proposal to direct the State Trading Corporation that such exports to continental countries are made directly from India under its own auspices?

The Minister of Commerce (Shri Kanungo): (a) and (b). No, Sir.

Shri H. N. Mukerjee: In view of the reported practice of foreign subsidiary companies in Calcutta showing on their books a considerably lower price of tea exported to countries like Germany than what is actually charged by their principals in London, may I know what steps are proposed by Government to prevent India losing both on the count of foreign exchange and on the count of income-tax?

Shri Kanungo: The assumptions are not wholly correct. The margin between the prices in the Calcutta auctions and in the London auctions is fairly thin. And after all as far as re-exports are concerned, the quantum of India tea re-exported from U.K. is barely one-twentieth of the total quantum.

Shri H. N. Mukerjee: May I know whether Government's attention has been drawn to the danger represented by foreign interests in the tea industry when they threaten to spoil our marketing system by boosting East

African tea in preference to Indian tea, whenever they choose to do so?

Shri Kanungo: Such information has not come to our knowledge.

Shri Sadhan Gupta: Are Government aware that Indian tea is selling at a very high price in European markets, and if so, what steps have Government taken to ensure that this high price results in foreign exchange earnings to this country and does not result in profits to companies situated abroad?

Shri Kanungo: The chief factor of the higher prices in some of the continental countries is the high import duty in those countries, which range from 100 to 150 per cent.

Shri T. N. Singh: The reply to parts (a) and (b) of the question was in the negative. But the point was about the figures. May I know whether Government actually do not possess any figures about the price rates in the continent for tea?

Shri Kanungo: We have figures about exports from India and re-exports of Indian tea from U.K. But the question was about the prices.

Shri T. N. Singh: We had asked for figures. We had asked whether Government have any figures regarding the unusually high prices in those countries. The answer was in the negative. Does it mean that Government do not have those figures?

Shri Kanungo: We cannot have those figures; and those figures are available in U.K. only.

Shrimati Renu Chakravarty: May I know whether Government can give us the prevailing rate at which tea is being sold in the continent and the rate at which it is sold in the auctions at Calcutta?

Shri Kanungo: I could not give the figures in respect of the various countries in Europe, but I can give you a comparative idea of the Calcutta prices and the London prices.

Shrimati Renu Chakravarty: We do not want that.

Shri Kanungo: Obviously, the import duty is 100 to 150 per cent. more. So, we do not have those figures here.

Coir Research Institute

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Shri S. C. Samanta:
Shri Subodh Hasda:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether the proposed Coir Research Institute with a model factory attached to it has since been started in West Bengal;

(b) whether training arrangements for the industry will also be arranged;

(c) when the proposed show-room and sales depot of Coir industry products will be opened in Calcutta; and

(d) the amount spent in the State of West Bengal by the Coir Board since its inception?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir. The scheme has been only just sanctioned.

(b) Yes, Sir; separately in the training-cum-production centres proposed to be started by the State Government.

(c) Towards the end of this year.

(d) The State Government are just starting to take interest in Coir development and are shortly drawing up plans for consideration of the Coir Board.

With your permission Sir, I may also add that provision for coir development in the Second Plan for West Bengal is Rs. 6 lakhs.

Shri S. C. Samanta: May I know when the decision to open a coir research institute in West Bengal was taken, and why so much delay has been caused?

Shri Manubhai Shah: This plan was drawn up at the beginning of the year, and the sanction was accorded only last month.

Shri S. C. Samanta: May I know whether there is any interim arrangement for the training of workers in Kerala or in Madras?

Shri Manubhai Shah: Yes, we are arranging in the production-cum-training centres in all the four States for the training of boys for this institute.

Shri R. Ramanathan Chettiar: In view of the coir industry being situated in the West Coast of India, what action do Government propose to take to set up another research institute in the West Coast?

Shri Manubhai Shah: After going into the experience of these two Institutes, the Coir Board will certainly look into the question of developing such Institutes elsewhere also if necessary.

Shri Narayananakutty Menon: Are Government aware that the retail selling prices of manufactured coir mattings in the show room maintained by the Coir Board in different places are 25 per cent. higher than the ordinary market rates?

Shri Manubhai Shah: That is not correct. But the prices vary from quality to quality. Some of the high qualities which are very much in demand naturally have higher prices than inferior qualities.

बर्नी में भारतीय

*३० श्री भद्रत दर्जन : क्या प्रधान मंत्री १ मई, १९५६ के तारांकित प्रदन मंत्र्या १९३४ के उत्तर के मम्बन्थ में यह बताने की कृपा करेंगे कि गत महायुद्ध में बर्मा में भारतीयों को जो हानि उठानी पड़ी थी उसकी धर्तिपूर्ति कराने की दिशा में इस बीच और क्या प्रगति हुई है ?

वैदेशिक कार्य उद्यमों (धीमती लक्ष्मी लेखन) : इस मामले में तब से अब तक कोई प्रगति नहीं हुई है ।

श्री भक्त दर्शन : सरकार की ओर से जो उत्तर दिया या है उसका क्या यह अर्थ है कि अब इस सम्बन्ध से कोई आशा न की जाए यानी बर्मा से जिन भारतीयों को आना पड़ा है उनको कोई भी सुभावजा नहीं मिलने वाला है ?

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जबाहरलाल नेहरू) : बहुत ज्यादा आशा करना शायद कारामद न हो ।

श्री भक्त दर्शन : क्या गवर्नरेट के ध्यान में यह बात आई है कि हजारों भारतीयों को लाखों और करोड़ों रुपये का नुकसान उठा कर भारत में आना पड़ा और आज वे दरबदर धूम रहे हैं । क्या उनके पुनर्वाप के बारे में कोई कदम उठाये जा रहे हैं ?

श्री जबाहरलाल नेहरू : आपका जो मतान था वह युद्ध के जमाने में ताल्लुक रखता था और जो बाते हुई हैं वे तो हुई ही हैं ।

Shri R. Ramanathan Chettiar: What is the total amount of compensation that has been paid by the Government of Burma to Indian nationals owning land and who have been dispossessed of those lands by the Land Nationalisation Act?

Mr. Speaker: That is an absolutely different question. This refers to compensation for losses during the war.

श्री भक्त दर्शन : डेढ़ वर्ष पूर्व मेरे एक प्रश्न का उत्तर देते हुए माननीय मंत्रीय सचिव ने फरमाया था कि जानने ने बर्मा को युद्ध के जमाने में हुई क्षति के लिए २५० मिलियन डालर देने का बादा किया है । क्या उस क्षतिपूर्ति में से भारत के जिन लोगों को नुकसान उठाना पड़ा है कुछ रुपया बिलाने की कोशिश की जा रही है ?

Shrimati Lakshmi Menon: Reparations paid by the Japanese Govern-

ment are in the form of goods and services.

आणविक वर्तमान

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*११ { श्री कृष्ण नारायण :

श्री विभूति विध्वंश :

यदा व्रथान मध्ये यह यताने वी कृपा करेगे कि :

(क) क्या भारत ने सूक्ष्म राष्ट्र-संघ महासभा के वर्तमान सत्र में आणविक परीक्षणों पर तत्काल रोक लगाने के बारे में कोई प्रस्ताव रखे हैं, और

(ख) यदि हा, नो वे प्रस्ताव इस समय किम अवस्था में हैं ?

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जबाहरलाल नेहरू) (क) जी, हा । इस प्रस्ताव की एक प्रति है । लोक सभा की मेज पर रख रहे हैं । [वैदिये परिशिष्ट १, अनुवाद संलग्न ३]

(ख) भारतीय प्रस्ताव राजनीतिक समिति (पोलिटिकल कमेटी) में गिर गए थे । जनरल अमेन्सली के पूर्ण अधिवेशन के सामने यह विषय अभी आना है ।

श्री कृष्ण नारायण : क्या भारत सरकार ने यह जानन की कभी कोशिश की है कि किम किस राष्ट्र ने हमारे प्रस्ताव के पक्ष में बोट दिया है ?

श्री जबाहरलाल नेहरू : जी हा, यह बात तो छप जाती है और सब को मालूम है । यह चीज़ कभी छिपी नहीं रहती है ।

श्री कृष्ण नारायण : क्या मैं जान सकता हूँ कि इस प्रस्ताव के विषय में, रूस, अमरीका और ब्रिटेन, इन तीनों देशों की क्या राय है और इन में से कौन सा राष्ट्र या कौन सा देश इस के पक्ष में है ?

श्री जबाहरलाल नेहरू : इस बहुत मेरे पास कोई फेहरिस्त नहीं है । अगर आप आहंतों में आपको निजेवा दृग्गत या मेज पर रख

दूंगा। अक्षवारों में भी यह सब चीज छप चुकी है।

Mr. Speaker: The whole thing has appeared in the Press.

State Trading Corporation of India (Private) Limited

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*13.	Shri Morarka:
	Shri Nathwani:
	Shri N. B. Munisamy:

Will the Minister of Commerce and Industry be pleased to state:

(a) the names of those items in which the State Trading Corporation of India (Private) Ltd had to incur losses; and

(b) the reasons for such losses?

The Minister of Commerce (Shri Kanungo): (a) and (b). The trading accounts of the State Trading Corporation for the year ending 30th June, 1957, will be considered at the General body meeting shortly and the annual report of the Corporation will thereafter be published. A copy of the same will be placed on the Table of the Lok Sabha.

Shri Morarka: Since the year is over long ago, may we know at least the names of the items in which the State Trading Corporation is making losses?

Shri Kanungo: The matter can be taken up when the report is placed on the Table of the House.

Shri Morarka: May we have an approximate idea of the amount which the Corporation would be losing in certain items?

Shri Kanungo: That will be available from the accounts when published and placed before the House.

Shri Tantia: Is it a fact that the State Trading Corporation is paying a large amount by way of demurrage on account of mismanagement of iron ore shipments?

Shri Kanungo: I do not think so.

Shri Bimal Ghose: Will there be separate accounts for separate transactions or will a consolidated report be presented?

Shri Kanungo: It will be the usual accounts which are placed before shareholders. It will be published and placed before the House.

Shri Bimal Ghose: But that will not show the losses or profits on certain items. That will only be a consolidated report.

Shri Kanungo: When the accounts are placed before the House, Members will have an opportunity of suggesting any different method of accounting.

Shri Tyagi: Are there any losses at all?

Mr. Speaker: Order, order. Hon. Members want to know evidently whether separate accounts are maintained for separate items so that for each individual item profit or loss may be ascertained. If the hon. Minister has this information, he may say 'yes'; otherwise, he may say he will take time.

Shri Kanungo: I am not sure of it, because trading accounts of the Corporation will be available after the annual accounts are published.

Shri Tyagi: I wanted to know if Government had been informed about the losses or gains made. Shall we take it that there are no losses at all or are there any losses reported?

Shri Kanungo: I cannot say now.

Shri Narayananakutty Menon: The question relates to certain items in which the State Trading Corporation might have lost. What is the answer to it, whether the House will be able to know the specific items on which the Corporation have lost in the previous year, and if so, when the information will be available?

Mr. Speaker: He says the accounts will be placed on the Table.

Shri Tyagi: Have the Government been kept in the dark with regard to the day to day transactions?

Mr. Speaker: One question at a time.

The Minister of Finance (Shri T. T. Krishnamachari): May I say a few words? Only the profit and loss account will disclose losses or profits as a whole. But naturally they must have ledger account for every particular transaction that they have. These accounts must disclose whether there have been individual losses or individual profits on a particular item. The report would certainly indicate broadly the nature of the transactions. If any details are then wanted, I am sure my colleague will be able to furnish details.

Shri Bimal Ghose: I should like to know whether the published reports will disclose or enable Members to know on what particular items losses have been incurred and on what profits have been made.

Shri T. T. Krishnamachari: Normally in any company which is a trading company, these details are not asked unless the company incurs a total loss, when you ask for details as to where the losses have been incurred I think that will be the normal procedure and I expect that will be followed even in this matter. If the State Trading Corporation incurs a loss, naturally the House would like to know where the losses have been incurred and what are the transactions which are bad transactions. If there is an overall profit, in the case of an ordinary company, the shareholders do not ask for details. But if the House wants details in regard to any particular transaction, naturally the information should be furnished because the information will be available as there must be a ledger account.

Textile Mills

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 Shri Tantia:
 Shri Narayananakutty Menon:
 •14 Shri Tangamani:
 Shri Jadhav:

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 889 on the 14th August, 1957 and state:

(a) the present position with regard to stocks of cloth lying uncleared with textile mills; and

(b) what steps Government propose to take to get these stocks disposed of?

The Minister of Commerce (Shri Kanungo): (a) The total stock with the textile industry at present is estimated at about 6.06 lakhs of bales made up of 3.91 lakhs of bales unsold and 2.15 lakhs of bales sold but not yet taken delivery of by the trade.

At the current rate of production this will mean that the industry carries just eight weeks' production. It is not abnormal for the industry to carry stocks of this magnitude.

(b) Individual cases of textile mills requiring finance for rehabilitation of plant and machinery etc., so as to bring down the cost of production and also improve the competitive selling capacity are considered for grant of financial assistance by way of loan from the National Industrial Development Corporation. Government are also watching the position of the Cotton Textile Industry very carefully.

Shri Tantia: May I know whether Government are considering reducing the excise duties, specially on coarse and medium cloth, in view of the fact that a large part of the country is in famine and the buying capacity of the people is reduced?

Shri Kanungo: The latter assumptions may not be correct, but since the excise duties were imposed, the matter is always under examination.

Shri Damani: What was the stock of cloth last year in the corresponding period?

Shri Kanungo: Last year was an unusual year because there was considerable demand and goods moved out very quickly. Even then the stocks were nothing less than three weeks.

Shri Tantia: May I know whether considering the recent competition of Japan, Government is considering subsidising cloth export?

Shri Kanungo: It is not necessary.

Shri Tangamani: In reply to starred question No. 889 of 14th August, the hon. Minister was pleased to state that the then stock position was only one month's stock. Now, the Minister says that it is 8 weeks. It is also stated that the stock was 3.19 lakhs and now it is 6.46 lakhs. May I know whether steps will be taken to clear these stocks? Otherwise, because of the accumulation of stocks there is the danger of retrenchment. May I know what new steps Government propose to adopt to clear the stocks?

Shri Kanungo: A stock of two months' production is nothing unusual in the industry; there is nothing to be alarmed.

Shri Tangamani: In view of the fact that the stock during the corresponding periods of 1955 and 1954 was far less, is not the present stock unusually high?

Shri Kanungo: The production at that time was less and the demand was very much higher because it was the pent-up demand of the control days that was being satisfied.

Shri Morarka: May I know if Government is aware that one of the reasons for the slow movement of stocks is the uncertain expectation of the people about the reduction of excise duty and would the Government categorically state whether they are going

to reduce or not the excise duty in the near future?

The Minister of Commerce and Industry (Shri Morarji Desai): I should say that this very question also adds to the uncertainty. We have often said that it is not going to be reduced.

Shri Damani: May I know whether textile mills closed down on account of very heavy stocks with them?

Shri Kanungo: Only one mill has said that the reason for the closure is stock.

Shri Narayananakutty Menon: Last time when the hon. Minister answered a question about stocks he was pleased to state that the stocks accumulated at that time because of the approach of the Puja and Diwali and that the stocks would be sold out very soon. But, we find that in spite of Puja and Diwali the stocks have gone considerably high. Could we know what is the specific reason for the accumulation of stocks in spite of the answer given last time and whether it is a fact that at this particular time we are not encountering public apathy because of the increase in the cost of textile goods?

Shri Kanungo: The stock is not unusually high as I said in reply to the main question. We have not got the final figures about stock after Diwali. Even then, there has been certain speculation and uncertainty as disclosed by one of the questions. I hope when the business starts the stocks will move.

Shri Jadhav: Is it a fact that the mill industry is thinking of curtailing production?

Shri Kanungo: I do not think so.

Shri Jadhav: By closing the mills?

Shri Kanungo: No.

Traditional Handicrafts

*15. **Shri Baghwan Singh:** Will the Minister of Commerce and Industry be pleased to state what assistance

Government is proposing to give to State Schemes for the development of traditional handicrafts?

The Minister of Industry (Shri Manubhai Shah): During the current financial year the Government of India have already sanctioned grants to the extent of Rs. 29,69,488 and loans amounting to Rs. 19,23,245 to the State Governments for their schemes for development of traditional handicrafts of India. Some further schemes are expected to be sanctioned for the purpose during the remaining part of the year. Suitable provision for similar assistance to the State Governments will be made for the next year.

श्री रघुनाथ तित्तुः मैं जानता चाहता हूँ कि इसमें उत्तरप्रदेश सरकार को खास करके आश्वरी और सिलग के वास्तविक्या स्थायता दी गई है?

श्री मनुभाई शाहः उत्तरप्रदेश वर्षमेंट को मौजूदा शाल और लाल लाले की प्रांट दी गई है और साथे दो लाल रुपे का लोन दिया गया है। अब आश्वरी और सिलग के लिये प्राविष्यत स्नोम होती है और उनका अवल अलग ब्रेक अव होता है और उनकी बाबत हवारे पास कोई तफ़ील नहीं है।

Shrimati Renu Chakravarty: May I know if these schemes are directly to be run by the State or are they also to be run by co-operatives and other non-official organisations and is it necessary that the State Government must ratify them and send them to the Centre?

Shri Manubhai Shah: Generally, all these schemes are sponsored by the State Governments; and, after they scrutinise them, they go to the All India Handicrafts Board. The patterns of assistance given in running these co-operatives and other organisations are different in different States. In some cases, the Co-operative Unions run them; in some cases

the All India Handicrafts Board and in some cases the State Governments themselves.

Shrimati Renu Chakravarty: Most of the State Governments have submitted their schemes. After they have received the sanction of the Central Government is the final authority that of the All India Handicrafts Board?

Shri Manubhai Shah: More or less so; we treat this Board as an autonomous Board.

Shri T. N. Singh: Is it a fact that even after scrutiny and recommendation by the Handicrafts Board, the proposals or new schemes take about 4 to 6 months for sanction from Government?

Shri Manubhai Shah: No, Sir. This year, as far as I remember, almost 750 schemes were approved in the first 6 weeks of the financial year.

Iron Ore

***17. Sardar A. S. Saigal:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that the Government of U.S.S.R. propose to purchase Iron ore from India in the near future?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): No, Sir.

Ambernath Woollen Mills

***18. Shri Assar:** Will the Minister of Rehabilitation and Minority Affairs be pleased to refer to the reply given to Starred Question No. 1406 on the 2nd September, 1957 and state:

(a) whether a deputation of the workers of the Ambernath Woollen Mills waited upon him requesting that the mill be handed over to them to run it on co-operative basis; and

(b) if so, the reaction of Government thereto?

The Parliamentary Secretary to the Minister of Rehabilitation and Minority Affairs (Shri P. S. Naskar): (a) Yes, on the Deputy Minister of Rehabilitation towards the end of 1956.

(b) The proposal of the workers was not accepted as it was neither economical nor in the interest of the mills as a whole. They were interested only in running the spinning section for the production of yarn. Acceptance of this request would have rendered the other sections of the Mill useless. The mills have been acquired under the Displaced Persons (Compensation & Rehabilitation) Act and are to be disposed of in accordance with the provisions of the said Act. Any sale or transfer detrimental to the interests of the Compensation Pool would have been open to serious objection.

Shri Assar: May I know whether any alternative employment has been provided by Government to the displaced mill hands?

Shri P. S. Naskar: The mill has been sold to a party.

Shrimati Renu Chakravarty: In view of the fact that the Government of India spends large amounts of money on rehabilitation of refugees, may I know whether it was not possible for the Government to have taken over this mill by paying money into the compensation pool from the Rehabilitation Grants and Loans Fund thereby keeping the displaced persons in employment rather than going the roundabout way of throwing them out of job and then giving them employment?

Shri P. S. Naskar: It was not possible to run this mill departmentally.

Rehabilitation Work in Tripura

*19. **Shri Dasaratha Deb:** Will the Minister of Rehabilitation and Minority Affairs be pleased to refer to the reply given to Starred Question No. 1139 on the 24th August, 1957 and state:

(a) whether any decision has been taken by Tripura Administration in

the matter of setting up a territory-wise Advisory Committee to assist Government in their relief and rehabilitation work in Tripura; and

(b) if so, the nature of the decision?

The Parliamentary Secretary to the Minister of Rehabilitation and Minority Affairs (Shri P. S. Naskar): (a) and (b). The Tripura Administration have intimated that they do not see any necessity for the setting up of an Advisory Committee.

Shri Dasaratha Deb: During the last session the Ministry informed us that they are considering the setting up of some kind of committee. May I know the reason why that idea has now been dropped?

Shri P. S. Naskar: During the last session the reply given to this question was, 'The matter is under consideration of the Tripura Administration'. Since then, the Tripura Administration, that is, the Chief Commissioner informed us that he does not consider it advisable to form an Advisory Committee at this stage.

Shri Dasaratha Deb: May I know the reasons?

Shri P. S. Naskar: He had just said that it is not advisable.

Shrimati Renu Chakravarty: In view of the fact that there have been statements made to the effect that the Government believes that public co-operation should be taken through the form of advisory committees and even a slow-moving Government as the West Bengal Government has set up an advisory committee, what is the reason that the Chief Commissioner of Tripura where there is a huge refugee population, has categorically stated that there is absolutely no necessity for having an advisory committee. Is the Central Government asking the reasons?

Shri T. N. Singh: Sir, on a point of order...

An Hon. Member: No point of order on question.

Shri T. N. Singh: Is it open to anyone during the Question Hour to make accusations against the State Governments about inefficiency etc.—slow-moving? Can we say that?

Mr. Speaker: No aspersions can be cast and should be allowed to be cast on any State Government or a Minister acting in his official capacity. If any slip has occurred, I suppose it will not occur hereafter

Shri Bimal Ghose: Slow-moving is that an aspersion?

Mr. Speaker: I do not think it is an aspersion.

Shri Sadhan Gupta: It is a compliment.

Shrimati Renu Chakravarty: There is no reply to my question.

Mr. Speaker: The question has been answered to some extent

Indians in South Africa

***20. Shri R. S. Lal:** Will the Prime Minister be pleased to state:

(a) the number of houses and their value to be affected by the Group Areas Act if enforced in Durban; and

(b) how many Indians will be displaced by this measure and how many Indian factories, schools, temples and mosques will be affected?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b) It is estimated that about 146,000 Indians would be forced to leave their homes, established business and religious and cultural institutions including a large number of mosques and temples as and when group areas under the Group Areas Act are proclaimed in Durban. Since there is no Indian Mission in South Africa, it is not possible to furnish the information in greater detail.

Textile Institute, Washermanpet

***21. Shri S. V. Ramaswami:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 396 on the 26th July, 1957 and state the progress made so far in taking over the Textile Institute at Washermanpet, Madras, and locating it at Salem?

The Minister of Commerce (Shri Kanungo): The Government of India have since sanctioned the purchase of property known as "Manor House", in Salem, to house the Madras Textile Research Institute. The All India Handloom Board expects to take over possession of the property by the end of this month.

Shri S. V. Ramaswami: May I know whether the Central Government has taken over this institute from the State of Madras?

Shri Kanungo: The valuation has been done. After the building is repaired, it will be removed to Salem.

Shri S. V. Ramaswami: What is the valuation? When will it be shifted?

Shri Kanungo: The valuation has come to about Rs. 81,000—all the fittings and assets. As soon as the house is ready after repairs, the fittings will be removed.

Shri Tangamani: May I know whether the existing textile institute at Washermanpet will be discontinued because of this new one at Salem?

Shri Kanungo: That will be for the Madras Government to decide. It is a much bigger institute that is being set up in Salem.

Shri S. V. Ramaswami: What is the exact scope of the existing textile institute? Will the scope be expanded when it is located at Salem?

Shri Kanungo: Yes. It will be one of the main research institutes and will have adequate personnel and adequate programmes.

Rephrasing of State Plans

Shri Surendranath Dwivedy: Will the Minister of Planning be pleased to state:

(a) whether instructions have been issued to the State Governments recently to reshape and rephase their plans in such a way so as to reduce the need of foreign exchange in the third year of the Plan;

(b) whether any indications have been given about the nature of the schemes that are likely to be affected under these instructions; and

(c) if so, what they are?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra) (a) Instructions have recently been issued regarding the preparation of the Development Plan for 1958-59. In this connection, the Planning Commission has suggested that no scheme involving foreign exchange on which a substantial start has not already been made should be included in the Plan for 1958-59. Where a substantial start has already been made, State Governments have been requested to review the requirements of foreign exchange as strictly as possible with a view to reducing foreign exchange commitments to the minimum.

(b) and (c). The schemes likely to be affected by the instructions issued by the Planning Commission will be determined during discussions with States which are to commence early in December.

Shri Surendranath Dwivedy: While issuing these instructions, has the Government taken into consideration how this abandonment would ultimately affect the employment potentialities of the States?

Shri L. N. Mishra: This question is not included in the instructions issued to the State Governments but the employment implications of the adjustment in the Plan are being considered by the Planning Commission.

Shrimati Renu Chakravarthy: Is it possible to obtain and lay on the Table of the House the yearly targets fixed by the various States for the plans, year after year? Can we get those targets now?

Shri L. N. Mishra: For 1958-57 and 1957-58, we will try to put it on the Table of the House.

Shri Bimal Ghose: May I know if the Planning Commission has indicated what 'substantial start' would amount to?

Shri L. N. Mishra: It is difficult to say. It means these projects are expected to be completed within a short time so that we may be able to earn from them shortly. (Interruptions.)

Mr. Speaker: Order, order. No hon. Member can go on sitting and talking.

Shri Panigrahi: May I know whether the Delta irrigation scheme in Orissa and the Paradip port will be coming under the rephasing of the Second Plan?

Shri L. N. Mishra: Discussion about the new schemes and their progress is to start in early December in the Planning Commission with the State Governments and the Central Ministries concerned. After that, we will be able to say about the specific projects.

Shri Feroze Gandhi: Has the attention of the Ministry been drawn to the statement of Dr. Sampurnanand, Chief Minister of U. P., where he has stated that the U. P. Government might have to give up the Rihand Dam scheme because of shortage of money given by the Central Government and also shortage of foreign exchange. He has gone on to say that Rs. 12 lakhs had been allotted to UP for foreign exchange and that too has been given to a private firm.

The Deputy Minister of Planning (Shri S. N. Mishra): All such important schemes which are meant for the development of certain regions would be considered by the Planning Commission in December and nothing can be certainly said at this moment.

Foreign exchange difficulties sometimes come in the way but the anxiety of the Planning Commission is to ensure the completion of such important schemes as far as possible.

Shri Feroze Gandhi: Is the Chief Minister's statement that Rs. 12 lakhs of foreign exchange has been allotted to UP and that too, to a private firm and not for the public sector, true or not?

The Minister of Finance (Shri T. T. Krishnamachari): I am afraid we will have to check it up before an answer could be furnished. We cannot say definitely whether we made statewise allocations in regard to foreign exchange. Allocations are made in regard to projects. I will have the matter checked up.

Shri Feroze Gandhi: Has the Ministry's attention been drawn to it?

Shri T. T. Krishnamachari: I am afraid my attention has not been drawn to that.

Shri Feroze Gandhi: You were outside.

Shri Narayananarkutty Menon: For an equitable distribution of the available foreign exchange, has the Government considered a sort of a priority—state wise or project wise?

Shri L. N. Mishra: It will be considered projectwise primarily and not statewise.

Shrines in India and Pakistan

*23. **Shri Ajit Singh Sarhadi:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 268 on the 23rd July, 1957, and state:

(a) whether there has been any correspondence with the Pakistan Government about the convening of a meeting of the Joint Committee set up for the preparation of List of Hindu and Sikh religious shrines in West Pakistan and the protection of the properties attached thereto, and

preservation of their religious sanctity; and

(b) if so, with what effect?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):

(a) and (b). Yes, Sir. The Government of Pakistan were invited to send their representatives for a meeting of the Joint Committee, at New Delhi, in the fourth week of October, 1957. No reply was received. The invitation has been renewed for a meeting in the fourth week of November, 1957.

Shri A. S. Sarhadi: In view of the evasive attitude of the Pakistan Government, has the Government of India thought of any other way to meet the objective?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): No.

Imported Consumer Goods

+
*24. { **Shri Wodeyar:**
Shri Parulekar:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government are aware that with the announcement of the new Import Policy, the prices of almost all imported items such as medicines, stationery etc. have shot up; and

(b) if so, the steps Government propose to take in the matter?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) The prices of some of the imported commodities including medicines and stationery which had initially shown a tendency to rise are now by and large steady.

(b) The price trends of imported commodities are constantly kept under review to see that there is no abnormal increase in the prices of commodities due to short supplies. The price trends will also be taken into account at the time of formulating the import policy for the next half

year and the policy, where considered necessary, might be liberalised with a view to keep prices at reasonable level. The scope for liberalising the imports is, however, limited due to the difficult foreign exchange position.

Shri Wodeyar: May I know whether the Government have considered the point that there has been a reduction in the quota in regard to essential drugs and medicines owing to the new import policy?

Shri Satish Chandra: The quota for the import of drugs and medicines has not been drastically cut. There has been some reduction. The policy is to import medicines in bulk and to process and pack them here so that with the same amount of foreign exchange, we can have greater quantity.

WRITTEN ANSWERS TO QUESTIONS

Workers in Rayon Factories

***8. Shri T. B. Vittal Rao:** Will the Minister of Labour and Employment be pleased to refer to the reply given to Starred Question No. 1646 on the 10th September, 1957 and state:

(a) whether the report of the Survey undertaken to study the deleterious effect on the health of workers in Rayon factories has since been received;

(b) if so, the main features of the report;

(c) the nature of action proposed to be taken on the report; and

(d) if the reply to part (a) be in the negative the reasons therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) Not yet.

(b) and (c). Do not arise.

(d) The data collected in the field studies is being tabulated and examined.

Automatic Looms

***12. Shri S. R. Arumugham:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number of automatic looms allotted to Madras State so far; and

(b) whether these looms were allotted to the spinning mills alone or to the textile mills with weaving plants?

The Minister of Commerce (Shri Kanungo): (a) 2784.

(b) Both composite and spinning Mills have been allotted automatic looms.

Mica Labour

***16. Shri Nagi Reddy:** Will the Minister of Labour and Employment be pleased to state:

(a) whether Government has received any memorandum from the Andhra Pradesh Mica Labour Union regarding "Silikas" disease prevalent among the labourers; and

(b) if so, whether Government has taken any action on the same?

The Deputy Minister of Labour (Shri Abid Ali): (a) Information about the prevalence of "Silicaosis" in mica areas has been brought to the notice of the Government by various organisations.

(b) Suggestion has been made to State Government to take appropriate steps for expeditious disposal of compensation cases. Arrangements for B.C.G. vaccination, X-Ray examination, hospitalization, etc. are also being made.

