

# LOK SABHA DEBATES

**Second Series**

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*(11th November to 22nd November, 1957)*



सत्यमेव जयते



**THIRD  
SECOND SESSION, 1957**

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

**LOK SABHA SECRETARIAT  
NEW DELHI**

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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

Friday, 22nd November, 1957

The Lok Sabha met at eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Heavy Water at Sindri

\*369. Shri D. C. Sharma: Will the Prime Minister be pleased to state the result of studies being made with regard to the production of Heavy Water at Sindri?

The Prime Minister and the Minister of External Affairs (Shri Jawaharlal Nehru): The studies are still in progress and it will take some time before any decision can be taken in the matter.

Shri D. C. Sharma: May I know under what auspices these studies are being conducted, and what is the personnel of the committee that is studying this problem?

Shri Jawaharlal Nehru: The studies are being conducted by the Atomic Energy Department, and the House perhaps knows it has already been decided to have a heavy water-cum-fertiliser plant at Nangal. The matter is being pursued further. This applies to Sindri. There are two or three processes which can be applied to Sindri and which can be done. But the present cost according to one process is very high. So it is proposed to have a pilot plant to experiment. Much of this experimentation is being done by the Atomic Energy Department at Trombay near Bombay.

House Rents in Delhi

\*371. Shri Shree Narayan Das:  
Shri Radha Raman:  
Shri Gajendra Prasad Sinha:  
Shri B. S. Murthy:  
Shri Tangamani:  
Shri Braj Raj Singh:

Will the Minister of Works, Housing and Supply be pleased to refer to the reply given to Starred Question No. 391 on the 26th July, 1957 and state:

(a) the outcome of the examination of the question of house rents in Delhi and landlord-tenant relationship made by the Government recently;

(b) whether any proposals have been formulated in this respect; and

(c) if so, what are they?

The Deputy Minister of Works Housing and Supply (Shri Anil K. Chanda): (a) to (c). Government have met representatives of some of the tenants and house-owners' organisations and have received a number of representations on the question. As the subject of rent control and eviction is a controversial one, Government is now engaged in studying it in all its different aspects, and they propose to introduce shortly measures to reconcile the differing interests of the landlords and tenants in Delhi in consonance with the principles of social justice.

Shri Shree Narayan Das: May I know whether the hon. Minister will give us an indication as to the time by which it will be possible for the Government to introduce a measure on the subject?

**Shri Anil K. Chanda:** I am afraid it is a very complex problem, and a very large number of representations have been received. We are looking into these, and it may take a little time before we can come up before the House with our proposal.

**Shri Shree Narayan Das:** May I know the names of the organisations on behalf of the tenants that have submitted memoranda on the subject?

**Shri Anil K. Chanda:** I do not have the actual names of the organisations who have met us already, but several representatives of the house-owners' associations and also of the various tenants' organisations have already met us.

**Shri Tangamani:** In view of the fact that rents now obtaining in Delhi are very very high compared to the rents at other important cities, and in view of the fact that such legislations are already in vogue in the other States, may we know whether a scheme will be introduced for fixing fair rents at least?

**Shri Anil K. Chanda:** The whole question is being looked into, and I hope we will be able to bring before the House a comprehensive proposal.

#### Slum Improvement in Bangalore

\*372. **Shri Keshava:** Will the Minister of Works, Housing and Supply be pleased to refer to the reply given to Unstarred Question No. 1273 on the 5th September, 1957 and state:

(a) whether the Corporation of Bangalore has since submitted the revised schemes for slum improvement and clearance; and

(b) if so, at what stage the matter now stands?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) and (b). Six out of the seventeen Slum Clearance projects mentioned in reply to Starred Question No. 135 answered on 17th May, 1957 and Unstarred Question No. 1273 answered on 5th September, 1957,

have been received on the afternoon of 21st November, 1957 and are being examined.

**Shri Keshava:** May we know the time that will be taken for the scrutiny of these schemes and sanctioning the amounts so that work may start forthwith in the slum areas?

**Shri Anil K. Chanda:** As I indicated in my answer, only yesterday six of the revised plans have been received. I should like to give this assurance to the hon. Member, that so far as our Ministry is concerned these schemes will be studied with the utmost expediency.

**Shri Thimmaiah:** May I know whether similar schemes have been submitted by important cities in India, and whether grants for slum clearance will be made available to all important States?

**Mr. Speaker:** That is a general question.

**Shri Anil K. Chanda:** Various allotments are made to States to cover expenses of slum clearance as far as possible. If these plans conform to the pattern of slum clearance scheme of the Government they will be sanctioned.

**Mr. Speaker:** That does not carry us any further. What is the object of such questions?

**Shri Tangamani:** The scheme which contained nearly 17 slum clearance plans was subnitted as early as 17th May, 1957. The hon. Minister says that the revised schemes have been received only for five of them. May we know when at least these five will be finalised?

**Shri Anil K. Chanda:** Seventeen schemes were received from the Mysore Government in two batches in December, 1956 and in March 1957. They were sent back to the State Government for re-casting, one batch on 4th March and the other on 14th June. In spite of several reminders from our Ministry and also personal letters from the Minister to the State Government, it was only yesterday that we received six of these schemes.

**Langua Tingha Village on  
India-Burma Border**

+

- \*373. { Dr. Ram Subhag Singh:  
Shri Raghunath Singh:  
Shri A. S. Saigal:  
Shri Rameshwar Tantia:

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Government have received any representation from the Government of Burma regarding the status of Langua Tingha village in the Naga Hills;

(b) if so, the nature of the representation made; and

(c) the position as clarified by the Government of India?

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

(a) and (b). No. Sir, the Government of Burma, however, informally drew our attention to criticisms in Burmese press reports alleging violation of Burmese territory at Langua Tingha village by our armed forces.

(c) The Government of India have assured the Government of Burma that there can be no border dispute between the two countries and that any lack of clarity can be settled in a friendly way by joint local inspection. Both Governments recognize that according to the map, the village is on the Indian side of the crest of the Patkoi range which is the accepted boundary in this area. The boundary, however, is not demarcated on the ground and it is possible that the village has recently spread into Burmese territory.

To clarify the position on the ground, it has been agreed to send a joint Inspection Team to visit the area as soon as possible.

**Dr. Ram Subhag Singh:** May I know whether the Joint Inspection Team about which the Deputy Minister just now referred will be appointed?

**Shrimati Lakshmi Menon:** Yes, Sir.

**Dr. Ram Subhag Singh:** When?

श्री रघुनाथ सिंह : इस वक्त यह गांव हिन्दुस्तान की सीमा में है या हिन्दुस्तान की सीमा के बाहर है ?

**Shrimati Lakshmi Menon:** I have already pointed out in the answer that it is on the Indian side of the border.

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू) : लेकिन यह प्रश्न है कि वह फैल गया है उस तरफ भी यानी बर्मा की सीमा की तरफ भी। यह गांव बिल्कुल सरहद पर था और बढ़ता जाता है।

**Shri Hem Barua:** Is it a fact that our Government has agreed to a proposal of the Government of Burma, as claimed by the Burmese External Affairs Office, that we are going to send a Joint Inspection Team to that Tingha area in order to demarcate the boundaries between the two countries?

**Shri Jawaharlal Nehru:** My colleague has read out an answer dealing with that very point in clear language. I do not know about our agreeing to a proposal by the Government of Burma, because that was our proposal to which those parties agreed. In fact, in a matter of this kind—this is a small boundary dispute which involves perhaps half a mile or so in mountain territory—I informed the Prime Minister of Burma, Mr. U. Nu, that I am perfectly prepared to accept his own arbitration in the matter even without a team. Let him go there and tell us what he thinks right or after consultations, and I will accept his decision in the matter. Our relations with Burma are not such that we should get excited over such matters, but we should decide them in a friendly way.

**Shri Hem Barua:** May I know the location of this village Langua Tingha according to the official map of 1931?

**Shri Jawaharlal Nehru:** The hon. Member has not followed the answer that has been given to the question.

The village is supposed to be, and almost appears to be, on the Indian side of the border. But the village has spread and, probably, a bit of it may have gone to the other side of the border. There is no clear demarcating line. There is a ridge and certain plateau.

**Shri Hem Barua:** But the Langua Tingha village....

**Mr. Speaker:** We are going into too many details. Unless we have got the map, we cannot understand it.

### Small Scale Industries

\*374. **Shri Heda:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number of (i) training-cum-production centres, (ii) model workshops and (iii) common facility centres which have been opened all over the country so far with a view to help small scale industries;

(b) what is their break-up State-wise; and

(c) whether any special consideration has been shown to backward and rural areas?

**The Minister of Industry (Shri Manubhai Shah):** (a) to (c). A statement is laid on the Table of the Lok Sabha [See Appendix 11 annexure No. 49].

**Shri Heda:** May I know the different types of assistance provided by the training-cum-production centres, model workshops and common facility centres?

**Shri Manubhai Shah:** The main training is given in the training-cum-production centre. The model workshop is really to teach the small-scale industrialists as to what are the types of machines that are required in our workshops. The common facility centre gives general facilities, guidance and assistance to some extent.

**Shri Heda:** While allotting the different centres and workshops to different areas, will the Government take

into consideration the particular type of industry to be developed in the particular area and, if so, what are those industries? May I know in which areas they would be developed?

**Shri Manubhai Shah:** In the list there are as many as 30 to 35 industries. If the hon. Member looks into the statement he will find that in each area the State Government selects that type of industrial programme which is likely to be developed mostly in that area.

**Shri Heda:** The service institutes for small scale industries are no doubt doing very good work. But the technical staff to impart know-how is still inadequate. Taking that into consideration, are Government providing adequate technical staff in those centres?

**Shri Manubhai Shah:** It is true that the technical staff provided in these institutions is inadequate. Almost 25 per cent of the posts are still to be filled up. But we have a lot of training programmes for junior field officers and other categories and we hope to make up the deficiency in the next two years.

**Shri Kasliwal:** It appears that these training-cum-production centres, model workshops and common facility centres are mostly found in industrial estates. May I know how far the establishment of these industrial centres has fallen behind the schedule?

**Shri Manubhai Shah:** That is not a correct assumption. If the hon. Member again looks into the statement, there are already 380 training-cum-production centres, 103 model workshops and 55 common facility centres, whereas the industrial estates number only 28. Now, because of the foreign exchange difficulties and also scarcity of cement, for the last six months our policy has been to encourage the establishment of these institutions in the industrial estates. But, otherwise they are not co-terminers. Whereas there are only 28 industrial estates,

there are more than 500 training-cum-production centres and other units.

**Shri Hajarnavis:** May I know whether the Government of UP has approached the Central Government for help to develop small-scale industries in Eastern UP?

**Shri Manubhai Shah:** UP leads other States. There are 140 training-cum-production centres in UP out of 380 centres in the whole of India. There are also about 11 workshops and 6 common facility centres out of 158 workshops and facility centres in the country.

**Shri Gajendra Prasad Sinha:** May I know whether the model workshops are located near community development projects and NES blocks?

**Shri Manubhai Shah:** No. There seems to be some misunderstanding. These workshops are established in centres where there are indigenous industries in order to help those industries in those areas.

**Shri Viswanatha Reddy:** My question arises out of part (c) of the question. May I know whether a small-scale industries association has been formed recently in Chittoor District in Andhra State, which is a backward State, and they have surveyed the whole district and submitted certain concrete proposals to the Corporation? May I also know whether any action has been taken on that?

**Shri Manubhai Shah:** No such proposal has come to our notice. Actually speaking, as I have repeatedly stated before the House, the development of small-scale industries is primarily the responsibility of the State Government and it is they who sponsor, scrutinise and go into all these schemes and tell us what is to be done in that area.

**Shri Damani:** May I know the aid, assistance or loan given to develop the small-scale industries? How many hands have been employed and what are the future prospects?

**Shri Manubhai Shah:** During the current year we have approved more than Rs. 1½ crores for training and facility centres etc. and Rs. 3½ crores for other schemes, totalling Rs. 5 crores. But I can assure the House that finance is not a handicap at all in this matter and if more funds are required by any State Government the same will be forthcoming and will be sanctioned by the Centre.

**Shri Tangamani:** Out of the total of 380 training-cum-production centres, we find that there are only 8 centres in Madras State. May I know whether it is due to the fact that small-scale industries are very much advanced in Madras State? Will more centres be opened there?

**Shri Manubhai Shah:** That is only one aspect of the several facets of the small-scale industries. Madras is very much forward in the matter of industrial estates. Some other State Governments have taken advantage of the other schemes out of that particular orbit. So, it cannot be compared from these figures whether one State is higher up or more forward than the other. But I can assure the hon. Members that Madras Government is one of the State Governments which has given very much attention to the development of small-scale industries.

#### Capital Machinery and Equipment

\*375. **Shri V. P. Nayar:** Will the Minister of Planning be pleased to state:

(a) whether the prices of capital machinery and equipment proposed to be purchased on Government Account for the Plan Projects in the Public Sector, for the Second Five Year Plan have increased from original estimates;

(b) if so, by how much; and

(c) the specific increases in prices in respect of proposed imports country-wise?

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

(a) Yes, in some cases.

(b) and (c). Considering the enormous range of equipment and machinery of varied sizes and character procured from different sources, a precise estimate of the actual increase in prices cannot be furnished; but as a general indication, it may be mentioned that the prices of engineering products in U.K., from where a considerable proportion of the machinery and equipment required for the Second Five Year Plan is drawn, have risen by 7 per cent in 1956 and by 12 per cent in July 1957 as compared to the level existing in 1954.

**Shri V. P. Nayar:** May I know whether in the agreements entered into or tenders accepted by Government for supply of machineries, there have been provisions under which the suppliers were competent to increase their price on specified contingencies?

**Shri L. N. Mishra:** Yes. All the agreements contain certain clauses providing for increase in price in case of increase in the price of raw materials and wages etc.

**Shri V. P. Nayar:** May I know whether the suppliers have reported to the Government of India that they are going to increase the price in view of certain contingencies and whether Government have accepted such increase beforehand?

**Shri L. N. Mishra:** Government have accepted increase on price and only these imports are made.

**Shri V. P. Nayar:** May I know the total increase in the price we have to pay on the original estimates for the machinery to be imported on Government account for the Second Five Year Plan as a whole?

**The Deputy Minister of Planning (Shri S. N. Mishra):** As the hon. Member knows, prices are varying from time to time. It is difficult to get precise figures. Even yesterday the Finance Minister stated that recently there is a downward trend in prices. So, it is extremely difficult to give accurate figures. But, even then we can work out the difference within a certain framework. The hon. Member

knows, on public account we will have to import about Rs. 1050 crores worth of machinery and equipments. On the basis of the illustrative figures of the U.K. we are able to get, the increase may be of the order of 8 to 10 per cent.

### All India Working Class Family Budget Survey

\*376. { **Shri A. K. Gopalan:**  
**Shri T. B. Vittal Rao:**  
**Shri Shivananjappa:**

Will the Minister of Labour and Employment be pleased to refer to the reply given to Starred Question No. 630 on the 30th May, 1957 and state:

(a) whether the field work in connection with All India Working Class Family Budget survey has commenced; and

(b) if so, the cities likely to be covered during the first phase?

**The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra):** (a) No.

(b) Does not arise.

**Shri T. B. Vittal Rao:** May I know when this survey is likely to commence in view of the fact that the number of States that are to be covered by these surveys has been finalized?

**Shri L. N. Mishra:** There are some 50 centres to be surveyed. By the end of November 1957 we expect to start the survey.