Border Incident

25. Shri B. S. Murthy:
 Shri Raghunath Singh:
 Shri Aniradhan Singh:
 Shri Mohan Swarup:
 Shri Shivananajappa:
 Dr. Ram Subbag Singh:
 Shri D. C. Sharma:
 Shri Assar:
 Shri Panigrahi:
 Pandit D. N. Tiwary:

Will the Prime Minister be pleased to state:

(a) whether Razakars from Pakistan killed some of the Punjab Armed Police men on the 16th October, 1957 while on patrol duty;

(b) if so, details of the incident; and

(c) steps taken in the matter?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):

(a) Yes, Sir, two policemen were killed.

(b) At 6-00 A.M. on the 17th October, 1957, three men of the Punjab (India) Armed Police picket at Metle, which is about five miles north of Dera Baba Nanak in the Gurdaspur District, left for an observation post situated at some distance from the picket. While these men were going over a narrow path passing through thick 'sarkanda', a group of Pakistanis, who were later known to be Allama Mashriqi's followers, suddenly attacked them with daggers. Two of the policemen received injuries, which proved to be fatal. The third managed to ward off the blow aimed at him and escaped. The Razakars picked up the two rifles of the dying men and escaped into the reeds. A patrol of the P.A.P. immediately proceeded to the spot and combed the surrounding area for the miscreants. During the search, there was an exchange of firing between the Indian patrol and an unidentified party from the other side. A civilian accompanying the police patrol was hit and died. Eventually the Indian patrol caught,

one of the miscreants. The rest escaped back to Pakistan territory. Information was received from the Pakistan border police authorities that they had arrested four Razakars who had managed to get back across the river and that one rifle had been recovered from them. The other rifle was recovered by the Punjab Police.

(c) A protest has been lodged with the Government of Pakistan.

Safeguards against Radioactive Materials

26. Shri Narasimhan: Will the Prime Minister be pleased to state:

(a) whether Government has seen a report about the escape of radioactive materials from the Windscale Plutonium Plant in England; and

(b) the broad outline of the safety measures, adopted in our Atomic Energy establishments?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes.

(b) Apsara is inherently safe, and no such accident in Apsara is possible.

The Canada-India Reactor has extremely elaborate safety devices to meet all possible contingencies, and the chances of an accident are small. Moreover, the entire reactor is contained in a hermetically contained steel shell which would prevent escape of any radioactive material, even in the extremely unlikely event of an accident to the Reactor.

The reactor, Zerlina, is a zero energy reactor, and there is no possibility of any danger.

Mangla Dam

*27. { Shri Shree Narayan Das:
Shri Radha Raman:
Shri Bibhutti Mishra:
Shri R. L. Reddy:
Shri Harish Chandra Mathur:
Shri Ganjendra Prasad Sinha:
Shri Sanganna:
Shri Raghunath Singh:
Shri Heda:

Will the Prime Minister be pleased to refer to the reply given to Short Notice Question No. 20 on the 26th August, 1957 and state:

(a) whether Government have received any reply from the President of the Security Council, to its communication to him regarding the construction of Mangla Dam in Pakistan-occupied Kashmir; and

(b) whether there have been any further developments in the Security Council with respect to this communication?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):
(a) No. I may add that the Security Council's general practice in such matters is that the President circulates the copies of the communication received but does not send any reply. Our communication of 21st August 1957 was distributed to all members of the Security Council as a Security Council Document on 22nd August 1957.

(b) Yes.

(i) On 3rd October, 1957, Pakistan sent a communication to the President, Security Council. Copies of Pakistan's communication have been distributed to members of the Security Council.

(ii) Our representative in his intervention in the Security Council on October 9, 1957, commented on the Pakistan communication. Copies of Pakistan's communication to the President of the Security Council and relevant extracts

from our representative's comments in the Security Council are placed on the Table of the Lok Sabha. [See Appendix I, annexure No. 4]

Indians in Ceylon

*28. { Dr. Ram Subhag Singh:
Shri Raghunath Singh:
Shri Tantia:
Shri Heda:
Sardar A. S. Saigal:

Will the Prime Minister be pleased to state:

(a) whether the Ceylon Government's scheme of repatriation of Indians has now been extended to include establishments with investments upto Rs. 50,000;

(b) if so, how many business establishments run by persons of Indian origin are likely to be affected by this scheme; and

(c) whether Government have taken any action in the matter?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):
(a) Yes, Sir.

(b) The number of business establishments run by persons of Indian origin who are likely to be affected by this scheme is not known as no statistics of Indian investment in Ceylon have ever been prepared.

(c) The matter is under examination of the Government.

स्वाधार-पत्रों के लिये पृष्ठ-भूम्य निर्वाचन

*30. { श्री नवन दर्शन :
श्री दी० च० शर्मा :
डॉ० राम सुभग सिंह :

क्या सुभग और प्रसारज मंत्री १४ अगस्त, १९५७ के ताराकित प्रश्न संख्या ८६४ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या इस वीच मूल्यानुसार पृष्ठ-भूम्य को सारू कर दिया गया है ;

(क) यदि हां, तो क्या सम्बन्धित आदेश की एक व्रति सभा पटल पर रखी जावेगी;

(ग) यदि प्रश्न के भाग (क) का उत्तर नकारात्मक हो, तो देरी होने के क्या कारण हैं; और

(घ) इस सम्बन्ध में कब तक निर्णय हो जाने की आशा है?

सूचना और प्रसारण मंडी (डा० केसकर):
(क) जी, नहीं।

(ख) प्रश्न नहीं उठता।

(ग) तथा (घ). मूल्यानुसार पृष्ठ-सूची जिसके अन्तर्गत विभिन्न परिस्थितियों में प्रकाशित होने वाले विभिन्न प्रकार के समाचार यथा आयें, तेपार करने के लिये सावधानी से सोच विचार करना आवश्यक है ताकि सूची के लागू किये जाने से जो परिणाम निकले वे उसके उद्देश्य के प्रतिकूल न हों।

विषय-विचाराधीन है। यद्यपि सूची के प्रकाशन की तिथि निश्चित करना मुश्किल होगा में माननीय सदस्य को विश्वास दिना सकता हूं कि प्रकाशन जल्द ही होगा।

Migration from East Pakistan

*31. { Shri Radha Raman:
Sardar A. S. Saigal:

Will the Prime Minister be pleased to state:

(a) whether Government's attention has been drawn to press reports which appeared in the *Times of India* dated the 4th October, 1957 that 2 lakh Hindus in East Pakistan are awaiting permission to enter India due to fresh propaganda of Pakistan Government against India; and

(b) if so, what action Government propose to take in the matter?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):
(a) and (b). Yes Sir. Government have seen this report.

Presumably the report refers to the applications for migration certificates that are awaiting disposal with the Indian Deputy High Commissioner's office at Dacca. Instructions have been issued to expedite the disposal of these applications.

Gum Guar

*32. { Shri Morarka:
Shri Nathavani:

Will the Minister of Commerce and Industry be pleased to state:

(a) the total quantity of gum guar exported out of India during the calendar years 1953, 1954, 1955 and 1956;

(b) the price at which this is exported during these years;

(c) the names of the countries to which it is exported; and

(d) the policy of the Government in giving export licences for this commodity?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) to (c). The Information is not available as gum guar is not separately recorded in the Statistics of the Foreign Trade of India

(d) Exports of guar gum continued to be banned until 26th July, 1956. During the period 27-7-1956 to 13-2-1957 exports were treated as uncontrolled. Since 13-2-1957 exports have again been banned. The policy for the future is under consideration.

Pulp Plant

*33. { Shri E. S. Lal:
Shri Wodeyar:

Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of pulp imported by India annually;

(b) whether there is any scheme to locate pulp manufacturing plants with the cooperation of Japanese and Indian industrialists; and

(c) if so, the details thereof?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) On an average 22,500 tons are imported annually.

(b) No, Sir.

(c) Does not arise.

Atomic Radiation

*34. { Shri Shree Narayan Das:
Shri Radha Raman:

Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 1104 dated the 2nd September, 1957 and state when the U.N. Committee on the effects of Atomic Radiation is to submit its report to the General Assembly of the U.N.?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): The U.N. Committee on the Effects of Atomic Radiation is expected to submit its report to the General Assembly of the United Nations by 1st July, 1958.

Bomb Explosions on India-Goa Border

*35. { Shri Radha Raman:
Shri Raghunath Singh:

Will the Prime Minister be pleased to state:

(a) whether it is a fact that a number of bomb explosions have recently occurred in Indian territory adjacent to Portuguese borders and that these bombs were found to be Portuguese in origin; and

(b) if so, their number and the extent of damage caused?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b). Our information is that a bottle containing explosives was planted by the Portuguese inside Indian territory. This bottle went off on 2nd October, 1957, injuring three persons.

Capital Goods from Japan

*36. { Dr. Ram Subhag Singh:
Shri R. S. Lal:
Shri Raghunath Singh:
Shri N. R. Munisamy:
Shri Wodeyar:
Shri Thimmaiah:
Shri Vajpayee:
Shri Bibhuti Mishra:
Shri S. M. Banerjee:
Shri Sivananjappa:
Shrimati Parvathi Krishnam:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Japan has proposed to supply to India capital goods;

(b) if so, the terms and conditions for the same;

(c) what is the approximate value of capital goods which Japan has proposed to supply;

(d) the items of capital goods proposed to be supplied by Japan; and

(e) whether it is a fact that a mission will visit Japan in this connection?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) Yes, Sir.

(b) to (d). No details have been worked out so far. The matter is under preliminary investigation.

(e) Does not arise at this stage.

Cement Imports

1. { Shri N. R. Munisamy:
Shri Narasimhan:

Will the Minister of Commerce and Industry be pleased to state:

(a) the countries with which contracts have been concluded by the State Trading Corporation of India

(Private) Limited for the import of cement during the year 1957;

(b) the quantity of the cement to be imported under the said contracts and the quantity which has since been imported upto the end of September, 1957;

(c) whether any commodities are to be exported to these countries in exchange of cement therefrom; and

(d) what are the prospects of fresh contracts for the import of cement in view of the present foreign exchange difficulties?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) (i) West Pakistan.

(ii) Yugoslavia.

(iii) U.S.S.R.

(iv) North Viet-Nam.

(b) A quantity of about 1,47,000 tons of cement is expected to be imported under the said contracts, of which a quantity of about 51,000 tons has been imported up to the end of September, 1957.

(c) In return for cement to be imported from West Pakistan an equal quantity of cement is to be exported to East Pakistan. In case of North-Viet-Nam, sugar will be exported against the import of cement. As regards other countries there is no provision for the export of any commodity in return for cement.

(d) Efforts are being made to arrange imports against payments in rupees.

Standing Committee of the Research Programme Committee

2. Shri N. R. Munisamy: Will the Minister of Planning be pleased to state:

(a) the various Committees of Direction and Sub-Committees that have been appointed by the Standing Committee of the Planning Commission's Research Programme Committee

to evolve suitable technique and lay down uniform pattern of enquiry into the progress and effect of several reforms in various States;

(b) whether any body has been set up to go into the question of Land Reforms; and

(c) if so, its terms of reference?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra): (a)

The Research Programmes Committee of the Planning Commission has four Committees of Direction for studies in (i) Economics of Farm Management, (ii) Socio-economic survey of Bhilai Region, (iii) Political Science and Public Administration, and (iv) Effects of Land Reforms. The functions of these Committees are to indicate the general lines on which studies should be carried out and to advise on the execution of these studies.

(b) A Committee of Direction on Land Reforms has been set up to promote research in land reform.

(c) No terms of reference have been laid down.

Indians in Kenya

3. Shri D. C. Sharma: Will the Prime Minister be pleased to state:

(a) whether the Indian population in the Kenya (British Africa) are being subjected to any discrimination;

(b) if so, the steps Government have taken to look after the interests of the Indian settlers there; and

(c) the number of Indians in Kenya and their economic position?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) As far as the Government of India are aware, the only statutory disability from which Indians in Kenya suffer is that they are not allowed to own or lease land in the Highlands for agricultural and industrial purposes.

Indians in Kenya are also discriminated against, by administrative orders and practice, in certain other matters, e.g. appointment to higher posts, education, immigration etc.

(b) In so far as the Highlands are concerned, the Government of India made representations against their exclusive reservation for Europeans, but without any result.

(c) According to the 1948 census, there were 90528 Indians in Kenya. Economically, the Indians in Kenya are well off and are mainly occupied in trade. There are also many Indian doctors, lawyers, artisans, railway workers and government employees.

Indians in Fiji

4. Shri D. C. Sharma: Will the Prime Minister be pleased to state:

(a) the number of Indians employed in Fiji Island;

(b) the occupations they follow; and

(c) the disadvantages, if any, that Indians who have gone to Fiji Island in recent years, suffer from?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) No statistics are available.

(b) The main occupation of the great bulk of the Indian population is cane-growing. There are also farmers, agricultural labourers, store-keepers, tailors, launderers, bus and taxi owners and drivers, teachers, clerks, doctors, lawyers etc. The small number of Indians who have migrated to Fiji in recent years are mostly employed as teachers and technicians.

(c) None to our knowledge.

Air Space Violation by Pakistan

5. Shri D. C. Sharma: Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 1638 on the 10th September, 1957 and state:

(a) whether Government have received any reply to its protest

lodged with U.N. Military Observer's Team in Jammu against the violation of Air Space by a jet aircraft with markings believed to be those of the Pakistan Air Force over the Jammu area on the morning of the 22nd of August, 1957; and

(b) if so, its nature?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Yes.

(b) The United Nations Chief Military Observer returned a verdict of "No Violation" by Pakistan on the ground that he had found it impossible to decide with certainty the origin of the flights or to whom the aircraft belonged.

Economy of Iron and Steel in Building Construction

6. Shri Shree Narayan Das: Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether the Committee on economy in the use of iron and steel in building construction has submitted its report; and

(b) if so, the important recommendations and suggestions made therein?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) Yes.

(b) The Committee have recommended various technical and administrative measures with a view to:

(i) the rationalisation in production to improved sections and specifications standardised by the Indian Standards Institution;

(ii) the rationalisation in design practices as recommended in the various codes of practices published by the Indian Standards Institution;

(iii) substitution of structural steel by other materials like timber and reinforced cement concrete;

- (iv) the reduction in use of steel in reinforced cement concrete by improved design practices and by greater use of reinforced concrete;
- (v) improving the standards of designs by training and specialisation, and
- (vi) effecting departmental and extra-departmental checks to ensure that all savings in steel are effected in practice.

दिल्ली में विस्थापित व्यक्तियों की बस्ती

६. श्री नवल प्रभाकर : क्या पुर्वार्ता तथा अस्पतंस्यक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली में अमुना नदी के पार क्षील कुरुंजा के निकट विस्थापित व्यक्तियों की जो बस्ती है वह वर्षा छतु में जल-प्लावित हो जाती है; और

(ख) यदि हा, तो उसे रोकने के लिये क्या कार्यवाही की गई है?

पुर्वार्ता तथा अस्पतंस्यक कार्य मंत्री के स्वाक्षरित (श्री पू. शे. नासकर) :

(क) जो हा केवल भारी वर्षा के कारण।

(ख) हर साल मानसून के शुरू होने से पूर्व यानी को निकालने के लिये ट्रूलर पम्प लगाये जाते हैं। स्थायी तोर पर हैं और इन्हीं पम्पिंग संट्रस लगाये जायेंगे, जिन के खरीदने की व्यवस्था की जा चुकी है।

Standing Labour Committee

८. **Shri T. B. Vittal Rao:**
Shri B. S. Murthy:
Shri Narayanan Kurty Menon:
Shri Warrier:

Will the Minister of Labour and Employment be pleased to state:

(a) the main decisions or recommendations made by the Standing

Labour Committee which met in October, 1957;

(b) whether action has been initiated on any of them; and

(c) if so, the nature of action taken?

The Deputy Minister of Labour (Shri Abid Ali): (a) The main conclusions/recommendations of the Sixteenth Session of the Standing Labour Committee which met at New Delhi on 17th and 18th October, 1957 are placed on the Table of the Lok Sabha [See Appendix I, annexure No. 5].

(b) Yes.

(c) The decisions regarding the Code of Discipline in Industry have been circulated to the State Governments and Employers' and Employees' Organisations for necessary action. Needful is being done with regard to other decisions needing action.

सूचना मंत्रियों का सम्मेलन

६. श्री राम शंकर लाल : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) अगस्त, १९५७ के प्रतिम सप्ताह में राज्यों के सूचना मंत्रियों का जो सम्मेलन हुआ था उसमें क्या निर्णय किये गये; और

(ख) इन निर्णयों को किस हद तक कार्यान्वित करने का विचार है?

सूचना और प्रसारण मंत्री (डा० नेसकर) :

(क) तथा (ख). ३० अगस्त, १९५७ को हुए सम्मेलन की भान्ति राज्यों के सूचना मंत्रियों का सम्मेलन समय समय बुलाया जाता है ताकि केंद्रीय और राज्य सरकारों द्वारा किये जाने वाले पंच वर्षीय योजना सम्बन्धी प्रचार कार्य का समन्वय हो सके। हाल के सम्मेलन में कोई नये निर्णय नहीं किये गये हैं। इन सम्मेलनों का उद्देश्य रोज़ मराठी काम और पेश आने वाली कठिनाइयों को दूर करना

हिंदूओं के लालिय तथा राज्य सरकारों के प्रत्यार संगठन एक दूसरे से ज्यादा से ज्यादा बिल जुल कर काम कर सकें।

Quarters for Government Servants

10. **Shri S. M. Banerjee:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether some quarters are being constructed at present at Delhi and New Delhi for the Central Government employees; and

(b) if so, the number of such quarters?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) About seven thousand.

Daftries' Quarters

11. **Shri S. C. Samanta:**
Shri Barman:

Will the Minister of Works, Housing and Supply be pleased to refer to the reply given to Unstarred Question No. 15 on the 15th July, 1957 and state:

(a) when the 25 Daftry and 22 Peon quarters at Aliganj (Lodi Colony) in New Delhi were constructed;

(b) the reasons for not repairing and electrifying those quarters so long; and

(c) how many class IV quarters have been electrified in the area?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) During the years 1939-42.

(b) The question of relaying the damaged roofs was being considered along with the feasibility of constructing double storeyed quarters. It has since been decided to re-roof the quarters. The work will now be taken up and the quarters will be electrified as soon as the roofs are relaid.

(c) 727.

Refugee Rehriwallas of Delhi

12. **Shri A. K. Gopalan:**
Shri Vasudevan Nair:

Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether the refugee rehriwallas of Delhi have approached the Government of India in regard to their rehabilitation; and

(b) if so, the steps Government have taken in this regard?

The Parliamentary Secretary to the Minister of Rehabilitation and Minority Affairs (Shri P. S. Naskar): (a) Yes; for provision of covered sheds or shops.

(b) The request was examined in consultation with the State Government but it was not found possible to accede to it.

Ramesh Nagar Colony

13. **Shri Sanganna:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether the attention of Government has been drawn to the incident in which the residents of the Ramesh Nagar Rehabilitation Colony squatted in front of the Works, Housing and Supply Minister's car on the 8th October, 1957 as reported in newspapers; and

(b) if so, what is the reaction of Government thereto?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes.

(b) The grievances of the squatters who were cart drivers, are against the local Municipal Committee, the exact nature of which could not be ascertained as general pandemonium prevailed on account of the noisy behaviour of the cart drivers. The question of there being any reaction on the part of Government does not arise.

अकाशगन्धिस्तान में भारतीय व्यवस्था

१४. की रक्षावाच तिहः : क्या कूपला और भारतीय मंची यह बताने की कृपा करेंगे कि क्या यह सच है कि अकाशगन्धिस्तान में भारती चल विश्व अपरम्पत लोक-प्रिय हो रहे हैं और उनको मांग बढ़ रही है?

वाचिक्य तथा उद्दोग मंत्री (श्री मोरार्जी देसाई) : भारतीय फिल्मों के निर्यात पर नियंत्रण न होने के कारण इनके निर्यात सम्बन्धी धांकड़े देशानुसार नहीं रख जाते थे। जनवरी, १९५७ से इन्हें देशानुसार रखने की कोशिश की गयी है। जनवरी से जून, १९५७ तक की घमाही में ३०३५ लाख रु के भारतीय फिल्म अकाशगन्धिस्तान को भेजे गये। विस्तृत जानकारी के अभाव में यह बताना कठिन है कि भारतीय फिल्म अकाशगन्धिस्तान में कितने लोकप्रिय हो रहे हैं परवा उनकी मांग बढ़ रही है या नहीं।

Khadi Sale

15. Pandit D. N. Tiwary: Will the Minister of Commerce and Industry be pleased to state

(a) the quantity and the price of khadi sold in various Emporia and Khadi Sale Depots during the special concession period from the 15th August to 30th September, 1957; and

(b) from which source was the concession of extra two annas per rupee met.

The Minister of Commerce and Industry (Shri Morarji Desai): (a) According to the reports received so far khadi worth Rs. 9,08,411 was sold during the period in question. As regards the quantity of khadi sold, on an average, the price of one square yard of khadi may be taken to be Rs. 2. On this basis about 4,54,206 square yards of khadi were sold. The information is incomplete as reports from all the institutions have not been received so far. Complete information will be laid on the Table of the Sabha as soon as it becomes available.

(b) In respect of emporia and khadi sales depots run directly by the Khadi and Village Industries Commission, the incidence of the special concession will be met from their profit and loss account. As regards other sales agencies run by the various certified associations; see question 16 above.

Foreign Trade Board

16. Shri Anirudh Sinha: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Foreign Trade Board set up by Government for the development of India's foreign trade has submitted any report; and

(b) if so, the salient features of the report and the action taken for the implementation of the recommendations?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). No, Sir. The Foreign Trade Board is not expected to submit any report. Its main function is to meet periodically for the purpose of formulating our policy and plan of action in relation to our export promotion efforts.

Plywood Industry

17. Shri Warior: Will the Minister of Commerce and Industry be pleased to state:

(a) the recommendations made by the Conference of plywood interests held in Delhi during September, 1957; and

(b) the decisions taken by Government thereon?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). A statement giving the information is placed on the Table of the Lok Sabha. [See Appendix I, annexure No. 6].

Industrial Disputes Act

18. **Shri T. K. Chaudhuri:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the attention of Government has been drawn to the anomaly arising from the fact that the Welfare Officers appointed under the Mines Rules Nos. 72, 73 and 74 have also to perform duties similar to Conciliation Officers under the Industrial Disputes Act, while they are also salaried employees of the Mining Firms concerned, and, as such, are always under a handicap in intervening as Conciliation Officers in the dispute between the same firm as owners and the workers employed in that mine;

(b) whether Government have received any representation from Miners' Trade Unions in this regard; and

(c) whether any amendment of the said Rules is contemplated by Government so as to remove this anomaly?

The Deputy Minister of Labour (Shri Abid Ali): (a) No. The Welfare Officers appointed under the Mines Rules are not functioning as Conciliation Officers

(b) No.

(c) No.

Tea Production in Tripura

19. **Shri Bangshi Thakur:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the production of tea in Tripura is increasing or decreasing;

(b) the production of tea during the years 1953, 1954, 1955 and 1956 separately; and

(c) whether it is a fact that according to the Plantation Inquiry Commission the owners of the Tea Gardens of Tripura could not bring under plantation more than 50 per cent. of

quota of land allowed for plantation for want of finance?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) Production of tea in Tripura has increased as compared with 1953.

(b)		(in 1000 lbs.)	
1953	1954	1955	1956
3,800	4,544	4,658	4,174 (Provisional)

(c) No such specific observation has been made by the Plantation Inquiry Commission in their report on the tea industry.

Import Licences

20. **Shri Damani:** Will the Minister of Commerce and Industry be pleased to state as to how many import licences with their value have been granted for essential commodities in pursuance of the Import Trade Control Policy for the period July-September, 1957?

The Minister of Commerce and Industry (Shri Morarji Desai): 17,403 Import licences for the value of Rs. 1,26,36 lakhs were granted during July-September, 1957 (upto 28-9-1957).

Housing Colonies for Handloom Weavers

21. **Shrimati Parvathi Krishnan:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 1033 on the 21st August, 1957 and lay a statement showing:

(a) the number and location of housing colonies for handloom weavers approved State-wise; and

(b) the amount sanctioned for each of these colonies?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). A statement is placed on the Table of Lok Sabha. [See Appendix I, annexure No. 7].

Manufacture of Paper

22. **Shri Thimmappa:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Unstarred Question No. 194 on the 23rd July, 1957 and state the name of the party to whom the licence has been granted for starting the factory for manufacturing paper out of bagasse at Mandya (Mysore)?

The Minister of Commerce and Industry (Shri Morarji Desai): M/s. Bedi & Co. (Private) Ltd., Nagpur.

Indian Political Prisoners in Goa

23. **Shri Jadhav:** Will the Prime Minister be pleased to state:

(a) the number of Indian Political Prisoners still in Goa; and

(b) their period of sentences?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Seven.

	Years
(b) 1. Shri Mohan Lasman Ranade ..	26
2. Smt. Sudha Joshi ..	10
3. Shri Gurunath Asnotikar ..	6
4. Shri Govind Mapukar alias Govind Keshav Patankar ..	4
5. Shri Manohar Faterperkar ..	4
6. Shri Madhusadhan Guntak ..	7
7. Shri Gangadhar R. Majrekar ..	7

Burmese Citizenship

24. **Sardar Iqbal Singh:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 670 on the 30th May, 1957, and state the number of Indians who have since been granted Burmese citizenship?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): According to the latest information available, the total number of Indians granted Burmese Citizenship till the 31st March, 1957 is 6,246.

Tilak Memorial Hall in Mandalay

25. **Sardar Iqbal Singh:** Will the Prime Minister be pleased to refer to the reply given to Unstarred Question No. 387 on the 31st July, 1957 and state whether the preparation of the detailed estimates of costs of the class-cum-lecture hall in the Mandalay prison as a memorial to Lokmanya Tilak has been completed?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Yes, Sir. The construction is expected to start during the course of this month.

Children Film Society

26. **Sardar Iqbal Singh:** Will the Minister of Information and Broadcasting be pleased to refer to the reply given to Starred Question No. 130 on the 17th May, 1957, and state:

(a) the names of children films since produced by the Children Film Society; and

(b) the amount so far advanced by Government to the Society during current year?

The Minister of Information and Broadcasting (Dr. Keshar): (a) A feature film entitled 'Scout Camp' is under production.

(b) Rs. 1,08,400.

Second All India Agricultural Labour Enquiry

27. **Sardar Iqbal Singh:** Will the Minister of Labour and Employment be pleased to refer to the reply given to the Starred Question No. 1632 on the 10th September, 1957 and state:

(a) whether the report on the Second All India Agricultural Labour Enquiry has been submitted; and

(b) if so, the main features of this enquiry?

The Deputy Minister of Labour (Shri A. M. Ahluwalia): (a) No.

(b) The main features of the Enquiry are size, composition, earning strength, wages, employment, under-employment, unemployment, family income, expenditure, indebtedness of Agricultural labour etc.

State Trading Corporation of India (Private) Limited

28. Sardar Iqbal Singh: Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 641 on the 30th May, 1957 and state:

(a) the profit earned by the State Trading Corporation of India (Private) Limited during the year 1956-57;

(b) the total expenditure incurred by the Corporation during the same period; and

(c) the capital investment made upto the 31st October, 1957?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). The Corporation's Annual Report is expected to become available shortly and a copy will be placed on the Table of the Lok Sabha.

(c) Rs. 1 crore.

Indian Embassies Abroad

29. Sardar Iqbal Singh: Will the Prime Minister be pleased to state:

(a) the expenditure incurred on the Indian Embassy Offices in France, Germany and Canada and Washington in 1956-57;

(b) whether there has been any increase in the expenditure of that year as compared to the previous year; and

(c) if so, the reasons therefor?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). The figures of expenditure for 1955-56 and 1956-57 in respect of grants controlled by the Ministry of External Affairs are as follows:—

	1955-56	1956-57	(—) Saving (+) Excess
	Rs.	Rs.	Rs.
FRANCE	12,09,804	11,84,737	(—) 25,067
GERMANY			
BONN	8,16,068	8,84,704	(+) 68,636
BERLIN	—	1,41,469	(+) 1,41,469
CANADA	7,42,026	7,95,309	(+) 53,283
WASHINGTON	26,82,318	28,31,949	(+) 1,49,631

The reasons for increase in expenditure in Germany and Canada and at Washington are:—

Germany

(i) The Indian Military Mission at Berlin was previously paid by the Control Commission of Germany. This facility was withdrawn and the Mission was converted into a regular Consulate with effect from June, 1956 and the entire expenditure became a charge on the Indian revenues. Additional expenditure was incurred in Bonn for renting of additional accommodation for the Chancery and

increase in expenditure on Postage and Telegram Charges.

Canada

(ii) Increased expenditure is due to increase traffic on Morse transmissions to New York, Washington and San Francisco through Ottawa.

Washington

(iii) Increased expenditure on Postage and Telegram charges and adjustment of previous year's debits in respect of expenditure on cables issued by the Defence Services Wing against the Civil Estimates.

Community Radio Sets

30. Sardar Iqbal Singh: Will the Minister of Information and Broadcasting be pleased to state the number of Community Radio sets distributed in Punjab State under the Community listening scheme for the rural areas so far?

The Minister of Information and Broadcasting (Dr. Keekar): The Punjab Government (including PEPSU) has been supplied with 8,610 Community Radio sets up to 31st March, 1957 under the Community Listening Scheme.

Employment Exchange in Delhi

31. Sardar Iqbal Singh: Will the Minister of Labour and Employment be pleased to state:

(a) the number of persons registered with the Employment Exchange in Delhi during 1955-56 and 1956-57; and

(b) the number of persons out of them who have not been provided with jobs so far?

The Deputy Minister of Labour (Shri Abid Ali): (a)

1955-56.	1,00,885
1956-57.	94,650
Total.	1,95,535

(b) Of the total number registered 1,71,945 were not provided with jobs.

Rural Housing in Punjab

32. Sardar Iqbal Singh: Will the Minister of Works, Housing and Supply be pleased to state whether any amount has been allotted to Punjab for Rural Housing during the Second Five Year Plan period?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): A State-wise allocation of funds for Village Housing Projects for the entire Plan period has not been made as yet.

12 hrs.

DEATHS OF SHRI SARANGADHAR DAS AND SHRI R. S. SARMA

Mr. Speaker: I have to inform the House of the sad demise of two erstwhile Members, namely, Shri Sarangadhar Das who was a member of the First Lok Sabha and Shri R. S. Sarma, who was a member of the old Central Legislative Assembly.

Shri Sarangadhar Das was a member of the First Lok Sabha and also a member of the Constituent Assembly of India and the Provisional Parliament. He passed away at Cuttack on the 19th September, 1957, at the age of 71.

Shri R. S. Sarma was a nominated member of the old Central Legislative Assembly. He passed away in his village in Tanjore district at the age of 69.

We mourn the loss of these friends, and I am sure the House will join with me in conveying our condolences to their families.

The House may stand in silence for a minute to express its sorrow.

The Members then stood in silence for a minute.

MOTIONS FOR ADJOURNMENT

Railway accident at Baranagore.

Mr. Speaker: I have received notices of several adjournment motions. Some of them, or, mostly all of them, relate to State matters. The first one relates to a railway accident on the 10th November, 1957, at Baranagore, injuring seriously five persons including one ticket collector. What is the position?

Shri Tangamani (Madurai): Sir, may I point out one thing? This accident happened yesterday near Calcutta. But we find that a much more serious accident took place on

the 8th in the North-Eastern Railway, 80 miles from Kanpur. We were informed that it was a metre gauge train, and in that accident four people were seriously injured and 30 more people injured. These two things have happened almost....

Mr. Speaker: Order, order. The hon. Members cannot take advantage of my leniency. Now, they must come up with a statement as to what exactly has happened. Does the hon. Member want another adjournment motion to be moved without its being tabled here for an answer? Of course, the hon. Minister may answer both. He can make a statement or if he has got only the fact of the accident, the statement may take sometime.

The Minister of Railways (Shri Jagjivan Ram): I have got the facts regarding the accident of which notice of adjournment has been given. On 10th November, 1957 at about 20.16 hours, while S 196 Dn. Dankuni-Sealdah Local was standing at Baranagar Road station on the Dankuni-Dum Dum double line section of Eastern Railway, 330 Dn. Kiul-Howrah Passenger which was diverted to Sealdah owing to remodelling work at Howrah, ran into the rear of S 196 Dn. resulting in the 4-wheeler luggage van and 4-wheeler vendor van of Dankuni Local Passenger being smashed. A Travelling Ticket Examiner on Dankuni Local was seriously injured and Brakesman of 330 Dn. received minor injuries. Two passengers travelling on Dankuni local passenger received minor injuries. Ambulance from B. R. Singh Hospital, Sealdah, and Lillooah Hospital were rushed to the site and medical attention was given to the injured persons. The Government Inspector of Railways is holding his enquiry today, that is, 11th November, 1957, and the cause of the accident will be known on completion of his enquiry.

Mr. Speaker: In view of this statement....

Shri Sadhan Gupta (Calcutta-East): May I know whether the travelling ticket examiner who has been seriously injured would be entitled to obtain compensation from the Railways?

Shri Jagjivan Ram: Whatever he will be entitled to under the Workmen's Compensation Act will be awarded to him.

Shri Feroze Gandhi (Rai Bareli): I wanted to draw your attention to one thing with regard to such railway accidents. The Minister always states that the Government Inspector of Railways is carrying out the enquiry. But we never receive the reports of the enquiry. In the last session, I tabled a question with regard to the accident in which several lives were lost and the Minister said that as soon as the report was received, he would place a copy of it on the Table of the House. But nothing happened. This seems to be the peculiar feature of most of the accidents which take place. The reports on the accidents are not available, and we cannot discuss them. May I know whether the Minister can take some steps to see that within a month of the accident or, say, within two months, these reports are made available?

Shri Jagjivan Ram: What I said on the last occasion was that as soon as the report of the Government Inspector was received, I would request the Communications Ministry, to which these reports are submitted, to place the report of the enquiry on the Table of the House. But I was told that there are certain obvious legal difficulties. In fact, that question was examined by the Law Ministry and the Communications Ministry. I think the Minister in charge of the Communications Ministry will perhaps in due course enlighten the House in greater detail as to the difficulties which are there in making the reports available to the House.

Mr. Speaker: I do not know if the hon. Member wants that every report ought to be placed automatically on the Table of the House. I thought that with respect to serious accidents, it may be done. So far as the subject-matter of the present adjournment motion today is concerned,—of course even small injury is bad and it ought to be avoided—the question is whether it ought to be made an occasion for an adjournment here. Also, the question is whether, automatically, whenever small accidents arise, the reports about those accidents are to be placed on the Table of the House, and the time of the House taken for that purpose. But I expect that in all serious cases, the Minister could make a statement to the House when the House is in session, or, if the House is not in session, soon after it has assembled. The hon. Minister will consider the desirability of informing the House of all those cases where there are serious losses of life and so on, and make the statement or the report available to the House. In other cases, everyone of those reports need not be placed on the Table of the House unless the hon. Minister wants to draw the attention of the House or wants it to be placed on the Table of the House.

Shri Jagjivan Ram: I readily agree to your suggestion that whenever there is a major accident, we need not wait for an adjournment motion or any other motion, but a statement should be made before the House by the Minister, and when the House is not in session, as soon as the House meets, a statement regarding any major accident will be made to the House.

Shri S. V. Kamashwami (Salem): The report of the Cuddapah accident, where a goods train with a double engine rolled back six miles.....

Mr. Speaker: We need not go into the details of all other accidents here. Every hon. Member wants to draw the attention of the House to an

accident. If they desire, they may send a notice or get the information from the hon. Minister.

Now, in view of the statement made by the hon. Minister I am not called upon to give my consent to this adjournment motion.

ALLEGED STARVATION DEATHS AND DRAUGHT CONDITIONS IN VARIOUS PARTS OF U.P., BIHAR, ETC.

Mr. Speaker: There is another adjournment motion about starvation deaths. I am disallowing it. There will be a food debate here and a number of questions could be asked, and the hon. Minister will certainly have a day for discussion on that matter. Therefore, I am disallowing that motion as well as the motion relating to deaths due to drought in various parts of Bihar and Uttar Pradesh.

DISTURBANCES IN RAMANATHAPURAM DISTRICT

Mr Speaker: There is one small matter—not a small matter—relating to the unfortunate incident in Ramanathapuram. The adjournment motion thereto has been tabled by Shri B. C. Kamble. It is certainly a matter of law and order for the State Government, but in view of the fact that a number of Harijans and others are concerned in it—it looks that in some portions it is a group communal clash—and we are in charge of Harijan welfare and the Scheduled Castes and Scheduled Tribes, the question is whether it can be admitted or not, and therefore, I had no time to consider whether it ought to be admitted. But anyhow, adjournment motion is not the proper way. A number of questions have been tabled. Let us have full answers so far as those questions are concerned and also as regards any suggestions that may be made by the House. What is the reaction of the hon. Minister?

The Minister of Home Affairs (Pandit G. B. Pant): I have no objection to the course suggested by you. Only, when those questions were sent to the Madras Government for draft answers, they wrote to us that the matter came exclusively within their jurisdiction and the Lok Sabha was not in any way concerned with it. It is for you to decide. I will certainly answer the questions and also try to give any information that is asked.

Shri T. K. Chaudhuri (Berhampore): May I also point out that the question of these riots was very fully discussed in the Madras Legislative Assembly. This is a very controversial question; this is not a question between Harijans and other communities alone. A good deal of political differences have been sought to be covered up by the allegation of so-called communal riots. So, if you permit, a discussion, I think there should be a full discussion here.

Mr. Speaker: I shall consider this matter. Sometimes serious matters with respect to which this House would naturally take some time to discuss or would like to have an opportunity to discuss are claimed as State matters. The margin is so thin. Having regard to the importance of a particular subject, I would like personally to allow a discussion in this House. But I would not like to entrench or trespass upon the exclusive jurisdiction of the State. I shall consider this matter as to how far we can proceed even with respect to a discussion when the State Government takes exception even to answering a question. I do not want to give any ruling off hand; I will consider this matter, consult the hon. Home Minister and others also if necessary and then come to a conclusion.

Shri T. K. Chaudhuri: I would like

Mr. Speaker: To have a discussion at this stage?

Shri T. K. Chaudhuri: Not a discussion at this stage. When you consider this matter, I want to draw your

attention to another fact that the hon. Minister of State for Home Affairs, Shri Datar, went to that place and made a statement. So, this House should be given a full opportunity to discuss that statement also. And, an hon. Member of this House, Shri Thevar, has been arrested and kept in detention. All these things should be taken into consideration.

Shri A. C. Guha (Barasat): When a Minister of this House has to go to that place, it was not a small local riot. Is it open to the State Government to say, even when a question is sent, that it is within the exclusive jurisdiction of the State Government and to refuse to reply to the question? This is a point of privilege which has to be decided. We should know our rights and privileges in this matter.

Mr. Speaker: I shall invite the opinion of the hon. Minister, consult

Shri A. C. Guha: It is a serious matter.

Mr. Speaker: I understand. It is a serious matter which appeared in the Press. Now the hon. Minister has given to us the information that with respect to the question, the State Government was not willing to answer the question on the ground that it is a State subject.

Pandit G. B. Pant: I do not say they are not willing to answer. But while sending their answers, they have written to us:

"The questions proposed to be asked in the Lok Sabha about the recent riots in Ramanathapuram District.....Public order is a subject to which the executive authority of the Union does not extend. It is, therefore, constitutionally improper for such topics to be raised on the floor of the Lok Sabha."

They only say that it is a matter which came within the jurisdiction of the State Government. If, considering all aspects of the question, you are pleased to direct that all these

[Pandit G. B. Pant]

questions will be answered and after that the matter should be discussed in some form or other—there are so many forms in which matters can be discussed in this House—of course, everyone here shall very gladly abide by your decision. So, there is no question of in any way thwarting a discussion here. But the constitutional position has to be considered. If in spite of that we feel that though constitutionally we have no jurisdiction, still as a responsible academic body we should sit together and talk about it, we can do that perhaps.

Mr. Speaker: This matter will stand over. It is a very important matter and a very delicate matter too. If we go on discussing what is exclusively within their jurisdiction, they will go on discussing likewise and there would not be Ministers to answer the points. We do not have another agency; law and order is exclusively a State subject. There we will have to depend on that. If we come to a different conclusion, are we to censure or applaud? These are all very delicate matters. Merely because some serious matter has arisen somewhere, which is not within our jurisdiction or in the Union List, however important it might be, we cannot have a discussion here as if there is no Assembly there. There are as good representatives of the people there as there are here. Possibly for smaller areas there are representatives there whereas our representatives represent larger areas. These are all matters to be taken into consideration.

Therefore, I would like to be very cautious in this matter and not take up a matter which is not within our jurisdiction. Therefore, there is no good having an argument here. I will consider this matter in detail what exactly the House is anxious to have, if it is some information which is not available to the House if that information can be given to the House, what limitations are there and so on. I will consider every aspect of it.

**Shri B. S. Murthy (Kakinada—
Reserved—Sch. Castes):** Here is a case
where the riots have attracted many
Members of Parliament and also a
Minister from the Centre. Are we
not entitled at least to have the
impressions of the Minister who has
gone there to see the riot-affected
areas? Where does the Madras State
Government come in here?

**The Prime Minister and Minister of
External Affairs (Shri Jawaharlal
Nehru):** After Mr. Speaker has said
that he is going to consider this matter,
I do not see what room there is
for further argument. Some Members
seem to think that if a Minister or
Government goes somewhere, that
is an interference with the local
Government's activities or its special
subjects. If that is so, then it is a strange
state; the Minister of the Central Government
will have to live in the upper
atmosphere!

Mr. Speaker: I am not going to allow
any more discussion on this matter.
I am sorry; hon. Members will
kindly resume their seats.

ARREST AND CONVICTION OF A MEMBER

Mr. Speaker: I have to inform the
House that I have received the following
telegram dated the 8th November, 1957, from the Deputy Commissioner, Gauhati:

"Shri Hem Barua, Member, Lok Sabha, was arrested today by Gauhati Police for criminal trespass into Magistrate's Court, with others and for demonstrating in connection with oil refinery agitation; later tried and sentenced to imprisonment till the rising of Court under Section 448 I.P.C."

MOTIONS FOR ADJOURNMENT
—contd.

STATEMENT BY THE MINISTER OF REHABILITATION AT REHABILITATION MINISTERS' CONFERENCE

Shri Bimal Ghose (Barrackpore): I have given an adjournment motion.

Mr. Speaker: What is it?

Shri Bimal Ghose: On the statement of the Rehabilitation Minister.

Mr. Speaker: I will consider that matter tomorrow. If I give my consent, I will allow it.

PAPERS LAID ON THE TABLE

AMENDMENTS TO COAL BEARING AREAS (ACQUISITION AND DEVELOPMENT) RULES

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): I beg to lay on the Table, under sub-section (3) of section 27 of the Coal Bearing Areas (Acquisition and Development) Act, 1957, a copy of S. R. O. No. 2912 dated the 14th September, 1957, making certain amendments to the Coal Bearing Areas (Acquisition and Development) Rules, 1957. [Placed in Library. See No. LT-314/57].

RESERVE BANK OF INDIA (AMENDMENT) ORDINANCE

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): I beg to lay on the Table, under the provisions of article 123(2) (a) of the Constitution, a copy of the Reserve Bank of India (Amendment) Ordinance, 1957 (No. 6 of 1957) promulgated by the President on the 31st October, 1957. [Placed in Library. See No. LT-315/57].

DELHI PREVENTION OF FOOD ADULTERATION RULES

The Minister of Health (Shri Kar-markar): I beg to lay on the Table under sub-section (3) of section 24 of the Prevention of Food Adulteration Act, 1954, a copy of the Delhi Prevention of Food Adulteration Rules, 1956, published in the Delhi

Administration Notification No. F. 82 (47)/55-MT&CE dated the 12th September, 1957. [Placed in Library. See No. LT. 316/57].

AMENDMENTS TO TEA RULES

The Minister of Commerce (Shri Kanungo): I beg to lay on the Table, under sub-section (3) of section 49 of the Tea Act, 1953, a copy of the Notification No. S. R. O. 2974 dated the 21st September, 1957, making certain further amendments to the Tea Rules, 1954. [Placed in Library. See No. LT-316/57].

AMENDMENTS TO RUBBER RULES

Shri Kanungo: I beg to lay on the Table, under sub-section (3) of section 25 of the Rubber Act, 1947, a copy of the Notification No. S.R.O. 2105 dated the 14th September 1957, making certain amendments to the Rubber Rules, 1955. [Placed in Library. See No. LT-318/57].

AMENDMENT TO COMPANIES (CENTRAL GOVERNMENT'S) GENERAL RULES AND FORMS

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to lay on the Table, under sub-section (3) of section 642 of the Companies Act, 1956, a copy of the Notification No. S.R.O. 3038 dated the 28th September, 1957, making certain amendment to the Companies (Central Government's) General Rules and Forms, 1956. [Placed in Library. See No. LT-319/57].

AMENDMENTS TO CENTRAL EXCISE RULES

Shri B. R. Bhagat: I beg to lay on the Table, under section 38 of the Central Excises and Salt Act, 1954, a copy each of the following Notifications making certain further amendments to the Central Excise Rules, 1944:—

- (1) S.R.O. No. 2906 dated the 21st September, 1957.
- (2) S.R.O. No. 3218 dated the 12th October, 1957. [Placed in Library. See No. LT-320/57].

CONCERNS TO WHICH EXEMPTION UNDER SECTION 56-A OF INDIAN INCOME-TAX HAS BEEN GRANTED

Shri B. R. Bhagat: I beg to lay on the Table in pursuance of an assurance given on the 18th April, 1953 during the discussion on the Finance Bill, 1953, a list of concerns to which exemption under section 56-A of the Indian Income-Tax Act, 1922 has been granted during 1956-57. [See Appendix I, annexure No. 8.]

ANNUAL REPORT OF INDUSTRIAL FINANCE CORPORATION

Shri B. R. Bhagat: I beg to lay on the Table, under sub-section (3) of Section 35 of the Industrial Finance Corporation Act, 1948, a copy of the Ninth Annual Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended 30th June, 1957, along with a Statement showing the assets and liabilities and Profit and Loss Account of the Corporation for the year. [placed in Library. See No. LT-322/57.]

NOTIFICATIONS ISSUED UNDER SEA CUSTOMS ACT

Shri B. R. Bhagat: I beg to lay on the Table, under sub-section (4) of section 43-B of the Sea Customs Act, 1878, a copy of each of the following Notifications:—

- (1) S.R.O. No. 2718, dated the 26th August, 1957.
- (2) S.R.O. No. 2719, dated the 26th August, 1957 containing the Customs Duties Drawback (Dischremates) Rules, 1957.
- (3) S.R.O. No. 2782, dated the 31st August, 1957, making certain further amendments to the Customs Duties Drawback (Plastic Goods) Rules, 1954.
- (4) S.R.O. No. 2940, dated the 13th September, 1957.

- (5) S.R.O. No. 2941, dated the 13th September, 1957, containing the Customs Duties Drawback (Carbon Paper) Rules, 1957.
- (6) S.R.O. No. 2948, dated the 16th September, 1957, making a further amendment to the Customs Duties Drawback (Artificial Silk) Rules, 1954.
- (7) S.R.O. No. 3273, dated the 11th October, 1957.
- (8) S.R.O. No. 3274, dated the 11th October, 1957, containing the Customs Duties Drawback (Cough Syrup) Rules, 1954. [Placed in Library. See No. LT-323/57.]

NOTIFICATION ISSUED UNDER ESSENTIAL COMMODITIES ACT

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): I beg to lay on the Table, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, a copy of the Notification No. S.R.O. 2914, dated the 14th September, 1957, cancelling the Ministry of Food and Agriculture Notification No. S.R.O. 1346, dated the 8th June, 1956. [Placed in Library. See No. LT-324/57.]

DIRECTIONS ISSUED BY THE SPEAKER UNDER THE RULES OF PROCEDURE

Sardar Hukam Singh (Bhatinda): I beg to lay on the Table, a copy each of Directions Nos. 47A and 47B and Amendment to Direction No. 65 (2) issued by the Speaker under the Rules of Procedure and Conduct of Business in Lok Sabha. [Placed in Library. See No. LT-326/57.]

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

“In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am

directed to enclose a copy of the Industrial Disputes (Banking Companies) Decision Amendment Bill, 1957, which has been passed by the Rajya Sabha at its sitting held on the 14th September, 1957."

INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION AMENDMENT BILL

LAID ON THE TABLE AS PASSED BY
RAJYA SABHA

Secretary: Sir, I lay on the Table of the House the Industrial Disputes (Banking Companies) Decision Amendment Bill, 1957, as passed by Rajya Sabha.

PRESIDENT'S ASSENT TO BILLS

Secretary: Sir, I lay on the Table following eleven Bills passed by the Houses of Parliament during the last Session and assented to by the President since a report was last made to the House on the 2nd September, 1957:—

1. The Railway Passenger Fares Bill, 1957.
2. The Finance (No. 2) Bill, 1957.
3. The Wealth-tax Bill, 1957.
4. The Expenditure-tax Bill, 1957.
5. The Minimum Wages (Amendment) Bill, 1957.
6. The Dhooties (Additional Excise Duty) Amendment Bill, 1957.
7. The Forward Contracts (Regulation) Amendment Bill, 1957.
8. The Cotton Fabrics (Additional Excise Duty) Bill, 1957.
9. The Indian Succession (Amendment) Bill, 1957.

10. The Insurance (Amendment) Bill, 1957.

11. The Repealing and Amending Bill, 1957.

Secretary: Sir, I lay on the Table copies, duly authenticated by the Secretary of Rajya Sabha, of the following five Bills passed by the Houses of Parliament during the last Session and assented to by the President since a report was last made to the House on the 2nd September, 1957;

1. The Railway Protection Force Bill, 1957.
2. The Essential Commodities (Second Amendment) Bill, 1957.
3. The Legislative Councils Bill, 1957.
4. The Inter-State Corporations Bill, 1957.
5. The Foreign Exchange Regulation (Amendment) Bill, 1957

DELHI MUNICIPAL CORPORATION BILL

REPORT* OF JOINT COMMITTEE

The Minister of Home Affairs (Pandit G. B. Pant): I beg to present the report of the Joint Committee on the Delhi Municipal Corporation Bill, 1957.

DELHI DEVELOPMENT BILL

REPORT* OF JOINT COMMITTEE

The Minister of Home Affairs (Pandit G. B. Pant): I beg to present the report of the Joint Committee on the Delhi Development Bill, 1957.

NAVY BILL

REPORT* OF JOINT COMMITTEE

Shri S. V. Ramaswami (Salem): I beg to present the Report of the Joint Committee on the Navy Bill, 1957.

DELHI MUNICIPAL CORPORATION BILL AND DELHI DEVELOPMENT BILL

EVIDENCE TENDERED BEFORE JOINT COMMITTEES LAID ON THE TABLE

The Minister of Home Affairs (Pandit G. B. Pant): I beg to lay on the Table a copy of the evidence tendered before the Joint Committee on the Delhi Municipal Corporation Bill, 1957 and the Delhi Development Bill, 1957.

CORRECTION OF ANSWER TO STARRED QUESTION NO. 1130

The Deputy Minister of Planning (Shri S. N. Mishra): With your permission, Sir, I beg to submit that in reply to Starred Question No. 1130, regarding average rates of betterment levy fixed in the different States, I laid a statement on the Table of this House on 24th August, 1957, and inter alia gave the position as based on the respective Bills of Andhra and Orissa and not on the Acts. I now find that in the light of the Acts, the position in respect of those two States is as follows:—

Andhra.—According to the Andhra Act, the basis of Betterment Levy is the increase in value of land which will be the amount by which the value of the land on completion date exceeds the value of the land on construction date, and the betterment contribution leviable shall be fixed so as not to exceed one-half of such increase.

Orissa.—According to the Orissa Act, the basis for betterment levy is the annual increase in the gross produce of each class of land. Ten times the annual increase in the gross produce so estimated shall be deemed to be the increase in the capital value of each class of land and the betterment

charges payable shall be one-half of the difference between the increase in the capital value and the estimated cost of making the lands fit for advantageous irrigation. The amount of betterment levy recoverable, the average rate per acre, and the total annual collections likely to be realized in Orissa have not yet been worked out.

PROBATION OF OFFENDERS BILL*

The Minister of Home Affairs (Pandit G. B. Pant): I beg to move for leave to introduce a Bill to provide for the release of offenders on probation or after due admonition and for matters connected therewith.

Mr. Speaker: The question is:

“That leave be granted to introduce a Bill to provide for the release of offenders on probation or after due admonition and for matters connected therewith.”

The motion was adopted.

Pandit G. B. Pant: I introduce the Bill.

BUSINESS OF THE HOUSE

Shri T. K. Chaudhuri (Berhampore): Before you take up these Bills for consideration, I want to draw your attention to one fact. The Industrial Finance Corporation Amendment Bill is also likely to come up today. But we received the annual report on the working of the Industrial Finance Corporation for this year only today. So, if the consideration of this Bill can be postponed for one day at least so that we might study the report and then take up the consideration of the Bill, it would be a good thing.

*Published in the Gazette of India Extraordinary, Part II, Section 2, dated 11th November, 1957, pp. 333—44.

I would also like to draw your attention to the fact that four hours have been allotted for the consideration of the Industrial Disputes (Banking Companies) Decision Amendment Bill, which has only two clauses and no amendments. So far as the Industrial Finance Corporation Amendment Bill is concerned, it has got 14 clauses.

Mr. Speaker: That matter will come up before the Business Advisory Committee.

Shri T. K. Chaudhuri: I know. But the discussion on the first Bill may collapse. What then?

Mr. Speaker: Then the other one will be taken up. We will consider it at that time.

INDUSTRIAL DISPUTES (BANKING COMPANIES) DECISION AMENDMENT BILL

The Deputy Minister of Labour (Shri Abid Ali): I beg to move:

"that the Bill to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, as passed by Rajya Sabha, be taken into consideration".

This Bill is intended to give effect to the Government's decision on the recommendations of the Travancore-Cochin Banking Enquiry Commission. This Commission was set up in pursuance of the recommendations made by the commission appointed to examine the financial position of banks incorporated in the former State of Travancore-Cochin in relation to its economy and make recommendations in regard to the terms and conditions of service of their employees.

The Government of India announced the decision on the recommendations of the Commission in March

1957, accepting almost all recommendations relating to the terms and conditions of service of bank employees. There are 160 banks in the State, out of which 17 have branches outside the State and are covered by the Bank Award. The remaining banks are non-Award banks. An important recommendation of the Commission is that the exemption from the award granted to these banks in respect of their branches constituted in area IV, that is, towns having a population of less than 30,000, may be withdrawn so far as banks not covered by the Award are concerned. The Commission also stated that for the implementation of the Award, the State Government is the appropriate Government under the Industrial Disputes Act, 1947, in respect of these banks. Therefore, the Government of India forwarded these recommendations to the State Government for necessary action. According to our information, excepting these award banks, all other award banks have given effect to the recommendations of the Commission in anticipation of Government's legislation. One of the three banks gave the assurance to implement the award by 8th November 1957. We asked our Conciliation Officer to persuade the remaining two banks, namely, the South Indian Bank and the Catholic Syrian Bank also to implement these recommendations. These two banks have, however, informed the Conciliation Officer, regretting their inability to implement the recommendations without legislation.

As soon as this Bill is passed into an Act, I hope these two banks also will follow suit. The Bill also contains provisions regarding payment of all arrears due to the workmen in terms of the recommendations of the Commission.

With these words, I commend the Bill for acceptance by the House.

Mr. Speaker: Motion moved:

"that the Bill to amend the Industrial Disputes (Banking

[Mr. Speaker]

Companies) Decision Act, 1955, as passed by Rajya Sabha, be taken into consideration".

Shri Prabhat Kar (Hooghly): Sir, while I welcome this Bill, although it has come late, I am unable to understand why Government has made an amendment changing the date of Retrospective effect from 1st April 1954 to 1st January 1955.

The Travancore-Cochin Banking Enquiry Commission was appointed with a view to enquiring into the working and the financial position of the Banks in the Travancore-Cochin State and to ascertain whether the terms and conditions of service of workmen of the banks to which the provisions of the Industrial Disputes (Banking Companies) Decision Act, 1955 apply should be modified and if so, in what respects, having regard, *inter alia*, to the effects which the terms and conditions of service that may be recommended by the Commission are likely to have on the general economy of the area."

Not only that: the Commission was asked to recommend—having regard to the facts ascertained, what steps should be taken for strengthening the banking business and for the reorganisation or reconstruction of the banking structure in the area, including the amalgamation of units or, where appropriate, the elimination of units which cannot usefully survive.

12.32 hrs.

[PANDIT TMAKUR DAS BHARGAVA in the Chair]

The Commission having gone in detail into the working of the banking system in the Travancore-Cochin State recommended that retrospective effective date in respect of these banks should be from 1st April 1954. Now, in page 101 of the Commission's

Report, which was published in August 1956, the Commission said:

"In the light of the observations we have made above regarding the 4 "C" class Award banks, we make the following recommendations in respect of them:—(1) In the case of the South Indian Bank, Ltd., Trichur, and the Catholic Syrian Bank, Ltd., Trichur, the exemption in respect of area IV in the Travancore-Cochin State should be withdrawn and the Labour Appellate Tribunal decision restored with retrospective effect from the 1st April 1954 in the same manner and subject to the same conditions as laid down in the Industrial Disputes (Banking Companies) Decision Act, 1955."

Now when a Commission which was given full power to go into the details of the working of the banks had come to a decision that the retrospective effect so far as the service conditions of the employees should be from 1st April 1954 there is no reason why Government should change it to 1st May 1955. We have seen that whenever Government interferes in labour disputes and amends the awards of recommendations of Commissions, it always does it to the detriment of the interests of the employees.

Apart from this, this Bill is coming before us in November 1957. This measure will have retrospective effect from 1st May 1955. Clause 3(a) of the Bill stipulates as to how the arrears of payment should be made. This is so far as payment is concerned. When an award comes into operation it comes with all the service conditions. During this period the employees were left completely at the mercy of the employers and so many violations of the provisions of the award have been made by the employers. What steps have been taken, what action has been taken by Government, to incorporate those items

also into the Bill so that the real award becomes effective from 1st April 1954. Whatever action has been taken by the employers during this period in violation of the terms of the award should be immediately rectified and if the employers do not take such steps, steps should be taken by Government to see that these are implemented.

So far as the monetary aspect is concerned, the payments may be made. But in the meantime, many employees have been dismissed; many employees have suffered in many ways in the hands of the employers. What steps have been taken by Government to protect them? The Report of the Commission was published in July 1956 and the Bill to give legal effect to it is coming before us in November 1957.

Apart from all this, during the period of reorganisation of States, some of the Banks have become State Banks and the Association sent information to that effect to Government. Three of the Banks, the Trivandrum Permanent Bank, with headquarters at Trivandrum, the Marthandam Commercial Bank with headquarters at Trivandrum and the Nadar Mercantile Bank with headquarters at Trivandrum have become two State banks and automatically they should come within the purview of the Award. But no provisions are made in this Bill to see that these three banks come within the purview of the award and the employees get the benefits of the award and other conditions of service. In fact, the names of these banks were sent to Government in July 1957; but in the Bill which has come before us, we do not find any mention of these three Banks, although legally they should come within the purview of the award.

The Commission consisted of eminent persons like Shri Ramunni Menon, Dr. P. J. Thomas and Prof. M. L. Dantwala. They visited the different parts of the State and submitted a detailed report about the working of

the banks, about their financial position and made certain suggestions as to how the banking system should be improved. In Travancore-Cochin there were as many as 169 banks working in different parts. They made particular recommendations about the emoluments of the employees. But strangely enough instead of granting this small concession, Government do not want to put the Travancore-Cochin bank employees on a par with other bank employees.

The Gajendragadkar award gave a decision that the retrospective effect should be from 1st April 1954. But as it was not possible for Mr. Gajendragadkar to go into the details of the working of the banking system they had suggested the appointment of a Commission. The Commission was appointed. The Commission recommended that these employees should be put on a par with other bank employees and given the benefit from 1st April 1954. There is no reason why after this recommendation there should be any change made by Government to the detriment of the interests of the employees and the retrospective effect date changed from 1st April 1954 to 1st January 1955. The bankers met the Labour Minister in a deputation, and I do not know whether at the behest of the employers this change has been made. Anyway, I would appeal to the Labour Minister that he should not make any change in the recommendations of the Travancore-Cochin Enquiry Commission's report, and particularly there is no reason why this day of retrospective effect should be changed from 1st April 1954 to 1st January 1955. It is a question of only nine months. To the employees, the emoluments for these nine months is a very great amount, but to the employers it is not. Further, unnecessarily this gives the impression to the employees that whenever Government amend any recommendation, they always decide in favour of the employer.

[Shri Prabhat Kar]

I would, therefore, request the Labour Minister to make an amendment to this Bill and make the date 1st April 1954 instead of 1st January 1955 and the amount should be paid to the employees as recommended by the commission.

With these words, I would request the Labour Minister to make this amendment to the Bill.

Dr. K. B. Memen (Badagara): I am surprised at the small amendment that is brought before the House when colossal problems involving the financial structure of the State and the banking facilities of the State have been brought more than once to the attention of the Government by the various commissions that the Government themselves appointed. Are we to understand that Government, by bringing such a small amendment on a matter of minor importance, is completely ignoring the serious issues that banking in Travancore-Cochin, i.e., Kerala today, is facing? I would, therefore, like to place before the House and before Government as a reminder very briefly some points from the reports of the various commissions that Government appointed from time to time.

As a result of constant agitation both by labour as well as by the public, the Government in 1952 appointed the Sastri Commission to go into the pending disputes in the banking industry. The recommendations of that commission were so unsatisfactory that the Government was compelled to refer all the issues to a labour appellate tribunal. That tribunal made certain amendments to the Sastri Award, particularly in the wage structure. Again, on the basis of that report, the Government passed an order I believe in 1954 wherein Government, while accepting some of the recommendations of the labour appellate tribunal, stated that the recommendations would not apply to areas where the population was less than 30,000. There was still agitation

on the subject, particularly on the exclusion of areas having a population of less than 30,000. The whole issue was again referred to the Banking Enquiry Commission which also submitted its report I believe in 1955.