**Shri T. B. Vittal Rao:** May I know whether this survey is going to be entrusted to the National Sample Survey and whether the survey on the 50 centres will be conducted simultaneously or in phases?

**Shri L. N. Mishra:** The survey will be conducted in phases. The first part will be a preliminary enquiry. Then we will have detailed enquiries. It will be done under the auspices of the National Sample Survey organisation.

**Shri T. B. Vittal Rao:** May I know when this figure will be finally constructed, by what time, and how many more years it will take because the whole thing has been hanging fire for the last three years?

**Shri L. N. Mishra:** We have not yet started and it is difficult to say when we will conclude the survey.

**Shri S. M. Banerjee:** May I know whether the city of Kanpur will be included in the survey?

**Shri L. N. Mishra:** I hope Kanpur is included.

**Shri Heda:** May I know whether the areas have been selected with the different types of industries the labour of which or the factories would be surveyed? Have they been finalised?

**Shri L. N. Mishra:** They have been finalised. We have taken all the three, factories, mines and plantations.

**Shri Tangamani:** May I know whether the results of the surveys made by the State Governments will also be utilised?

**Shri L. N. Mishra:** The survey organisation would like to co-ordinate before making the final report.

#### **Central Board of Trustees of the Employees' Provident Fund**

**\*377. Shri T. B. Vittal Rao:** Will the Minister of Labour and Employment be pleased to state:

(a) when the last meeting of the Central Board of Trustees of the Employees' Provident Fund was held;

(b) the reasons for the delay;

(c) the subjects discussed at that meeting; and

(d) the decisions or recommendations made by the Board?

**The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra):** (a) 25th March, 1957.

(b) There was no delay.

(c) and (d). A copy each of the Agenda of the meeting of the Board held on 25th March, 1957 and of the decisions/recommendations made is placed on the Table of the Lok Sabha. [See Appendix II, annexure No. 50].

**Shri T. B. Vittal Rao:** May I know when this Board of trustees is likely to meet, how many times in a year, whether it meets quarterly or half-yearly?

**Shri L. N. Mishra:** Whenever there is business, the Board meets. Our report is that the Board has been meeting quite regularly and there has not been any delay in its meeting.

**Shri T. B. Vittal Rao:** In the last meeting which was held in March it was decided that the report about the working of Employees Provident Fund Act was to be submitted to the Government. May I know whether the Government have seen and when it is likely to be published?

**Shri L. N. Mishra:** So far as the recommendations of the March meeting are concerned, most of the recommendations have been accepted by the Government. There are only two or three which are also in the process of being implemented.

**Shri T. B. Vittal Rao:** May I know when this report will be published if it has not been already done?

**Shri L. N. Mishra:** I require notice.

**Shri Tangamani:** May I know whether, after the meeting of the Central Provident Fund Board, recommendations have come from the various regional committees like Madras and if so, when the next meeting will be held?

**Shri L. N. Mishra:** The Board has to be constituted. Therefore, the next meeting will be after the new Board is constituted. So far as the regional report from Madras is concerned, I am not in a position to say. I require notice.

**Shri T. B. Vittal Rao:** May I know why there is delay in constituting this Board?

**Shri L. N. Mishra:** Names have been received only a few weeks ago. All the names have been received and by the end of this month or in early December, the new Board will be constituted.

**Shri T. B. Vittal Rao:** Was there delay in the submission of names by the Employers' organisations?

**Shri L. N. Mishra:** Notice.

**Trade with U.K.**

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\*379. { **Shri Bishwanath Roy:**  
**Shri Raghunath Singh:**

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

(a) whether there is any improvement in the export of the Indian goods to the United Kingdom this year in comparison with that of the last year; and

(b) whether the imports into India from the U. K. have declined during 1957 as compared to 1956?

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

(a) There is improvement in respect of some commodities only. A statement showing exports to the United Kingdom during January-June 1957 and the corresponding period of 1956 is laid on the Table of the Lok Sabha. [See Appendix II, annexure No. 51.]

(b) No, Sir.

**Shri Bishwanath Roy:** In view of the statement, may I know why exports to the U.K. have decreased?

**Shri Satish Chandra:** The reasons differ for each commodity. There cannot be one answer for all the commodities.

**श्री रघुनाथ सिंह :** इस स्टेटमेंट को देखने से जाहिर होता है कि लिनसीड प्रायस का एक्सपोर्ट पांच करोड़ से घट कर ४४ लाख का ही रह गया। क्या मैं जान सकता हूँ कि इतना कम लिनसीड एक्सपोर्ट होने के क्या कारण हैं और क्या कोई दूसरा हमारे साथ कम्पीट करने के लिये मार्किट में आ गया है?

**श्री सतीश चन्द्र :** बात यह है कि दूसरे मुम्कों के मुकाबिले में हमारे लिनसीड प्रायस के दाम बहुत ज्यादा हो गये थे। इस बात को दुरुस्त करने के लिये ११२ रुपये फी टन के हिसाब से जो एक्साइज इम्पूटी बाजं होती है उसके बारे में अब यह तय हुआ है कि वह उस सूरत में जब इसका एक्सपोर्ट हो वापिस कर दी जाये।

**श्री रघुनाथ सिंह :** मैं जानना चाहता हूँ कि इम्पोर्ट की क्या व्यवस्था है। इस साल जो हमने इम्पोर्ट किया है वह कम किया है या अधिक किया है?

**श्री सतीश चन्द्र :** इम्पोर्ट अधिक हुआ और इसका यह कारण है कि हमारी इंडस्ट्रीस बढ़ रही हैं उनके लिये मशीनरी और रा मेटिरियल की आवश्यकता भी बढ़ रही है और इसलिये इम्पोर्ट बढ़ता जा रहा है।

**श्री त्यागी :** मैं जानना चाहता हूँ कि कितने करोड़ का अधिक हुआ?

**श्री सतीश चन्द्र :** जनवरी से जून, १९५७ तक १२६ करोड़ का इम्पोर्ट हुआ जब कि १९५६ के इन्ही छः महीनों में १०३ करोड़ का हुआ था।

**अध्यक्ष महोदय :** क्या यह स्टेटमेंट में नहीं है?

Is not this in the statement?

**Shri Satish Chandra:** Export figures are in the statement; not imports.

**Shri Rameshwari Tanti:** May I know how the exports of cloth stand during this period compared to the last year?

**श्री सतीश चन्द्र :** कलाय का एक्सपोर्ट ज्यादा हुआ है। जनवरी-जून, १९५७ में ६ करोड़ ४६ लाख का हुआ। यह फिगर सब चीज स्टेटमेंट में दी हुई है।

**Mr. Speaker:** He need not read it out. The hon. Member would look into the statement.

**Shri V. P. Nayar:** The hon. Minister said that imports into India from the

U.K. have increased by Rs. 20 crores in 1957 as compared with 1956. I want to know how much of this increase has been due to increase in prices and whether the same volume has been maintained in our imports as in 1956.

**Shri Satish Chandra:** The increase is mainly due, as I said, to increased imports of machinery and raw materials. That is the main reason.

#### Indo-China

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\*330. { **Shri Heda:**  
**Shri Harish Chandra**  
**Mathur:**

Will the Prime Minister be pleased to state:

(a) the date when the International Commission for Supervision and Control in Viet-Nam submitted its last report;

(b) whether any progress has been made by the Commission to resolve the stalemate in Indo-China;

(c) how long it is proposed to keep the Indian troops in that area; and

(d) what expenditure has so far been incurred by India in this connection?

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

(a) 12th July, 1957.

(b) No tangible progress has been made by this Commission after the cessation of hostilities in Viet-Nam, as the primary responsibility for the execution of the Geneva Agreement rests with the parties concerned. The commission, however, continues to maintain peace in the area by supervising the movement of armed forces, the introduction of war material etc. and exercises a pacifying influence on the parties. There are two other International Commissions in Indo-China—one in Cambodia and the other in Laos.

(c) It is not possible to say with any certainty how long they will have to stay in Indo-China to fulfil their functions.

(d) The expenditure on the Indian Delegations upto the end of June 1957 was Rs. 84,86,500 of which a minimum of Rs. 44,30,000 is recoverable from the three International Commissions.

**Shri Heda:** May I know the strength of our troops that have been posted there?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** Our Forces are in very small numbers. It is difficult to give the exact figure now. If the hon. Member would like to have it, I would inform the House. In fact, the numbers are very limited.

**Shri Shree Narayan Das:** May I know whether any steps by any parties have been taken to resolve this stalemate in Indo-China?

**Shri Jawaharlal Nehru:** Presumably the hon. Member is referring to Viet-Nam.

**Shri Shree Narayan Das:** Yes.

**Shri Jawaharlal Nehru:** Plenty of steps have been taken from time to time, first of all by the Commission itself and sometime by the two other parties. Sometimes the steps of the other parties have been in the nature of criticism of the others, which has not led to results.

#### Second Five Year Plan

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\*331. { **Shri Naushir Bharucha:**  
**Shri Morarka:**  
**Shri Nathwani:**

Will the Minister of Planning be pleased to state the principal schemes and projects included in the core of the Second Five Year Plan?

**The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra):** The core of the Second Five Year Plan is defined to include the three new steel plants in the public sector, expansion of the existing steel works, coal projects in the public and private sectors, railway expansion programme, port projects and certain specified power projects.

**Shri Bharucha:** May I know, in the light of the speech of the hon. Finance Minister yesterday, whether the Minister would think that this answer requires modification?

**Shri L. N. Mishra:** I do not think it needs any modification. It is for the hon. Member to understand it.

**Shri Supakar:** What is the financial commitment regarding this core of the Plan? How much will be the expenditure involved?

**Shri L. N. Mishra:** Fresh financial commitment?

**Shri Supakar:** Total

**Shri L. N. Mishra:** We will need about Rs. 350 crores fresh for maintaining the core of the Plan.

**Shri Supakar:** I want to know the total amount of expenditure involved in the projects.

**The Deputy Minister of Planning (Shri S. N. Mishra):** Detailed calculations will have to be made. Recently a figure was given about the order of increase in the costs of steel plants by the Minister of Steel, and in the same way, some other increases have occurred. Altogether we will have to calculate, including power, ports, railways, steel etc. It will take some time.

**Shri T. K. Chaudhuri:** Are we to understand that the rest of the projects included in the Second Plan, apart from these four just defined by the hon. Planning Minister, would be pruned?

**Shri L. N. Mishra:** I do not think. There is no question of pruning. The core has been defined in view of the importance of the particular projects in relation to the foreign exchange requirements. Other projects might not require foreign exchange, and they may have priority.

**Mr. Speaker:** It is only yesterday we discussed it.

#### Prohibition

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\*382 { **Shri Sanganna:**  
**Shri Panigrahi:**

Will the Minister of Planning be pleased to state:

(a) whether any State Governments have suggested to the Government of India to scrap prohibition in their respective States in order to raise additional resources required under the Second Five Year Plan; and

(b) if so, which are these States?

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

(a) No Sir.

(b) Does not arise.

**Shri Sanganna:** May I know whether the question of scrapping prohibition in certain areas will militate against certain provisions of the Constitution? If so, in what way?

**Shri L. N. Mishra:** Scrapping prohibition has not been recommended by any State Government.

**Shri Sanganna:** I wanted to know whether scrapping prohibition in certain areas will militate against the provisions of the Constitution, and if so, in what way?

**Mr. Speaker:** It is a matter of opinion.

**Shri Gajendra Prasad Sinha:** May I know whether most of the States are not expanding their prohibition programme because of financial difficulties?

**Shri L. N. Mishra:** None of the States has protested against this on account of financial reasons. There might be administrative and other reasons, but it is not a fact that it is on account of financial difficulty.

**Shri Gajendra Prasad Sinha:** I wanted to know whether there has been no further expansion in the prohibition programme.

**Mr. Speaker:** On account of want of finance. That was his question. Let no Member put a question and when it is answered say his question has been misunderstood though it has been answered correctly.

**Shri Panigrahi:** The Government of Orissa wanted to scrap prohibition in

the State. How far was the Government of India able to appreciate this original idea put forward by the State Government?

**Shri L. N. Mishra:** The Orissa Government has not scrapped prohibition. As for expansion of the programme within the State of Orissa...

**Shri Panigrahi:** They wanted to scrap prohibition itself.

**Shri L. N. Mishra:** They did not want to scrap. We have received a letter from the Chief Minister of Orissa State that the news appearing in this connection was wrong.

#### Documentary on Tagore's Life

\*383. **Shri S. M. Banerjee:** Will the Minister of Information and Broadcasting be pleased to state whether there is a proposal to have a documentary film on the life and teachings of late Shri Rabindranath Tagore?

**The Minister of Information and Broadcasting (Dr. Keskar):** Yes, Sir.

**Shri S. M. Banerjee:** May I know when it is going to be completed?

**Dr. Keskar:** On the occasion of the centenary of Rabindranath Tagore.

**Shri S. M. Banerjee:** May I know whether the Government of India is going to consult Shanti Niketan about it and get some artists from there?

**Dr. Keskar:** It will not be possible for me to say who will be consulted and who will not be, but we will see that all institutions and personalities connected with Rabindranath Tagore are consulted in this matter.

**श्री अ० सि० सह्याय :** क्या मैं जान सकता हूँ कि कितनी भाषाओं में यह फिल्म तैयार होगी ?

**डा० केशकर :** यह कहना बहुत मुश्किल है । उसका नक़्सा तैयार हो रहा है और बाद को ही यह बताया जा सकेगा ।

**Shri Biren Roy:** May I know who will be in charge of script writing?

**Dr. Keskar:** That has yet to be decided.

#### पीकिंग में भारतीय प्रदर्शनी

\*३८४. { श्री रघुनाथ सिंह  
श्री बोडेयार :

क्या बाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या पीकिंग में मिनम्बर, १९५७ में आयोजित प्रदर्शनी सफल रही है; और

(ख) इस प्रदर्शनी को कितने लोगों ने देखा ?

बाणिज्य तथा उद्योग मंत्री (श्री सतीश चन्द्र) : (क) जी हाँ ।

(ख) १२ लाख व्यक्तियों ने देखा ।

**श्री रघुनाथ सिंह :** क्या मैं जान सकता हूँ कि हमारे क्षेत्र का जो हाथी दांत, रेशम और जरी का काम है उसका उस प्रदर्शनी में लोगों द्वारा स्वागत हुआ कि नहीं हुआ ?

**श्री सतीशचन्द्र :** हैंडीक्राफ्ट की सभी चीज़ें उस प्रदर्शनी में भेजी गयी थी और करीब ८ लाख रुपये का हिन्दुस्तान का बना हुआ सामान उस नुमायश में बिका ।

**श्री रघुनाथ सिंह :** मैं बनारसी सामान के बारे में पूछ रहा हूँ ?

**श्री सतीशचन्द्र :** भलग भलग चीज़ों के बारे में तो मैं नहीं बता सकता हूँ लेकिन हिन्दुस्तान का हैंडीक्राफ्ट का सामान जो उस नुमायश में भेजा गया था काफी पसन्द किया गया ।

**Shri Radha Raman:** May I know the amount which the Government spent on conducting this exhibition in Peking?

**Shri Satish Chandra:** About Rs. 16 lakhs were spent in all, out of which Rs. 12 lakhs were spent in China and Rs. 4 lakhs in India.

श्री रामेश्वर टाडिया : क्या मैं जान सकता हूँ कि गवर्नमेंट इस किस्म की नुमायशें दूसरी जगहों पर जैसे अफगानिस्तान, बर्मा, नेपाल और पाकिस्तान में करने का विचार कर रही है ?