Before going into the conditions affecting the employees, I would like to say a few words about the Government order restricting the application of the recommendations of the labour appellate tribunal to areas with less than 30,000 population. I am afraid this was a very undesirable order, for it undercuts the very basis on which labour disputes are settled. The wage structure, the conditions of employment etc., are not based upon the size of the population, upon the areas or the location of places, but they are based upon the price structure and various other considerations. I am even doubtful whether that order of the Government would stand the test of a trial in a court of law. Apart from that, I would like to say that it is very unfair to employees, for it discriminates between employees in certain groups of banks and others.

According to this order of the Government, out of the 161 banks in Travancore-Cochin State, only 17 come within the scope of the recommendation. The result of this is that obvious discrimination is made between those who are employed in the 17 banks and those who are employed in the remaining 144. This, as I said, is very unfair and undercuts the very basis on which problems of industrial disputes are handled.

I would like to point out also the role that the banks in Travancore-Cochin State have played. They have not played the role that banks are expected to play in the reconstruction or in the development of areas. One of the reasons why Travancore-Cochin State was excluded from the scope of the earlier commission was that, in Travancore-Cochin State it was claimed that the banks made loans almost exclusively on land, but facts do not

support that contention because most of the banks are thriving on what are known as kuris and chit funds. Probably many outside the State may not know what they are, and I may have something to say about it before I conclude. They also thrive on moderate small-scale and medium-sized commercial and trade transactions. Very few loans are given on land exclusively.

In the second place banks are expected to play an important role in the development of industries, and I am sorry to say that the banks in Travancore-Cochin State have made very little contribution in this direction. They have not rendered any sizeable help to the two important industries in that State, namely, coir and cashew industries. Most of the business in that State, or most of the loans advanced by the banks there are made on an individual basis. I am even inclined to say that these banks, excluding the 17, are uneconomic banks, run on unsound lines and are to some extent family concerns. If they are uneconomic, it is only natural to expect that competition in the business field would beat them out, or if they are running against public interest it will be the duty of the State to see that such banks do not function.

Coming to the employment conditions in these banks, I would like to say that they are very deplorable. From the very fact that most of these banks are family concerns, it is easy to understand what the employment conditions in these banks would be. The minimum wage that the Labour Appellate Tribunal had recommended was Rs. 45 plus Rs. 20, that is 65, which I feel, is the minimum subsistence wage. But the wages or the salaries that are paid in these banks are extremely low. About Rs. 15 to Rs. 25 are paid to—I do not want to use the words 'menial servants'—the lowest paid hands like attenders and

others. The clerks' salaries range all the way from Rs. 25 to Rs. 40. I think these are extremely low wages, and these wages are there because many of these banks are excluded from the recommendations of the Labour Appellate Tribunal.

So far as dearness allowance is concerned, I would like to say that in many cases, dearness allowances are not paid at all, and where they are paid, they are paid at as low a rate as Rs. 8 a month. There are no fixed rules regarding the payment of dearness allowances in these banks which are excluded from the recommendations of the Labour Appellate Tribunal. When one considers the low wages and also remembers the fact that no dearness allowance is paid, one can understand what the condition of the employee is.

Coming to working hours, in many banks, even in the banks that are within the purview of the recommendation of the Labour Appellate Tribunal, seventeen banks, the working hours run from nine o'clock in the morning to seven o'clock in the evening. It is very common that in these small banks which are outside the recommendations of the Labour Appellate Tribunal, these 144 banks, there are no rules regulating the hours of work, no rules regulating the payment of dearness allowance, no rules regulating leave, and no rules regulating the running of the bank in general. That is why I have said that these banks are run mostly as family concerns.

With regard to the working conditions, I would like to point out that some of these banks are located in unhealthy localities and in dingy rooms with no air and with no ventilation. These are the conditions in which the banks in the Kerala State are run. My submission is that by upgrading the salaries, the problem of the banking industry in the Kerala State will not be solved. A much more thorough-going study and overhauling is necessary, and that can be

[Dr. K. B. Menon]

done, I feel, only if the whole banking industry is taken over by the State.

I have not said anything so far about the kuris and chit funds, about which I said I would say a word or two before I conclude. These kuris and chit funds are peculiar institutions developed in the Travancore-Cochin State. I have nothing against these kuris and chit funds as such, but I have much against them as they are run. Instalment payments are made to these kuris, and if one instalment is defaulted, the man loses his right, and in many cases, whatever the man has paid is confiscated by the bank or by the person who runs the chit or the kuri. There are many fraudulent ways adopted by the banks in the running of these kuris and chit funds, wherein the innocent and the helpless and the unknowing public are victims. The whole system of the kuris and chit funds should be scrutinised by a commission or committee appointed by Government. I do not know whether the Travancore-Cochin State ever appointed any such committee. But there were demands for it, and it was almost a public scandal. It has been regulated to some extent now, but it needs very much more regulation and control. As any good institution can be perverted—the idea of the chit fund and the kuri may itself not be a bad idea—I feel that they should be strictly controlled, and the banks running such kuris and chit funds should not be allowed to exploit the innocent and ignorant public.

As I said, mere upgrading of wages or mere granting of a particular salary to the employees of one or two banks by pre-dating the Act, and by making amendments to the Act is not enough. The financial and banking structure of the State needs a complete and thorough overhauling, and I would even go to the extent of saying that considering the conditions of the Kerala State, so far as its finances are concerned, it may not be bad if

we thought even of the nationalisation of the whole banking structure in that State.

Shri Narayananakutty Menon (Mukandapuram): This Bill is the epilogue of a very dramatic series of events, in which the casualty was none other than a Member of the Cabinet, the ex-Labour Minister. This Bill has been sought to be introduced to legislate upon the recommendations of a second committee.

Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes): May I know which ex-Labour Minister the hon. Member is referring to? There are two ex-Labour Ministers.

Shri Narayananakutty Menon: I am referring to Shri V. V. Giri, now His Excellency the Governor of Uttar Pradesh.

Shri Abid Ali: Promoted.

Shri Narayananakutty Menon: Even though this legislation was very much anticipated, it discloses certain fundamentals of the labour policy of the Government of India itself.

The history of the disputes in the banking industry was a history in which Government had played a very decisive role, a more important role than they had played in any other industry. When the original dispute between the bank employees and the bank employers arose about six years back, the dispute was sought to be settled by the interference of the Government of India by appointing a quasi-judicial commission, which went into the entire question of the capital investment of the industry, the capacity of the industry to pay and also the absolute minimum wages and service conditions that the bank employees should enjoy in this industry.

As everybody knows, because of the unfortunate death of the original chairman, another judge was appointed, and the commission reported about

the desirability of a uniform service condition. Bank employers took serious objection to implementing the terms of that award. Then, many serious things happened, and Government had to come into the picture and exercise for the first time the extraordinary power given to the executive to interfere with the decision of a judicial or quasi-judicial authority, and Government have been much pleased to interfere on behalf of the bank employers. After every available piece of evidence has been placed before the commission, and after the commission composed of a very eminent judge of the Supreme Court has come to the conclusion, still the doors of Government have been open to the bank employers to submit their case once again overruling the decision of that judicial authority, and Government interfered on behalf of the bank employers.

13 hrs.

Even then discrimination was made out and the bank employers in the erstwhile Travancore-Cochin State were summarily exempted from the operation of the provisions of that award. The reason given at that time was that the system of banking in that area stood upon a different consideration and the banks there might not be in a position to pay the grades that had been awarded by the Bank Award Commission. Whatever might be the truth of that allegation, later on with much delay, another Commission was appointed. That Commission went into the question and recommended that certain banks also should be included within the purview of the award. Now the hon. Minister says that the Government made a recommendation or request to the bank employers that they should implement the terms of the recommendation of the Second Commission, and the hon. Minister quotes it as unfortunate that the bank employers were not in a mood to listen to the sermons or request made by the Government to implement these awards.

In answer to a question in the last session, the Minister said that the Government had written in very grave tones to the bank employers to implement the awards, and the answer given by the bank employers at that time was, 'we are not in a position to implement; we are not prepared to implement; if you want, you legislate'. That reply was received and months have passed, and the product of that series of deliberations and consideration, after two Commissions have inquired into the matter, is this Bill. And even in this Bill when the unreasonable reasonings taken up by the second Commission have been accepted, we thought that at least that small recommendation of the second Commission which is entirely in favour of the bank employees would be accepted. But even then, the Government came in with their executive-judicial mind and interfered with the recommendation of that Commission, and instead of the recommendation having effect from April 1954, they have cut it down to January 1956. We are not in a position to understand what prompted or provoked the Government to interfere with this small, meagre recommendation as regards retrospective effect involving a negligible amount of money that these banks will be asked to pay, irrespective of the fact that two judicial tribunals have determined that these banks have got the paying capacity.

To conclude on this point, I must submit that the policy adopted by this Government has resulted in this situation whereby, whenever the employers are on the war path and when requests flow in and when those requests are turned down, the reports do not have the value on which they are written and the Government keep quiet. On the other hand, when the bank employees had submitted their case before the country, long before the original bank award, when even not much to their satisfaction or to the satisfaction of any reasonable

[Shri Narayanankutty Menon]

man, there were enough provisions in the old award and also in the Act of Parliament to the effect that if at all disputes arose between the bank employers and employees later on, the Government were under obligation to refer them to certain tribunals, even in that case when hundreds and hundreds of disputes are pending, when conciliation officers throughout the country are taking up those disputes, when conciliation fails and the bank employers refuse to concede those demands and when these papers are forwarded to the Union Labour Ministry, in spite of all this for the last 3½ years all the cases that have been referred from the erstwhile Travancore-Cochin area and also from the Kerala area are having a very nice sleep in the dockets of the Labour Ministry!

When the employees on the one side demand justice, that something imposed upon the employers should be done categorically injustice has been done by the bank employers both by way of victimisation and by cutting emoluments. When Government are approached by the employees to get these matters referred to a tribunal, the Government refuse to appoint a tribunal. Under the provisions of the original Act, if a dispute cannot be settled it should be referred to the Regional Tribunal. Where is the Tribunal? Unfortunately today, the Government have not even thought of one; there is no Tribunal existing anywhere in the southern area where all these disputes are accumulating today. Why? When Government thought it fit to amend the Bill for incorporating a recommendation of this Commission, when the Government fully know that many disputes could not be settled and with the harbouring of those disputes there is discontent, which has gone to the point, in certain cases, of strikes in banks, why did not Government think it fit to incorporate certain provisions or act under

the old Act by appointing a Tribunal and referring these matters to them?

I hope when this Bill is being discussed and when this point is put before the Labour Ministry, this delay in referring all these points, especially in the southern area where not a single dispute has been referred, for settlement will receive immediate attention at the hands of the Ministry and a Tribunal, if not already existing, will be appointed to consider these disputes and settle them—as is the case in other parts of the country—so that much strife could be avoided in the banking industry there.

The last point concerns the whole basis of the Bill. What was the original reasoning of the Commission that the banks in the T.C. area were not in a position to pay as the banks in other areas in the country? It is true that even though all the reasonings of the Commission could not be accepted, as my hon. friend preceding me pointed out, certain of their recommendations and conclusions will have to be admitted. The Commission originally said that there was something seriously wrong in the whole banking industry in the T. C. State. If you go into the details, there is nothing specially wrong with the banking structure of the T. C. State. If there is anything wrong with the structure of the industry, the way in which the industry is running, the whole trouble is prevalent throughout the banking industry in India; there is no separate feature or aspect particularly to the banks running in the T. C. area which should be condemned and which you do not find in other banking systems in other States of the country. If they could find out those faults which do exist in the banking industry as a whole, certainly that defect will have to be rectified, especially at this time when banks refuse to pay their employees and when banks under the Second Plan are supposed

to play a very major role in the industrial make-up of our country. Is it not just to say that all this trouble could be avoided if the Government have more grip upon the banking industry as a whole and, therefore, more controlling and directing hand on the economy as a whole.

It is not just because that these banks are refusing to pay their employees that we demand nationalisation. Now in every sector of the country and also in the industries, we find there are serious difficulties and the Government most often come to this House and say 'we are helpless, because the banks are behaving in a particular way.' We found recently that food prices have increased throughout the country in many places because of the indiscriminate advances by banks. What does this show? This shows that the banking system in India, accumulating the entire capital of the country, the most volatile and mobile capital of the country, refuse to behave in a fashion in which Government want them to in the interest of the community. Therefore, the banking system as a whole has forfeited the confidence of the country. In the interest of the Five Year Plan and the national economy as a whole, Government should decide upon a means whereby the misbehaviour of these banks could be controlled. The only answer to this question is obvious. In spite of the fact that many restrictions have been placed by the Reserve Bank of India, even today many banks are able to play mischief, and it is quite out of place to go and ask them to behave properly.

Therefore, on this occasion I seriously plead that all these defects could be avoided and the banking system of our country could be put on a sound footing and also many problems arising in the course of the Second Plan could be dealt with more efficiently by only nationalisation of the banking structure.

I conclude by referring to the question of the employees generally. The

old bank award which governs the conditions of service of the employees, the Government will seriously understand, has become obsolete. The strike that arose in Calcutta when the Government marched in with a very ridiculous type of....

Shri Abid Ali: On a point of order. This Bill has nothing to do with the strike in Calcutta or the employees there. The scope of this Bill is very much limited. It concerns the employees in Travancore-Cochin area in the banks mentioned therein. I was not intervening so far, but when from general issues he travels to Calcutta, I submit that it is entirely irrelevant.

Shri Narayananarkutty Menon: I referred to the Calcutta strike because, if I am not to refer to it when this Bill is being discussed, I won't be able to discuss it at all. This Bill is the direct outcome of the original award.

It concerns a particular section covered by the original award. And, the direct cause of the Calcutta strike was only that the provisions of that original award were inadequate and that there should be a separate and fresh reference to determine the quantum of dearness allowance in terms of the rising prices.

I was only submitting that this amendment is so inadequate and it is high time that the Government found out some means to neutralise the rising prices and the cost of living index so that the emoluments originally recommended when accepted would not be found inadequate. Some provision should be made whereby the Government would be able to meet the situation in a better way.

Mr. Chairman: The objection raised is that so far as the original award is concerned, the general conditions in the country cannot be relevantly referred to by the hon. Member at length. I have heard the hon. Member. He has referred to the original award and all these things. When a Bill is before the House, there are certain matters which can be gone into, for instance,

[Mr. Chairman]

the attendant circumstances. Therefore, I did not interfere so far. But, at the same time, the hon. Member must realise that so far as the contents of the present Bill are concerned, they have a narrow scope and I do not think the whole banking system could be gone into at length. He has already made—I should be inclined to say—inroads into the spheres which are not germane. He has done much more than is necessary. I will not allow him to go further into the matter, *in extenso* and discuss the entire banking system of the country, though all these things can remotely be relevant. But, we must have a balance and, therefore, I will request the hon. Member to confine himself to the contents of the Bill.

Shri Narayananakutty Menon: I will confine myself to the contents of the Bill.

The Government has come with an amending Bill which gives certain service conditions to the employees of the Travancore-Cochin area. I submit that these conditions that have been incorporated in the Bill have become out-dated because those recommendations made by the original award are sought to be introduced in the year 1957.

If three or four years before a Commission found that certain service conditions should exist—so far as the emoluments of the employees are concerned—in the banking system, it cannot hold good now in any way to be implemented in the year 1957. Because the Government has taken so much time, the original conditions have become so obsolete today. Therefore, it is high time that the Government thinks over the matter of settling the dispute in the ex-Travancore-Cochin area—because some situation has arisen in Calcutta—and try to find some means to avoid the similar situation being created here also. Certainly, Government should have a new approach for settling the disputes that have arisen.

13.14 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Before I conclude, I would appeal to Government to remove the defects in the implementation of the original award. It was the refusal of the Government to refer these disputes to a Tribunal. The new situation has arisen because of the rise in the cost of living and the absence of a provision whereby the increase in the cost of living might be adequately neutralised by the new conditions. Every time the cost of living index increase we may have to refer the dispute to another tribunal. To avoid such a situation, I think Government will evolve a new policy as far as the Bank employees are concerned and see that justice is done to these employees and those cases which have not been referred to a Tribunal should be referred to a Tribunal as soon as possible.

Pandit Thakur Das Bhargava (Hissar): I wish to ask one or two questions of the hon. Minister. Objection has been taken on behalf of many hon. Members and the hon. Minister has been invited to give reasons why he wants to change the date. So far as the changes in the emoluments are concerned, they ought to have taken effect from 1st April, 1954 but the Bill seeks to substitute for that date, the 1st of January 1955.

I waited for the hon. Minister to give some reasons why he has changed the date. But, so far, I have not been able to understand why the changes have been made.

In a matter of this nature, where an award has been given by a high authority appointed by Government, there is no reason why Government should seek to make changes in it. Ordinarily, I would not expect the Government to make any changes. I know there is a provision in the original Act by which the Government is empowered to make any alterations, if it so pleases, in the award. But,

it does not mean that they can do so without giving any reasons. The rule in such cases is that Government should give effect to the award as far as it can. Some reason should be given why there should be a change in the date so far as these poor bank employees are concerned. I have not heard any reason so far and I would respectfully ask the hon. Minister to give reasons why he has changed the date.

Shri Achar (Mangalore): Mr Deputy-Speaker, Sir, I wish just to say a word about this retrospective nature of the amendment. No doubt, the recommendation was to give effect from 1st April, 1954, but the Government has thought it fit to accept it from 1st January, 1955 and not from 1st April, 1954. I expected the hon. Minister to give reasons as my predecessor asked referring to that aspect.

I wish to draw the attention of the House to only one aspect of the question. Often it has been said—and especially today there was severe criticism—that it ought to be retrospective from an earlier date. Whenever a new statute is proposed, we should remember the general principle that it should not be retrospective. The people, whether it be ordinary people or associations or banks, take it that the *status quo* would continue and they do not expect any law to take retrospective effect. From that aspect, I suppose the Government's attitude to give effect to it from a later date is acceptable.

Very often it is very light-heartedly said that when a law is changed it should be given effect to from long past. That would certainly work out some hardship and it is that aspect which I want to refer to. Whenever a new law is passed, the general principle should be that it should have effect only from the date it is actually assented to by the President. But, however, in cases of this kind, where there has been another recommendation, I can understand it being taken back to some prior date, but the later the better. From that point of view,

I support this amendment to give effect only from a later date, namely, from 1st January, 1955.

Shri Abid Ali: I had expected that this innocent and non-controversial Bill will go through without any discussion on the opening day of this winter session of Lok Sabha.

Mr. Deputy-Speaker: There might be other reasons also.

Shri Abid Ali: I thought so it being the first item on the agenda but, somehow or other, hon. Members opposite who chose to participate in the debate have surveyed (Shri B. S. Murthy—the whole panorama) all that has happened concerning this Bank dispute during the last years, which, as I said earlier when you were not here, most of that, was quite irrelevant. Neither here nor in the Rayja Sabha, amendments to the clauses that were objected to were submitted and all that they have stated was not very reasonable.

I may refer to the question put by Pandit Bhargava. This was not arbitration or adjudication. There was only a commission of enquiry appointed by the Government of India. The Government accepted almost all the recommendations of the Commission with only this minor change objected to by my hon. friend from Punjab. That is the change of date for making these arrears payable retrospectively. It has been made only in respect of two banks—the South Indian Bank and the Catholic Syrian Bank. Instead of making it applicable from April 1954, the date has been January 1955.

That proves that we were earnest to carry out the recommendation of the commission. When this change was made there were substantial reasons. We should certainly take into consideration the financial position of these banks and we have to consider whether something very substantially wrong may possibly result because of any action of ours. That has to be done in the interest of the industry.

[Shri Abid Ali]

and the employees working there. So, this little change had to be made.

The policy of the Government, as suggested by the Member from Mysore is generally to follow the recommendations of these adjudications, arbitrations or even commissions. Unless it becomes absolutely necessary, we do not interfere with them.

The hon. Member from Bengal has said that two banks have become two State banks. About that we have not received any information up to this time and in case these two banks are entitled to come within the sphere of the Central industrial machinery, they may write to us. They will be given due consideration.

Shri Prabhat Kar: I have got a copy of the letter from the Secretary to the Government asking us to send the information and we have sent the information.

Shri Abid Ali: That very fact shows that we are responsive to the suggestions that are made. If the details have already come, they will receive consideration. If they have not come, they will be considered after they come.

The complaint of delay and suffering of employees because of dismissal, discharge, etc. was made. This Bill concerns only the emoluments and arrears and not the general service conditions or discharge or termination of service. Such persons are at liberty to bring these to our notice and the Industrial Disputes Act remains applicable to them.

Shri Prabhat Kar: The award exempted the employees from the operation of certain things. The award relates not only to pay, emoluments or other things. It also includes service conditions, categorisation of the employees, procedure for the termination of their service, procedure for making a temporary man permanent. These provisions have not been applied here; they have been totally exempted.

Shri Abid Ali: I do not agree with that point of view. After the passing of this Bill here and when it becomes law, the emoluments will be made applicable to them. So far as the other matters are concerned—discharge or dismissal and so on—they continue to be governed by the Industrial Disputes Act. That is the position. No more interruption please.

Mr. Deputy-Speaker: That should suffice. Twice the hon. Member has interfered and this cannot be allowed to continue.

Shri Prabhat Kar: That is wrong information. I am not talking of the Industrial Disputes Act. If it is wrong, there may be other remedies.

Mr. Deputy-Speaker: For the present we have to accept what the hon. Minister says, because the hon. Member has not got any authoritative document at present.

Shri Prabhat Kar: I have got a copy of the Commission's report.

Mr. Deputy-Speaker: Unless that is discussed, how can we say all about it.

Shri Prabhat Kar: Here it has made it clear. They are debarred from the scope of the award. I am not referring to the Industrial Disputes Act. I have said that the scope of the award has been completely taken away; these employees have been taken out of the purview of the award. The award covers not only emoluments it also covers service conditions. All those benefits had not been given to these employees. This Bill brings the employees within the scope of the award. Here is a provision that the employees will get something. What about their service conditions. It is also within the award itself. That is the point. I am not saying that they are not within the scope of the Industrial Disputes Act. But, the award itself has given certain rights.

Mr. Deputy-Speaker: The hon. Member may now resume his seat

The point is that there were certain other recommendations also of the commission which are not being given effect under this Bill.

Shri Abid Ali: So far as this particular recommendation of the commission is concerned, except what we have already mentioned, we have not made any other change.

Mr. Deputy-Speaker: Were there no other recommendations?

Shri Abid Ali: There were. Now, the hon. Member from Kerala has said that the dearness allowance—I do not know the name of the bank—is only Rs. 8. It has not come to our notice so far and it is not possible that there is a bank which pays only Rs. 8 as dearness allowance because the emoluments had already been stipulated. He made complaints about working hours and dearness allowance. He even said that they are in unhealthy surroundings, not to speak of factories, particularly in Travancore-Cochin. He considers that no clients would go there. Some of the hon. Members opposite start criticising things and say all that can be said without having any relation to realities.

One hon. Member stated that there is no tribunal for the south. Our industrial tribunals go to South. There are not enough cases to justify the establishment of an independent tribunal for the South. The tribunal is situated in Bombay and whenever a few cases accumulate, the judge himself goes to the extreme South and takes up the case there. Further, we entrust some cases to State tribunals. The intention is that as far as possible, the tribunals should go to the nearest possible place where the employees are situated so that the cost of travel and other inconveniences could be avoided. That has been our policy and that is what is being done. Therefore, the complaint about the non-existence of a tribunal in the South has no justification at all.

The complaint that we have not referred any dispute to adjudication

or any interpretation,—the complaint regarding the South—is also not correct. There have been cases which came to our notice and which deserved being referred to either for interpretation or adjudication. I have got some of the items here already with me. So, I do not know from where these hon. Members get these cock-and-bull stories and go on repeating them here, as if with a feeling that there is no one to explain the correct position. It would be a healthy affair if hon. Members try first to have a little verification about the statements which they feel they are called upon to make here.

This Bill, as I submitted earlier, has a very limited scope and still reference has been made to the Calcutta strike. The position of Calcutta strike was a result of the making of the employees themselves. They never wanted us to intervene in this matter and they wanted to have a strike, and they were believing that through strikes they will be able to get what they wanted. As a matter of fact, the item is covered by the award and it has been pointed out on several occasions previously too. If they felt that they will get what they wanted through direct action, and if they did not get that, they should not blame us. They had a strike for 31 days, and they could have continued for another 81 days and we did not interfere in that. But when they felt that the workers themselves were demanding that the union leadership should come to this decision, namely, that the strike should be ended, then they asked the Government to intervene. The Chief Minister of West Bengal convened a meeting and he was helpful to them to end the strike and certainly, with the help of the Chief Minister of West Bengal, they got a fair deal. When they felt that they would not be able to continue the strike and felt that the strike was cracking, they should be thankful to the Chief Minister of West Bengal and the Government of West Bengal and the industrial relations machinery of the Central Government for having

[Shri Abid Ali]

come to their help and got them back into the employment in the Calcutta banks. That they should come here and criticise it is very unfortunate.

With these words, I request the House to accept this amending Bill.

Mr. Deputy-Speaker: There is one thing that I wanted to bring to the notice of the House and particularly to the notice of the hon. Minister. I did not interfere, but it struck me that it was not a very healthy thing to say wherefrom the Members got their cock-and-bull stories. That would really, rather, take the level of the debate lower.

Shri Abid Ali: I am sorry.

Mr. Deputy-Speaker: That would react in the same manner, and then perhaps we may not be able to keep up the level of the debate that is required in the House. That is all I wanted to say.

Shri Sadhan Gupta (Calcutta-East): I do not know where the cock came from. The bull comes from the Ministers' Party symbol.

Mr. Deputy-Speaker: Unless both are combined. Now, I shall put the question.

The question is:

"That the Bill to amend the Industrial Disputes (Banking Companies) Decision Act, 1955, as passed by Rajya Sabha be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: Now, there is one amendment which has been just now received from Shri Narayanan-kutty Menon. Is he in his seat? He is absent. Even otherwise, because it has been received late, it could not be taken up unless it was accepted by the Treasury Benches.

Shri Sadhan Gupta: Regarding this question, I hope you are not ruling it as a precedent. It so happens on the first day of the session. People do not have an opportunity of submitting any amendments in time, because many of them have to give it on Saturday or Sunday, and there is no opportunity. So, on the first day, the rules may be liberalised.

Mr. Deputy-Speaker: Therefore, my first question was whether Shri Narayanan-kutty Menon was present. That was my first question. I will now put the question. The question is:

"That clause 2, clause 1, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clause 2, clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Abid Ali: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: Motion moved:

"That the Bill be passed."

Shri Prabhat Kar: As I said at the beginning, I would appeal to the Labour Minister once more. This Bill has given the employees the right to deal within the scope of the award from 1-1-1957 in one case and from 1-1-1956 in other cases. This measure enabled the payment of money which the employees are going to receive, but the award stipulates, apart from the financial commitments, the rights and privileges of the employees. I would request the hon. Labour Minister to see that when this Bill is passed, which will give effect to the proposal from 1-1-1955, during the period between 1-1-1955 and after the passing of the Bill—any breach of the provisions of the Bill by way of dismissal or non-compliance with any provisions of the Bill, would be dealt with properly, and also see that those

cases are redressed. The award not only grants certain rights and certain privileges but also lays down certain procedures for dismissal of the employees or retrenchment of the employees or any other action. Thus, there are certain obligations to be discharged both by the employers and the employees, in between this period, and they have to be observed properly.

During this period, the employers have acted sometimes according to their whims and there have been cases when the employees have been dismissed and demoted and exploited because of the small salary that they have been receiving, and because they will get more now they have been retrenched. All that has been done arbitrarily without even taking recourse to the procedure laid down in the award. But legally, the award has become binding on the employers and the employees from 1-1-1955. During this period, whatever has happened—I know there are many cases which are pending in the Labour Departments—and if such cases are brought to the notice of the authorities, I would request the hon. Labour Minister to see that those cases are properly dealt with, and that the employees do not suffer because of the late passing of this measure in November, 1957. That is the request that I make to the Labour Minister.

Shri Abid Ali: That is the intention. This Bill says that the employees will be entitled to arrears and to what other things they are entitled to. In case there is any injustice done, of course, legally we can take action depending on the merits of the case. That will of course receive our due consideration.

Pandit Thakur Das Bhargava: May I make one observation? The hon. Minister was pleased to tell us that there were financial reasons. Of course, the reasons must have been financial, or there should have been some other reasons also. But I would

like the hon. Minister to be pleased to give us concretely the basic reasons, mentioning the amount of finances involved. What is the amount and what is the detriment to the workers? All these details we wanted to get. To say that there are financial reasons, does not improve matters at all. No details were given either during the debate, or at the beginning or subsequently. We expected that. It was for that reason that no amendments were moved. I myself wanted to move some amendment to say that the date shall revert back to April, 1954. But I thought that the Government must have very good reasons for doing that. I would like to know the reasons, the amount involved and so on. Even now at this stage the hon. Deputy Minister can enlighten the House what is the amount involved and the reasons.

Shri Abid Ali: I have already explained it.

Mr. Deputy-Speaker: He wants to know why retrospective effect should not be given from 8 or 9 months earlier.

Shri Abid Ali: I will give the necessary information to the hon. Member.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL

Mr. Deputy-Speaker: The hon. Finance Minister.

Shri T. K. Chaudhuri (Berhampore): I have already drawn the attention of the hon. Speaker to the fact that the Industrial Finance Corporation Report was laid on the Table of the House only today and before we can study this report, it is rather difficult to take part in the debate.

[Shri T. K. Chaudhuri]

This report runs into a number of pages and copies have not been made available to Members. Even this copy I am asked to have only here; I cannot take it home.

Mr. Deputy-Speaker: I would like to know whether the contents of this report have any relevancy to the discussion that we are going to have. Unless it is connected with the Bill and gives some facts which we want to discuss, it would be no use postponing the discussion. I am told that this was not meant for distribution to help the Members to prepare their briefs or their cases, so far as this Bill is concerned. It is a mere coincidence that it has been placed on the Table today. It does not relate to those facts that are contained in this Bill. Is that right?

The Deputy Minister of Finance (Shri B. R. Bhagat): Yes. It is under the Act itself that we have to lay on the Table a copy of the annual report.

Mr. Deputy-Speaker: The annual report is to be laid on the Table normally; it has been done in that course. It would not give any facts which might help hon. Members to discuss this Bill.

Shri T. K. Chaudhuri: Here specific mention is made of the way in which the Corporation has worked and all that. So, unless we know the latest position and have time to study it in detail, it will be rather difficult for us to emphasise our points or elaborate our points properly.

Shri V. P. Nayar (Quilon): May I submit that the publication which was laid on the Table today is dated 30th June, 1957? Some new powers are sought to be given in respect of very special matters. It is impossible for us to go through the report and find out whether such powers could be entrusted to the organisation, which has come up for criticism so often in this House.

Shri B. R. Bhagat: Actually the report was adopted at a meeting held on 27th September. As regards the date mentioned by the hon. Member, that might be the period to which the report relates. Actually we have placed the report on the Table at the earliest opportunity. As I said, this is a mere accident, because this Bill is before the House for the last 3½ months. Due to sheer lack of time, it could not be passed during the last session. As you have rightly pointed out, there is no relation between the report presented to the House and the discussion on the Bill. The provisions of this amending Bill have nothing to do with the working of the Corporation, although you can bring in the working or the actual report while elaborating a point. But as regards the main provisions of the Bill, they have nothing to do with the report and it is not essential for the discussion on those points. Therefore, I would submit that it is not necessary that the discussion should be postponed.

Pandit Thakur Das Bhargava (Hisar): May I just draw your attention to para 5 of the Statement of Objects and Reasons which says:

"The Bill seeks to achieve these objects. Opportunity has also been taken to incorporate some other amendments which are either found necessary in the light of experience gained in the working of the Act or are of a consequential or procedural nature."

So, the amendments relate to what has been found to be necessary in the light of experience gained. It may be that there are certain amendments in this Bill which are the result of the experience during the last year, for which the report is made. For instance, in clause 11, there are some references which relate to the qualifications of directors and their restrictions. They might have come into the Bill as a result of the working last

year. So, it cannot be said that all the provisions are such that they have no relation whatsoever with the report that has been circulated. I quite recognise that ordinarily so far as the main objects are concerned, these new things which are contained in this Bill have nothing to do with the report. At the same time, it cannot be said that the report has got no bearing whatsoever on any of the amendments contained in the Bill, as it has been said in the Statement of Objects and Reasons itself that some of the amendments have been found to be necessary in the light of experience gained during last year.

Shri V. P. Nayar: Apart from what has been already stated, I find from page 4 of the report placed on the Table that they have received a copy of the Audit Report of the Comptroller and Auditor General of India for the year ending 30th June, 1955. After I saw this, I went to the library and I found no such report was available. What are we to do? It is not merely a question of the auditors appointed by the organisation, but the Government auditors have given a report and we do not have even that.

Shri T. K. Chaudhuri: Moreover, we have to find out whether the Board of Directors of the Industrial Finance Corporation have recommended the changes that are now sought to be incorporated by the Act by Government. All these things are to be considered properly and then only this can be discussed. It is rather unfair to take it up now.

Shri S. A. Dange (Bombay City—Central): Just a postponement by 8 hours, till 1 o'clock tomorrow, is not going to make much difference.

Mr. Deputy-Speaker: The point is the whole work should not be dislocated. If we take up the next item, some hon. Member might raise an objection that he did not expect that Bill to come up today and therefore he is not prepared for that Bill. What shall we do in that case? There is

one difficulty which the Leader of the Opposition should also consider. If I pass on to the next item, some hon. Member might take objection that he is not prepared because it could not be expected that that Bill would come up so soon. Up till now only clause 11 has been pointed out by Mr. Bhargava.

Shri T. K. Chaudhuri: The Business Advisory Committee has yet to sit and the way in which Government has allocated time is not proper. For the other Bill which we passed just now, they have allotted 4 hours, although there were only two clauses and two amendments. Here there are 14 clauses and there are amendments also. In spite of that, only 3 hours are allotted. If time is fixed in this way, there is bound to be dislocation. At least in this case, there should be an exception.

Shri S. A. Dange: Some of the clauses do require a reference to the previous report. One is foreign exchange and how far it has figured in the activities of the Corporation. The second is now they want to introduce a provision which does away with security for giving loans. What has happened to the previous loans that have been given and what about the fate of the securities? Some of these matters do require a reference to the working of the Act as it has taken place. Since the report is ready, let us have some time to look into it. We can discuss it tomorrow.

Shri B. R. Bhagat: I have already said that it is just an accident. Under the provisions of the I.F.C. Act, this report has been laid on the Table today. This Bill has been introduced 3½ months ago and its provisions have engaged the continuous attention of the Members and the public outside. It is not as if a surprise has been flung. Had this Bill been taken up last session or a little before, this question would not have arisen.

Shri S. A. Dange: Then we would have suggested that its consideration be deferred. What you are saying is

[Shri S. A. Dange]

not correct. We would have got the report at that time.

Mr. Deputy-Speaker: I do not know whether we can take up the next item on the agenda; that is the difficulty which faces me at present. For the next item, even the Minister is not present here, I suppose.

So, let us proceed with this. If we feel any difficulty, I will consider it again, if that is possible. I do not find any necessity to postpone it for so far as the Bill is concerned, it has not much connection with the report. This Bill is intended to give additional powers to the Finance Corporation so that it might borrow ten times. Now it has power to borrow only five times. Whether it has been administered well or administered badly and whether something has happened during the transaction or some difficulty has been experienced might be an independent question. When clause 11 is taken up, some reference has to be brought in. But that would not depend upon how it has happened during the last year or so of working. Therefore, I suggest that let us take it up. If there are any difficulties, certainly we can consider them.

Shri V. P. Nayar: There is one point which we have to refer from the report. We find that even out of the loans which have been sanctioned, a certain percentage has not been utilized. We want to know, for example, the percentage of such loans in the previous years. Unless we find out the percentage of the loans utilized out of the loans already sanctioned and taken advantage of, how can we consider whether we have to raise it from five times to ten times including the reserve fund? These are questions which cannot be discussed in the absence of the report.

Mr. Deputy-Speaker: Even with that, I am not convinced that it would be a material thing. We are only

giving powers to the Corporation. Whether the power they have already got is utilized or not would be a different question.

Shri Morarka (Jhunjhunu): May I point out one or two things in this connection?

Mr. Deputy-Speaker: Even when I have taken a decision to ask the Minister to go on with the business?

Shri Morarka: I tried to catch your eyes several times. But I couldn't

Mr. Deputy-Speaker: I have already decided that the hon. Minister may move his motion.

Shri Morarka: Very well.

Shri B. R. Bhagat: I beg to move:

"That the Bill further to amend the Industrial Finance Corporation Act, 1948, be taken into consideration."

As the House is aware, the Industrial Finance Corporation Act was passed in 1948 to set up the Industrial Finance Corporation as an agency to provide medium and long term credits to industrial concerns in India. The Act was amended earlier in 1949, 1952 and 1955. The amendments effected on the last occasion dealt mainly with the recommendations made by the Industrial Finance Corporation Enquiry Committee and certain procedural and other matters.

During the last few years, the industrial activity in the country, as the House knows, has increased considerably. As a result of this, there has been significant increase in the demand for Corporation's financial assistance by the industrial concerns. The increase in the number of loan applications received by the Corporation from the industrial concerns and co-operative societies engaged in industrial enterprises during the past two years is itself an index of the

growing popularity of this institution in the matter of giving long term loans. Till the end of June 1957, the Corporation has already sanctioned loans aggregating Rs. 55.12 crores in 259 cases—the amount of loans sanctioned during the past two years alone was about Rs. 27 crores. Of this, 151 represent the cases of new undertakings, i.e., factories that went into production after the 15th August, 1947. The amount of loan actually disbursed by the Corporation to the industrial concerns was Rs. 26.51 crores. I might specifically mention that the amount of loan disbursed during last year, i.e., the year ended 30th June, 1957 was about Rs. 10 crores as against Rs. 2.82 crores, the highest amount disbursed so far by the Corporation in any previous year.

The main purpose of this Bill is to amend the Industrial Finance Corporation Act, 1948 to enable the Corporation to guarantee deferred payments by industrial concerns for equipment imported from abroad, to increase its borrowing powers and to pass on to its borrowers any loss or gain accruing in exchange fluctuations which at present fall on Central Government. This opportunity has also been availed of to make certain minor changes in the Act which experience has shown to be necessary.

The increased tempo of industrialisation during the Second Five Year Plan period will require considerable import of capital goods. In the difficult foreign exchange situation of the country, it is not possible for Government to find immediately all the foreign exchange that will be required for large-scale purchases of capital goods outside the country by industrial concerns. We have recently been encouraging them to arrange deferred payments for their imports. Exporters from abroad are inclined to agree to deferred payments, but require guarantees from Government or semi-Government institutions in respect of these deferred payments. Business circles have, therefore, approached Government with the request that the Industrial Finance Corporation may be

permitted to guarantee such deferred payments by industrial concerns. The Industrial Finance Corporation at present is not permitted to give such guarantees, and it is, therefore, proposed to amend the Act for the aforesaid purpose.

Section 21 of the Industrial Finance Corporation Act empowers the Corporation to borrow from the public, the Reserve Bank and the Central Government, up to five times its paid-up capital plus reserves. Its present paid-up capital is Rs. 5 crores and the reserves stand at rupees five and a half lakhs. The Corporation cannot, therefore, borrow more than Rs. 25.28 crores. It has so far borrowed from the public, the Reserve Bank and the Central Government Rs. 21.31 crores of which Rs. 10 crores are from the Central Government. There is a provision for a further loan of another Rs. 5 crores during the balance of the Second Five Year Plan period from the Central Government. Unless the Corporation's borrowing powers are raised, it cannot go in for any further loans. The business of the Corporation, as I have indicated earlier, has increased considerably and is increasing very rapidly. It is, therefore, necessary to place it in a position to raise substantial finances in the near future. This could be done either by increasing the paid-up capital and keeping the present multiple of five, or by increasing the multiple from five to a higher figure. The present share capital of the Corporation is held by the Central Government, the Reserve Bank, the Life Insurance Corporation, some scheduled banks, insurance companies, co-operative banks, etc. A minimum dividend of 2½ per cent. per annum is guaranteed on the present share capital. Except for the year ended 30th June, 1953, the Corporation in the past has had to ask the Central Government for a subsidy to meet this dividend liability. The House will be glad to know that the Corporation has been able to meet this liability in respect of the year ended 30th June, 1957, and further, it does not propose to seek this assistance in

[Shri B. R. Bhagat]

the coming year also. In the existing conditions of the money market, it is extremely doubtful.....

Shri Yadav (Barabanki): Is he reading the speech?

Shri V. P. Nayar: He has the right to read his speech

Sardar A. S. Saigal (Janjgir): You can also read your speech.

Mr. Deputy-Speaker: That is not the decision of the Chair.

Shri B. R. Bhagat: In the existing conditions of the money market, it is extremely doubtful if the Corporation will be able to get the additional share capital without substantially increasing the minimum guaranteed dividend which may have to be subsidised by Government. It is, therefore, not considered desirable to increase the share capital but to increase the multiple from five to ten. This is not unduly high. Hon. Members may recall that the multiple fixed for the Warehousing Corporation in respect of its borrowings under section 37 of the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 is also the same

14 hrs.

Under section 27(4) of the Act, any loss or profit accruing to the Corporation in connection with any borrowing of foreign currency or its repayment on account of any fluctuations in the rates of exchange, is to be reimbursed by, or paid to, the Central Government, as the case may be. Under this provision, the entire risk arising out of fluctuations in the foreign exchange is to be borne by the Central Government. It is felt that in view of the large-scale foreign exchange operations that will be required during the next few years, the Central Government, or the Industrial Finance Corporation should not be called upon to bear this risk. These risks should, it is felt, be more properly borne by the industrial concerns on whose account these foreign

exchange transactions take place. They may, in their turn, cover themselves against these risks by recourse to whatever special arrangement or scheme the Government may devise for this purpose.

I shall now turn to the more important of the other changes which are proposed to be made. We are adding an explanation defining the expression "processing of goods" to section 2(c) of the Act on the lines of the amendment made last year in the State Financial Corporations Act, 1951, which will enable a large number of industries to avail themselves of the Industrial Finance Corporation's loan assistance.

The House, I am sure, will appreciate another provision in the Bill which seeks to amend sub-section (2) of section 23 of the Act. This is with a view to enabling the Corporation to provide credit particularly to new industrial concerns when they are not in a position to offer adequate securities but deserve encouragement from the point of view of national economy.

We are also including a provision in section 17 of the Act on the lines of the provision in the State Financial Corporations Act, 1951, enabling the Reserve Bank or the Central Government to depute any person to attend the meeting of the Board of Directors of the Corporation, if the Director nominated by them is unable to attend any meeting.

Similarly, section 22 of the Act empowers the Corporation to accept deposits only from the public. As it is felt doubtful whether the existing provision would enable acceptance of deposits from State Governments, local authorities, etc., it has become necessary to amend it.

There are a number of other amendments but as I have said earlier they are of a minor or drafting nature.

With these remarks, I commend the Bill to the House for consideration.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Industrial Finance Corporation Act, 1948, be taken into consideration."

I find that there is an amendment tabled by Shri T. K. Chaudhuri.

Shri T. K. Chaudhuri: I do not want to move it

Shri Naushir Bharucha (East Khandesh): Mr. Deputy-Speaker, I have carefully heard the hon. Deputy Minister's speech which leaves me unconvinced as to the advisability and wisdom of amending the Industrial Finance Corporation Act.

Sir, this Bill has been brought because we feel that the Industrial Finance Corporation is a good agency for the rapid industrialisation of the country. But one notices, notwithstanding the reports which have been received of late, that the usual handicap of the Industrial Finance Corporations has been that they have too small resources and the burden that is sought to be imposed on them is heavy and the area which they are expected to serve is very wide.

Sir, so far as the scheme of this Bill is concerned, in the first place, a very significant change is being introduced in the functions of the Corporation, namely, it is being enabled to issue guarantees in respect of deferred payments. The second major change is that the borrowing capacity of the Corporation is being increased ten times its capital plus reserves. Still further, and a more momentous change which is of a totally undesirable character, to my mind, is that certain industrial applicants which cannot afford securities will now be permitted to have credit from the Industrial Finance Corporation. That is a point on which I will dwell at some length. In addition to that, Sir, the risk in respect of fluctuating exchange rates which so far under the present Act

was being borne by Government, is now sought to be shifted to the industries concerned on the ground that it is proper that the risk must be taken by the industries.

Of course, there are provisions for taking over defaulting concerns. But in view of our experience of taking over concerns, I am not quite sure how far this safeguard will in any manner minimise the dangers as well as the speculative element this Bill seeks to introduce into the functioning of the Industrial Finance Corporation.

Take first, Sir, the question of guaranteeing deferred payments. I understand rightly—and if I am wrong, the hon. Minister in charge will correct me—that it is the policy of this Government, which has been announced, that as far as deferred payments are concerned, such payments must begin after 1961. Assuming that this is so, I should like to know from the hon. Minister what will be the exact procedure with regard to the Corporation offering guarantees in respect of deferred payments.

First, I should like to know, taking the case of an industrialist, whether in return for the guarantee that the Corporation issues, he will be required to deposit cash, or whether he will be required to furnish some security in the form of shares, stocks, or immovable property, and also what will be the margin which this Corporation will maintain as a matter of safety for itself, whether this guarantee will be piecemeal or extended wholesale. What is more, whether having regard to these questions, it will be worthwhile of the industrialists to procure such guarantee at such a cost, and also after the fulfilment of the contract will rest, whether it will be between the importer and the Corporation or the Corporation and the exporter, or whether it will be in the nature of a tripartite agreement where the industrialist is liable both by the Corporation as well as the exporting party.

[Shri Naushir Bharucha]

Coming to the question of borrowing powers, increasing powers will be necessary because as I said at the start one handicap from which the Industrial Finance Corporations suffer is lack of capital. Ten times its capital as well as reserves is a desirable amendment to my mind, even though I should say that five crores being the capital, and ten times being fifty crores, that represents only one per cent. of the entire outlay of expenditure on the Second Five Year Plan, which incidentally goes to show how very small our Industrial Finance Corporations are.

Also, side by side, we have to bear in mind that increase in borrowing powers must affect to a certain extent the stability of the Corporation itself. I for one have not been able to understand quite clearly why while on the one hand we are increasing the borrowing power of the Corporation, on the other we are laying a limit of ten crores of borrowing from the public. I should like the hon. Minister to make this position clear.

Coming to the question of fluctuating exchange rate, the losses and profits of which are now sought to be shifted to the importer, the first point is how is it that at this stage Government feels that this risk rightly belongs to the industries. Why is it that then up till now the Government was bearing it? Did the Government commit a mistake? Or, is the Government apprehending that in future the stability of the exchange may be of such a precarious character that it may be unwise for the Government to shoulder the risk?

In the first place, let us understand whether this is a fair proposition. I may seem to be speaking on behalf of the industrialists, but the question primarily is of justice. Why is it we have got to resort to deferred payment?—because the Government cannot convert its rupees into currencies of other countries. In other words, the multilateral convertibility of the rupee is not there. We have not got sufficient foreign exchange. Whose

fault is it? Is that the industrialist's fault?

Looking to the fact that as soon as the industrialist deposits the cash, the Government in the normal course is bound to convert it into Sterling or Dollar, whatever the currency may be, if we are today seeking facilities from foreign exporters for deferred payment, for whose benefit is it? It is for the Government's benefit which cannot at present convert the rupee into the necessary amount of Sterling or Dollar. That being so, who should bear the risk attaching to deferred payment?

Let us take the case of an importer who wants to import one crore of rupees worth of machinery. He is willing to deposit with the Government one crore of rupees. The payment is to start in 1961. In between, if the rate of exchange goes adverse to the importer, why should that man be penalised, because he is ready to pay into the treasury of Government one crore of rupees, but the Government is unable to convert it into Sterling or Dollar? How is that the fault of the industrialist? And I should like to know whether, if that risk is shifted to the industrialist, the industrialist would be willing to shoulder the risk. If once I have paid a crore of rupees to the Government treasury, for the next five years the industry which I establish remains liable to pay the fluctuations which may occur for no fault of mine, and that liability the industry must shoulder four years hence. Which public will contribute finance to an industry once they know that five years hence, added to the hazards of normal industry, there will be the hazards of a speculative nature, of dabbling in foreign exchange? I submit that it is totally unfair that this burden of the fluctuating exchange, this speculative element should be at all introduced. Therefore, that is a point which requires an answer from the Minister.

Then, another question is about guarantees to individual industries

because from the point of view of the hon. Minister and the Corporation they serve some national purpose in the nation's economy. They say that the Corporation should be enabled to guarantee payments even where they have not got any security from depositors. I fail to understand why this speculative nature of transactions is being foisted on the Finance Corporation. It is very unwise to do it. I will tell you how it will actually operate in practice.

It may be argued that the Corporation does not really take so much risk because the plant and machinery that is imported on the strength of the guarantee given, though not covered by security, will remain mortgaged with the Government and the Government will have the right to take possession of it. I will tell you what happened in Bombay State where one National Tubewells Construction Company was given credit more or less along these lines. That firm imported machinery. Invoices were inflated. Let us take an extreme case, not that these are exact figures. If machinery worth Rs. 50 lakhs is imported, the invoice is made to the tune of Rs. 1 crore—I am taking an extreme case—with the result that actually the Finance Corporation extends credit guarantees to the limit of one crore of rupees. If that concern fails all that the Corporation will get will be machinery worth Rs. 50 lakhs, which will be its inherent value, and nothing more. If a few transactions of this nature actually take place, the result will be that the soundness of other transactions will be considerably endangered, and the financial position of the Finance Corporation, which by no means is a very wealthy concern, will be gravely prejudiced.

Therefore, these are the points against which I set my face, and I would ask the hon. Minister in charge of the Bill to explain clearly how in the first place he justifies them.

If according to the hon. Minister, there are so many applications now, where is the need to introduce people

who have got no security to offer, and tell "No" to the people who have got security to offer? Does he really mean that with an additional borrowing capacity of Rs. 50 crores, the Finance Corporation will be able to finance all the industries? Why then introduce this risk?

I submit that it is not wise to convert an industrial finance concern into an agency undertaking transactions full of speculative nature, so that the financial integrity of the institution may be compromised. I, therefore, object to these most important provisions of the Bill.

Shri S. A. Dange: I am opposing the very crucial clause in this Bill, the clause affecting the question of foreign exchange. This clause is a new one in the sense that it represents a new policy, and I wonder whether new policies should be discussed as a by-product of a certain amendment, in a Bill of this character.

The Statement of Objects and Reasons says:

"In the difficult foreign exchange position of the country, it is not possible for Government to find all the foreign exchange required for large-scale purchases of capital goods from abroad. Therefore, exporters are inclined to agree to deferred payments, but insist on guarantees from Government or semi-Government institutions".

And in view of this position, Government comes forward with an amendment saying that if foreign exchange credit is obtained by private investors or manufacturers, the loan shall be guaranteed by the Government. This is the content of the amendment.

This amendment raises certain questions of policy. Government admits that the foreign exchange position is very difficult, and we know how difficult it is at present and in the recent past, since, in fact Minister

[Shri S. A. Dange]

after Minister had to be shipped abroad in order to ease this difficult position. I do not know whether the difficulty has been overcome even by the shiploads of Ministers that have been going abroad to get some foreign exchange for our development purposes. But one thing has come out very clearly in recent days, and that is that there are interests in West European countries and in countries like America where they are prepared to give foreign exchange credits, but not for the State-sector of the Five Year Plan. They will have nothing to do with the development of that part of the Five Year Plan which deals with the State-sector. They have complete confidence in the private sector. They are prepared to give foreign exchange to private entrepreneurs, vest them with all the necessary instruments of production that are necessary. If that is the position of certain countries that foreign exchange will be made available to the private sector, that they have confidence in the private sector, then why should these investors again turn round and ask guarantees from Government in whom they have no confidence? They have no confidence in the Government of India, therefore they will not lend foreign exchange to the State-sector of industry. They have confidence in the private sector, therefore they will lend some five or ten million dollars to the Indian Iron and Steel Company. I do not know the finalised figures since the hon. Minister has not agreed to wait for the report and study of the new questions, and so I cannot quote the exact figures now. But they will lend to the private sector. Is it or is it not a fact that loans have been given to the Tata Iron and Steel Co. with complete confidence, and that loans are being given to the mission of industrialists which visited America? And one industrialist is reported to have secured a credit of something like \$1.5 million for a particular factory which he is going to float.

Therefore, we are in this position that we want foreign exchange, and the governments and the investors in those countries will lend only for the private sector, because they do not believe in the Government of India's policy of building State sector industry. At the same time, these investors come round to the Government of India and say 'You cannot get the foreign exchange unless you guarantee'. That means that if he is sunk, then, we, so to say, try to save the foreign investor, and the foreign person, maybe Government or a company, from the losses. He will have no confidence in the Government of India, he will have confidence in the private sector, but when it is a question of losses then, of course, he turns round to the Government and says 'You give the guarantee, and reimburse me when he loses, because I trusted the fellow, and he debunked'. This is a peculiar position.

The content of this clause illustrates this position very clearly that private investors will get foreign exchange credits, but if they default we will pay; that is, the exchequer, the public revenues, the Parliament, will be paying for this foreign exchange. This is the content of this amendment.

This amendment is a hopeless amendment. If the private entrepreneurs are in a position to get foreign exchange for development, let them pay for it. If those people want to reap a certain rate of profit from the private sector, let them take the risk for it. Why should the profit be taken by them and the risk be borne by the Industrial Finance Corporation, for which we lend credit from public revenues? I cannot understand. This is a wonderful one-way trade that profits are theirs, and risks are mine. Therefore, this is completely a position which is totally anti-national; it hits the very principle of the Five Year Plan; it hits the very perspective of the Five Year Plan. How can Government come forward with such a demand that a credit will be given to the private

sector, and when the losses are there they shall guarantee the reimbursement of the foreign exchange, from the State exchequer, and from the Industrial Finance Corporation, to which we advance our money? Let them borrow and let them repay. Let these fellows invest and get the profit or the losses. This is the law of capitalist development. They insist on capitalist development in the private sector. They do not have any faith in the socialistic sector of the Five Year Plan. Let them take the risk, and let them take the gains.

I find, however, that the Government of India are very much enamoured of changing their previous standpoint on policy. This amendment reflects a whole change of policy that they are now prepared to take all the risk and sink the whole foreign exchange in the interests of the private sector, and it does not matter if the public sector is ruined. This is the position in this amendment.

Are we going to agree, and is this House going to agree, to such fundamental change in policy with regard to foreign exchange? The Government of India say that they cannot get foreign exchange for their purposes, but they are prepared to guarantee the diversion of foreign exchange credit into private channels, when they cannot get it for themselves. No; it should not be so. What I would suggest to Government is this. Although I have not sent in an amendment, yet here it is, and they themselves should insert it. If you want to give a guarantee in certain respects for a concern which you think is very essential, then, for God's sake, provide one proviso or one guarantee; when you want to give an approval to such guarantees, as you are providing in section 23, that:

'Provided that that no such guarantee shall be given without the prior approval of the Central Government.'

likewise provide also that:

'Provided that this Government before giving such an approval shall see that the needs of the public sector in the matter of foreign exchange are first satisfied'.

This is our policy in the Five Year Plan, that we first concentrate on the fulfilment of the schemes in the public sector.

The private enterprises can carry on on their own, with their own resources. We do not obstruct them. We certainly help them to a certain extent, but not at the cost of the public sector. But this amendment is at the cost of the public sector. Therefore, I am opposed to it. Therefore, give me a guarantee that whenever any such approval of a guarantee is given, first, the needs of the public sector in the matter of foreign exchange are fully satisfied before the private sector is guaranteed by me on behalf of the Parliament or by the Parliament or the public revenues. This is the thing that Government ought, by themselves, to guarantee, but they do not

Therefore, the position is this that from now on, we shall see that foreign exchange in terms of this clause, will be diverted totally for the benefit of private enterprise, and the public sector will be starved, if any credits are available on the basis of Government plans

This is a matter of policy, and on this question, therefore, I am opposed to the new trend that is visible in this amendment, the trend consciously being imported through the Industrial Finance Corporation and through this amendment, the trend that we do not now care for the public sector and its needs of foreign exchange, and let us now go the whole hog in support of the private industry which is in a position to get credits of foreign exchange, because the investors in America, England and Germany will not lend to the Government of India. They insist that the Government of India do change their policy and develop the private sector. And in

[Shri S. A. Dange]

pursuance of this dictation from foreign elements in America and in England, this amendment is being introduced in this Bill.

Therefore, on this very fundamental question of policy, I am opposed to the amendment. And that is all that I have got to say.

Shri Morarka: I support this Bill to the extent it provides for giving guarantees for foreign exchange.

The hon. Member who just preceded me said that the needs of the public sector should be first looked after by Government, and after meeting those needs fully, the private sector should be helped. That is quite true and perhaps very reasonable. But the amendment contemplated in this Bill would not take away anything from the quota of the public sector, on the other hand it would help indirectly the public sector also.

If you would permit me, I would like to explain the position why the necessity of this amendment arose at all. When the difficulty of foreign exchange arose, and Government could not afford to give the foreign exchange for the import of even the capital goods to all those who wanted, Government started a system known as the deferred payment system, that is to say, for whatever machines or capital goods that you import today, you do not make the payment immediately, but you get some credit from your foreign suppliers, and you make the payment in certain instalments over a period of say three years or four years or seven years and so on.

Now, the foreign suppliers are the creditors, and they virtually lend that amount to us for that period. We in India are importers, and to that extent, we are the borrowers. The foreign suppliers, while they are prepared to give this credit to you, want to be assured that on the due date, you would be able to fulfil your commitment. And it was not only a

question of fulfilling your commitment but also of your having the money and of your having on the due date the necessary foreign exchange available to you. You in this country may have money; you may have your intentions to pay back on the due date, but if the foreign exchange was not available on the due date, the foreign exporter would not be helped. So, the foreign exporter started making this a condition. No doubt, we give you this credit which you want and which you have asked for, but at the same time, these things must be guaranteed by a Government or by a semi-government institution. For that purpose, it has been suggested that a separate corporation known as the deferred payment guarantee corporation may be established here. Instead of establishing a different corporation, an amendment is being made to the Industrial Finance Corporation Act to enable it to give such guarantee. Actually, the effect of this amendment would be that instead of making the payment today, you would be postponing the payment by a definite number of years, and during that period, you would be able to utilise that foreign exchange for other purposes including your public sector.

To that extent, I support this Bill. But I would go a step further and say something about the proviso to clause 6, which reads:

"Provided that no such guarantee shall be given without the prior approval of the Central Government"

I do not think this proviso is necessary in these absolute terms

You must give certain powers up to a certain amount to the corporation, for which no reference to the Central Government should be necessary say, up to Rs 10 lakhs or Rs. 5 lakhs or Rs. 50 lakhs. You would remember that under the Industrial Finance Corporation Act, the corporation can

make loans, without reference to Government, to any single concern up to a crore of rupees. If the corporation can do that, I see no difficulty and no particular risk in giving this corporation the power to give such guarantees up to a certain amount.

The reason why I advocate this is that if for all these things the Central Government is to be consulted and its prior approval taken, it would take an inordinately long time. For getting one guarantee from the Corporation, the papers will have to travel several times between the Finance Ministry and the Corporation, and by that time the foreign exporter or the Indian importer may lose the bargain. Therefore, I feel that at least to some extent, to some limited amount, the Corporation should be given power to make such guarantee without reference to the Central Government.

Having said this, I must say certain things by way of criticism of this Corporation. We have got the 9th report of the Corporation; that means it was established 9 years ago. For the first time now a dividend to the shareholders of $2\frac{1}{2}$ or $2\frac{1}{4}$ per cent is proposed to be paid; otherwise, till now this dividend was paid by Government under a certain guarantee. This Corporation was not putting up any factory or undertaking any risky venture. It had funds, some free of interest, some at lower interest, and it was lending funds on securities to first class concerns at a much higher rate of interest. There was a net profit for this concern in any case. Today the lending rate of this Corporation is 7 per cent. The paid up capital, as you know, is Rs. 5 crores. It has some reserve fund. Then it has loans from the Central Government, from the Reserve Bank, and it has got $3\frac{1}{2}$ per cent bonds. In spite of all these funds being at its disposal at these low rates and the capital on which it paid no interest at all, the concern has not shown good results. Why? This year in the balance sheet, we find that a sum of Rs. 22,25,000 is being provided for doubtful debts. I wonder how in

a concern like this there can be doubtful debts.

If this Corporation's activities were to be carried on even as an ordinary banker carried on, I am sure the debts would not be so doubtful and the losses would not be to this extent. We find that till now the total amount written off as bad debts is about Rs. 50 lakhs. It is not a small amount. Even the banks which are not subjected to this rigorous discipline and are not subjected to this vigilance from the Central Government, do not incur such huge losses. It is not known to us why the Corporation incurred the bad debts to this extent. Neither the directors nor the auditors have considered it necessary to mention in this bulky report the reasons or the names of the concerns of whom these debts have become bad or doubtful. I make this criticism because even on a previous occasion, we demanded that the concerns which defaulted in making payment of loans or interest or principal should be named, and at least the auditors must make that comment in their report.

Another point of criticism is this. It seems that during the last few years the Corporation is making bigger and bigger loans to fewer and fewer concerns. There is a note here in this report in the form of a directive from the Central Government, in appendix A, and the second page of the directive says:

"The Industrial Finance Corporation shall refer to the Ministry of Finance for orders all cases where the total amount of loans granted to industrial concerns which are owned, managed or controlled by closely connected group of industrialists exceeds Rs. 1 crore".