श्री सीतेशचन्द्र : इसके बारे में एक स्टेटमेंट पहले हाउस की टेबुल पर रक्खा जा चुका है ।

### Coir Industry

\*385. **Shri Kumaran:** Will the Minister of Planning be pleased to state:

(a) whether Planning Commission have received any revised scheme from the Kerala State Government seeking increased allocation for the coir industry in the Second Five Year Plan; and

(b) if so, the steps taken thereon?

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

(b) The matter is under consideration in consultation with the Ministry of Commerce and Industry and the Coir Board. No final decision has been taken so far.

**Shri Kumaran:** May I know whether the Planning Commission while considering the question of more allocation will take into account the fact that the Coir Board demanded Rs. 2 crores for the development schemes but the funds allotted were only Rs. 17 lakhs for this purpose?

**Shri L. N. Mishra:** It is a fact that the State of Kerala was allotted a sum of Rs. 40 lakhs for the coir industry out of Rs. 100 lakhs meant for the whole Plan. The Government of Kerala first demanded Rs. 150 lakhs. Later they revised their demand and it has come to Rs. 246 lakhs. The Planning Commission advised the Government of Kerala to take up with the institutional financial agencies and after that the matter has been referred to the Coir Board and

the Ministry of Commerce and Industry.

### Mine Accident in Rajupalle

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\*386. { **Shri E. M. Rao:**  
**Shri T. B. Vittal Rao:**

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

(a) whether Government are aware that eleven persons were killed and seven others injured on the 29th September, 1957 when an accident took place in a barytes mine at Rajupalle Village (Cuddappah district of Andhra Pradesh);

(b) if so, the details thereof; and

(c) whether any investigations have been made in this connection and report submitted?

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

(b) While a gang of 21 persons was at work at the bottom of an open excavation, one of the sides consisting of 'morrum' and weathered rock collapsed. Eighteen persons were buried under the fall. Eleven of them were killed on the spot and the other seven were extricated alive.

(c) Yes.

श्री मधुसूदन राव : क्या माननीय मंत्री यह बताने की कृपा करेंगे कि लाइन इंस्पेक्टर और मैनेजमेंट की गलती की वजह से जो एक दीवार की दीवार उड़ गयी उसमें कितने घादमियों की जान गई और इसके लिये उन पर क्या ऐक्शन लिया जायेगा ?

श्री आबिद अली : मैं मरने वालों की तादाद तो बता चुका हूँ कि इतने मरे । माइन के मालिक और दो मिस्त्रियों जिनकी कि गलती से यह दुर्घटना हुई है उन पर मुकद्दमा चलाया जायगा ।

श्री मधुसूदन राव : जो लोग उस दुर्घटना के कलस्वरूप मारे गये हैं, उनके परिवारों के लिये कुछ आर्थिक सहायता की व्यवस्था करने का क्या कुछ इंतजाम किया गया है ?

श्री आशिष बली : जी हां, कायदे के सिद्धार से उनके सानदान वालों को मुआविका मिलेगा ।

श्री राम सुभग सिंह : हाल में बानों में होने वाली दुर्घटनाओं की संख्या प्रतिवर्ष बढ़ती जा रही है और जहाँ जहाँ सदानें हैं वहाँ सब जगहों पर दुर्घटनाएँ हुई हैं तो क्या में जान सकता हूँ . . .

Mr. Speaker: Why all this preamble? What is the question? Hon. Members make it embarrassing to all sections by assuming certain facts. Is he to answer that preamble or the main question?

Dr. Ram Subhag Singh: The main question.

Mr. Speaker: He has not yet come to it.

Dr. Ram Subhag Singh: The question is: there has been a large increase in the mine accidents

Mr. Speaker: What is the question? The hon. Member is giving information

Dr. Ram Subhag Singh: I want to know whether the inspectorate which is existing for inspecting the mines is working properly or not.

Mr. Speaker: But he will say it is working properly. Naturally, if the hon. Member sits on that side, he would also say: "Certainly it is working properly". The question should be to elicit some information

Dr. Ram Subhag Singh: You may recall that some time back we had an half-an-hour discussion regarding the accident in Amlabad. It was because of the fault of the inspectorate that that big accident had occurred. Again, the accident which has now occurred is not also a small accident. So, I would like to know what measures have been taken to improve the inspection of the mines, so that such accidents may not occur in the future.

Mr. Speaker: That is a different question.

Dr. Ram Subhag Singh: No, that is the main question.

Mr. Speaker: Even that will consist of a number of recommendations.

श्री आशिष बली : माननीय सदस्य ने तीन सवाल पूछे हैं । पहले के बारे में मेरी धारणा यह है कि माइन्स कायदे में काफी फेर बदल किये गये हैं । दूसरा सवाल इन्स्पेक्टोरेट के बारे में था, तो उन की संख्या बढ़ाई गई है और अब ज्यादा अच्छी जांच हो रही है । तीसरे, आप ने फरमाया कि इन घटनाओं की संख्या बढ़ी है । मेरी धारणा यह है कि यह सही नहीं है उन की संख्या बहुत घटी है ।

Shri T. B. Vittal Rao: The manager and the supervisory staff are going to be prosecuted. May I know for violation of which provisions of the Mines Act the prosecution is going to be launched against them?

Shri Abid Ali: Non-appointment of a competent person as manager, not maintaining proper registers for employment and daily attendance, employing young persons below the age of fifteen, and other negligence.

Shri T. B. Vittal Rao: May I know when this mine was last inspected before this accident occurred?

Shri Abid Ali: Notice.

#### Evacuee Lands

\*387. Shri Ajit Singh Sarhadi: Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether it is a fact that there is a general complaint that the Revenue Records that are being received from the Government of Pakistan pertaining to lands in Sind are incorrect in material particulars and do not compare correctly with authentic and attested copies in possession of several displaced persons from Sind; and

(b) if so, whether Government have considered the possibility of having a

check at the border with the originals as was done in the case of Punjab records?

**The Parliamentary Secretary to the Minister of Rehabilitation and Minority Affairs (Shri P. S. Naskar):** (a) There is no such general complaint.

(b) The question of having a check at the border has been taken up with the Government of Pakistan and their reply is awaited.

**Shri Ajit Singh Sarhadi:** The Parliamentary Secretary has stated that there is no general complaint. May I know whether it is a fact that in several instances, the records received from Sind have been found to be incorrect, whereas the displaced persons hold authentic and attested copies in regard to their rights?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** We have looked into this question more than once, and we have found that there is a very big discrepancy between the records received from Pakistan and those that are available with us. In some cases we have found that there is a very big exaggeration. In some other cases, we have found that while claims have been filed, no land existed. On the other side, in some cases, there seems to be a certain amount of discrepancy in favour of the displaced persons.

**Shri Ajit Singh Sarhadi:** My question was different. I wanted to know whether it is a fact that in several cases, the displaced persons hold authentic and attested copies of the records which do not compare correctly with the records which we have received from the Pakistan Government.

**Shri Mehr Chand Khanna:** That was what I answered. We have received records from the Government of Pakistan, in which we have found a very large number of discrepancies, some in favour of the displaced persons and some against the displaced persons.

**Shri Ajit Singh Sarhadi:** In cases where the discrepancy is found in favour of the displaced persons and they hold authentic and attested copies of the records, would instructions be issued that the entries in the attested copies should be accepted?

**Shri Mehr Chand Khanna:** If the evidence produced by the claimant is found genuine, this is duly considered and we take that case into consideration.

**Sardar Iqbal Singh:** May I know whether it is a fact that some allotments were even cancelled in the Punjab, on account of these wrong entries in the records from Pakistan, even though the displaced persons had filed their affidavit and all the necessary proofs?

**Shri Mehr Chand Khanna:** We shall not be guided by mere affidavits, but if proper evidence is produced, that will certainly be taken into consideration.

**Sardar Iqbal Singh:** May I know whether any cases have come to the notice of the Minister, where when there are two brothers having land in one and the same village, one brother has been given land, while the other has not been given land, because there has been no correct record from Pakistan?

**Shri Mehr Chand Khanna:** If a case of this nature is brought to my notice, I shall certainly have it looked into.

#### **State Trading Corporation of India (Private) Limited**

\*389. **Shri Rameshwar Tantia:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any preference is given to the State Trading Corporation over private firms in the matter of allocation of import and export quotas; and

(b) the results of the trading done by the Corporation during the year 1956-57?

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

(b) The Annual Report of the State Trading Corporation has been placed on the Table of the Lok Sabha (on the 21st November, 1957 vide Library No. LT-378/57)

**Shri Rameshwar Tantia:** May I know whether priority is given to the State Trading Corporation over the private firms in the matter of allotment of railway wagons etc.?

**The Minister of Commerce and Industry (Shri Morarji Desai):** It is natural that the State Trading Corporation should get priority in this matter, because it represents all the people, whereas the private traders represent only themselves.

**Shri Rameshwar Tantia:** As regards quotas, where they are given on the basis of established previous export and import business, what basis is adopted for giving quotas as to the State Trading Corporation?

**Shri Kanungo:** Wherever extra routes have been opened, the State Trading Corporation gets preference. Otherwise, 70 per cent. of the quota is allotted to established importers.

**Shri Damani:** May I know whether the Minister has received complaints from mercantile organisations in connection with this preferential treatment?

**Mr. Speaker:** That is quite natural.

**Shri Kanungo:** Complaints have been received, much of which has no substance.

### Export of Cotton Waste

\*390. **Shri Damani:** Will the Minister of Commerce and Industry be pleased to state the position of the export of hard and soft cotton waste as a foreign exchange earner since 1st April, 1957?

**The Minister of Commerce (Shri Kanungo):** A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix II, annexure No. 52].

**Shri Damani:** May I know how our export compares with that during the corresponding period of last year?

**Shri Kanungo:** The statement shows that. It is almost steady, I should say.

**Shri Damani:** In view of this, may I know whether Government will consider the question of giving some export duty relief with a view to promoting more exports?

**Shri Kanungo:** This question is constantly under review, and I cannot answer this question unless a decision is taken.

### Cotton

\*391. **Shri Balarama Krishnaiah:** Will the Minister of Commerce and Industry be pleased

(a) the steps Government have taken to make the country self sufficient in the production of cotton;

(b) the quantity of cotton being imported into the country annually;

(c) whether Government have entered into a long range agreement with any country for importing cotton; and

(d) through what channels Government have been importing the cotton into the country?

**The Minister of Commerce (Shri Kanungo):** (a) to (d). A statement is laid on the Table of the Lok Sabha. [See Appendix II, annexure 53.]

**Shri Balarama Krishnaiah:** In view of the shortage of cotton, may I know whether Government have got any proposal to encourage the ryots in the States to grow more of cotton to feed the textile industry?

**Shri Kanungo:** The statement shows the steps that have been taken, and the results have been very encouraging. Since Partition, the production has increased to more than double.

**Shri Tangamani:** From the statement, we find that 600,000 bales of staple cotton is being imported each.

year. May I know whether this import will be kept at this level or whether the quantity will be reduced in the future?

**Shri Kanungo:** This particular variety of long staple cotton is not yet grown in our country. When it is grown, then naturally the quantity will be reduced.

**Sardar Iqbal Singh:** May I know whether it is a fact that a large quantity of long staple cotton is grown in the Punjab, and whether any new research schemes will be finished by Government so that we shall become self-sufficient in long staple cotton?

**Shri Kanungo:** That is constantly done by the Cotton Committee and the Agriculture Ministry. As a result of it, the production has improved. As regards very long staple cotton, I suppose it will take a little time to mature in the country.

**Shri Tangamani:** Is it not a fact that similar long staple cotton is being grown in certain areas in the South, and if so, what encouragement is being given to expand them?

**Shri Kanungo:** Very long staple varieties of cotton are not grown in the country as yet.

**Shri Tangamani:** In Rajapalayam, for instance, similar long staple cotton is grown.

**Shri Kanungo:** It may be so, but it is a very negligible quantity.

#### State Trading Corporation of India (Private) Limited

- \*393. { **Shri T. K. Chaudhuri:**  
           **Shri N. B. Munisamy:**  
           **Shri Shivananappa:**  
           **Dr. Ram Subhag Singh:**  
           **Shri Bimal Ghose:**

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

(a) whether it is a fact that the State Trading Corporation propose to have private firms and companies as "Business Associates" in order to help

in its efforts to find new markets and to expand exports;

(b) whether the terms and conditions of the proposed association of private firms and companies with the Corporation have been worked out;

(c) the branches of export trade wherein the Corporation propose to have such associates; and

(d) the names of such firms and companies with whom the Corporation propose to have negotiations in this regard?

**The Minister of Commerce (Shri Kanungo):** (a) Yes, Sir.

(b) The terms and conditions of association with business houses vary from item to item and are modified to suit the requirements of different commodities and different markets.

(c) Oils, soaps, pepper, textiles, hides & skins, cashewnuts, tea and any other items in which association with business houses is found to serve the object in view.

(d) No such list has been drawn up: the Corporation proposes to negotiate only with such firms as are willing, keen, experienced and capable of participating in the proposed joint endeavour to augment country's exports.

**Shri T. K. Chaudhuri:** May I know if Government propose to issue notices inviting companies to associate with them?

**Shri Kanungo:** No, we do not want to push out advertisements for that purpose.

**Shri Heda:** Press comments show that under the name of joint participation, most of the work, getting orders, packing and doing everything, is done by the private firms and only the name is used of the Corporation. To what extent is this true?

**Shri Kanungo:** It is not correct.

**Shri Bimal Ghose:** To what extent is there a market for soaps abroad for which private firms have been

called to associate with the Corporation?

**Shri Kanungo:** I do not know much about soaps, but these are the lines in which we would encourage association.

**Shri Bimal Ghose:** What I want to know is...

**Mr. Speaker:** He is not in possession of facts relating to soaps.

**Shri Bimal Ghose:** Am I not entitled to ask this? The STC has asked for associates for certain lines. Does it know whether there is a market for those items?

**Mr. Speaker:** There are a number of items.

**Shri Bimal Ghose:** For example, soap.

**Mr. Speaker:** It is only an example. The hon. Minister is not expected to know the details of every item with respect to which associates are being brought in. I am unable to follow the hon. Member's argument. There are a hundred items for which associates are called for. One is singled out and supplementaries are asked on that.

**Shri Bimal Ghose:** There are certain items for which there are no export markets.

**Mr. Speaker:** No, he wants notice relating to that particular matter.

**The Minister of Commerce and Industry (Shri Morarji Desai):** These markets are being explored. It does not mean that immediately there are markets. It ought to be known that export markets have got to be cultivated. In the beginning, we cannot give all the figures.

**Mr. Speaker:** I am on another point. The State Trading Corporation associates itself with various associations for the purpose of helping exports of different items. Is this question to be taken advantage of to ask the Minister to give details about each item? Some Ministry may take up soap,

some other Ministry may take up some other item.

**Shri Bimal Ghose:** May I ask another question? It is an important question.

**Mr. Speaker:** No, next question. I have already seen the importance of the question that he has asked. I am satisfied that the other questions also won't be important.

**Shri Bimal Ghose:** Without hearing me, how can you say, Sir, that it is not important?

**Mr. Speaker:** I allow one question to an hon. Member. If I am not satisfied, I will go to another question.

### Bicycles

**\*394. Shri Jhulan Sinha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the exact position as it obtains now with regard to the requirements and production of bicycles in the country;

(b) whether any portion of our requirements has yet to be imported from outside; and

(c) if so, how much?