This directive, it would be interesting to note, is dated 13th September, 1956. I made a study of the 8th report which related to the period up to 30th June 1956, that is, prior to this directive. From that report, I notice that to one such group of concerns having one

[Shri Morarka]

group of management, control etc., a sum of Rs. 4½ crores was loaned. (An Hon. Member: Only?). And what was that group? A group of concerns about the management of which Government are not very happy, so much so that they want to investigate the affairs of that group.

Shri S. V. Ramaswami (Salem): What is the name of that group?

Shri Morarka: May I suggest to my hon. friend to read the report?

On the one hand, Government want to make an inquiry; on the other, another department of Government goes on pumping money in that venture. I think there must be some co-ordination in such activities because after all, it is public money; it is not like money belonging to private individuals where, the loss is a matter of concern to a few people who can look after themselves.

Sir, this morning when questions were being asked about the State Trading Corporation accounts, the answer was that the report was being prepared and generally the shareholders would discuss them and afterwards it would come and so on and so forth. But in all these corporations which are mostly owned by Government, we are the shareholders. And since there is no other body of shareholders to demand these explanations from the corporations or their managers, I think we are entitled to all this information and to keep a watch on the activities of these corporations.

In this Bill, we are extending the powers of the Corporation to borrow more money. If more money is needed to finance industrial enterprises, we must allow the Corporation to borrow more money, but before we do that, we must also see how far the Corporation has functioned in the past, whether the money which was entrusted to it has been properly utilised or not.

Apart from the question of bad and doubtful debts, to which I referred, I think there still remains much to be desired in the procedure of granting loans, the way applications are approved or rejected. Here after making this directive of 13th September, when certain applications were referred to Government, they turned those applications down. Those applications were for Rs. 2,67,00,000. Had the directive not been issued, naturally those loans would have been made; that means, loans to the concerns coming under one management, control or direction.

Request was made to you Sir this morning to give some time for the consideration of this report and then take up the consideration of this Bill. You were pleased to rule at that time that this report could not have much bearing on this Bill and, therefore, this Bill may be taken into consideration right now. That is true; but, at the same time, this report gives us to some extent an insight into the working of this Corporation. This House can make criticism, and, if I may say so, with justification on the activities of this Corporation with the help of this report and, to that extent, I submit the study of this report has a bearing on the consideration of this Bill.

There is much that can be said about the small amendments also. But I would not like to take much time of the House. I may however say one thing. The Companies Act was amended in the year 1956. At that time, definite qualifications were laid down for the Directors of Companies. That Act is applicable to this Corporation also. One of the provisions in the Companies Act is that a Director, if he attains a certain age—I think it is 60 or 65—he should not act as a Director of the Company unless he is so approved by the General Body. This provision is sought to be deleted so far as this Corporation is concerned. In other words, the amendment seeks to prevent the application of this particular provision

to the Corporation. You remember that this was a new provision made in our Company law. The Company Directors were not very happy about it but the Government were definitely of the opinion that they wanted this provision to be made. Then, why does Government want to make an exemption in the case of their own Directors, their own Corporation? How is this provision good for all other companies and how does it become irksome only for the Government Corporation? I think Government should apply the same standards of management and restrictions to their Corporation, which they have prescribed for the Corporations in the private sector.

These are points on which, if considered at some length or a little more leisurely, I am sure, much more could have been said. At this stage, I would only appeal to the Minister in charge of this Bill to consider the few points which I have ventured to suggest and see that at least in future such big loans are not made to one group of industries or to concerns under one and the same management.

वंडित ठाकुर दास भांजा : जनाब डिप्टी स्पीकर साहब, हमारे सामने जो बिल आया है, बेहतर होता कि सरकार इस को मिलेकर कमेटी में भेज देती, जहां इस पर अच्छी तरह से गौर होता और फिर इस को पास किया जाता। इंडस्ट्रियल फाइनेंस कार्पोरेशन का मामला पहली दफ़ा इस हाउस के सामने नहीं आया है, बल्कि बहुत दफ़ा आ चुका है और इस मिलसिले में गुला माहब की कायंवाहियां हाउस को याद होती हैं। एक कमेटी मुकर्रर की गई थी और उस ने इस मामले को देख कर, इस पर गौर कर के, रिपोर्ट पेश की थी और फिर उस को हाउस में पेश किया गया। जहां तक इस उम्मेल का तात्पुर है कि एक सास रकम से ज्यादा रकम गवर्नरेंट की इजाजत के बिना किसी कम्पनी को न दी जाय, मुझे

याद है कि एक नहीं, कई मेम्बर साहबान ने बार बार इस हाउस में अर्ज की कि यह इंडस्ट्रियल फाइनेंस कार्पोरेशन गरीब सोगों के इस्तेमाल में भी आनी चाहिये, काटेज इंडस्ट्रीज और दूसरी छोटी इंडस्ट्रीज में इस का रप्या इस्तेमाल होना चाहिये। मैं ने यह रिपोर्ट जो आज पेश की गई है नहीं देखी है और मुझे अफसोस है कि बिना उस को देखे आज हम यह बहस कर रहे हैं। बेहतर होता कि गवर्नरेंट इस को चन्द रोज़ वहसे संकुलेट करती और फिर इस मामले पर बहस की जाती। लेकिन गवर्नरेंट ने ऐसा नहीं किया और इसलिये गवर्नरेंट ही इस नुकसाचीनी के लिये फिर्मेदार है कि बिना पूरी तरह गोरो-खीस किये गवर्नरेंट इस को यहां पर ले आई है।

श्री मोरारका ने बिल की दफ़ा ११ की तरफ तवज्ज्ञह दिलाई है। इस हाउस में जब भी इस किस्म का बिल आये, जोकि प्राइवेट कम्पनीज के मुतालिक हो, जिस के जरिये कुछ प्रोसीजरल चेंजिंग की जानी हों, तो यह निहायत जहरी है कि ऐसा करने के पीछे जो कोई सास बजूहात हो, उन को यहां पर रखा जाये। मैं इस बात का सस्त मुख्यालिप हूँ कि गवर्नरेंट जो बातें प्राइवेट कम्पनीज पर आयद करना चाहती है, उन को वह अपनी कम्पनीज, कार्पोरेशनज या दूसरी संस्थाओं पर आयद नहीं करना चाहती है। अभी यह शिकायत की गई कि गवर्नरेंट की कार्पोरेशनज वर्गेरह पर पब्लिक का और इस हाउस का काफी कंट्रोल नहीं है। यह शिकायत नई नहीं है, पुरानी है और यह शिकायत दृस्त है। हमारे पुराने फाइनेंस मिनिस्टर साहब, श्री सी० डी० देशमुख ने साफ़ लफजों में कहा था कि हमें कोई ऐसी तरकीब निकालनी पड़ेगी कि गवर्नरेंट कार्पोरेशनज और दूसरी ऐसी संस्थाओं पर इस हाउस का कंट्रोल हो। मैं नहीं जानता कि गवर्नरेंट ने इस तरफ़ कितनी तरकीब की है, लेकिन मैं अर्ज करूँगा कि जहां तक इंडस्ट्रियल फाइनेंस कार्पोरेशन का सवाल

पंडित ठाकुर दास भार्गव

है, उस के मुतालिक इस हाउस में बहुत दफा ऐसी सल्ल तनकीद की गई है कि गवर्नें-मेंट को चाहिये कि वह इस रिपोर्ट को इस हाउस में ऐवेलेबल करे, ताकि उस पर अच्छी तरह से बहस की जा सके। जैसाकि मैं ने अभी अर्ज किया है, जब गवर्नेंमेंट ऐसी प्रोसीजरल तब्दीलिया करना चाहे, तो उस को चाहिये कि वह इस हाउस को यह एक्स-प्लेनेशन दे कि ये तब्दीलियां क्यों चाजिब हैं। लेकिन आनरेबल फाइनेस मिनिस्टर साहब ने इस बारे में एक लफज भी नहीं कहा। अगर गवर्नेंमेंट कोई चेंज करना चाहती है, तो उस का यह फर्ज है कि वह मेम्बर भावान को वे वजूहाव बताये, जिन की बिना पर वह तब्दीली जरूरी है। यही भुनासिब तरीका है। लेकिन ग्रागर गवर्नेंमेंट यह डिक्टेटोरियल एटीच्यूड अपनाये कि चूंकि गवर्नेंमेंट यह चेंज करना चाहती है, इसलिये यह हाउस उस को मान ने, तो वह नामुनासिब है और हम उस से भुक्तिकृ नहीं हैं। हाउस अपने अस्तियारात को मारटेंगे नहीं करना चाहता है। जब तक इस के मुतालिक वजूहाव हम को नहीं बताई जायेगी, हम मुतमीयन नहीं होंगे।

डांग साहब की तकरीर में ने बड़े शोक और बड़ी तबज्जह के माथ सुनी, लेकिन उस से मुझ पर वह असर न हुआ, जोकि वह हाउस पर डालना चाहते थे। इस की बजह यह नहीं है कि जो रीजनिंग उन्होंने ने दीं, उस को मैं बुक्त नहीं देता, लेकिन मैं अर्ज करना चाहता हूँ कि सिफ़े एक बात पर ही और दिया गया और दूसरी बातों की तरफ़ तबज्जह नहीं दी गई। उन की तकरीर का बो सुन्ने-सवाल है, उन को जो रीजनिंग है, ग्रागर उस को भौजूदा हालात की रौप्यनी में देखा जाय, तो हम पर उस का इतना असर नहीं होता है और डांग साहब मुझे भास्क फरमायेंगे, मैं भी उस से मुतासिर नहीं हूँगा हूँ।

उंगे साहब ने कहा कि दूसरे मुल्क हम को कर्ज नहीं देना चाहते हैं, लेकिन वे प्राइवेट सेक्टर में यकीन रखते हैं और गवर्नेंमेंट से गारण्टी ले कर वे प्राइवेट सेक्टर को रुपया देना चाहते हैं। मुझे इस पर क्रिटिसिज्म करने की ज़रूरत नहीं है। उन की राय दुस्त हो सकती है। गवर्नेंमेंट्स क्या करती है, किस गुर्ज से करती हैं, मुझे इस में दखल देने की ज़रूरत नहीं है। शायद वे गवर्नेंमेंट्स हिन्दुस्तान के पब्लिक सेक्टर की तरकी नहीं देखना चाहती है। शायद वे इस सवाल को पोलीटिकल नुकसा-एनजर से देखती हैं। वे क्या करती हैं, मैं इस में दखल नहीं दे सकता हूँ और न ही मैं उन को कोई खास रास्ता अस्तियार करने पर भजबूर कर सकता हूँ। हमारे मुल्क के सामने फ़ारेन एक्सचेंज की जो डिफ़िकल्टीज़ हैं, मैं चाहता हूँ कि दूसरे मुल्क उस में हमारी मदद करे और वह मदद भी ऐसी न हो, जैसेकि किसी भिखारी को कुछ दे दिया। हम जानते हैं कि दृनिया के सारे मुल्कों ने मोके-ब-मोके दूसरों से मदद ली है। यह कोई शर्म की बात नहीं है। सब मुल्कों में ऐसी ही तरकी हुई है। कहीं पर शिपलोड़ ज्यादा गये और कहीं पर कम गये, लेकिन मदद सब को मिली। मैं इस बात को नहीं समझता हूँ कि जो कोसे —जो रास्ता—इस बिल में दिया गया है, उस को मानने से हमारी पालिनी में किस तरह मेरे चेंज हो जायगा और हम को क्यों यह नहीं मानना चाहिये। जहां तक गवर्नेंमेंट का ताल्लुक है, वह प्राइवेट और पब्लिक, दोनों सेक्टर्ज़ की तरकी चाहती है और यह बात वह बहुत दफा कह चुकी है। उस ने कहा है कि देश को इंडस्ट्रियलाइड करने के लिये दोनों सेक्टर्ज़ को तरकी करना ज़रूरी है, क्योंकि देश का भला दोनों से हो सकता है। हम चाहते हैं कि अब्दल हमारे पब्लिक सेक्टर में तरकी हो और प्राइवेट सेक्टर में भी तरकी हो, लेकिन हम यह ज़रूर नहीं चाहते कि पब्लिक

सैक्टर के एक्सपैंस पर प्राईवेट सैक्टर की तरफकी हो या प्राईवेट लोग कायदा उठायें और पब्लिक सैक्टर में नुकसान हो। गवर्नर्मेंट ने अपनी इंडस्ट्रियल पालिमी में दोनों सैक्टर्ज के प्राविस्त को डिफाइन कर दिया है। बहुत सी ऐमी जीजें हैं, जिन में प्राईवेट सैक्टर पब्लिक सैक्टर के कम्पोनीशन में नहीं आ सकता और उनका आपस में कान-फिलक्ट नहीं है। अगर प्राईवेट सैक्टर को कायदा होगा, तो पब्लिक मैक्टर का नुकसान होगा, यह सोचना ठीक नहीं है।

दूसरे मुल्क प्राईवेट मैक्टर को कर्जा देना चाहते हैं और इस गवर्नर्मेंट की गारंटी चाहते हैं। अगर यह दुरुस्त है तो मानना होगा कि इस तरह प्राईवेट मैक्टर को कजं मिल जायगा और गवर्नर्मेंट को इस बजं के लिये फारेन एक्सचेंज नहीं देना पड़ेगा। लेकिन उस हद तक, जिम हद तक गवर्नर्मेंट को फारेन एक्सचेंज दूसरे मुल्कों को नहीं भेजना पड़ेगा, वह फारेन एक्सचेंज इस मूल्क के कामों में आयगा और दूसरे मुल्क जो क्रेडिट देंगे, गवर्नर्मेंट को कायदा होगा। मरुचा साहब ने करमाया कि गवर्नर्मेंट का यह फर्ज है कि वह फारेन एक्सचेंज भुहैया करे। गवर्नर्मेंट की जो डिफिकल्टीज हैं, हम उस में शरीक हैं—वे हमारी डिफिकल्टीज हैं। जहां तक प्राईवेट मैक्टर का नाल्टुक है, अगर उस के पास कैपिटल हो, तो गवर्नर्मेंट को फारेन एक्सचेंज प्रोवाइड करना चाहिये। जिन के पास रुपया है और उन को फारेन एक्सचेंज नहीं मिलता है, तो इस में प्राईवेट मैक्टर का क्या कुसूर है। अगर गवर्नर्मेंट नेशनल इंट्रेस्ट को देख कर कोई गारंटी करती है तो क्या गुनाह करती है। दफा ६ में लिखा है कि सिर्फ उन्हीं सूरतों में, जिन में एप्रूवल आफ दि सेंट्रल गवर्नर्मेंट होगी, यह गारप्टी दी जा सकेगी। यह सेफगार्ड रखा गया है, इसलिये कोई नाप-साइडिंग तरफकी होने का अनदेशा नहीं है। गवर्नर्मेंट जिस को नेशनल इंट्रेस्ट में समझेगी, उस सूरत में इचाजत देगी। डांगे साहब

ने करमाया कि इस में यह निखा जाय कि एप्रूवल उस सूरत में दी जायगी, जबकि पब्लिक मैक्टर की पूरी मैटिमफेशन हो जायगी कि उस का नुकसान नहीं होता है। मैं अब तक चाहता हूं कि यह बात तो इस में पहले से ही मौजूद है। अगर कोई मुझ से एप्रूवल मांगे, तो मैं उसी सूरत में दूंगा, जब मैं देखूंगा कि यह नेशनल इंट्रेस्ट में है और पब्लिक मैक्टर को इन में नुकसान नहीं पहुंचता है। गवर्नर्मेंट इस बात को इचाजत कभी नहीं देगी कि पब्लिक मैक्टर के एक्सपैंस पर प्राईवेट मैक्टर को कायदा पहुंचाया जाय।

श्री शिं अ० डॉ : ऐसा किया है आज तक। कामने पाइ इंडस्ट्रीज मिनिस्ट्री की रिपोर्ट देखिये।

प्रिंसिपल ठानूर दास भार्गव : अगर आप किसी सास जीज का जिक्र करते तो आप को उस का जवाब मिल जाता। लेकिन आप का जो क्रिटिसिजम है उस का जवाब तो इस के अन्दर मौजूद है। यहां पर जो गवर्नर्मेंट की एप्रूवल की बात रखी गई है उस का क्या मतलब है। दूसरा क्रिटिसिजम आप का यह है कि गवर्नर्मेंट ने गलतियां की हैं। इस के बारे में मैं यह नहीं कहता कि गवर्नर्मेंट ने गलतिया नहीं की है। उस ने गलतियां की होगी। मैं गवर्नर्मेंट के बिहाफ पर इस बारे में विकालत नहीं करना चाहता। लेकिन मैं यह जानता हूं कि जो प्राविज़न इस के अन्दर रखा गया है वह फूलभूफ है। अगर गवर्नर्मेंट ने किसी किस्म की गलती की है वह उस का जवाब देगी।

अब मैं दफा ८ की तरफ आता हूं। इस दफा का जो राशनेल है उस को मैं अभी तक समझ नहीं पाया हूं। मैं चाहता हूं कि गवर्नर्मेंट इस को मुझे समझाये। अगर गवर्नर्मेंट किसी प्राईवेट परसन को फारेन एक्सचेंज नहीं देती है तो उस का जो नुकसान आज तक हुआ करता था उस को गवर्नर्मेंट ही भुगता करती थी लेकिन आज इस नुकसान को गवर्नर्मेंट दूसरों पर ढासने जा रही है।

[विदित ठाकुर दास भार्गव]

इस चीज को मैं नहीं समझ पाया हूँ। आज हमारे यहा प्राइवेट और पब्लिक सेक्टर हैं। जहा तक पब्लिक सेक्टर का ताल्लुक है मैं इस के हक मे रहा हूँ और आज भी हूँ। मैं यह समझता हूँ कि जब तक पब्लिक सेक्टर इम्प्रूव नहीं करेगा, हमारी कोई भी चीज इम्प्रूव नहीं कर सकती। लेकिन इस में मैं कोई जस्टिफिकेशन नहीं पाता कि गवर्नमेंट के फेल की बजह से, गवर्नमेंट के काम की बजह से अगर किसी को फारेन एक्सचेंज नहीं मिलता है जबकि उस के पास हयाता है, उस के पास एसेट्स हैं, उस का लमियाजा द्रूमरो को भुगतने के लिये मजबूर किया जाय। यह गवर्नमेंट किसी की मुफ्त में गारंटी करने नहीं जा रही है। गवर्नमेंट उस की सिक्योरिटी लेगी, उस के बाद कुछ पैसा लेगी और इस में यह साफ तौर पर निल्ला हुआ है कि आन सब टर्म्स एंड कंडिशन गवर्नमेंट गारंटी देगी। आप जानते ही हैं कि बेकम कैसे गारंटी करते हैं। गवर्नमेंट तो एक मुश्खाहिदा करेगी। गवर्नमेंट उसी सूत्र में गारेटी करती है जब वह देख लेती है कि जो एसेट्स हैं वे सिक्योर हैं, वह इतना पैसा उस को देगी, उस को इतना फायदा होगा। आज हम देखते हैं कि चार चार बरस की डेफैंड पेमेंट्स की जाती है। अगर इन डेफैंड पेमेंट्स को आप देखते तो आप को पता चलेगा कि किस कद्र हैवी रेट आप इटिरेस्ट चार्ज किया जाता है। यह इतना ज्यादा होता है कि प्राइवेट सेक्टर की जान निकाल देता है। डेफैंड पेमेंट्स जिन टर्म्स के ऊपर होती हैं वे अनकाशनेबल हैं। यह नभी होता है जब फारेन मैनफैक्चरर्स यह देखते हैं कि हम फारेन एक्सचेंज से नहीं सकते हैं। जब फारेन एक्सचेंज गवर्नमेंट ने देना है और किर कोई फलक्कुएंगां हो जाने हैं जिन पर कि प्राइवेट सेक्टर वालों का कोई कंट्रोल नहीं है तो सबाल पैदा होता है कि रिस्क कौन ले। गवर्नमेंट का अगर इस में कोई

कम्प्यूटर न हो तब तो बुस्ती बात है। उस सूत्र में यह प्राइवेट सेक्टर का फर्ज है कि वह पेमेंट करे। अगर गवर्नमेंट का इस से कोई वास्ता नहीं है कि वह फारेन एक्सचेंज दे तो यह बात सही है कि इस का जो सास होगा उसे प्राइवेट सेक्टर को ही बदाइत करना होगा। लेकिन गवर्नमेंट डेफैंड पेमेंट्स करती है और ये जो डेफैंड पेमेंट्स हैं वे गवर्नमेंट की पालिसी से ही निकली हैं। गवर्नमेंट ने ही इन डेफैंड पेमेंट्स की तरकीब निकाली है और मैं समझता हूँ कि यह सही तरकीब भी है। लेकिन एक आदमी अगर फैक्ट्री लगाना चाहता है और वह फैक्ट्री सगा नहीं सकता है जब तक कि डेफैंड पेमेंट्स न हो तो नवर्नमेंट उस को कहती है कि अगर पलक्कुएंशन हुई तो तुम्हारी फैक्ट्री बिक जायगी, इस के अन्दर तो मूल्य कोई सही चीज मालूम नहीं देती। आज तक इस किस्म के रिस्क को गवर्नमेंट बदाइत करती रही है और अब वह इसे द्रूमरो पर ढालने जा रही है, यह क्यों और किस बजह से किया जा रहा है यह मेरी समझ में नहीं प्राया है। गारेटी गवर्नमेंट की मर्जी से ही दी जा सकती है, उसके बिना नहीं दी जा सकती। कोई यह नहीं कह सकता कि आप को गारंटी देनी ही होगी क्योंकि फारेन एक्सचेंज इस के बिना नहीं मिलती है। यह गारंटी गवर्नमेंट की मर्जी से, उस के साथ काट्रेक्ट कर के, उस के फेल की बजह से, उस की एप्रूवल में ही दी जायगी। जब यह बात है तो प्राइवेट सेक्टर वालों का ब्या कम्प्यूटर है कि आप उन को मजबूर करें कि जितनी भी उस की पलक्कुएंशन होगी, जिस में कि उन का कोई हाथ नहीं है, जिस को कि वे कंट्रोल नहीं कर सकते हैं, वे इह के जिम्मेदार हो। मैं आहता हूँ कि गवर्नमेंट अगर इस के बारे में कोई और रीजनिंग दे तो ही में कल्पित हो सकूगा, वर्ता नहीं।

अब सबाल यह पैदा होता है कि गवर्नमेंट गारंटी दे या न दे। हमारे दांगे साहूद

ने तो गारंटी देने के बरिलाफ ही कहा है। मैं अब करना चाहता हूँ कि जोकि इंस्ट्रियल फाइनेंस कारपोरेशन की पुरानी हिस्ट्री को देख कर मुझ को तो यह लगता है कि पता नहीं कि गवर्नमेंट कहां तक जायगी और कहां तक नहीं जायगी। पिछले दो सालों का हाल मिनिस्टर साहब ने बताया है और कहा है कि अब दस करोड़ की इन-बेस्टमेंट है और इस मर्तबा सबा दो परसेंट मुनाफा देने जा रहे हैं, उस से तो कुछ तमस्सी होती है और ऐसा भहसूस होता है कि शायद इस ने कानून टने कर लिया है। लेकिन जहां तक पिछले चन्द्र सालों की हिस्ट्री का ताल्लुक है उस से तो यही पता चलता है कि बड़ी बेरहमी के साथ रुपया जाया किया गया है। जिनने भी डाउटफुल डेट्स हैं उनको अगर हम देखें तां पुजे डर लगता है कि अब जो अखत्यार हम गवर्नमेंट को देने जा रहे हैं उन को ठीक तरह से अम्ल में लाया जायगा या नहीं। हमें पता नहीं कि जिन के हाथ में हम यह ताकत देते हैं वे उसका ठीक तरह से इस्तेमाल करेंगे या नहीं। मैं तो हमेशा डरता रहता हूँ कि गवर्नमेंट को जहां तक बिजिनेस का सबाल है, बिजिनेस करना नहीं आता। जो भी बिजिनेस गवर्नमेंट के हाथ में है उस में से किनी के अन्दर भी हम ने कायदा नहीं देखा है। मुझे डर है कि गारंटी के मामले में गवर्नमेंट कही ऐसे केसिस में न फंस जाय कि लेने के देने पड़ जाये। मुझे पता नहीं कि कौन सी टर्म्स एंड कंडिशंस गवर्नमेंट ने रखी हैं। मैं चाहता हूँ कि गारंटी उसी गूरत में दी जाय जिस में कि पब्लिक रुपये के जाया होने की सम्भावना न हो।

अन्त में मैं इतना ही कहना चाहता हूँ कि इस बिल को हमें सिनेकट कमेटी में भेजना चाहिये था। वहां पर सारी बातें खुलतीं और पता चलता कि गवर्नमेंट क्या चाहती है और क्या नहीं। बदकिस्मती से इतने बहरी बिल यहां पर रखे जाते हैं

और हम से यह चाहा जाता है कि हम इन को तीन घंटे के अन्दर पास कर दें। पता नहीं क्यों इतनी जल्दी की जाती है। मैं चाहता हूँ कि हर एक मामले में जिस के अन्दर किसी प्रिसिपल का सबाल आता हो, सिलेक्ट कमेटी में भेजा जाना चाहिये। वहां पर उस मामले की अच्छी तरह से घेश आउट किया जाना चाहिये। श्री डागे ने कुछ एक बातों का जिक्र किया है। उनकी दलीलों में कितना बजन है, इसको हो सकता है कि मैं न समझा होऊँ और उनका मैं जवाब नहीं दे सका हूँ। हो सकता है कि उनकी दलीलों का सिलेक्ट कमेटी में कुछ असर पड़ता और उन पर उचित विचार किया जाता। अगर इस बिल को बहा रखा जाता है तो वहां पर इसके सारे प्रास एंड कांस पर विचार हो सकता है और यह देखा जा सकता है कि आया यह ठीक है या गलत है। यहां पर एक मिनट में इस तरह से ऐसे बिलों का फैसला हो जाता है जैसे इन का कुछ महल्ह हो नहीं। करोड़ों और अरबों रुपये यहां पर इनवाल्ड हों उम का तीन घंटे के अन्दर फैसला कर देने से दिली दुख होता है। अगर इस को सिलेक्ट कमेटी में भेज दिया जाता तो कोई गजब नहीं हो जाता।

इन अलफाज के साथ मैं एक बार फिर यह दोहराना चाहता हूँ कि गवर्नमेंट पुरानी हिस्ट्री को रिपोर्ट न करे और पब्लिक मनी का ठीक ठीक सेफाराइ करे। और जहां तक रिस्क का ताल्लुक है, मैं अब तक नहीं समझा कि गवर्नमेंट इसकी डिमेदारी क्यों दूसरों पर डालती है। इस के बारे में गवर्नमेंट अगर कोई बेहतर रीजनिंग बतायेगी तो मोचा जा सकता है।

15 hrs.

Shri Sadhan Gupta (Calcutta—East): Mr. Deputy-Speaker, Sir, this Bill seeks to introduce amendments dealing with three principal subjects. I am not concerned with other minor

[Shri Sadhan Gupta]

matters but I am very much concerned with three principal matters which are being sought to be brought in by the amendments. First of all, the question of guaranteeing deferred payments by the Corporation; secondly, the question of enhancing the borrowing powers and thirdly the question of granting the Corporation power to advance loans on inadequate security on the guarantee of the Central and the State Governments.

Whichever of these matters we may consider, we have to consider them in the background of the working and the behaviour of the Industrial Finance Corporation in the past. We have to consider whether it will make the financial success of the new powers provided or what it is likely to do with the powers provided.

If the Corporation had functioned properly, it might have done a great service to the country. It is undoubtedly a fact that although there is much controversy between us about the extent to which the public and the private sector should flourish in this country, we have, for instance, on this side, held that the public sector should be by far the dominant sector and the private sector should play a very minor part in the industrial development of this country. But even then, the private sector would be there anyhow and if the Industrial Finance Corporation had functioned properly, it might perhaps have played a valuable role in assisting the private sector to healthy development. If it regulated its loan policy with reference to the priorities of the industries necessary for our country, if it regulated its loan policy in a non-discriminatory manner and in particular followed the policy of discouraging the growth of unduly large industrial concentrations, if it did all this, it would certainly have done a very useful job. But, by its very constitution it is incapable of doing it. I should say it is constitutionally incapable of doing it, because it has gone into the grip of a small capitalist group who are utilising it for their own ends.

We are aware of the past scandal which has been unearthed in regard to this Corporation. We all know how a few directors of the Corporation took a substantial part of the loans of the Corporation for industries in which they were interested, for industries which did not prove very successful on the whole and in some cases landed the Corporation into very great financial losses. We all know it.

Also, as Shri Morarka has pointed out, it has been the tendency of the Corporation to grant big loans to a few industrialists so that the growth of monopolistic tendencies has been encouraged by this Corporation. Therefore, it has been used by the capitalist groups in control of the organisation more as an instrument for looting the money provided by the Government than as a contribution to industrial development and a healthy assistance to the growth of our industries.

In the circumstances, is there any wonder—can we wonder—that it will not make a financial success of the new powers provided? Already, it has written off Rs. 50 lakhs as bad debts. That is quite a heavy amount and there is no wonder, because I believe it involves such concerns as the Sodepur Glass Works and other concerns to which loans have been granted not on financial considerations but on other considerations. Under these circumstances, can we trust them with such enlarged borrowing powers, with the power to grant loans on inadequate security on the guarantee of State and Central Governments, or most of all, with the power to guarantee deferred payments?

If it enjoys such enlarged borrowing powers and borrows to that extent, it is quite likely—and if it grants loan assistance on inadequate security—its financial stability will be jeopardised and the Central Government or the State Governments will be ultimately

called upon to make good the losses at the expense of the tax-payers. It is not an idle fear. It is a fear born out of the experience of the past working of the Corporation, and the way the authorities of the Corporation had behaved in the past.

Under these circumstances, should we grant them such enlarged borrowing powers? Should we allow them to grant assistance on inadequate security? If there is any difficulty about the borrowing powers we might extend them slightly. For example, the Statement of Objects and Reasons says that there are Rs. 5 crores more to be advanced by the Central Government and together, it will make only Rs. 26 crores, whereas now, it can borrow only Rs. 25 crores 27 lakhs. We might extend it to, say, Rs. 30 crores. If we did so, the requirements for the Second Plan period would be covered, and we could consider the matter for the third Plan period in the light of the experience of the working of the organisation. If we found that the organisation had worked properly, we might not grudge giving it enhanced borrowing powers. If we found that the organisation had worked in such a manner that it has made a financial success of its ventures, that it has granted loans on a proper basis, both economic and social, we might consider giving them enhanced borrowing powers, but why need we extend the borrowing powers up to Rs. 50 crores 55 lakhs or more? Why should we do that, when plainly on the face of the working of the Corporation, it is a dangerous thing to do and might seriously affect its stability?

I come to the question of lending on inadequate security. The past working of the Corporation reveals that it has shown a tendency of favouring certain groups mostly connected with itself in the granting of loans. We may be excused for assuming that it is the same policy that will continue and the industries that will receive assistance on inadequate security will be connected with certain big capitalist

groups. We also know that it is not difficult for such groups to manage in a way that the State Government gives them a guarantee for the loan on inadequate securities.