**The Minister of Industry (Shri Manubhai Shah):** (a) The country's requirement of bicycles as assessed by the Tariff Commission, in their 1957 Report on the continuance of the protection to the Bicycle Industry, is 9,50,000 bicycles for 1957. Production of bicycles from the large scale sector is expected to be 8,00,000 bicycles in 1957 and the gap is expected to be met from production from the small scale sector and stocks of imported cycles in the market.

(b) and (c). Taking into consideration the anticipated indigenous production and stocks of bicycles, imports will not be necessary.

**Shri Jhulan Sinha:** May I know if there is any phased programme for the development of this industry so that it may become self-sufficient in this respect?

**Shri Manubhai Shah:** Yes, there is a phased programme. We are contemplating an upward revision of the target from 1.4 million cycles in 1960-61 to 2 million cycles.

**Shri V. P. Nayar:** Is it a fact that the entire installed capacity in the matter of production of cycles could not be utilised because there are restrictive conditions in the agreements of collaboration with two of the biggest manufacturing units, namely, Sen-Raleigh and Hercules, that is, restricting exports only to Pakistan, Afghanistan and Nepal?

**Shri Manubhai Shah:** No, Sir.

**Shri Gajendra Prasad Sinha:** What is the rated capacity of the existing plants, because for further expansion we may need foreign exchange? Is it a fact that some of the cycle factories, especially in Bihar, are not working? If so, what are the reasons?

**Shri Manubhai Shah:** The rated capacity assessed recently is about 1.76 million per year, including all shifts. As far as the Bihar factory is concerned, we are having discussions with them, because they want to import certain balancing equipment on deferred payment terms. We shall consider their application on which deferred payment terms.

**Shri Radha Raman:** Are the cycles manufactured in India exported? If so, to which countries and for what value?

**Shri Manubhai Shah:** They have some exports, though not of any sizeable nature, particularly to Africa and Middle Eastern countries.

**Sardar Iqbal Singh:** Government are going to enlarge production from 1.4 million to 2 million units. May I know whether this enlargement will be only for the cottage and small scale cycle manufacturers or any licences will be given to the big factories also?

**Shri Manubhai Shah:** What is under consideration is 0.5 million for the small scale sector and 1.5 millions for the large scale sector.

### Exhibition of Newsreels

\*396. **Shri Jadhav:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the rates charged for the exhibition of newsreels to touring talkies at present; and

(b) what were the rates for the last five years?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) and (b). The rates of rental charged from touring talkies for the exhibition of newsreels range from Rs. 5 to Rs. 30 per film, per week depending upon the average collection weekly. The majority of them pay from Rs. 5 to Rs. 10. These rates have been in force for the last five years or more.

**Shri Jadhav:** May I know whether a separate exhibition licence is necessary at each and every place?

**Dr. Keskar:** Licensing of the talkies is done by the State Governments entirely.

### Horse Races

\*397. **Shri Radha Raman:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government are considering a proposal for stopping horse races in New Delhi and to use the race course grounds for some other purposes; and

(b) if so, for what other purposes the grounds will primarily be made use of?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) There is no proposal to stop race or horse racing as such but Government have taken a decision to resume the land from the Local Race Club in New Delhi.

(b) The land thus resumed will be used for public purpose.

**Shri Radha Raman:** When recovering the land from the Race Club, are

Government going to give them either compensation or alternative land in return?

**Shri Anil K. Chanda:** Why should we give any compensation? There has been no long-term lease with this Club.

**Shri Radha Raman:** The hon. Minister has said that it will be used for public purpose. What is the public purpose for which it will be utilised?

**Shri Anil K. Chanda:** Government are considering this matter.

### पाकिस्तान में प्रचार

\*३६८. श्री बाळयेयी : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पाकिस्तान के कुछ समाचारपत्रों ने पाकिस्तान स्थित भारतीय उच्चायुक्त के विरुद्ध अनर्गल अप-प्रचार प्रारम्भ कर रखा है ;

(ख) क्या सरकार ने पाकिस्तान सरकार को इस सम्बन्ध में कोई विरोध-पत्र भेजा है ; और

(ग) यदि हां, तो पाकिस्तान ने उसका क्या उत्तर दिया है ?

बेइसिक कार्य मंत्री के सहा-सचिव (श्री सादत अली खान) : (क) जी हां ।

(ख) और (ग), पाकिस्तान सरकार के पास एक विरोध-पत्र भेजा गया है । उनके उत्तर की प्रतीक्षा है ।

श्री बाळयेयी : क्या यह सच नहीं है कि पाकिस्तान के अखबार इसी तरह से लगातार भारत के विरोध में और हमारे जो हाई कमिशनर है कराची में उनके विरोध में प्रचार करते हैं, और क्या हमारी सरकार इस प्रचार का प्रभावी ढंग से मुकाबला करने के लिये पाकिस्तान में प्रचार करने के लिये कोई कदम उठा रही है ?

प्रधान मंत्री तथा बेइसिक कार्य मंत्री (जवाहरलाल नेहरू) : आपके सवाल के पहले हिस्से का जवाब तो "हां" है । दूसरे हिस्से का जवाब यह है कि, जी नहीं हम इस तरह के प्रचार में उनका मुकाबला नहीं कर सकते ।

डा० राज सुभग सिंह : यह विरोध-पत्र कब भेजा गया था ?

श्री जवाहरलाल नेहरू : ठीक तारीख नहीं बता सकता, शायद करीब महीना भर हुआ । शायद २६ अक्तूबर को भेजा गया था ।

श्री बबू राज सिंह : इसके जवाब का कब तक इन्तिजार किया जायेगा ?

श्री जवाहरलाल नेहरू : इन्तिजार करते जायेंगे जब तक कि जवाब न आये ।

### Stocks of Cloth

\*399. **Shri Naushir Bharucha:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the stocks of cloth with the Textile mills in Bombay State have diminished as a result of Diwali festival or other transactions;

(b) what has been the off take and what is the balance now remaining with the millowners;

(c) whether the Millowners Association has made any representation to Government for relief on this score; and

(d) if so, with what result?

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

(b) During September, 1957, the Mills of Bombay State as a whole delivered roughly 2 lakh bales of cloth for all purposes. The total stocks of cloth lying with the mills at the end of October, 1957 was 3.9 lakh bales comprising 2.2 lakh bales as unsold and 1.7 lakh bales as sold but not lifted by the trade.

(c) and (d). Yes, Sir. Government are closely watching the situation in the textile industry and suitable relief measures, where considered necessary, will be taken.

**Shri Naushir Bharucha:** What is the type of suitable relief contemplated?

**Shri Kanungo:** Nothing is contemplated because the condition is not considered to be very abnormal.

**Shri Heda:** Though the size of the stocks may not be formidable as yet, at the rate at which they are increasing, do Government feel that in the next six months or so the stocks will accumulate so much as to create a problem of unemployment in the textile industry?

**Shri Kanungo:** As yet, there is nothing to be afraid of, because the stocks carried are 7 to 8 weeks production. That has not been unusual.

## WRITTEN ANSWERS TO QUESTIONS

### Textile Mills

\*370. **Shri Bibhuti Mishra:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that Government have given permission to the textile Mills to instal automatic looms on the specific condition that the output of these looms would be reserved for export purposes?

**The Minister of Commerce (Shri Kanungo):** Yes, Sir.

### सरकारी विज्ञापन

\*३७८. श्री भक्त शर्मा : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि प्रेस आयोग ने इस आशय की सिफारिश की थी कि हिन्दी व अन्य भारतीय भाषाओं के समाचार-पत्रों को सरकारी विज्ञापन अधिकाधिक संख्या में दिये जायें ;

(ख) यदि हां, तो इस सिफारिश को कार्यान्वित करने के लिये अब तक क्या कार्यवाही की गई है; और

(ग) उक्त सिफारिश को कार्यान्वित करने में कहां तक सफलता मिली है ।

**सूचना और प्रसारण मंत्री (डा० केश-कर) :** (क) से (ग). सरकार पूरे तौर से चाहती है कि भारतीय भाषाओं के पत्रकारों को ज्यादा से ज्यादा विज्ञापन दिये जायें । केन्द्रीय सरकार के विज्ञापनों के लिये देशी भाषाओं के समाचार पत्रों का इस्तेमाल लगातार बढ़ता जा रहा है । १९५४-५५ में सजावटी (डिस्प्ले) विज्ञापन देशी भाषाओं में ६५ प्रतिशत रहे लेकिन १९५६-५७ में ७६ प्रतिशत तक बढ़ गये । वर्गीकृत विज्ञापन १९५४-५५ में लगभग १५ प्रतिशत से बढ़ कर १९५६-५७ में २४ प्रतिशत पहुंच गये ।

### Manufacture of Paper

\*388. **Shri Basumatari:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the possibility of manufacture of paper in Tripura has been studied or surveyed;

(b) the approximate availability of Bamboo, light and soft timber in Tripura; and

(c) whether the forest produce available in Tripura and other Tribal areas has been profitably used for other purposes?

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

(a) Yes, Sir.

(b) The Tripura Administration have reported that after meeting the domestic demand 38,000 tons of bamboo would be available annually in the State. Soft woods are, however, not available.

(c) So far as Government of India are aware, the bamboo available in the State has not so far been utilised for industrial purposes.

### Synthetic Rubber and Aluminium Industries in U.P.

\*392. **Shri Parulekar:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Government of India have decided to hand over the Synthetic rubber project and the Aluminium Factory to be set up in U.P. to the private sector; and

(b) if so, which are the firms likely to take up the projects?

**The Minister of Industry (Shri Manubhai Shah):** (a) No, Sir.

(b) Does not arise.

### Safety Measures in Coal Mines

\*395. **Shri H. N. Mukerjee:** Will the Minister of Labour and Employment be pleased to state:

(a) whether a committee is to be appointed to inquire into the safety measures in coal mines;

(b) if so, when; and

(c) what will be its composition and terms of reference?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) to (c). The matter was considered by the Standing Labour Committee on the 18th October 1957 and it was decided that it should be placed before the Industrial Committee on Coal Mining.

### Industrial Policy

\*400. **Shri Surendranath Dwivedy:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there is any proposal to change the Industrial Policy of Government with a view to meet the foreign exchange difficulties; and

(b) if so, whether it is a fact that some of the projects in the Public Sector are going to be transferred to the Private Sector?

**The Minister of Industry (Shri Manubhai Shah):** (a) No, Sir.

(b) Regarding projects in Schedule (2) of the Industrial Policies as

the House is aware both the Government and the private industries can set up plants for these items. Therefore, which of these units and items should be manufactured by the Government and by the private parties are, therefore, determined by Government from time to time depending on the circumstances of each case.

### Rock Salt

\*401. **Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total production of rock salt in the country;

(b) whether any new mines of rock salt have been discovered; and

(c) if so, where and what steps have been taken by Government to encourage the development of these mines?

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

(a) About 1.30 lakh maunds per annum on an average during the years 1952 to 1956.

(b) No, Sir.

(c) Does not arise.

### Piecerate Scheme for Madras Port

\*402. **Shri Tangamani:** Will the Minister of Labour and Employment be pleased to refer to the reply given to a supplementary raised on Starred Question No. 245 on the 22nd May, 1957 and state:

(a) whether a Tripartite Committee under Mr. Jeejeebhoy has been appointed for evolving a piecerate scheme for Madras port;

(b) if so, whether the enquiry has been concluded; and

(c) when the report will be published?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) A bi-partite

Committee with Shri Jeejeebhoy as Chairman was appointed on 5-9-57.

(b) Yes.

(c) The report is under examination. Its copy will be supplied to the Parliament Library in due course.

**Cauvery Valley Paper Mills Ltd.,  
Mysore**

\*404. **Shri Siddiah:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 1513 on the 5th September, 1957 and state:

(a) whether Government have been successful in getting a suitable industrialist to revive the Cauvery Valley Paper Mills Ltd. in Mysore District; and

(b) if not, how Government propose to revive the same?

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

(a) No, Sir.

(b) The Development of Paper Industry has been left to the private sector, and it is for private parties to consider the possibilities of reviving the mill or of utilising the equipment for installation elsewhere.

**Integrated Heavy Machine Building Plant**

\*405. { **Shri Shree Narayan Das:**  
**Shri Radha Raman:**  
**Shri Bibhuti Mishra:**

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 155 on the 18th July, 1957 and state the progress made so far in regard to the setting up of an Integrated Heavy Machine Building Plant in Bihar in collaboration with the U.S.S.R.?

**The Minister of Industry (Shri Manubhai Shah):** This project is one of those for the implementation of which an agreement was signed between the Governments of India and the U.S.S.R. on the 9th November,

1957. Further detailed discussions for progressing each of these schemes are in progress. In the meantime, local data relating to the site proposed for the project near Ranchi are being obtained.

**Working Journalists' Wage Board**

{ **Shri D. C. Sharma:**  
**Shri Bhakt Darshan:**  
**Shri Panigrahi:**  
**Shri Heda:**  
**Shri Rameshwar Tantia:**  
\*406. { **Shri Menon:**  
**Shri Surendranath Dwivedy:**  
**Dr. Ram Subhag Singh:**  
**Shri Awasthi:**  
**Shri Tangamani:**  
**Sardar Iqbal Singh:**

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

(a) the present position regarding the implementation of the recommendations of the Working Journalists' Wage Board by the newspaper proprietors;

(b) the extent of success achieved so far in introducing the pay-scales recommended by the Wage Board for Working Journalists in the various States and Union territories; and

(c) the further steps, if any, contemplated in this regard?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) to (c). The State Governments are responsible for implementing the Decisions of the Wage Board for Working Journalists. According to the available information, 17 newspapers have fully implemented the Decisions. The Central Government are actively considering what further steps should be taken in the matter.

**Cooperative Savings by Coalmine Workers**

\*407. **Dr. Ram Subhag Singh:** Will the Minister of Labour and Employment be pleased to state:

(a) whether any scheme has been prepared to popularise the idea of

cooperative savings among coalmine workers; and

(b) if so, whether the scheme has been introduced?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) In the meeting of the Coal Award Implementation Committee held on the 16th August 1957, it was agreed that the trade unions will organise consumers and credit cooperatives for workmen by utilising a portion of the arrears of wages that will be received under the Coal Award.

(b) Not yet.

### Industrial Programme

\*408. **Shri Heda:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any adjustment has been made with regard to the industrial expansion programme in the Public or Private Sector after the first blue print of the Second Five Year Plan;

(b) if so, the names of the States which are affected; and

(c) the nature of adjustment made in respect of Uttar Pradesh?

**The Minister of Industry (Shri Manubhai Shah):** (a) and (b). Some minor adjustments within the over-all allocation of funds for the development of Large and Medium Scale Industries in the Public Sector of Orissa and Jammu & Kashmir has been made. Similar adjustments in the case of Private Sector Schemes are not called for.

(c) Some adjustments within the total provision of the Uttar Pradesh State Plan are under consideration and no final decision has so far been arrived at.

### Acquisition of Land

\*409. { **Shri A. K. Gopalan:**  
**Shri Vasudevan Nair:**

Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government have issued orders for the acquisition of

the land owned by the Government Employees Sarvodaya Cooperative House Building Society Limited, New Delhi;

(b) if so, the reasons for acquiring the lands of the Society; and

(c) whether Government have received any representation against the acquisition?

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

(b) To meet the urgent and growing needs for office accommodation and residential accommodation for Government servants in Delhi during the period of the Second Plan.

(c) Yes Sir.

### Retting of Coconuts Husk

\*410. **Shri V. P. Nayar:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any scientific investigation has been made by the Government of India to reduce the time required for retting of coconuts husk for extraction of fibre;

(b) if so, at what stage is such investigation; and

(c) whether any research has been carried on to find out as to how the waste in the extraction of coir fibre could be profitably used in industry?

**The Minister of Industry (Shri Manubhai Shah):** (a) An investigation has been undertaken by the Coir Board on this subject.

(b) The investigation is in its initial stages.

(c) Research is being conducted on this subject also.

### Development Council for Alcohol and Alcohol Basic Industries

\*411. **Shri Ajit Singh Sarhadi:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there was a proposal to set up a Development Council for

Alcohol and Alcohol Basic Industries and also for fermentation industries including Alcohol and products obtained therefrom; and

(b) if so, how far it has been implemented?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** (a) and (b). The Alcohol Committee has, among other things, recommended the setting up of such a Council and its recommendations are under consideration of Government.

#### **Middle Income Group Housing Scheme**

**\*412. Shri Damani:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government have contemplated any scheme for Middle Income Group Housing; and

(b) if so, the nature thereof?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) and (b). As already stated in reply to Question No. 4 on the 19th March 1957, the Middle Income Group Housing Scheme has been deleted from the Second Five Year Plan on the recommendation of the Parliamentary Committee 'D' on Social Services (Sub-committee on Housing). The possibility of drawing up an alternative scheme for middle income groups, based entirely on loan finance from the Life Insurance Corporation, or Housing Finance Corporations which might be set up, is however, under consideration of the Govt. of India.

#### **Export of Shoes to Poland**

**\*413. Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Unstarred Question No. 1475 on the 10th September, 1957 and state the progress made so far in regard to the supply of 54,000 pairs of shoes to Poland?

**The Minister of Commerce (Shri Kanungo):** The stock is being inspected by the Polish shoe expert after which shipment will be made.

#### **Swadeshi Cotton Mills of Pondicherry**

**\*414. Shri Tangamani:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that the Swadeshi Cotton Mills of Pondicherry have given notice of closure of their Mill on trade and financial conditions and which would result in the total unemployment of about 2200 workers; and

(b) if so, the steps being taken to avert that closure?

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

(a) Yes.

(b) The Pondicherry Administration is consulting the Textile Commissioner. The idea is to find out what steps are necessary for satisfactory working of the mill in a stable and economical manner.

#### **Revision of Water Rates**

**\*415. { Shri Shree Narayan Das:  
Shri Radha Raman:**

Will the Minister of Planning be pleased to state:

(a) whether the question of revising the water rates in various States has been considered in consultation with State Governments;

(b) if so, whether any revised system of water rates has been evolved; and

(c) if so, the nature of such revised system?

**The Deputy Minister of Planning (Shri S. N. Mishra):** (a) The Planning Commission in January 1956 sent a circular letter to the State Governments requesting them to offer their comments and to report the action taken by them on the recommendations made by the Taxation Enquiry

Commission in regard to the question of water rates. Replies received from some of the States show that water rates have either been revised upwards or their revision is under consideration.

(b) No.

(c) No.

#### Coir Products

\*416. **Shri V. P. Nayar:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total sales through the show-room of the Indian Coir Board in Delhi from 1st January to 15th October, 1957; and

(b) whether similar depots and sales/show rooms are proposed to be opened in Calcutta and Bombay?

**The Minister of Industry (Shri Manubhai Shah):** (a) Rs. 48,754.

(b) Yes, Sir.

#### Khaksars Threat to Enter India

\*417. { **Dr. Ram Smbhag Singh:**  
**Shri Anirudh Sinha:**  
**Shri Jadhav:**  
**Shri Shivananjappa:**  
**Shri Raghunath Singh:**  
**Shri V. C. Shukla:**

Will the Prime Minister be pleased to state:

(a) Whether Government are aware of the Plan of Allama Mashriqi, Khaksar Leader of Pakistan, to march into India;

(b) whether he has been distributing posters and leaflets and recruiting volunteers in Pakistan for that purpose; and

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

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** (a) The Government are aware of statements made from time to time by Allama Mashriqi announcing his intention of marching into India with volunteer Razakars.

(b) Yes Sir.

(c) Protests have been lodged with the Government of Pakistan. Allama Mashriqi is believed to be in jail or detention at present in Pakistan.

#### Hosiery Industry, Ludhiana

\*418. **Shri A. S. Sarhadi:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Hosiery Industry at Ludhiana has complained about the non-availability of standard quality woollen yarn; and

(b) If so, the action taken in the matter?

**The Minister of Commerce (Shri Kanungo):** (a) The Government of India have not received any specific complaint regarding the non-availability of good quality woollen yarn.

(b) Does not arise.

#### Jute Products

\*419. **Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity and the value of Jute and Jute goods exported to the U.S.A. during 1956;

(b) whether any steps have been taken to increase it; and

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

**The Minister of Commerce (Shri Kanungo):** (a) Export of raw jute is banned. A quantity of 232,100 tons of jute goods worth about Rs. 33,69,00,000 was exported to the U.S.A.

(b) and (c). A statement is laid on the Table of the Lok Sabha. [See Appendix II, annexure No. 54].

#### News Bulletin

538. **Shrimati Mafida Ahmed:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that some of the Foreign Embassies in India publish weekly/monthly News-bulletins in English dealing with their respective achievements?

and current topics and distribute free to the Members of Parliament; and

(b) whether the Indian Embassies attached to foreign countries also publish such bulletins?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) Government are aware that some Foreign Embassies in India publish their bulletins, but whether those are distributed free to Members of Parliament is not known to Government.

(b) Yes. Attention is invited to the answer given to the Starred Question No. 238 in the Lok Sabha on May 22, 1957.

### राज्य भ्रम मंत्री सम्मेलन

- श्री विभूति मिश्र :  
 श्री राम शंकर लाल :  
 श्री संगण्डा :  
 श्री ब० स० मूति :  
 श्री न० रा० मुनिस्वामी :  
 श्री शिवरंजप्पा :  
 श्रीमती पार्वती कृष्णन :  
 श्री स० म० बनर्जी :  
 श्री लगामणि :

क्या भ्रम और रोज़वार मंत्री यह बताने की कृपा करेंगे कि :

(क) १५ और १६ अक्टूबर, १९५७ को नई दिल्ली में हुये राज्य भ्रम मंत्री सम्मेलन में किन किन मुख्य विषयों पर चर्चा की गई और निर्णय किये गये ; और

(ख) उनमें से किन निर्णयों की कार्यान्विति के लिये सरकार योजना बना चुकी है ?

भ्रम उपमंत्री ( श्री जवाहर लाल ) :

(क) और (ख). सम्मेलन में जिन मुख्य-मुख्य विषयों पर चर्चा की गई और जो निर्णय हुये हैं उसका विवरण सभा के पटल पर रखा जाता है : निर्णयों की जांच की गई

है और बाव की कार्रवाई भी की जा रही है । [बेसिय परिशिष्ट २, अनुबंध संख्या ५५]

### A.I.R.

540. Shri D. C. Sharma: Will the Minister of Information and Broadcasting be pleased to state the number of women who are serving at present in the All India Radio Stations all over the country?

The Minister of Information and Broadcasting (Dr. Keskar): 288.

### Nagas

541. Shri D. C. Sharma: Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 150 on the 18th July, 1957 and state:

(a) the number of hostile Nagas who have since surrendered to Government up to the 30th November, 1957; and

(b) the number of arms surrendered by the hostiles since the beginning of this year up to the 30th November, 1957?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) 376 (up to the 16th November, 1957), including surrenders in the Naga Hills District.

(b) 163 arms of various types (up to the 16th November, 1957), including surrenders in the Naga Hills District.

### Kashmir

542. Shri D. C. Sharma: Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 158 on the 18th July, 1957 and state whether the Government have since received any reply from the United States of America regarding Mr. Dulles' Statement on Kashmir?

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

**Indian Embassy in Washington**

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

(a) the number of cars at present constituting the pool of cars belonging to the Indian Embassy at Washington;

(b) what are the makes of the cars;

(c) what is their approximate value at present;

(d) the depreciation, if any, calculated on their value; and

(e) the amount spent annually on the upkeep of the pool of cars?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) Two besides the officials car of the Ambassador.

(b) Ford Country Sedan and Chevrolet Belair Sedan.

(c) and (d). It is difficult to state their present value. Generally speaking, the depreciation is about 20% of net value for every year's use as the life of a car is supposed to be five years.

(e) Rs. 1300 approximately during 1956-57.

**Indians in U.S.A.**

**544. Shri D. C. Sharma:** Will the Prime Minister be pleased to state the total or approximate number of Indian nationals residing in the United States of America at present?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** As estimated by the Indian Embassy in Washington, approximately 3164 Indian nationals were residing in the United States on October 1, 1957. Of these, 2650 were Indian students and 514 Indian officials and families.

**Persons Crossed into India without Passports**

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

(a) the number of persons who crossed the border between West Bengal and East Pakistan without passports during the months of July to November, 1957;

(b) the number of persons convicted; and

(c) the number of cases still pending?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) to (c). 749 Pakistan nationals entered West Bengal from East Pakistan without passports in July, 1957. Out of these, 217 persons were convicted. 59 cases are still pending.

Information for the months of August, September and October, 1957 is awaited from the State Government.

**Visits of Pakistan Nationals**

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

(a) the total number of Pakistan nationals who came to Delhi and other places in the Punjab State during 1956-57 to see their relations on passport facilities provided to them by the Indian High Commission in Karachi; and

(b) whether it is a fact that some Pakistan nationals have also stealthily come to Punjab via Indo-Pak Border of the Punjab?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) 1,720.

(b) Yes, Sir. 185 Pakistan nationals entered Delhi and the Punjab State without visas.

**A.I.R., Nagpur**

547. { **Shri V. O. Shukla:**  
**Sardar A. S. Saigal:**

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

(a) whether Government are contemplating to cut down the hours of Hindi programmes in A.I.R., Nagpur; and

(b) if so, the reasons for this change?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) and (b) The quantum of Hindi programmes from Nagpur Station of All India Radio is gradually being reduced for the following reasons:

- (i) The Nagpur Station after the Reorganization of States is in the bilingual State of Bombay having Marathi and Gujarati as the State languages.
- (ii) Nagpur itself is situated in a Marathi-speaking area. The districts coming within the coverage of this Station are practically Marathi-speaking except Chhindwara and Balaghat.
- (iii) The Bhopal Station, where a 10 k.w. shortwave transmitter is under installation, is being developed for Hindi programmes.

The Nagpur Station will, however, continue to broadcast Hindi programmes on a reduced scale. Chattisgarhi cultural programmes will also form part of Nagpur programmes.

**Employment Exchanges**

548. { **Dr. Ram Subhag Singh:**  
**Shri D. C. Sharma:**  
**Shri A. S. Saigal:**  
**Shri Surendranath Dwivedi:**

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

(a) the latest figure of persons registered at the various Employment Exchanges;

(b) how many of these persons are:

(i) Medical graduates;

(ii) Degree-holders in engineering;

(iii) Women; and

(c) the State where the unemployment position is most acute?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) 8,61,571 as on 30-9-1957.

(b) (i) 207, (ii) 602, (iii) 51,655.

(c) Information is not available.

**Portuguese Flag Salutation**

549. **Dr. Ram Subhag Singh:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that the Portuguese authorities in Goa had recently arranged a special flag (Portuguese flag) salutation ceremony in Aguada Fort and the satyagrahi prisoners of that Fort were ordered to line up for saluting that flag;

(b) whether it is a fact that even those satyagrahis who were lying ill in cells were dragged out and asked to stand up for saluting the flag; and

(c) whether the satyagrahis who included Indians also were mercilessly beaten when they refused to salute that flag?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) to (c). Government have seen press reports indicating that the Portuguese jail authorities held a flag salutation ceremony in Aguada Jail on 10th June 1957—the Portuguese National Day. According to the reports, the satyagrahi prisoners were asked to line up and salute the flag, but they refused to do so. This enraged the jail authorities and many of the prisoners were severely beaten and later kept in solitary confinement for several days. Government have-

no information to show if the prisoners involved in this incident included any Indians or not. It is also not known whether any satyagrahis, lying ill in the jail, were asked to stand up to salute the flag.

### प्रधान मंत्री राष्ट्रीय सहायता कोष

५५०. श्री भक्त दर्शन : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) वर्ष १९५७ में अब तक प्रधान मंत्री राष्ट्रीय सहायता कोष में कुल कितना धन एकत्र हुआ है ;

(ख) उसमें से कितना धन विदेशों की किन-किन सस्थाओं से प्राप्त हुआ ; और

(ग) उस धन में से किन-किन राज्यों को किन-किन अवसरों पर कितनी कितनी सहायता दी जा चुकी है ?

प्रधान मंत्री तथा वंदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू) : (क) मे (ग) . एक व्यौरा सदन की मेज पर रख दिया गया है । [वैशेष्ये परिशिष्ट २, अनुबन्ध संख्या ५६]

### Small Scale Industries

551. { Shri S. C. Samanta:  
Shri Barman:

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

(a) whether it is a fact that the programme of technical assistance to small industries has been undertaken directly by the Central Government;

(b) if so, the States which have availed of this opportunity and for which small scale industries;

(c) whether it is also a fact that Indian expert delegations visited and studied the problem of small scale industries abroad;

(d) if so, the number of such delegations sent by the Centre so far; and

(e) how their recommendations have been carried out?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). The Government of India are only supplementing the activities of the State Governments to provide technical assistance to small scale industries. For this purpose, they have established four Regional Small Industries Service Institutes at Bombay, Madras, Calcutta and Delhi, fourteen major and branch Institutes (at least one for each State) and a number of Extension Centres in different parts of the country. All States in India have availed of the technical assistance given by these Institutes.

Technical assistance and guidance is given at present in the fields of light mechanical engineering industries, light electrical industries, sports good industry and in some cases to the chemical industry. Specific attention is given in respect of the following products:—

Cycles and their parts, sewing machines and their parts, radio receivers, electric domestic appliances, furniture, cutlery & surgical instruments, builders hardware, sports goods, agricultural implements.

(c) to (e). No expert delegation has so far been sent abroad. However, a delegation of five small scale industrialists has gone to Sweden on a study-visit for two months. They are still in Sweden.

### Import of Fruits

552. Shri Abdul Salam: Will the Minister of Commerce and Industry be pleased to state:

(a) what are the dry fruits that are imported from Afghanistan; and

(b) in what quantity they were imported during each of the last 3 years?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). A statement is placed on the Table of the Lok Sabha. [See Appendix II, annexure No. 57.]

### Import Licences

553. { Shri Bahadur Singh:  
Shrimati Parvathi Krishnan:

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

(a) whether any Delhi Automobile firm had been alleged to be indulging in trafficking of import licences; and

(b) if so, the action taken in the matter?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) Yes, Sir.

(b) The firm was debarred from getting import licence for that particular item for one licensing period.

### Ban on Exhibition of Films

554. Shri Raghunath Singh: Will the Minister of Information and Broadcasting be pleased to state the number of films which have been banned by the Government of India during 1957 so far?

The Minister of Information and Broadcasting (Dr. Keskar): 45 films have been refused certificate of public exhibition by the Central Board of Film Censors and the Government of India during 1957 so far.

### नेपालियों के लिये पासपोर्ट

५५५. श्री विनूति मिश्र : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सब है कि भारत सरकार ने उन नेपालियों को, जो भारत से होकर नेपाल जाना चाहते हैं, पासपोर्ट अथवा वीसा रखने से मुक्त कर दिया है ; और

(ख) यदि हां, तो क्या नेपाल जाने वाले भारतीय राष्ट्रजनों पर नेपाल की सरकार ने कोई निर्बन्ध लगाये हुए हैं ?