We have seen many instances. I know one instance where one such group, one concern, belonging to a big capitalist house sought land requisition for a soda ash factory and the State Government had acquired it from the local peasantry at a ridiculously small compensation. When the peasants protested and offered peaceful satyagraha—I have seen it myself—they brought pressure and tried to break the peasants' resistance. In that case, in spite of the market price being Rs. 2,000 per acre of very fertile land, what was offered was only Rs. 700 or Rs. 800 an acre. So, the big capitalist houses can make arrangements with the State Government. It is not very difficult for them. Therefore, from these provisions, we are afraid that only the big industrialists will benefit and the smaller industrialists, who need to be encouraged in the industries in the interest of the country, in the interest of equitable distribution of wealth in society, will not succeed in getting the loans under these provisions. Therefore, I do not think it will be a very healthy provision to incorporate in the Act.

The last point is about the guarantee. My leader has dealt with the matter very fully. I want to point out some of the dangers that occur to me on the basis of past experience of its working. What is contemplated is that the Industrial Finance Corporation will guarantee deferred payments by capitalists who would contract with foreign exporters to import machinery. The first point, of course, arises whether those machineries will be necessary for the purpose of our Plan. When we are facing such a desperate shortage of foreign exchange, we cannot allow every kind of machinery to be imported irrespective of the needs of our Plan. So, the first question will arise whether such imports will be necessary for our Plan

[Shri Sadhan Gupta]

or whether the capitalist concerns who contract to import machinery will just obtain guarantee from the Industrial Finance Corporation for anything.

The second thing which worries us is that it may involve the Industrial Finance Corporation into a double jeopardy. It may be that the person concerned will manage to take a substantial credit from the Industrial Finance Corporation and then float an industry and then have his imports guaranteed. That way double jeopardy may occur. From the past experience of its working, it seems to me that this is the thing that will happen if the Industrial Finance Corporation is allowed to guarantee these deferred payments.

The answer that may be given to this is that it is protected by the provision for prior approval of the Central Government. We are not reassured even by that, because we have seen how the Central Government, instead of trying to bring the authorities of the Corporation to book, try to whitewash the misdeeds of the authorities of the Corporation even by misinterpreting the report of the Committee presided over by our colleague, Mrs. Sucheta Kripalani. We had a debate in the last Lok Sabha about this and anyone who read the report was perfectly clear that although it was couched in very moderate terms, yet there was no doubt as to what the verdict of the committee was. Even on the face of it, the Central Government maintained that the verdict was otherwise and tried to whitewash the misdeeds of the authorities. Even the Chairman of the Committee, Shrimati Sucheta Kripalani, participated in the debate and left no doubt as to what the verdict was. Even on the face of her clear interpretation, the Government maintained that it was different.

This tendency to whitewash the misdeeds of the authorities fills us with great apprehension that the provision as to the prior approval by Central Government of the guarantee to be given by the Corporation as a matter of fact will not in practice

operate as a safeguard, but might be used to cover up the misdeeds of the Corporation and that must be prevented. Under these circumstances, we have to voice our opposition to these principal clauses and therefore, we urge upon the Government at least to introduce amendments by which the guarantee will be restricted to essential imports of capital goods which are necessary for the furtherance of our Plan and secondly which will cast an obligation on the Central Government to examine fully the kind of imports made and in particular, where the imports are being made by a small group of capitalists whether the guarantee will be a financially sound guarantee. Unless these at least are incorporated in the Act, we are unable to support the Bill and to continue our opposition to it.

Shri T. K. Chaudhuri: Mr. Deputy Speaker, much has been said about the subject of deferred payment. To my mind it is not the principle of deferred payment which is in question here, because it is already a settled policy of Government to encourage deferred payments in regard to the import of capital goods.

The question that we need consider here very seriously is whether it is proper for an institution like the Industrial Finance Corporation to guarantee such arrangements between private parties in our country and private parties in foreign countries. If I understand aright, the Industrial Finance Corporation is in the nature of an industrial bank. Its activities should be guided by sound banking principles. Its investments and its commitments should be guided by those principles alone and no other. The Government and the Corporation authorities said as much when their investment policy was questioned in the past. When the wisdom of particular investments were questioned, they said that these investments were made from the point of view of sound banking investments and nothing else. I would like the Government to

consider whether it is at all proper or feasible for an institution like the I.F.C. to guarantee such deferred payment arrangements.

I may mention here that the State Trading Corporation has very recently entered into an agreement with private Japanese exporters of textile machinery for deferred payment in regard to textile machinery that would be imported by our textile industry. I don't have the details of that agreement here but, if my information is correct, the State Trading Corporation has already offered certain guarantees as regards the ultimate payment of the loans or credits thus granted by the Japanese textile machinery exporters. Why could not the Government think of the State Trading Corporation or some such other institution for this purpose? Mr. Morarka mentioned that there was some suggestion for a Deferred Payment Guarantee Corporation. There should be some such special institution. Why the Industrial Finance Corporation should be called upon to take up this responsibility is beyond my comprehension. If the Government agrees that the I.F.C. is in the nature of a banking institution, then it should not be called upon to undertake such commitments. That is the first point that I want to emphasize.

15.24 hrs.

[**SHRI MOHAMED IMAM** in the Chair]

Secondly, with regard to the increase in the borrowing powers of the Corporation, it is very much related with the question how the I.F.C. has worked up till now. Of course, we didn't have the time to go into the report on the working of this Corporation in some detail.

But a cursory glance of this report has brought to my notice certain things which are rather intriguing. I will just refer to the terms granted to some firms. For example, loans have been granted to the Indian Explosives Limited, who are starting a heavy chemical and explosive factory in the Hazaribagh district of Bihar. The

actual party concerned is the Imperial Chemical Industries of India. Do the Government or the Corporation want us seriously to believe that this is how the investment policy should be implemented or loans should be disbursed? Were the I.C.I. really very much in need of this loan? One may even question the wisdom of granting them this concession of opening a heavy explosive factory in India. We all know who are the I.C.I. people. We have granted a concession to the biggest monopolist concern of Britain, whose subsidiaries I.C.I. India Limited are. We have helped them with a loan to the extent of Rs. 1-1/2 crores and the Government want us to believe that this company was in very bad straits and they could not have been helped out of the difficulty had we not helped them with this loan.

Shri V. P. Nayar: They should have first stopped their remittances and then applied for a loan.

Shri T. K. Chaudhuri: This then is our loan disbursement policy. Then there is another firm—Messrs Sen-Raleigh and Company. They have been given an additional loan of Rs. 15 lakhs. They have already been given accommodation up to Rs. 38 lakhs. This Messrs Sen-Raleigh and Company, really speaking, is not an Indian company. It is a subsidiary of the famous Raleigh firm of Great Britain, who own a sizable sector of the British heavy industries. They have opened a subsidiary company here. They have recruited some Indians and put them in charge of the company formally. I have no quarrel with Messrs. Sen-Raleigh and Company. But, why should we and the Corporation go out of the way to help these companies with this kind of accommodation passes my comprehension.

There are other companies as well. I find there is a machinery manufacturing corporation run by Messrs Mahindra and Mahindra. We were given to understand that the I.F.C. was started to meet the long-term and medium-term credit needs of small businessmen, people who cannot

[Shri T. K. Chaudhuri]

always find the money necessary to invest or expand their business. But, in spite of that, we find that the top-most capitalists of our country, not only the top-most capitalists of our country but the top-most capitalists of foreign countries and their subsidiaries, are being helped by this institution. I also find that a glass company in West Bengal has been given quite a sizable loan. That is run by Messrs Bharath Ram & Sons. I do not want to go into past history, but we at least know this much that Messrs Bharath Ram and Lala Sri Ram who was the original Chairman of this Corporation and during whose regime so many complaints were lodged, are closely related. I do not know how again this Messrs Bharath Ram managed to get a loan.

Shri V. P. Nayar: Bengal Potteries—20 lakhs

Shri T. K. Chaudhuri: Then I find another European firm, Messrs Holms Wilson & Co., Managing Agents, Britannia Building & Iron Co., Ltd., were also granted a loan of Rs. 15 lakhs.

Now this is the way that this Corporation is being run. It almost passes everybody's comprehension how after so much of criticism, so much of enquiry, this kind of thing can happen. And the Government has the cheek to come once again and say that these loans are becoming very popular, there is need for industrial expansion in the country, there will be considerable industrial activity in the country in the coming years and so we must increase the borrowing capacity of the Corporation. Of course, these loans are becoming very popular, very popular with Messrs Imperial Chemical Industries, very popular with Messrs Sen-Raleigh and Mahindra and Mahindra and they would always try to thrive at the cost of the public exchequer. I think, Sir, that a stop should be put to this kind of activity and the House should be given another opportunity to probe into the activities of

the Corporation, to scrutinise the loans that have been advanced. Questions have been put from time to time, but it seems nothing much has changed.

With these words, Sir, I oppose the specific clauses which relate to these amendments.

Shri Harish Chandra Mathur (Pali): Mr. Chairman, the obvious purpose of this Bill is to enlarge the scope of the Industrial Finance Corporation. In the Statement of Objects and Reasons the opening sentence is this:

"as a sequel to rapid industrialisation of the country under the Second Plan, heavy import of capital goods by industrial concerns is necessary."

Mr. Chairman, in this country, outside this House, anything can be done in the name of religion and in this House anything can be done in the name of the Second Five Year Plan.

Now it is to fulfil the purposes of the Second Five Year Plan that we are told that this sort of power must be given to this Corporation so that industrialisation by the private sector could be stepped up, so that difficulties and obstructions in the way of industrialisation by the private sector could be removed, so that the foreign exchange difficulties which are our greatest headache could be removed. If I could rely on the various press reports and the information on this point doled out in responsible papers, we find that even by now the private sector has gone farther than the targets laid down for industrialisation by the private sector in the Second Five Year Plan. As a matter of fact, we have been given a feeling that our foreign exchange difficulties have been the result of manoeuvrings by the private sector. When the last Development Council meeting was held here in this capital, I think the matter was discussed there and if the reports that have appeared in the papers are correct, we find that investment in the private sector has substantially

exceeded the Second Five Year Plan target; against the target of Rs. 720 crores during the five years the investment may now be Rs. 850.

This information is believed to have been conveyed to the Standing Committee of the National Development Council on the eve of the two-day meeting here. What is more interesting is that this investment will most probably be completed by the end of the current financial year.

Now, if this report is correct, the very purpose for which this Bill has been brought forward is taken away. I am not against the private sector at all. I believe the private sector has an honoured place in the economy of this country. I trust that the private sector must be given all the necessary assistance. But I would certainly oppose vehemently the private sector sabotaging the Second Five Year Plan, and the facts which are before us lead us to believe that most of our foreign exchange difficulties are because of the private sector managing somehow to get all the import licences during the last two years of the First Five Year Plan.

It was explained to us here by the hon. Finance Minister that these licences had been issued, thus foreign exchange had been given not for the consumer industry maybe true to a certain extent. But what was explained was that it was only for developmental purposes for industrial expansion. Even if I accept that, Sir, industrial expansion by the private sector at the cost of the Second Five Year Plan, at the cost of the public sector cannot be permitted. And now we are taking a step further to step up the private sector to get further foreign exchange.

If we have followed the reports which have appeared in the Press in relation to our Industrialists' visit to foreign countries, they have been telling all the time that all sorts of foreign assistance is likely to be available from U.S.A. as well as from West Germany, provided this Government

behave well. It is most unfortunate that these people should be permitted to create such a vicious atmosphere and to coerce the Government into certain line of action. Government has behaved exceedingly well; Government has as a matter of fact been generous to the private sector, but let us see whether the private sector has behaved properly and whether the private sector has behaved well or not.

Again, if these facts which I have given are correct, we find that the private sector has behaved very shabbily. So many speakers who have preceded me have very strongly criticised the Industrial Finance Corporation. We had an occasion in the previous Parliament to criticise the working of this Corporation. And though Government put forth all sorts of defence in the beginning when the facts were doled out, Government were compelled to institute an enquiry and we all know what the result of that enquiry was. Even subsequent to that several facts have come to our notice. Some facts have been given by Mr. Morarka; other facts have been given by friend on the Opposition, which go to make out that the Industrial Finance Corporation has not behaved well, has not functioned well.

We have abolished in this Union of ours seven hundred princely States; but it appears we have created another princely State in the name of these autonomous corporations and autonomous bodies which have been behaving so shabbily as has been pointed out from time to time on the floor of this House as well as from outside. Now, in view of the fact that the Industrial Finance Corporation, to which we want to give all this assistance, has not behaved well in view of the fact that the private sector itself has not behaved well, and by various means they have been wanting to create a sort of atmosphere here against the Second Plan while taking all advantage which is not their due, and in view of the fact that the very purpose for which this Bill

[Shri Harish Chandra Mathur]

has been brought forward does not demand any further assistance to the private sector, I find it extremely difficult to justify and support the present measure before us.

In spite of all that I have said, I would certainly be prepared to give all these powers and to make all these amendments because they are quite good and there is nothing to be said against them. All that I say is that the powers that are there have not been used properly, allowing abuses both by the private sector and the Industrial Finance Corporation, and as I have just now pointed out, the facts reveal very clearly that such further stepping up by the private sector under the Second Plan is not justified. In spite of this, we would be prepared to enact these provisions, but these provisions must be enacted with a definite warning to the Government that the Government must satisfy this House and satisfy the people that this sort of behaviour both on the part of the private sector and the Industrial Finance Corporation will not be permitted and that necessary steps will be taken to put things on proper rails and in right channels.

My hon friend Shri Morarka who spoke with perfect logic and reason on all other points, raised an objection against the provision in clause 8, that all such guarantees need not be given with the approval of the Government. I think he was only contradicting himself when he said that, because he himself gave very good reasons, and he placed certain facts which led the House to believe that the Corporation had not behaved properly and that there ought to be a supervision over the working of the Corporation. But apart from those reasons, I think particularly now when we are in such difficulty about foreign exchange and when we have got to co-ordinate all our efforts in relation to the Second Plan this provision is absolutely essential, parti-

cularly because the Government must see what sort of industry is to be given assistance in respect of foreign exchange to secure capital goods. It must be all in relation to the Five Year Plan, it must be in relation to a particular programme before the Government which the Industrial Finance Corporation by itself will never be able to judge. The entire picture cannot be before it. The national development plan cannot be before the Corporation itself, it can only be before the Government, and therefore this provision must stay as it is.

Having said all this strongly, I cannot share the views put forward by Shri Dange. I think he was proceeding on absolutely wrong assumptions. His entire assumption was: all benefits to the private sector and all risk to Government. It proceeds on the assumption that Government would blindly, without any consideration, accept all liabilities and would sanction all loans and give all facilities. But, as has been pointed out, there is a definite provision in this Bill which leaves it entirely in the hands of the Government to take a decision. Government is not going to guarantee all bad loans. So, that apprehension and that assumption have got no ground or basis.

Then he gave the impression that it was the imperialistic countries, the capitalist countries that wanted to compel and coerce the Government to deviate from their studied policy regarding industrialisation in the public sector, and that it was only under that pressure that the Government has now come forward with these measures to give fillip and assistance to the private sector. I have no doubt that there may be some truth in the statement that other countries do not like the growth of our public sector. It may be true that certain countries may not like the essentially sound policy on which we are proceeding, particularly in respect of putting

up certain basic industries. It may not suit them. All this may be very correct, but I am not prepared to accept that it is as a result of the foreign tour of our Finance Minister and the team of industrialists and the hope that foreign assistance will be made available to this country in ample measure that we thought of these measures to let the private sector have its way. As a matter of fact, this Bill was here in our hands much before the Finance Minister left this country. It has nothing to do with his experience in foreign countries. It would be absolutely wrong to give an impression to the House that Government is working under any coercion, or that we are now, as he hinted very broadly, changing our policy in any material manner or in any fundamentals. Our policy obviously remains the same. Of course, we are working under certain compulsions, and as I have said, my only complaint is against the Industrial Corporation itself not working in a healthy manner and against the private sector not behaving properly so far as the Second Plan is concerned. If we pass this Bill, we will have to take note of the behaviour of our friends and not permit them to say that if the Government behaves well, foreign exchange would be made available, as many of our industrialists have been saying in the U.S.A., Germany and France. I have read the speeches of the various members of the industrialists' delegation saying that the Finance Minister has made an excellent impression, that they have gone and discussed matters with all people, that they have made an excellent impression, that those people are prepared to help us, but only it all depends on how the Government of India now behaves. The Government of India knows how to behave. They have been behaving properly, and they will continue to behave properly. It is for the private sector to understand their limitations and to act within their limitations because we want the private sector to play their proper role in the economy of this country.

We know that the private sector has a place and we cannot do away with the private sector in the present context and in the present economy. Therefore, it is not for the Government of India to take any warning or any caution from the private sector talking in those high tones, but it is for the private sector and for the Industrial Finance Corporation to take note and work properly, and it is for the hon. Minister to take effective measures, administrative as well as legislative if necessary, and to assure this House that there would be no cause for complaint left.

Shri Bimal Ghose (Barrackpore): I am not opposed to the main provisions of this Bill, but I should like to have some information in regard to certain matters, but before I come to the provisions of the Bill, I should like to say a word about our attitude towards the working of the Industrial Finance Corporation.

It is well known, as Shri Gupta had pointed out, that the Corporation had shown many failings in the past for which it has been criticised, but I believe it would not be fair to the Corporation to try to stultify its future activities for its past misdemeanours. What had happened in the past was taken note of in Parliament. A committee of enquiry was set up, its report was discussed and certain reforms were brought forward. There may still be deficiencies, I do not know, but we should try to remedy them. But I believe that if we have the corporation, then we must give the corporation the powers so that it can work efficiently and competently, and we should judge the corporation from that point of view. I believe in that context it is also necessary for us to say a word of praise to the corporation for having, for the first time, been able to make sufficient profits, to be able to pay the guaranteed interest without obtaining any subvention from Government. I do not say—I do not know—whether all the loans that it has been sanctioning have been quite wise or not. Certainly,

[Shri Bimal Ghose]

there may be ground for criticism on that score, as my friend Shri T. K. Chaudhuri had pointed out. But I must confess I have not yet had the time to examine all the loans that have been made by the corporation. But if there are criticisms, they should be met, and the corporation should take note of them.

Now, coming to the provisions of the Bill, the provision with regard to deferred payment does not in my mind raise the question of private and public sector as such. That is a question which is quite apart. It is not the fault also of the private sector, if they have to ask for guarantees for obtaining deferred payments from abroad. That is the policy which Government have initiated. I do not think that the private sector is very enamoured of this deferred payment system, because it has raised the cost: if it is a question of five-year or six-year deferred payments, then the costs will have gone up by about 30 to 40 per cent for the whole period. So, if this is the condition imposed by Government on the private sector, then Government must also create the machinery by which they can give the guarantees that are asked for by foreign exporters. And it appears that they will only agree to have guarantees from Government or semi-government institutions. Now, if that is so, I shall not grudge the provision in this Bill permitting the Industrial Finance Corporation the power to guarantee such deferred payments.

But I should like to raise a question which has probably nothing to do with the Industrial Finance Corporation as such, but which has great significance so far as the future economy of this country is concerned, and it is this. Government are encouraging deferred payment purchases from abroad. These deferred payments will be made, say, from the year 1959-60 and so forth. I should like to know from the Minister whether Government have made any estimate that when these deferred payments come for

real payment, and will mature for payment, we shall have by that time, that it, by 1959-60, enough foreign exchange to pay for them.

Have they estimated that our exports will rise, or have they calculated that we shall get foreign assistance, and that from the time these deferred payments will start maturing, we shall have sufficient foreign exchange to make payments during that period? What it appears to me Government are doing is the postponing and putting off of the rainy day. Today, we have no foreign exchange, and, therefore, we start getting purchases from abroad on a deferred payment basis, just as two or three years ago, we started issuing licences, not knowing what the consequences would be; we started issuing licences then, but today we cannot meet those obligations. So, I have sometimes a fear whether we are not incurring obligations today, and when they will mature and come for payment, we may not be faced once again with the same situation.

I should, therefore, like to know from Government whether they have made any estimate of our export earnings from the time the deferred payment will start maturing, or of the assistance that we would be getting from foreign countries whereby we shall be in a position to meet all these deferred payments when they will fall due.

Secondly, I would like to say a word about the borrowing power I read the report of the Industrial Finance Corporation—and I must confess I have not read it very thoroughly—but I have not found any statement in that report to the effect that the corporation's activities are being hampered on account of the shortage of funds. If the corporation's activities are really being hampered, there should have been a reference to that in the directors' report.

As the Act stands at present, the corporation can borrow to the extent of about Rs. 27 crores, that is, five

times its capital and reserves. I find that its borrowing, on June 30th, 1957, was of the order of Rs 17 crores. So, there was still a margin of about Rs. 10 crores. I should like to know what the urgency is to raise the limit immediately from five to ten times, because it appears that there is still a cushion of Rs 10 crores which the Industrial Finance Corporation can fall back upon.

In this connection, there is one other thing on which I should like to have some information, and that is about the functioning of the corporation. It appears to me from the figures that have been mentioned in the annual report, that the corporation has sanctioned loans up to Rs 55 crores until June 30th 1957 of which loans declined were Rs 8 crores; therefore loans which were effective were Rs 47 crores, and loans disbursed were only Rs 27 crores, and Rs. 20 crores were still not taken advantage of.

I should like to know how the corporation sanctioned an effective loan, let us say, of Rs 47 crores, while the resources were very much lower than that. Is it a normal procedure that the corporation sanction loans which come to many times more than it can effectively give? And if so, is it a healthy procedure? Otherwise, as I said, it does not seem that there is any immediate urgency for raising the limit from five to ten times the capital and reserves, so far as the borrowing power is concerned. And unless we know that the corporation has a really immediate need of that amount, there is no sense in raising the limit.

The third point on which I seek information is with regard to the exchange risks that have to be borne. Under the Act, the risk has to be borne by the Government. It is being changed now so that the exchange risks will have to be borne by the parties concerned. I should like to know whether that risk also includes the risks which deferred payments

might entail, because the wording is 'borrowings from which loans are given'. Will the risks on foreign exchange on deferred payments also come under this? If they should come, then I think it is not quite fair to the private parties, because they have not contracted to get deferred payments; it is Government who have forced them to accept deferred payments, and they are making provision for all that money. The corporation will have to be satisfied before it can really agree to give this guarantee, and this guarantee, let us also realise, does not mean anything more than the corporation would otherwise have been doing, because if there were no question of a guarantee, and all the machinery could be bought immediately, the corporation would have examined that position and found out whether the money could be loaned.

Now, the question is that the loan will be given; the machinery is coming, but it will be paid for over a period of time on a deferred payment basis. And that deferred payment basis, as I was saying, is something which Government have insisted upon, and the private parties did not ask for it. Therefore, if here is any risk in connection with the exchange payments, that should legitimately be borne by Government, and the burden should not be placed on the private sector, in fairness.

Finally, there is the question of extending the scope of the activities of the corporation to enable it to give loans to parties with inadequate securities.

16 hrs.

Although it is a desirable proposition that parties who are essentially sound but have not sufficient capital should be assisted to establish industries, what I find here is that the Corporation is not going to do anything. The Industrial Finance Corporation is not going to exercise its own judgment at all, because the proposed amendment to section 23 says that such loans would be given

[**Shri Bimal Ghose**]

provided they are guaranteed as to the repayment of principal and of interest by the Central Government, State Government, at scheduled bank or a State co-operative bank. If the loan has to be guaranteed by any of these institutions, where does the question of the Corporation's judgment come in, because the risks will be carried by other people? As a financial institution, it should be the Corporation's task or duty to find out on any application being made to it whether the proposition is a sound one or not. Here what the Corporation will do is simply, on the guarantee of somebody else, to give them the money. The Corporation has no risks to run. This is not quite fair, so far as the activities of the Corporation are concerned or, for that matter, of any financial concern, because if the guarantee is given, the Corporation can give the loan blindfolded.

Therefore, I feel that the Corporation should not be given this guarantee. If it is to function as a commercial or financial institution, Government must say that provided there is a reasonable proposition which is brought before it and the parties have not adequate capital, the Corporation must exercise its judgment and give the loan and also bear the risk. Then only we shall find out whether the Corporation has really been doing anything. But as it is, this is giving it power for which it shares no responsibility whatsoever.

There are one or two small matters to which also I should like to refer. I had sent in amendments today thinking that the Bill would come up for discussion tomorrow; I had not expected that we shall be finishing it today. For example, in clause 3 where an amendment has been brought forward to the effect that a director nominated under clause (a) or clause (b) may have a deputy for him, I think we should also include a clause (d) where the directors are elected by insurance companies etc., because I find from the report of the

Corporation that in this category 2346 shares out of 2598 shares held by insurance companies etc. are held today by the Life Insurance Corporation. Therefore Government are the major shareholder in this category also. So why should not category (d) also come in here?

Finally, in section 27 for the words "or otherwise", the Bill seeks to substitute "or any bank or financial institution in India or in any foreign country". That refers to borrowings from abroad, but I think the words "or otherwise" should also be retained in addition to those which the Bill proposes because it may not be any financial institution, it may be somebody else from whom we might borrow. Therefore, it should not be made unduly restrictive. The words "or otherwise" could cover many things and, therefore, in my opinion, those words should be retained.

Mr. Chairman: How long will the hon. Deputy Minister take to reply?

Shri B. R. Bhagat: 15 to 20 minutes.

Shri D. C. Sharma (Gurdaspur): How much time is allotted to this Bill, Sir?

Mr. Chairman: Provisionally three hours.

Shri Bimal Ghose: We have saved two hours on the earlier Bill.

Shri D. C. Sharma: So this will go on for five hours?

Mr. Chairman: If there are more Members wishing to speak, we shall consider that.

Shri Keshava (Bangalore City): I have been carefully listening to the debate. The speaker who preceded me has said that Government are forcing deferred payments on people of the private sector. Far from it. What I understand from this Bill is that it is only providing facilities for the private sector where people of the

private sector want those facilities. I do not think that this provision has been properly understood.

Shri Bimal Ghose: May I say that.....

Shri Keshava: I am not yielding.

So it is only to help such people that this facility of deferred payment has been provided for, because the exporters from other countries insist on a guarantee by a government or semi-government institution. This is provided to such of those people who need it; it is not as if it is being compulsorily forced on the private sector.

I have been carefully watching the arguments put forward. Several suggestions have been made. One is that we have got to probe into the activities of the Corporation. Objection has been taken to granting loans on inadequate security. The third is that Government have been whitewashing altogether the Sucheta Committee's Report and have not taken proper action on it. Another point made is that deferred payment guarantee is itself not proper and we should only adopt sound banking principles; there should not be any discrimination in the distribution of loans, and we are helping the foreign firms or the subsidiaries of foreign firms.

I am inclined to think that we should be realistic when considering this Bill. We should not be carried away by any of the faults or weaknesses or wrong-doings of this corporation in its functioning. Proper functioning of this body is entirely different from the enlargement of its powers, which is the scope of this Bill. These are two entirely different fundamental things. I am not second to anybody to call in question the functioning of this Corporation; if it shows any discrimination in the matter of granting loans, the persons concerned have got to be called to order and brought to book. It is for Government to call them to order; if Government do not do so, we are here to call Government to order.

So I do not think we should confuse the issue before us and cry a halt to enlarging the scope and the functioning of this Corporation. We cannot blow hot and cold in the same breath. We have been saying that we must rapidly industrialise our country. We want the standard of living to be raised. We say our economy is a mixed economy and the private and public sectors have got to co-exist. We want all those things. How can we have them unless we provide the necessary ingredients for such a building up of our country? I really cannot understand it. We have to look at things in a realistic and proper way. When we want so such foreign exchange which cannot be had otherwise, and when the foreign exporters are willing to agree to deferred payment only on a guarantee by Government or a Government institution, I do not see why we should deny that and retard the progress and development of the country.

I am not here to call in question the private sector and its conduct. In fact, the private sector also has played its part in the development of our industries; perhaps on a careful scrutiny, it will be found that they may have played a better part than even the public sector. But I do not say that the private sector does not have its shortcomings. I am one of those who feel that they should be called to order if they go wrong, but every type of encouragement ought to be afforded to the private sector; otherwise, the building up of the country, industrialisation, would be very much retarded.

So far as enhancement of the power of borrowing is concerned, it is an absolute necessity. In fact, it is experience that has made Government come forward with this Bill, that it is not possible to meet the demand otherwise. That is why the borrowing capacity has got to be doubled from 5 to 10 times capital and reserve fund.

It is not as if the Bill before us is condemned on all sides. On the other

[Shri Keshava]

hand, we find a provision in this Bill by which the Government has taken this opportunity to distribute the risk on the private sector as well. Hitherto, the risk was entirely borne—in respect of foreign exchange—by the Government; but now by the amendment we are transferring it also to the private sector and to the individual concerned. That is a factor which cannot be questioned by anybody on a proper consideration of the enactment.

The other provision which enlarges the definition of the expression 'procurement of goods' is deliberately meant to provide for a larger scope of industrialisation in the country. I feel very strongly that there is absolutely no ground at all for picking holes in the Bill before us and on every consideration I feel that we should tender our whole-hearted support to this Bill.

Shri V. P. Nayar: I shall be very brief. I agree with the speaker who preceded me when he said that we should take a realistic view and it is only because we have to take a realistic view of the whole report before us as also our information and our experience about the manner in which this Corporation has functioned in the past that I am inclined to make a few observations.

It is wellknown to us that times without number the activities of the Corporation have been called in question. I do not want to go into details of that nor do I want to remind hon. Members about the enquiry into and the discussion on the affairs of this Corporation. It has been found that the Corporation did not function very well. It was also found as a result of the enquiry that in the matter of disbursements of loans the Corporation did not at all behave in a manner which was expected of an organisation of Government. We know of instances where money was advanced to—I do not want to name anybody—companies or firms which had some pull with the organisation. We know

also that that was not the only way in which the Corporation found possible to help certain interests.

Actually, I have not had time to study the report in detail. But, as was pointed out by my hon. friend Shri Chaudhuri, going through the details of the disbursement of loans one has to accept that many loans have been given to companies which did not at all deserve, let alone the question of the Imperial Chemical Industries. You will remember that during the last session there was a question about one of the firms which had taken a loan of about Rs. 20 or Rs. 30 lakhs, that is the Titanium Products in my State. The hon. Minister, Shri Shah, wriggled out and did not give a categorical answer.

I know that the mere disbursement of a loan to a company which has some pull through the Directors is not the only offence. I want the hon. Minister, if he can, to contradict me that loans have been disbursed to companies and subsequent to the disbursement of loans, the total selling agency has been given to firms in which persons high up are interested. I can cite the instance of the Titanium Products in which the sole selling agency has been given either after the negotiations has started, or after the loan was disbursed, to a firm which goes by the name and style of T. T. Krishnamachari and Sons Ltd. I also happen to get another name here. It is on page 30 of the report, Shri Ram Sahakari Sakhar Karkhana Ltd., of which V. R. M. Naik Nimbalkar is the Chairman. We know that he was a Minister who lost his seat in the election. There is no indication in the report as to the date on which this loan was given.