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू) : (क) भारत सरकार

नेपाल जाने वाले नेपाली राष्ट्रकों को, सितंबर, १९५७ से छट ब्रे की गई है कि वे वीसा न लें। लेकिन उनके पास, उनका राष्ट्रीय पासपोर्ट तो होता ही चाहिए।

(ख) नेपाल सरकार नेपाल जाने वाले भारतीयों पर कोई रुकावट नहीं लगाती। वीसा लेने की जरूरत नहीं पड़ती। हां, काठमांडू की घाटी में जाने के लिए भारतीयों को भारतीय राष्ट्रियता का प्रमाण-पत्र और अपने भारतीय निवास-स्थान के सिटी या डिस्ट्रिक्ट मैजिस्ट्रेट से सचचरितता का प्रमाणपत्र ले जाना होता है।

### 'India, 1957'

556. Shri Kumaran: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether Government are aware that there is adverse criticism about the publication 'India 1957' to the effect that it contains some advertisements harmful to the public and also that it is badly edited; and

(b) if so, what steps Government propose to take to remedy the defects?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). The attention of the Government has been invited to the criticism contained in a letter which appeared in the "Times of India" about advertisements in general and about an advertisement for tobacco and tobacco products. Government does not agree with the views of the writer neither does Government accept that it is badly edited.

### All India Handloom Board

557. Shri S. V. Ramaswami: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the All India Handloom Board have been able to secure any accommodation in Bombay for its design centre;

(b) if so, where and its monthly rent; and

(c) the strength of the establishment and the amount of their monthly pay bills?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). The Premises known as "Triangular Motors Ltd." situated at 15, New Queen's Road, Bombay has been secured at a monthly rent of Rs. 5,416 for the Central Design Centre.

(c) Strength of Establishment 53.

Monthly pay bill (for Oct. '57) Rs. 12,000.

#### Slum Clearance in Assam

558. Shri Basumatari: Will the Minister of Works, Housing and Supply be pleased to state whether any scheme has been drawn up and sent by the Government of Assam in regard to slum clearance of Gauhati and other big towns of Assam?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): A project for clearance of slums in the town of Gauhati only has been formulated by the Government of Assam and the project has been sanctioned.

#### Newsprint Factory in Assam

559. Shri Basumatari: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have explored the possibilities of establishing a plant for the manufacture of Newsprint in Assam; and

(b) if so, whether any steps are being taken in the matter?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) Yes, Sir.

(b) The raw material potentialities in the State were assessed last year and it was found that there was no suitable raw material except in sufficient quantity of pine which could not

feed a newsprint mill of an economic size.

#### Assam Oil Company

560. Shri Surendranath Dwivedy: Will the Minister of Commerce and Industry be pleased to state the proportion of Indian and non-Indian Officers in the Assam Oil Company at present and whether there is a great disparity in pay and emoluments between them?

The Minister of Commerce and Industry (Shri Morarji Desai): The proportion of Indian and non-Indian officers in the Assam Oil Company is 4:1, at present. Pay scales for Indian and non-Indian officers are the same, the only difference in total emoluments is the extra allowance for overseas staff to cover additional expenditure of foreign service.

#### अयोध्या कपड़ा मिल्स, दिल्ली

१६१. श्री रा० क० वर्मा : क्या धन और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) दिल्ली की अयोध्या कपड़ा मिल्स के श्रमिकों को बोनस न दिये जाने के सम्बन्ध में मिल के (प्रबन्धक वर्ग) और यूनियन के बीच कोई समझौता हुआ है ; और

(ख) यह समझौता कितनी अवधि तक लागू रहेगा ?

धन उ. मंत्री (श्री आशिष अत्रे) :

(क) जी हां, समझौता दिल्ली की अयोध्या कपड़ा मिल्स के प्रबंधक वर्ग और वहां की एक यूनियन, जिसका नाम कपड़ा मजदूर एकता यूनियन है, के बीच हुआ था ।

(ख) शुरू में इस समझौते पर १२ फरवरी, १९५७ से एक साल तक अमल करना अनिवार्य है । इसके बाद भी यह समझौता बालू रहेगा जब तक कि कोई पक्ष तोड़ने की लिख कर सूचना न दे ।

### Shipment of Iron and Manganese Ores

562. **Shri Rameshwar Tantia:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount of demurrage paid during 1957 to the steamer companies for delay in shipments of the Iron and manganese ores by the State Trading Corporation; and

(b) the arrangements proposed to be made for future shipments in regard to these commodities?

**The Minister of Commerce and Industry (Shri Morarji Desai):** (a) and (b). No demurrage has so far been paid during 1957 to steamer companies by the State Trading Corporation. Some demurrage, however, has been incurred to be paid principally on account of non-availability of berths, arising out of congestion at the ports. When berths were available in time, the Corporation has been able to load ships at a rate faster than provided in the contracts, with the result that claims against the Corporation for demurrage are likely to be largely counter-balanced by substantial earnings on account of despatch money.

### Silk Industry

563. **Shri Balarama Krishniah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether any scheme has been prepared to give aid to the silk industry on an all-India basis; and

(b) whether there is any foreign market either for silk or artificial silk fabrics made in India?

**The Minister of Commerce and Industry (Shri Morarji Desai):** (a) Yes, Sir. The schemes relating to training, research and general development of sericulture are usually on an all-India basis and are undertaken by the Central Silk Board constituted by the Government of India under the Central Silk Board Act, 1948.

(b) Yes, Sir. The principal foreign markets for silk fabrics are the United States of America, Ceylon, Hong Kong and Kuwait; for artificial silk fabrics Afghanistan, Burma, Ceylon, East Africa, Sudan, the Persian Gulf ports, Fiji Islands, Mauritius, etc. The following table shows the export of silk and artificial silk fabrics from India during the past 3 years:—

Year	Pure Silk fabrics		Artificial silk fabrics	
	Quantity in million yds.	Value in lakhs of Rs.	Quantity in million yds.	Value in lakhs of Rs.
1954	0.086	9.32	3.68	61.18
1955	0.198	23.90	2.92	57.70
1956	0.22	25.80	3.17	59.72

### Patna Press Information Centre

564. **Shri Jhulan Sinha:** Will the Minister of Information and Broadcasting be pleased to state the total expenditure that the Central Government has incurred over the Patna Information Centre so far?

**The Minister of Information and Broadcasting (Dr. Keskar):** The expenditure on the Patna Information Centre is shared equally between the Central Government and the State Government. The Government of India's share of the expenditure so far

incurred on the Centre is given below:—

	Rs.	As.	Ps.
1955-56	.. 10,003	0	0
1956-57	.. 9,816	8	0
1957-58	.. 14,074	0	0

(Amount sanctioned)

### Bank Employees Strike

565. **Shrimati Ila Palchoudhuri:** Will the Minister of Labour and Employment be pleased to state the approximate loss in working hours of Banks

as a result of the strikes of Bank Employees during the current year so far?

**The Deputy Minister of Labour (Shri Abid Ali):** The number of man-days lost during the period January 1957 to October, 1957 is 1,81,548 (approximately). This includes the banks in West Bengal but information from some of the other States is not at present available.

**भारतीय फिल्म निर्माता के लिये आर्थिक सहायता**

**५६६. श्री मोहन रवकर :** क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) जो फिल्म स्वाजा ग्रहमद अब्बास मोवियत सरकार के सहयोग से मास्को में बना रहे हैं क्या भारत सरकार ने उनके निर्माण के लिये उन्हें कोई आर्थिक सहायता दी है ; और

(ख) क्या भारत सरकार अन्य देशों से मिल कर भारतीय कथानकों को लेकर बड़ा फिल्म बनाने का विचार कर रही है अथवा भारतीय फिल्म निर्माताओं को इस कार्य के लिये प्रोत्साहन देने पर विचार कर रही है ?

**सूचना और प्रसारण मंत्री (डा० केशकर):**

(क) "नयाम्मार इन्टरनेशनल" के स्वाजा ग्रहमद अब्बास को २ लाख रुपये का ऋण दिया गया है ताकि वह फिल्म "परदेसी" को, जिसे वह मोवियत सरकार के सहयोग से तैयार कर रहे हैं, पूरा कर सकें। कर्ज पर ८ प्रतिशत वार्षिक व्याज लगाया गया है और १ जनवरी १९५८ में पहले सरकार को इसकी अदायगी होनी है।

(ख) अन्य देशों के सहयोग से भारतीय कथानकों पर फिल्म तैयार करने का भारत सरकार का फिलहाल कोई विचार नहीं है। विदेशी निर्माताओं से मिल कर भारतीय निर्माताओं द्वारा फिल्म तैयार करने पर कोई रुक नहीं है।

### Accidents in Kolar Gold Mines

**567. Shri Wodeyar:** Will the Minister of Labour and Employment be pleased to state:

(a) the number of accidents that have been responsible for the stoppage of work in the Kolar Gold mines since their nationalisation; and

(b) the total loss incurred owing to the stoppage of work in the mines on account of accidents?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) According to available information, there was one case of fire which was responsible for the sealing off a large portion of the Champion Reef Mine from the 26th April 1957 to the 10th June 1957 and the consequential stoppage of work in that mine.

(b) Information is not available.

### Pakistan Check Posts

**568. Shri Bangshi Thakur:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that as reported in the local weekly 'Manush' of Tripura, Agartala dated 14-9-57 under the heading 'Check-Post' the Pakistan Government have established 105 Pakistan Check Posts out of which 9 fall in the border of Tripura; and

(b) if so, what steps our Government is going to take in the matter?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) and (b). According to reports received, the Government of Pakistan have established, with effect from the 1st September, 1957, 149 additional Land Customs Stations and authorised routes on the India-East Pakistan border. Prior to this, there were 30 such stations and routes. Of the total of 179, 30 lie on the border of Tripura.

The Indo-Pakistan Trade Agreement (1957-60) provided that the two Governments would be free to prescribe, in consultation with each other,

as might be necessary, an adequate number of authorised routes in keeping with the requirements of bona-fide border trade. The Government of Pakistan did not consult the Government of India before establishing the new land customs stations and authorised routes.

The matter will be taken up with the Government of Pakistan at the next Indo-Pakistan conference for reviewing the working of the Trade Agreement.

### Vanaspati Exports

569. Shri Jadhav: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of Vanaspati exported from India from the year 1950-51 to 1956-57;

(b) the amount of export duty realised during the above period year-wise;

(c) whether it is a fact that the export duty is not to be recovered henceforth; and

(d) the quantity of internal consumption of Vanaspati at present?

The Minister of Commerce and Industry (Shri Morarji Desai): (a)

1950-51	503 tons
1951-52	3,050 tons
1952-53	1,800 tons
1953-54	900 tons
1954-55	9,800 tons
1955-56	12,900 tons
1956-57	11,150 tons

(b) and (c). No export duty was leviable on Vanaspati in the years 1950-51 to 1956-57 nor is an export duty leviable on Vanaspati at present.

(d) The internal consumption is estimated at 2.53 lakh tons for 1956-57.

### Fresh Fruits

570. Shri B. L. Reddy: Will the Minister of Commerce and Industry be pleased to state the quantity and the

value of fresh fruits imported into India from foreign countries during the first half of 1957?

The Minister of Commerce and Industry (Shri Morarji Desai): The quantity and value of fresh fruits imported into India during January-June 1957 were as follows:—

Quantity	Value
2,46,372 Cwts.	Rs. 67,98,000

### Central Travancore Planters' Association

571. Shri Vajpayee: Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that the Central Travancore Planters' Association submitted him a memorandum during his visit to the State complaining against "lawlessness" prevailing in the area; and

(b) if so, the action taken thereon?

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

(b) It was handed over to the State Government for necessary action as the subject related mainly to the question of law and order.

### विदेशों में भारतीय दूतावास

५७२. श्री भदौरिया : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) विदेशों में भारतीय दूतावासों में कितने भारतीय अधिकारी और कर्मचारी ऐसे हैं जिनकी पत्नियां भारतीय नागरिक नहीं हैं ; और

(ख) ऐसे अधिकारियों और कर्मचारियों की पत्नियां किस देश की नागरिक हैं

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू): (क) और (ख). भारतीय विदेश सेवा (इंडियन फोरेन सर्विस) के दस सदस्यों की पत्नियां अन्य से विदेशी

(फारेन बार्न) हैं। एक ब्यौरा सदन की मेज पर रख दिया गया है जिसमें उनकी जन्मजात राष्ट्रिकता दी गई है। [रेडिये परिशिष्ट II, सप्तम संख्या ५८]

भारतीय विदेश सेवा (शाखा 'ख') [इंडियन फारेन सर्विस (ब्रांच 'बी')] के अधिकारियों की जन्म से विदेशी पत्नियों के बारे में सूचना मंगाई जा रही है और यथासमय सदन की मेज पर रख दी जा रही।

### 'Pakistan News'

573. **Shri Kalika Singh:** Will the Prime Minister be pleased to state:

(a) the number of copies of the 'Pakistan News' published by the Pakistan High Commission Office, New Delhi for circulation in India; and

(b) whether any such corresponding journal is also published by India in Pakistan?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) "Pakistan News" is a fortnightly publication and we understand that each issue is of about 1,000 copies.

(b) Yes, Sir. The Indian High Commission at Karachi also publishes a fortnightly called 'India News'.

### Government Advertisements

574. **Shri Vajpayee:** Will the Minister of Information and Broadcasting be pleased to lay a statement on the Table showing the quantum and cost of Governmental advertisements placed with the various newspapers in India and abroad during the last financial year?

**The Minister of Information and Broadcasting (Dr. Keshkar):** 4,53,500 column inches of space was taken up or advertising in newspapers in India during 1956-57. This was done at a cost of Rs. 29,95,020/-.

As regards foreign countries the total cost of advertising during 1956-57 was Rs. 3,42,790/-. It is not possible to give a break-up according to the media used or to indicate the space used in newspapers. However, the total number of insertions in newspapers was 268.

### Pensions for Displaced Government Servants

575. **Sardar Iqbal Singh:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) how many displaced Government servants from Bhawalpur State, who migrated to India, have been given their provisional pensions so far;

(b) how many applications are still pending with Government; and

(c) the reasons therefor?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** (a) 8; besides in 81 cases pensions have been finally transferred by Pakistan authorities;

(b) No application for provisional pension is pending.

(c) Does not arise.

### Textile Spinning Mills

576. **Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number of applications received so far from the textile spinning mills in Punjab State for the allotment of spindles; and

(b) how many out of these applications are from the existing mills?

**The Minister of Commerce and Industry (Shri Morarji Desai):** (a) and (b). In all 25 applications for licences for spindles under Industries (Development and Regulation), Act, 1951 have been received from spinning mills in Punjab. Out of these 5 were from existing mills.

### Radio Station at Patiala

577. **Sardar Iqbal Singh:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the Government of India have under consideration a proposal to construct a building to house the Radio Station at Patiala; and

(b) if so, the steps the Government of India have taken so far in this connection?

**The Minister of Information and Broadcasting (Dr. Kesar):** (a) and (b). No, Sir. It is not considered necessary to have a Radio Station at Patiala in view of the merger of PEPSU and Punjab. The area will be served by the Station at Jullundur.

### Imported Consumer Goods

578. { **Shri V P Nayar:**  
**Shri Wodeyar:**

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

(a) whether it is a fact that subsequent to the introduction of import restrictions and ban on certain consumer goods, the prices of such goods as were already held in stock in India have gone up particularly in the case of razor blades; and

(b) if so, the steps taken by Government, if any, to check the unwarranted increase in prices of stocks already held in the country?

**The Minister of Commerce and Industry (Shri Morarji Desai):** (a) The prices of some of the imported consumer goods including razor blades which had initially shown tendency to rise are now by and large steady.