These are stray instances. If one goes through all the details with the information one has, I am sure that we will be able to find many other such instances of favouritism of one kind or the other having been shown in the matter of disbursement or on

the promise of accommodation by loans some other concessions have been given to persons who could exercise some pull through other ways.

Taking this provision relating to the guarantee, we are very much scared to find that such a provision has been incorporated. Even before Government brought their policy of liberalisation some of us had warned them. They did not pay any attention then. We said that if we go on with a policy of such liberalisation of imports it is inevitable that the country's foreign exchange position will come to a crisis. Then, they did not agree with us. I remember very vividly that even during the last debate on the Demands of the Ministry of Commerce and Industry, the Minister of Commerce and Industry did not agree that the foreign exchange position was in a crisis. One day later, he went to Madras and from there spoke that there was no crisis at all.

I am glad that at least today they have agreed that there is a crisis. What happens if the Corporation is given an unlimited power of standing guarantee? There is no restriction on the powers to commit foreign exchange of a future date. If today you agree for a deferred payment and if the time is 5 or 10 years, you upset all the calculations of the availability of foreign exchange after 5 years. Government will have to stand guarantee for something which has not been deferred.

There is also another point. I am not very much enamoured as my hon. friend was about helping the private sector. Where is the necessity to help the private industry in the manner in which it has been helped by loans? Are we being given the assurance that such a guarantee will be extended only to cases of imports which are absolutely necessary or which have some bearing on the core of the Plan?

One finds that the Corporation has disbursed loans for producing artificial yarn, for crockery, cutlery and whatever can be had from a particular company. Are we, at this juncture when we have to face a very serious foreign exchange crisis, going to stand guarantee for unessential imports of goods into this country? I find that there is a proviso to a particular section which reads that, 'Provided no such guarantee shall be given without the prior approval of the Central Government'. I take it that almost every industry or industrial project in this country has had the prior approval of the Central Government. How has that worked?

In the Five Year Plan you had decided that the private investment in the Plan will be so much. What is the position today? I have a report from the Statesman. I could have got many more reports if I had got the report of the Corporation earlier. Here is a report in the Statesman dated the 14th September, 1957 in which it is said that as against the target of Rs. 720 crores during the 5 years, the investment made now is Rs. 850 crores. The report states it about the private sector. And, it adds that what is more interesting is that the investment will most probably be completed by the end of the current financial year.

We know that during the last 2 or 3 years, the cost of our imports would have increased to some extent. According to the statement which I have quoted, the private sector which was put at Rs. 720 crores has even in the current year gone upto Rs. 850 crores. Every industry has been planned; sanction for every industrial project has been given by the Government. But, how does this happen? When we are behind the completion of the Second Five Year Plan, the investment is reported to have achieved its target. Where is the money coming from?

I for one always think that Government take all these factors into consideration and find out how during the five years the private industry

[Shri V. P. Nayar]

would come out for investment of so many crores of rupees. Now, we find that even in the first or second year of the Plan that has been exhausted and exceeded by another 130 or 140 crores. What is going to be the investment in the remaining years? What is going to be the foreign exchange component. Unless we know that, we cannot give a blanket power to the I.F.C. to stand guarantee for an unlimited amount. There is no indication of any amount. With the experience we have in the past in the matter of imports, we know it has not been possible for the Government to curb imports of non-essential goods, nor even to find out the rates at which imports have been made or what percentage of profits the importers took. Let alone the question of details in the distribution. Not having information about the requirement or availability, how are we going to authorise the I.F.C. to stand guarantee not only for the next year or two, but for a period of time when we do not really know what the actual foreign exchange position would be. It is our duty, therefore, to oppose this provision with our experience of how the I.F.C. has worked and how the controls which were supposed to set at rest and curb the nefarious activities of the private sector have really worked and with our information about the various instances of favouritism of the worst kind shown by this organisation in the matter of even disbursement of loans.

Shri D. C. Sharma: After following the discussion on this Bill, I have come to the conclusion that three types of outlooks have been expressed on its provisions. There are some persons who have had a backward look at the IFC. I do not stand here to defend it. It might have done some wrongs; it did, since it did not act properly and judiciously. So, the Lok Sabha appointed a committee and its findings have been before the House and all these years we have been talking about it.

But, I will tell my friends that it does not do good to any human being or human institution to go on repeating things which have gone wrong. If you do so, wrong things will happen in the future also. Psychologically speaking, we must think of the cases which have been done in the right way and not the others. We have a proper and adequate machinery to set right these things which have gone wrong. Therefore, to accuse it of favouritism, nepotism and bungling and mismanagement in a very sweeping manner is not doing justice to the Corporation. We have to weigh the good that it might have done with the bad or wrong things. When we look at the two scales properly, we find that it does not deserve such an unqualified condemnation as some of my friends had done here. The backward look, therefore, is not going to help the Corporation that we are thinking of having in the future.

Again, there are some persons who had brought to bear upon it a partial outlook. I do not think that we are discussing here the relative merits of the private and the public sectors nor are we calling into question the doings or sayings of some members of the Indian business community who had gone abroad. I have also been studying their speeches and I must say, in all fairness to them, that my reaction to their speeches has not been so alarming as the reaction of some of my friends. They might have, here and there, pointed out some of the defects of our Indian economy in their own light. But India is a free and democratic country and all of us, here and outside, point out these things. They went on a goodwill mission to create a favourable atmosphere for the country so that our country might be able to get finances from other nations. I do not offer an apology for them but I think, on the whole, they have done well by their country. Even if we do not like this private sector or the Indian businessmen who have been guilty of doing

something which is not to our liking, we should give them occasionally their due. They have not done any disservice to their country while abroad.

At the same time, I think the industrial development in India has two legs to stand upon. One leg may be bigger than the other but no one can deny that without the private sector, our industrial development will be retarded and we will be kept back. So, we have to keep the private sector and we should not try to cripple it by undue criticism or harsh treatment and by making statements not warranted by the facts.

There is nothing in this Bill to justify that kind of thing. The hon. Member said that these were nefarious activities. Everyone has a right to use any word in the English dictionary and I cannot take objection to any word used by anybody. But, I say that the activities of the private sector should not be described as nefarious. A few of them might have done things of that kind. But, on the whole we have got to develop the country industrially and we have got to make use of every available resource—technical, industrial, managerial and financial—that we can lay our hands upon. We are in a time of crisis and the best thing to do is to extend a hand of welcome to anyone—whether working in the private or the public sector—who can push forward the completion of the Plan.

There is also a forward look and when I say so, I admit that this Bill is one which gives scope to planned and speedy development and an accelerated industrial progress in this country. I look at it from that point of view. I am not an optimist nor am I a pessimist. If one looks at it from this point of view, one finds that this Bill is going to hasten and accelerate the process of industrial development of this country.

Some persons have taken objection to deferred payments. I do not see

any reason why this accepted economic fact of modern twentieth century life should be objected to. I cannot see any objection. I do not mean to say that we are going to adopt in this country a basis which is not proper or judicial, or basis which is old-fashioned and outmoded. Every day I find that new things are coming up and new modes of payment are coming forth. New principles are coming into being. We are sometimes going back to the old times. For instance, we are having some business relations with some countries on the basis of barter which may be an old thing. Human beings have to evolve new methods, new things, in order to cope with unexpected situations.

For facing new situations, deferred payment is a method which we have been following and which the world has evolved in order to hasten the development of countries. I do not see any reason why persons should take objection to this accepted method of economic, financial and businesslike procedure. I do not see any reason why we should carp at the fact that the capital of the Industrial Finance Corporation or the borrowing capacity of the Corporation is going to be increased ten times. After all, look at the size of the Plan which we had at first and look at the size of the Plan which we have today. If you compare the first Plan with the second Plan, you will find that an organisation like this Corporation has got to augment its resources. If you do not do it, you are not trying to help forward the process of development of this country.

Moreover, we have raised the borrowing power of the Corporation to ten times. I think it is a very cautious and balanced kind of progress. We are not jumping; we are not running; we are walking slowly and cautiously. Anyone who understands this development will say that we have not done something which is very cataclysmic, but we have done something which is proper and normal.

[Shri D. C. Sharma]

Of course, as it has been said on the floor of this House, formerly the risk was borne entirely by the Corporation. But now risk are going to be shared and I do not think anyone will say that the Corporation has done anything wrong in that direction. Therefore, I should say that in this matter also, the Corporation has taken a good step, a step in the right direction.

Again, we are now entering upon the industrial age in our country. Of course, we are going very slowly and we are not as rapidly industrialising our country as some countries in the West have done. I remember that when Shri A. C. Guha was the Minister of State in the Ministry of Finance he brought forward a Bill; it showed that our country was now going to be a country which was not going to send out raw materials only but will send out finished products. I felt very happy, and I believe the explanation of the definition of "processing of goods" showed a new mentality, a new industrial urge, that has come into our country now.

This is enough to show how we are expanding our industrial horizon and how we are trying to put things in the way in which our country should do in the way of exporting our finished products also. Of course, while I am in sympathy and in agreement with the main provisions of this Bill, I would say one thing. In clause 3, it has been said that you can nominate substitute directors. I am against all substituted things. I may certainly tell you from my slight experience of other bodies that the substitute directors are not going to do good to this Corporation. If there is one provision in this Bill to which I would take strong exception, it is the provision of substitute directors.

I have been connected with university life for sometime and there are important bodies there for which people could send substitutes. Of course,

there is no one there called "directors", but only those who are other functionaries called by different names. But in the universities, they do send substitutes in the place of the Principal. I can tell you that in all these bodies where the Principal is authorised to send a substitute and where the Head of a Department authorises somebody else to be a substitute things go wrong. Well, I do not want to use hard words, and I do not want to use extravagant language—that provision will not lead to the continuity of policy, will not lead to the continuity of progress and will not lead to the continuity of all those functions which this Corporation is to perform. I think by doing so they will have the rule not of the first or top persons, but of the second best or third best. I do not say that all substitutes are third best or second best but surely substitutes cannot be as good as the original things. Therefore, I would say that this is the one thing which is going to mar the utility of this Corporation.

16-38 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Again, it has been said that this Corporation is going to have such provisions as are going to make it more workable. I would say that if this is the intention of the framers of this Bill, they should plug another loophole, and that loophole is found in paragraph 4 of the Statement of Objects and Reasons. There, it is said:

"It is also proposed to enable the Corporation to provide credit to new industrial concerns when they are not in a position to offer adequate securities but deserve encouragement from the point of view of national economy by an amendment to sub-section (2) of section 23 of the Act."

Here, I would say there is a big loophole, and this loophole may provide people opportunities for all these

things which my friends on the other side have pointed out. I would say that this kind of loophole should be plugged. I do not know what the framers of the Bill had in their minds. Perhaps our Deputy Finance Minister will come forth with some explanation. Sometimes, when the Bill comes to us, we read the lines, but the Deputy Minister is sometimes able to read between the lines and give us some explanation which may be very convincing. I would say that you are not going to run a charity show. It is going to be a financial show and in a financial concern, you cannot give credit to those who cannot offer adequate security. Who is going to say whether it is in the interests of the economy of the country or not? Are the directors going to say it? Who is going to say that a particular concern is credit-worthy? I do not know what principles of business are being enunciated in this clause where it is said that you can get credit even when you do not have adequate securities. I think this is some new kind of principle in business matters. I do not understand it. I would say that this thing should be so worded as to make it impossible for anybody to give credit to those who cannot furnish adequate security. That is a very accepted principle of business. I hope that the Deputy Finance Minister will be able to convince the House on this point.

On the whole, I think it is a Bill which looks forward to the industrial development of our country, which all of us want. It is also a Bill which suits the country where the private sector has to exist side by side with the public sector and where no talk of rivalry between private sector and public sector has much relevance. It may have some relevance in future, but it has no relevance today because the public sector as well as the private sector are going to work hand in hand in order to implement the Five Year Plan and bring about the industrial development of this country.

Shri B. R. Bhagat: Mr. Deputy-Speaker, some 10 hon. Members have

spoken on this matter and it can be reasonably assumed that the House has had a good discussion over this. I am grateful for the support, qualified as well as full-throated, that some Members have given and also for the criticism made against the measure. By listening to the discussion, I discovered three distinct trends in the arguments put forward, although as it was expected, the arrangements and negotiations of deferred payments have been the dominant tone of the discussion.

Some hon. Members like Mr. Bharucha expressed some doubts over the measure, particularly with regard to the arrangement for deferred payments, because he lacked the details of the arrangements that would be made: what would be the margin, how it would be negotiated, what would be the parties that would be covered and various problems like that arose in his mind and he expressed doubts that the I.F.C. might not be in a position to discharge the responsibility that is supposed to be given to it under this Bill. I fully appreciate his opposition.

As you will agree, this is merely an enabling measure so far as the arrangements for deferred payments are concerned. Even the Government is not in a position to give out the details, because the details can be worked out only when the Government has this power. Also, there are other institutions—the various scheduled banks, the Reserve Bank and other persons—who may have their experiences to offer so far as the exact details and arrangements for deferred payments are concerned. Unless those things are gone into, no details can be given. So, although I fully share the position that hon. Members have taken today in view of the lack of details and lack of a clear picture of the mechanism of deferred payment arrangement, I think what is required is the enabling power. Tentatively we can see that the whole scheme will be worked in the background of a distinct industrial policy. The whole

[Shri B. R. Bhagat]

scheme will be worked out in the background of the second Five Year Plan, which is our objective.

The other point is what I describe as the total ideological opposition that was raised by the hon. leader of the communist group. I can only envy his lot. He has to oppose everything. I think he is in a raging mood against the actions of the Government and he got the first opportunity of unburdening himself over this small measure by raising big questions like the crucial question of foreign exchange, the killing of the public sector, the burial of the Plan, giving preference to the private sector and so on. You have to note the basic fact that I.F.C. is an institution primarily catering to the needs of the private sector. The House has brought forward this institution, later renovated it, removed its mistakes and its acts of omission and commission. Taking note of that, the I.F.C. has been rendering service to the private sector.

I do not dispute the ideology that he propounds, because according to him, the private sector should not have any place in our economy. But the House as such has adopted an economic policy in which both the public sector and the private sector have their places. I agree that the public sector has a dominant place today. Whatever may be the crisis that some hon. Members speak of, I may say with the fullest responsibility that the economy of the country today is basically sound. The difficulty that we are encountering at present is just natural, if we want to go ahead. These are the pains of development. I think nobody in the country expected that the second Five Year Plan would be implemented without any difficulty. So, what appears as a crisis today is just the difficulty that the second Five Year Plan is encountering. The whole nation—the country and the Parliament—are determined to face it. This one humble measure to meet the difficulties in bringing about the industrialisation of the country is merely a

token effort that is directed towards that goal.

I cannot conceive of any reasonable opposition to such a Bill. To say that the private sector will be given a very free hand to develop themselves at the cost of the public sector is to dispute a basic point. As leader of the communist group, he has criticised the provision that it would be with the approval of the Central Government. What he doubted was that the Central Government itself was imbued with the spirit of the development of the private sector and it might give them a free hand. I think any student of Indian economy, any student of the industrial, economic and other policies pursued by the Government, will not concede the point he has made, namely, that the Central Government will give its approval rather in a free manner to the development of the private sector at the cost of the public sector. So, what he doubts is not the mechanism, as it is provided in section 6. He doubts the bona fides and the very ideology of the Government of the day. But it requires a bigger occasion to cross swords on that point.

The third point that struck me was that some of the hon. Members, although they thought that the scheme of deferred payment arrangement is good and desirable and supported it, they expressed doubts that the IFC, as it is constituted, because of its past, will not be able and will not be the right institution to deliver the goods. They raised a larger issue. Since some of the hon. Members went into the question of the working of the IFC in the past, I would like to clarify some of the doubts that have been expressed.

I agree with the hon. Member, Mr. Ghose. He struck a very wise note by saying that it is no use crying over spilt milk. Whatever might be the mistakes that IFC have committed, the House went into it in great detail, appointed a Committee, considered the

report of that committee and then Government came forward with certain amendments and the House adopted it. Now I think it is no use carrying in the mind those past shades because the IFC, according to me and many of us, has travelled a further distance. And if you see the report of the working for the last two years, you will see the tremendous progress that IFC has made, the tremendous contribution that IFC has made, towards the development of industry in the country, particularly in view of the money market or capital market in the country, when it is very difficult even for a very well-established industry to raise equity capital in the market even for its most urgent industrial requirements, which may be necessary from the point of view of the national economy.

The IFC has played a very crucial and vital role in channelising industrial finance to the needy industries. How that channelising has been done? Some hon. Members have said that big groups have been financed. I do not know how it is so. I am speaking only about the last two years and not about the past. I am speaking about the trends. What are the trends? If you go through the report, you will find how channelising of industrial finance has been done.

It was one of the desires of the House that the IFC should cater to the needs of new industries instead of giving help to expand established industries. I will give only one figure. IFC has in all given 259 loans to 177 companies, out of which 151 are new companies. The total loan advanced to new companies is Rs. 33.80 crores. The total loan advanced to 108 old companies is Rs. 21.31 crores.

If you see the loans advanced to various industries, you will find that the sugar industry occupies a dominant position—Rs. 18 crores out of Rs. 55 crores. About 60 to 70 per cent

of the loan advanced to the sugar industry is given to the farmers' co-operatives. An hon. Member mentioned that IFC has advanced loans to a group of industries on whom Government has ordered an enquiry. That hon. Member is a very knowledgeable person. He knows the affairs of the industrial world. I do not know whether it is out of real ignorance or assumed ignorance that he has said that. Because, whatever loan has been sanctioned by the IFC, it has been guaranteed by the Government. What were the loans that were granted? A loan was given to the cement industry. Does anybody dispute that we have to develop cement industry in the country? Everyone is saying that we have to increase the production of cement in the shortest possible time so that the projects under the Second Five Year Plan may go ahead. Then the IFC financed the chemical industry. It also financed the paper industry, which has been given top-most priority in the Second Five Year Plan.

If we look at it from this point of view, I think the IFC has followed not only the directives of the Government but the desires of this House also. Whatever may be, its acts of omission and commission in the past, it has now a very creditable record and so, I will commend this report for your consideration. This has been placed on the Table of the House today because this is the only day when we could place it on the Table at the earliest under the Act. But, actually this report has been published in all papers. It has been published in the Official Gazette of India, I think some 15 or 20 days ago. If the hon. Members will go through the report, I am sure they will appreciate the point of view that I am making.

Another point that was made by the same knowledgeable hon. Member was about the rates. He said that the rate of interest charged by the IFC is very high. Then he said that the IFC gets its money free. I do not know what he means by saying that the IFC gets

[Shri B. R. Bhagat]

its money free. A part of the money which IFC has got is its share capital, on which it has to pay $2\frac{1}{4}$ per cent dividend, which is guaranteed by the Government. Its shares are mainly held by the Government or the Reserve Bank. Then it raised bonds on which it had to pay $3\frac{1}{4}$ per cent. Then it gets loan from the Reserve Bank of India, the rate of interest on which varies between $3\frac{1}{2}$ to 4 per cent. The rate of interest which the IFC charged in the beginning was $5\frac{1}{2}$ per cent. Then it raised to $6, 6\frac{1}{2}$ and finally to 7 per cent. It is in tune with the interest rate in the market. If you compare it with even other countries like Ceylon or other corporations, you will find that the rate is not unreasonably high. It is comparable

So, on all scores I say that the working of the IFC has been satisfactory—even from the point of view of developing new industries in the backward areas. It has functioned very economically and efficiently and it has done a good job. I feel that the doubts expressed about IFC's role in the deferred payment arrangement are uncalled for. It has a special role to play. There is such a great demand for loans. People who want to import

capital and even those institutions which want to export capital, they need some sort of guarantee and that is now done by the IFC. I do not agree with the view that guaranteeing should be done by scheduled banks or by the State Government of the area in which the project is located. From all points of view, it has been considered better and more efficient to have the IFC as the institution which should guarantee such loans.

Mr. Deputy-Speaker: Since the hon. Minister is likely to take some more time, he may continue his speech tomorrow.

BUSINESS ADVISORY COMMITTEE

TENTH REPORT

Pandit Thakur Das Bhargava (Hisar) Sir, I beg to present the Tenth Report of the Business Advisory Committee

17 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the 12th November 1957.

DAILY DIGEST

[Monday, 11th November, 1957]

MEMBERS SWORN		Columns	S.Q. No.	Subject	Columns
ORAL ANSWERS TO QUESTIONS		1			
S.Q. No.	Subject	1—37		31 Migration from East Pakistan	43-44
1	Peaceful Uses of Atomic energy	1—3		32 Gum guar	44
2	Press Club Building, New Delhi	3—4		33 Pulp plant	44-45
3	National Development Council	4—7		34 Atomic radiation	45
4	Kirtinagar Colony, Delhi	7		35 Bomb explosions on India-Goa border	45
28	Kirtinagar Colony Layout	U.S.Q. No.		36 Capital goods from Japan	46
5	Naga Hills	9—12		1 Cement imports	46-47
6	Calcutta Bank Employees' strike	12—15		2 Standing Committee of the Research Programme Committee	47-48
7	Tea exports	15—17		3 Indians in Kenya	48-49
9	Coir Research Institute	17—18		4 Indians in Fiji	49
10	Indians in Burma	18—20		5 Air space violation by Pakistan	49-50
11	Nuclear tests	20—21		6 Economy of iron and steel in building construction	50-51
13	State Trading Corporation of India (Private) Limited	21—23		7 Displaced persons colony in Delhi	51
14	Textile mills	24—26		8 Standing Labour Committee	51-52
15	Traditional Handicrafts	26—28		9 Information Ministers' Conference	52-53
17	Iron Ore	28		10 Quarters for Government servant	53
18	Ambernath Woollen Mills	28—29		11 Daftaries' Quarters	53
19	Rehabilitation work in Tripura	29—31		12 Refugee Rehriwallas of Delhi	54
20	Indians in South Africa	31		13 Ramesh Nagar Colony	54
21	Textile Institute, Washermanpet	32		14 Indian films in Afghanistan	55
22	Rephrasing of State plans	33—35		15 Khadi sale	55-56
23	Shrines in India and Pakistan	35—36		16 Foreign Trade Board	56
24	Imported consumer goods	36—37		17 Plywood Industry	56
WRITTEN ANSWERS TO QUESTIONS		37—63		18 Industrial Disputes Act	57
S.Q. No.				19 Tea production in Tripura	57-58
8	Workers in rayon factories	37		20 Import Licences	58
12	Automatic looms	38		21 Housing colonies for handloom weavers	58
16	Mica labour	38		22 Manufacture of paper	59
25	Border incident	39—40		23 Indian political prisoners in Goa	59
26	Safeguards against radioactive materials	40		24 Burmese citizenship	59-60
27	Mangla Dam	41—42		25 Tilak Memorial Hall in Mandalay	60
29	Indians in Ceylon	42			
30	Price-page Schedule for newspapers	42—43			

WRITTEN ANSWERS TO
QUESTIONS—contd.

U.S.Q. No.	Subject	Column
26	Children Film Society .	60
27	Second All India Agricultural Labour Enquiry . . .	60-61
28	State Trading Corporation of India (Private) Limited . . .	61-62
29	Indian Embassies abroad . . .	62
30	Community radio sets .	63
31	Employment Exchange in Delhi . . .	63
32	Rural housing in Punjab	63
OBITUARY REFERENCES .		64

The Speaker made references to the passing away of Shri Sarangadhar Das, who was a member of the First Lok Sabha and Shri R. S. Sharma who was a member of the Old Central Legislative Assembly. Thereafter members stood in silence for a minute as a mark of respect.

MOTIONS FOR ADJOURNMENT . . .

64—72, 73

- (1) The Speaker withheld his consent to the moving of the following adjournment motions given notice of by the members shown against them :—
 - (i) Railway accident at Barnagore—
Notice by Sarvashri S. M. Banerjee and Tangamani.
 - (ii) Drought conditions in the States of Uttar Pradesh, Bihar, West Bengal, Orissa and Madhya Pradesh—
Notice by Sarvashri Vajpayee, Assar. P. K. Deo and S.L. Saksena.
- (2) The Speaker postponed his decision on the admissibility of the adjournment motion given notice of by Shri B.C. Kamble regarding disturbances in Ramnathapuram District . . .
- (3) The Speaker also postponed till the 12th November, 1957, his decision on the admissibility of the adjournment motion given notice of by

Subject

Column

the statement made by the Minister of Rehabilitation at the Rehabilitation Ministers' Conference in Darjeeling in connection with the rehabilitation of future migrants from East Pakistan. . . .

ARREST AND CONVICTION OF MEMBER . . .

72

The Speaker informed Lok Sabha that he had received a telegram from the Deputy Commissioner, Gauhati intimating that Shri Hem Barua, Member, Lok Sabha, was arrested on the 8th November by Gauhati police for criminal trespass into Magistrates' Court, with others and for demonstrating in connection with oil refinery agitation. He was later tried and sentenced to imprisonment till rising of Court under Section 448 I.P.C.

PAPERS LAID ON THE TABLE . . .

73—76

The following papers were laid on the Table :—

- (1) A copy of S.R.O. No. 2912, dated the 14th September, 1957 making certain amendments to the Coal Bearing Areas (Acquisition and Development) Rules, 1957.
- (2) A copy of the Reserve Bank of India (Amendment) Ordinance, 1957 (No. 6 of 1957) promulgated by the President on the 31st October, 1957.
- (3) A copy of the Delhi Prevention of Food Adulteration Rules, 1956.
- (4) A copy of the Notification No. S.R.O. 2974, dated the 21st September, 1957, making certain further amendments to the Tea Rules, 1954.
- (5) A copy of the Notification No. S.R.O. 2905, dated the 14th September, 1957 making certain amendments to the

PAPERS LAID ON THE TABLE
—contd.

COLUMNS

COLUMNS

(6) A copy of the Notification No. S.R.O. 3038, dated the 28th September, 1957, making certain amendment to the Companies (Central Government's) General Rules and Forms, 1956.

(7) A copy each of the following Notifications making certain further amendments to the Central Excise Rules, 1944.

- S.R.O. No. 2966, dated the 21st September 1957.
- S.R.O. No. 3218, dated the 12th October, 1957.

(8) A list of concerns to which exemption under section 56-A of the Indian Income-Tax Act, 1922 has been granted during 1956-57, in pursuance of an assurance given on the 18th April, 1953 during the discussion on the Finance Bill, 1953.

(9) A copy of the Ninth Annual Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended 30th June, 1957, along with a Statement showing the assets and liabilities and Profit and Loss Account of the Corporation for the year.

(10) A copy of each of the following Notifications under Sub-Section (4) of Section 43-B of the Sea Customs Act, 1878:

- S.R.O. No. 2718, dated the 26th August, 1957.
- S.R.O. No. 2719, dated the 26th August, 1957 containing the Customs Duties Drawback (Dis-chromates) Rules, 1957.
- S.R.O. No. 2782, dated the 31st August, 1957, making certain further amendments to the Customs Duties Drawback (Plastic Goods) Rules, 1954.
- S.R.O. No. 2940, dated the 13th September, 1957.
- S.R.O. No. 2942, dated the 18th September, 1957 containing the Customs Duties Drawback (Carbon Paper) Rules, 1957.

(vi) S.R.O. No. 2946, dated the 16th September, 1957, making a further amendment to the Customs Duties Drawback (Artificial Silk) Rules, 1954.

(vii) S.R.O. No. 3273, dated the 11th October, 1957.

(viii) S.R.O. No. 3274, dated the 11th October, 1957, containing the Customs Duties Drawback (Cough Syrup) Rules, 1957.

(ix) A copy of the Notification No. S.R.O. 2914 dated the 14th September, 1957 cancelling the Ministry of Food and Agriculture Notification No. S.R.O. 1346, dated the 8th June, 1956.

(x) A copy each of Directions Nos. 47A and 47B and Amendment to Direction No. 65(2) issued by the Speaker under the Rules of Procedure and Conduct of Business in Lok Sabha.

MESSAGE FROM RAJYA SABHA;

76-77

Secretary reported a message from Rajya Sabha that at its sitting held on the 14th September, 1957, Rajya Sabha had passed the Industrial Disputes (Banking Companies) Decision Amendment Bill.

BILL PASSED BY RAJYA SABHA—LAID ON THE TABLE.

77

Secretary laid on the Table the Industrial Disputes (Banking Companies) Decision Amendment Bill, as passed by Rajya Sabha.

PRESIDENT'S ASSENT TO BILLS.

77-78

(i) Secretary laid on the Table the following Bills passed by the Houses of Parliament during the last session and assented to by the President since a report was last made to Lok Sabha on the 2nd September, 1957:—

(1) Railway Passenger Fares Bill.

PRESIDENT'S ASSENT TO BILLS

—concluded.

COLUMNISTS

COLUMNS

EVIDENCE ON BILLS LAID ON THE TABLE 79

(2) Finance (No. 2) Bill, 1957
 (3) Wealth-Tax Bill
 (4) Expenditure-Tax Bill
 (5) Minimum wages (Amendment) Bill
 (6) Dhories (Additional Excise Duty) Amendment Bill
 (7) Forward Contracts (Regulation) Amendment Bill
 (8) Cotton Fabrics (Additional Excise Duty) Bill
 (9) Indian Succession (Amendment) Bill
 (10) Insurance (Amendment) Bill
 (11) Repealing and Amending Bill
 (ii) Secretary also laid on the Table copies, duly authenticated by the Secretary of Rajya Sabha, of the following Bills passed by the Houses of Parliament during the last session and assented to by the President since a report was last made to Lok Sabha on the 2nd September, 1957 :

(1) Railway Protection Force Bill
 (2) Essential Commodities (Second Amendment) Bill
 (3) Legislative Councils Bill
 (4) Inter-State Corporations Bill
 (5) Foreign Exchange Regulation (Amendment) Bill

REPORTS OF JOINT COMMITTEES—PRESENTED.

78

(1) The Minister of Home Affairs (Pandit G. B. Pant) presented the Reports of the Joint Committees on the following Bills :—
 (i) The Delhi Municipal Corporation Bill
 (ii) The Delhi Development Bill
 (2) Shri S. V. Ramaswamy presented the Report of the Joint Committee of the Navy Bill

The Minister of Home Affairs (Pandit G. B. Pant) laid on the Table a copy of the evidence tendered before the Joint Committees on the Delhi Municipal Corporation Bill and the Delhi Development Bill

STATEMENT BY THE DEPUTY MINISTER OF PLANNING 79-80

The Deputy Minister of Planning (Shri S. N. Mishra) made a statement correcting the reply given on the 24th August, 1957 to Starred Question No. 1130 regarding the rates of betterment levy

BILL—INTRODUCED 80

The Prohibition of Offenders Bill was introduced

BILL—PASSED 81—110

The Deputy Minister of Labour (Shri Abid Ali) moved for the consideration of the Industrial Disputes (Banking Companies) Decision Amendment Bill as passed by Rajya Sabha. The motion was adopted after clause by clause consideration, the Bill was passed

BILL—UNDER CONSIDERATION 110—188

The Deputy Minister of Finance (Shri B. R. Bhagat) moved for the consideration of the Industrial Finance Corporation (Amendment) Bill. The discussion was not concluded.

REPORT OF BUSINESS ADVISORY COMMITTEE—PRESENTED 188

Tenth Report was presented.