(b) Prices are constantly kept under review with a view to taking such remedial or corrective measures as are possible. But it is not possible to devise a special policy for the stocks "already held in the country".

### MOTIONS FOR ADJOURNMENT

**ALLEGED FAILURE OF THE GOVERNMENT OF INDIA TO END THE CRITICAL LABOUR SITUATION RESULTING FROM THE MONOPOLY FOR THE MANUFACTURE OF MATCHES**

12 hrs.

**Mr. Speaker:** I have received a notice of an adjournment motion from Shri Shibban Lal Saksena regarding the failure of the Government of India to end the critical labour situation resulting from the monopoly for the manufacture of matches in India and so on. All the rest is argumentative. The idea is the failure of the Government of India to end the critical labour situation.

It is primarily a State subject. A number of people have started a hunger strike. I do not know how it is to be brought here.

**Shri S. L. Saksena (Maharajganj):** Sir, labour is a concurrent subject.

**Shri T. B. Vittal Rao (Khammam):** Labour is a concurrent subject.

**Mr. Speaker:** Therefore, have we any primary jurisdiction in the matter? What steps have the State Government taken? Is our jurisdiction overriding the jurisdiction of the State? Is the State inactive?

There was a calling attention notice on the same subject by Shri Tangamani and Shri Banerjee, and it was given on the 12th November and I had disallowed it. A short notice question on the same subject has also been received. I am considering whether when it is a concurrent subject and it is not the primary concern of the Union Government, an adjournment motion will be relevant. If it is not hon. Members may elicit information through the short notice question and we shall see if further discussion on the matter is necessary.

**Shri S. L. Saksena:** It is the monopoly that has been given to the Swedish firm that has been responsible. They have misbehaved and so it is the function of the Government of India to intervene.

**Mr. Speaker:** Hunger-strike has been going on for the past 28 days.

**Shri Tangamani (Madurai):** In addition to the subject being labour, this is a factory run by the WIMCO and at Bareilly there are 1,200 workers. In addition, the daily production is 300 cases and the Central Government will lose by way of excise duty to the tune of Rs. 1 lakh. This is a matter of great importance.

**The Deputy Minister of Labour (Shri Abid Ali):** These are industrial relations concerning match industry which is entirely within the sphere of the State Government. Therefore, as you have rightly pointed out, this matter cannot be discussed here at this stage and in this form.

**Mr. Speaker:** It is not for the purpose of discussing this. Allowing it or not allowing it is a different matter. But I want to know whether the Central Government is taking any step in this matter or not.

**Shri Abid Ali:** We are interested; but so far as the steps to be taken are concerned, they are to be taken by the State Government and not by us.

**Mr. Speaker:** Therefore, the Central Government have not moved.

**Shri Abid Ali:** They are in touch with the State Government; and the State Government have to take action and not the Central Government. It is not our responsibility.

**Mr. Speaker:** I am not going to allow the adjournment motion. I have already disallowed the calling attention notice, I am allowing the short notice question. Now that the short notice question is being allowed, I will not allow the adjournment motion. I think I am not called upon to

give my consent to this adjournment motion.

#### ALLEGED FAILURE OF HIMACHAL PRADESH ADMINISTRATION TO REGULATE THE PLYING OF HIMACHAL PRADESH ADMINISTRATION TRANSPORT BUSES

**Mr. Speaker:** There is another adjournment motion tabled by Shri Braj Raj Singh regarding the failure of the Himachal Pradesh Administration to regulate the plying of the Himachal Pradesh Administration Transport buses. He says that in the rainy season a bus was allowed to run in the usual course and it unfortunately resulted in the death of 5 persons and injury to 14.

Thousands of buses run every day and there are accidents here and there.

**Shri Braj Raj Singh (Firozabad):** Himachal Pradesh is a Union Territory.

**Mr. Speaker:** But the Administrator is there. Has the Government anything to say?

**The Minister of Home Affairs (Pandit G. B. Pant):** I am sorry that such an accident should have happened and the sympathies of all of us are with the victims. It is really unfortunate that such accidents should happen. As to what was actually the cause or why it happened, I have no special information. If you so direct, I will obtain it and make a statement later.

**Shri Braj Raj Singh:** I want to raise this because 5 persons have been killed and 14 have been injured out of whom 3 have been seriously injured.

**Shri T. B. Vittal Rao:** Moreover we hear that the roads in Himachal Pradesh are so very narrow that when the buses go one of the wheels is always out of the road.

**Mr. Speaker:** The hon. Minister has said that he will make enquiries regarding this matter. He has not got all the information immediately. The hon. Member who has tabled the motion says that on the 20th when the

[Mr. Speaker]

bus started running it was raining. Every time a bus starts it does not intimate to the Administration what happens. Anyhow since the statement will be made on whatever material will be available to the hon. Minister, all proper steps will be taken.

**Shri T. B. Vittal Rao:** What about the adjournment motion, Sir?

**Mr. Speaker:** It is disallowed. The hon. Minister can make a statement.

**Shri T. B. Vittal Rao:** It can be held over till the Minister makes his statement.

**Mr. Speaker:** No; but I will insist upon his making the statement.

## PAPERS LAID ON THE TABLE

STATEMENT OF CASES IN WHICH THE LOWEST TENDERS HAVE NOT BEEN ACCEPTED BY THE INDIA STORE DEPARTMENT, LONDON

**The Minister of Works, Housing and Supply (Shri K. C. Reddy):** Sir, I beg to lay on the Table a copy of the statement of cases in which the lowest tenders have not been accepted by the India Store Department, London, during the half year ended the 30th June, 1957. [See Appendix II, Annexure No. 59.]

ANNUAL REPORT OF NANGAL FERTILIZERS AND CHEMICALS (PRIVATE) LTD.

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** Sir, I beg to lay on the Table, under sub-section (1) of section 639 of the Companies Act, 1956, a copy of the Annual Report of the Nangal Fertilizers and Chemicals (Private) Limited along with the Audited Accounts of the Company for the year ended the 31st March, 1957. [Placed in Library. See. No. LT-363/57.]

## MESSAGES FROM RAJYA SABHA

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

(i) 'In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 20th November, 1957, agreed without any amendment to the Industrial Finance Corporation (Amendment) Bill, 1957, which was passed by the Lok Sabha at its sitting held on the 13th November, 1957.'

(ii) '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 Indian Nursing Council (Amendment) Bill, 1957, which has been passed by the Rajya Sabha at its sitting held on the 19th November, 1957.'

## INDIAN NURSING COUNCIL (AMENDMENT) BILL, 1957

LAI D ON THE TABLE, AS PASSED BY RAJYA SABHA

**Secretary:** Sir, I lay on the Table of the House the Indian Nursing Council (Amendment) Bill, 1957, as passed by Rajya Sabha.

## BUSINESS OF THE HOUSE

**The Deputy Minister of Defence (Shri Raghuramiah on behalf of Shri Satya Narayan Sinha):** Sir, with your permission, on behalf of the Minister of Parliamentary Affairs, I rise to announce that Government business in this Sabha during the week commencing Monday, November 25, will be taken up in the following order:—

1. The Naga-Hills—Tuensang Area Bill.

2. Any item of business carried over from today's agenda.

3. The Delhi Municipal Corporation Bill, as reported.

4. The Delhi Development Bill, as reported.

5. Motion given notice of by Shri Masani and nine other Members to consider the statement by the Finance Minister on his visit abroad laid on the Table of the House on the 13th November, 1957.

(To be taken up at 3-30 P.M. on Wednesday, the 27th November, 1957.)

6. Discussion on the Food situation on a motion to be moved by the Minister of Food and Agriculture on Thursday, the 28th November, 1957.

7. The Opium Laws (Amendment) Bill.

8. The Indian Nursing Council (Amendment) Bill, as passed by Rajya Sabha.

9. The Cantonments (Extension of Rent Control Laws) Bill, as passed by Rajya Sabha.

10. Discussion on the Interim Report on the activities of the Life Insurance Corporation on a motion given notice of by Sarvaswari S. C. Gupta and Radha Raman.

#### OPIUM LAWS (AMENDMENT) \*BILL

The Minister of Finance (Shri T. T. Krishnamachari): Sir, I beg to move for leave to introduce a Bill further to amend the Opium Act, 1878 and the Dangerous Drugs Act, 1930.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Opium Act, 1878 and the Dangerous Drugs Act, 1930."

*The motion was adopted.*

Shri T. T. Krishnamachari: I introduce the Bill.

#### BUSINESS ADVISORY COMMITTEE TWELFTH REPORT

Sardar Hukam Singh (Bhatinda): Sir, I beg to move:

"That this House agrees with the Twelfth Report of the Business Advisory Committee presented to the House on the 21st November, 1957."

Mr. Speaker: The question is:

"That this House agrees with the Twelfth Report of the Business Advisory Committee presented to the House on the 21st November, 1957."

*The motion was adopted.*

#### RESOLUTION RE: RESERVE BANK OF INDIA (AMENDMENT) ORDINANCE, 1957

Mr. Speaker: Shri Naushir Bharucha.

Shri Raghunath Singh (Varanasi): Sir,...

Mr. Speaker: I have called Shri Bharucha.

Shri Bimal Ghose (Barrackpore): Sir, before he moves his resolution, I should like to know a few things....

Mr. Speaker: I have already called Shri Bharucha.

Shri Raghunath Singh rose—

Mr. Speaker: Shri Raghunath Singh is not Shri Bharucha.

Shri Naushir Bharucha (East Khandsesh): Sir, I beg to move:

"This House disapproves of the Reserve Bank of India (Amendment) Ordinance, 1957, (Ordinance No. 6 of 1957) promulgated by the President on the 31st October, 1957."

**Shri Bimal Ghose:** Sir, I rise on a point of order. I should like to know how you will regulate the two discussions, one on this Ordinance and the other on the next Bill. Rule 335 says that the same motion cannot be put twice. So, if we accept this motion the motion on the Bill is the same. What happens to that? How do you regulate the two discussions?

**Mr. Speaker:** I am not giving any ruling on this matter. If this is not moved, what happens? We will assume Shri Bharucha was not here, what happens? Therefore, is it that putting it in the Order Paper itself is objected to? Hon. Member must look into the rules before he raised a point of order. When once a decision is taken on a particular matter, the same matter cannot be brought up for decision again in the same session. He has merely moved a motion; possibly, he may withdraw. There is no decision. Therefore, putting it in the Order paper itself objected to.

**Shri Bimal Ghose:** It is not putting it in the Order Paper that is objected to, but the results that might ensue.

**Mr. Speaker:** I am not prepared to anticipate what might ensue and what might not ensue. Therefore, there is no point of order at this stage.

**Shri Naushir Bharucha:** Mr. Speaker, Sir, so far we discussed the question of internal resources in relation to the Second Plan, and it was our disappointment that we did not get any clear indication at that time. You, Sir, said that the foreign exchange question may be held over and that it should be discussed on a suitable occasion. I propose to confine myself to the foreign exchange issue, and desire to point out how the promulgation of this Ordinance is unwise and is likely to lead to disastrous results.

In the first place, let us understand the implication of the Ordinance. As

33 of the Reserve Bank of India Act which, among other things, regulates the assets of the Issue Department. It lays down that of the total amount of assets the amount of gold coin or gold bullion and the amount of foreign securities shall not at any time be less than Rs. 115 crores and Rs. 400 crores respectively in value. In other words, the foreign securities are expected to be, under Section 33, of the tune of Rs. 400 crores. Section 37 of the Reserve Bank of India Act provides for suspension of assets requirements as to foreign securities in case of emergency. It lays down that the Bank may, subject to sanction of the Central Government, hold as assets foreign securities of less amount in value than provided under sub-section (2) of Section 33. Then it lays down: "Provided that the amount of foreign securities so held shall not at any time be less than Rs. 300 crores in value." In other words, the framers of the Reserve Bank of India Act foresaw that there might be emergencies in which case it may be desirable to permit the security holding to come down up to Rs. 300 crores, but nothing less than that.

Today the position is this, that our foreign assets have dwindled down so very rapidly that, according to the statement laid before this House by the hon. Finance Minister justifying the issue of the Ordinance, our foreign assets on 25th October, 1957 fell to as low as a little over Rs. 300 crores. It was, therefore, obvious, according to him, that unless an Ordinance was immediately promulgated the provision contained in Section 37 would be violated. Hence, he says, that is the justification of the Ordinance.

Countries of the world have lived in such an abnormal condition for such a long period of time that we have almost forgotten it that it is the right of any citizen who tenders rupee coin to obtain in exchange for it the currency of any other foreign coun-

dering rupee coin would be entitled to foreign exchange of the type he likes but, because foreign exchange is unobtainable, various devices and limitations have been prescribed on it. We have also got the Foreign Exchange Regulation Act of 1947, at first thought to be a temporary measure but subsequently we have made it permanent.

But what is the purpose of keeping something in reserve on which you can draw for payment of adverse balance of trade, and to what extent that reserve should be maintained is a question which is of crucial moment.

Sir, let us consider this point, that when the Reserve Bank of India Act was framed the framers did foresee that there would be occasions when a foreign exchange crisis would arise, because it was no new thing for them to understand and appreciate that such difficulties do arise. But with all that they felt that if in the Issue Department a certain backing was required of foreign currency it was not only to secure the multiconvertibility of the rupee but also to see that it was acting as a backing towards the fiduciary portion of the currency. With that aim, I think, the framers of the Act very wisely said that below Rs. 300 crores our foreign securities shall not fall.

Now, what is this Ordinance? So far as the Ordinance is concerned, the operative clause reads thus: "The aggregate value of the gold coin, gold bullion and foreign securities held as assets and the aggregate value of gold coin, gold bullion so held shall not at any time be less than Rs. 200 crores and Rs. 115 crores respectively". In other words, it is permissible under the Ordinance for the foreign securities to fall to as low as Rs. 85 crores. We have to consider whether such a thing is safe in the interests of the country.

What are the factors which determine what is the extent of minimum reserve which has got to be maintained as a safe reserve, something which should be held as sacrosanct and which

should not be drawn upon? It might at first sight appear that it is the discretion of the executive or, probably, the Commerce Ministry to decide that this is the quantum of foreign exchange that would be necessary and in light of that so much reserve would be sufficient. If this is not, this is not a question of subjective judgment of the Government or the Finance Department that determine the minimum of reserve that is to be kept. There are certain definite factors such as, for instance, the extent of the quantity and velocity of our active currency in circulation. That is one factor which determines what should be the minimum which should be held. Secondly, the demand of foreign exchange on account of our Second Five Year Plan is another factor which has got to be taken into consideration. Thirdly, the magnitude of our imports and the state of our exports is another factor which has got to be taken into consideration. Also, in the peculiar circumstances in which India is situated it is desirable that the peak load of foreign exchange for a given period should be taken into account. This is a very important point, as I shall presently show. Then, also, what is going to be the duration of the emergency. And, last but not least, what are the prospects of foreign aid and foreign investments.

It may appear at first sight that the question of quantity of active money and circulation has nothing to do, because it is a larger question of foreign trade which is so much less than internal trade. But in the peculiar circumstances of our development programme we cannot neglect the fact that our foreign trade is featuring as a very big and major item particularly on our import side, and if you bear in mind the fact that at a time when our currency circulation was less at that time we maintained Rs. 400 crores as our minimum, today with the addition to our currency on account of the developmental expenditure how much more it is necessary that we should maintain a bigger reserve than Rs. 400 crores or at

[Shri Naushir Bharucha]

least maintain Rs. 400 crores? But, on the contrary, under the Ordinance we are prejudicing the position.

Secondly, the question of payment of foreign exchange on account of the Second Plan and the magnitude of our import and export has to be taken into consideration. When the Second Plan was framed our liabilities side was completely under-estimated. The framers of the Plan were so very optimistic that they never stopped for a moment to consider what would be the resources from which the foreign exchange gap would be filled up.

The framers of the Plan estimated that during the Plan period the average annual import would be only Rs. 870 crores out of the total of Rs. 4,340 crores. But today the position clearly shows that we have exceeded the Rs. 1,000 crore limit. And in the next 18 months the imports are likely to be of such a vast magnitude that I don't think that in the history of this country we will ever have such a record as this.

But that completely changes one aspect, namely, it increases enormously our liabilities. Our export has kept pace or perhaps exceeded the limit. The estimate which the framers put was Rs. 593 crores per annum. We have exceeded that figure. But it is an admitted fact and I don't think the Finance Minister will dispute the position that during the Plan period what is required is round about Rs. 1120 crores by way of foreign exchange; this is our gap; that was the estimate that the framers made.

But today, in the words of the hon. Finance Minister himself—I am reading from his speech which he made yesterday—

"The crucial problem at this stage is to secure the foreign exchange required for the core projects on which a considerable sum of money has already been spent. There are outstanding

commitments on Government account and in respect of projects in the private sector as well, which have to be met. Altogether, our estimate is that we need external assistance of Rs. 700 crores to enable us to meet these commitments."

So, let us start with the figure of Rs. 700 crores. Today the position is that we need Rs. 700 crores. Let us see how our sterling balances have depleted. On the 31st March, 1955, that is, at the start of the last year of the First Plan, our balances stood at Rs. 746 crores. In November 1956 they came down to Rs. 543 crores. In July 1957, it was Rs. 400 crores. And on 25th October 1957, as the Finance Minister has pointed out, it is a little above Rs. 300 crores. A month has passed since then. Our resources are depleted at the rate of Rs. 8 crores per week. On that basis, I doubt if we have got today anything more than Rs. 275 crores. This is our position.

The question is not merely finding out Rs. 700 crores. If it were a question of spreading it over the remaining period of the Plan, it would be a different thing. In our particular case, the question of peak load comes. For instance, in the generation and supply of electrical energy, an equipment has to be got not only for supply the average load but the peak load at the highest point, though it may be for some minutes in the course of a day. It should be capable of supplying power at the peak load. Similarly, our exchange resources must be in a position to supply foreign exchange at the peak demand.

As the Finance Minister himself put it—I am reading his speech—

"I have already told the House the efforts that we are making in this direction. What I would like to tell the House is that there is a 'bunching' of external commitments which we require for the next eighteen months. A large

part of the deficit of Rs. 700 crores I have mentioned now is expected to arise during this period of 18 months from now on. It is in view of the need meanwhile to utilize our foreign exchange resources as fully as it is consistent with prudence that we are coming up to Parliament with a Bill to amend the relevant sections of the Reserve Bank of India Act."

Therefore, we are agreed on the point that in the position, as it stands today, Rs. 700 crores is required within the 18 months. Very probably, in the course of these 18 months there will be certain peak periods. Therefore, our resources must be able to meet that peak period.

Our problems are very clear: Vast quantities of machinery are on the way. So many contracts have been entered into and they have to be fulfilled. Now the question is: Where is the foreign exchange for it? The hon. Minister, in the course of his speech, has stated the problem. But where is the answer? Today I stand here to demand an answer from him. He has very clearly stated the problem. Now let us have an answer. It is no use evading the issue.

He has been saying that the difficulties will be for 18 months. I say that the difficulties will be for more than three years; up to the end of the Plan; that is very nearly till 1961. Then the deferred credits will be there. One does not know when one will be out of the woods. The fact remains that we are in a very bad positions.

Now let us examine what is the way out. We have not got any more foreign assets. We have got only Rs. 275 crores—it may be a few crores more or less this way or that way. Where are we going to fill up this gap from. The hon. Minister, in the course of his statement, which he laid on the Table of the House, on his visit to foreign countries, instead of clarifying the position as to what foreign aid he expects, what has he told us? He told us that he had gone there to assess the prospects of obtaining me-

in order to create greater understanding of India's economic problem. And the conclusion that he comes to is "I came across great sympathy" as if we can honour our foreign obligations by payment of sympathy! He further stated:

"I expect that we will get sizeable assistance from U.S.A., West Germany and the International Bank."

In today's paper it is stated that the assistance that we might get immediately would be 150 million dollars or 75 crores. Our requirements are Rs. 700 crores. Immediately we are going to get Rs. 75 crores.

**Shri Tyagi (Dehra Dun):** Beggars are not choosers.

**Shri Naushir Bharucha:** Yes, beggars can't be choosers. But I am saying that we are not only beggars we have become bankrupts. I am just trying to sound the alarm. That is what the resolution intends to do.

The point is this. The greatest hope that we built up was on the United States. And this is the loan that we are getting from the United States. Maybe, we might get something from West Germany by way of adjustment, in the form of deferred credit.

That reminds me of a cartoon that appeared in a paper on the return of the Finance Minister after his visit to foreign countries. On his return, in the customs office he turned his trouser pocket inside out. He had nothing to declare. From his suit case a mouse dropped with a label saying "West German adjustment". Today that clearly sums up our position. The position is very comic but for the fact that there is behind it a tragedy of the whole country becoming bankrupt.

This means that our problem in the matter of foreign exchange which we dreaded at one time, has now become a certain ugly fact. Now what are the reasons, rather the excuses, for promulgating the Ordinance? So far as the statement of the Finance Minister is concerned, it states: we have no money and so we are doing this.

[Shri Naushir Bharucha]

withdrawals were at the rate of Rs. 8 crores. Therefore, unless we promulgate the Ordinance, section 33 will have to be violated. That is what he states.

Now, how did Government get into this muddle and who is responsible for it? It is no use saying that in the present situation we have to promulgate the Ordinance. The question is: why did you allow the country to drift? Why did you so manage the foreign exchange that today you find in this position where there is no way out except by promulgating the Ordinance? He says that our resources are intended to be drawn in emergencies. Otherwise, what is the use of keeping resources? I agree. We may draw upon it in case of emergency, but if your emergency is going to be a prolonged and continuous one, then you cannot say it is an emergency, and that you are going to draw on minimum reserves for developmental expenditure. It is said we are going to have many Five Years Plans. So, it is not an emergency. It is a normal developmental expenditure and that is my objection.

I do not desire to take more time of the House. The point is this. Under the Ordinance as it is today you can go down as low as Rs. 85 crores. At the time when our active currency circulation is so vast on account of various developmental expenditure, at a time when development programme demands so much, when there is bunching and peak drain on our foreign exchange demands, from Rs. 400 crores we are reducing our minimum to Rs. 85 crores.

The Finance Minister has repeatedly said that our foreign exchange position is not serious. It is not serious; it is alarming and the purport of the Resolution is to sound that alarm and to awaken the nation to the sense of gravity, to the position of bankruptcy to which we are reduced.

Yesterday the hon. Finance Minister cracked jokes. He could not reply to the figures which we placed

before him. I appeal to him that the time for jokes is gone. Now, answer seriously the question I am putting. Where are the resources of foreign exchange of Rs. 700 crores which he admits must be found within eighteen months? If we have not got them, what is he going to do? To that the Finance Minister must give a reply; otherwise the Ordinance must stand condemned. He is taking the country below the safe limit of prudence of economy, beyond which the country dare not go. The minimum prescribed in the law is not for fun. It is for sounding an alarm. Why is it that the Finance Minister has to come to this House with a Bill? Because the House must get an opportunity to consider it.

Today we are reducing the limit to Rs. 85 crores. During the next three months or four, I do not see any hope of getting any sizeable foreign assistance. I ask him: how is he going to pull this country out of bankruptcy. If we do not move this resolution at this stage, people would say that when the time was there for sounding the alarm, and awakening the nation, we failed in our duty. I hope, Sir, we at least on this side will have done our duty.

**Mr. Speaker:** I place the Resolution before the House. The discussion will start now.

#### Resolution Moved

"This House disapproves of the Reserve Bank of India (Amendment) Ordinance, 1957. (Ordinance No. 6 of 1957) promulgated by the President, on the 31st October, 1957".

I shall allow fifteen minutes to hon. Members.

**Dr. . . Krishnaswami (Chingleput):** The same matter is there in the Bill also. When is the Minister going to reply? Some of us would like to speak after he has spoken.

**Mr. Speaker:** The time allotted for this Resolution is only two hours.

**Dr. Krishnaswami:** Two hours have been allotted for the Bill. Therefore I would like to know as to when he is going to reply, because many of our speeches would depend upon the type of arguments he advances.

**Mr. Speaker:** Is he expected to reply in advance? I am not able to follow this.

**Dr. Krishnaswami:** There is a Resolution; there is a Bill. They seem to overlap.

**Mr. Speaker:** What I consider is this. If this Resolution is adopted, the Bill possibly won't be taken up. This is a matter which will have to be decided by the House itself. If the House does not accept the Resolution, the Bill will be taken up. Therefore, those hon. Members to whom I give an opportunity to participate in the discussion on this Resolution, I will not call on the Bill.

So far as this Resolution is concerned, it will have to be put to the vote of the House, unless the House agrees that the decision on the Resolution may be put off, until a decision on the consideration motion of the Bill, one way or the other, is taken. In that case we may put the Resolution and also the consideration Motion of the Bill one after the other. Then we can proceed to the clause-by-clause consideration of the Bill.

**The Minister of Finance (Shri T. T. Krishnamachari):** But the motion for consideration of the Bill has to be made.

**Shri Bimal Ghose:** That was the issue I was trying to raise

**Mr. Speaker:** What I intend doing is this. If the Resolution is accepted, there is no question of the Bill at all. Hon. Members who practice law know what is meant by *res judicata*. If the Resolution is disapproved and the consideration motion is adopted then we will proceed with the clause-by-clause consideration.

However, to avoid all complications I will carry on with this Resolution and stop there, allow the Bill to be moved and then have the Resolution

and the Consideration motion put to the vote of the House. There may be one reply by the Minister or two replies, one for the Resolution and one for the Consideration motion of the Bill.

**Shri Bimal Ghose:** Consideration motion might cover both the items, so that there may be one reply by the Minister.

**Mr. Speaker:** That was what I said.

So, if the House is agreeable, discussion on the resolution and consideration motion of the Bill, both, may continue. I will ask the hon. Minister to move the Bill.

**Shri T. T. Krishnamachari:** I do not think it will be proper, Sir. If the House approves of this Resolution the Bill could not be taken up. The two things have to be kept separate. A negative motion of this nature cannot be coupled with a positive Bill.

In my humble opinion that will be very difficult.

**Mr. Speaker:** What I said is: if this motion is accepted by the House another similar motion cannot be made  
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**Shri T. T. Krishnamachari:** If the House says that it disapproves of the action of Government, we cannot go with the Bill. With that I agree. If the House really disapproves of the Ordinance, I cannot move the Bill.

**Mr. Speaker:** If the House approves, or carries the Resolution, it is disapproval of the Ordinance. Then the Bill automatically falls through. If, on the other hand, the resolution falls through, under Rule 338 no motion shall be placed before the House with respect to which substantially, the House has given an opinion.

**Shri T. T. Krishnamachari:** Then the motion is inadmissible.

**Mr. Speaker:** The rule says:

"A motion shall not raise a question substantially identical with the one on which the House has given a decision in the same session."

[Mr. Speaker]

Every decision must be taken on a question being put on a motion. General consideration of the Bill is also a motion.

**Shri T. T. Krishnamachari:** They are not identical; they are opposite.

**Mr. Speaker:** Cutting short, the question will be whether the substance of the Ordinance is discussed or not?

**Shri T. T. Krishnamachari:** May I intervene, Sir, Then what is the remedy? Any person can move a resolution of this nature and block a Bill? Government has to carry on. If the procedure is such that any person can block a Bill more or less by a resolution of this nature, the functions of this House cannot go on. Obviously, a negative resolution of this nature to disapprove of the conduct of the Government in promulgating an Ordinance is a different thing. I do not think even in the matter of substance, my hon. friend comes anywhere near the substance of the matter at all. He was wide off the mark and he was saying something else.

**Mr. Speaker:** The reserve ought to be as originally stated in the Reserve Bank of India and it ought not to be reduced to Rs. 200 crores and 115 crores; Rs. 115 crores is common to both. He says it ought not to be reduced from Rs. 400 crores to Rs. 200 crores. I do not see how it is not substantially the same.

**Shri Bimal Ghose:** Whatever the motion is is the matter. Whatever he has said is not the matter.

**Mr. Speaker:** The motion is to disapprove of the Ordinance the purpose of which is to reduce the securities or the total amount from Rs. 400 crores to Rs. 200 crores. That is also the substance of the Bill. What can I do in view of rule 338? What I propose to do is this. If this Resolution falls through, that means that the House has already given its opinion on the consideration motion

and straightaway I will take it up clause-by-clause and accept the Consideration motion as having been approved.

**Shri T. T. Krishnamachari:** I have no objection. I am entirely in the Chair's hands. Whatever procedure the Chair suggests I am prepared to fall in line.

**Mr. Speaker:** The only other point is whether he may move this Bill also now. There may be a discussion both with respect to the Resolution and also the Consideration motion. Then, I will put these matters separately one after another.

**Shri Tyagi:** Alternatively, either this Bill may be moved now so that the House may not have to have the same repetition of arguments. Or, alternatively, this discussion could be postponed to the day when the Bill is considered.

**Mr. Speaker:** We will have both together. I would say we are not helpless. After all, the rules of procedure are to aid the House to get along with the work. The motion has been moved and I have placed it before the House. I will allow the Bill also to be moved. We can adjourn any particular motion to tomorrow. In adjourning it and allowing the Bill to be moved, we start once again the Resolution and the Bill together. We can do so. There is always power for us to devise a way.

**Shri Nausher Bharucha:** May I point out that that may be virtually negating the right given under article 123. The purpose of this Resolution is to enable any Member to invite the House to pronounce a judgment that it disapproves. The House may approve. That is a different thing. If the Bill is taken up in between, it will be said that the Bill is there and nothing of this Resolution remains once the House has pronounced judgment on the Bill.

**Mr. Speaker:** I will put the Resolution first. The Resolution will be put to vote first. On the Consideration

also, the decision will be taken as having been concluded by the vote on the Resolution. Or, if necessary, by way of abundant caution, I will put it also. There will be a single discussion. I am not going, to give precedence to the Bill over the Resolution. It is in that order that I will continue.

The Resolution will stop at this stage. The Bill will be moved for consideration. The general discussion will be applied for both. We are evolving procedures. What is the harm?

# THE RESERVE BANK OF INDIA (SECOND AMENDMENT) BILL

Shri T. T. Krishnamachari: Mr. Speaker, I beg to move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

I am at a disadvantage in that my hon. friend Shri Bharucha has spoken at length on a matter not wholly relevant to my Bill. I shall not, therefore, be replying to the points raised by him at this stage. We have to leave it towards the end. I shall only refer to the Bill that I am placing before the House for its acceptance.

It is a matter of common knowledge that the Reserve Bank of India Act was amended in September 1956 in the light of the requirements of the Second Five Year Plan. Prior to that amendment, the Issue Department of the Bank was required to hold as a minimum gold or foreign securities backing to the extent of about 40 per cent. of the notes in circulation. It was felt that the principle of linking note issue with foreign exchange reserves was anachronistic under present conditions and that it was in any case incompatible with the implementation of the Second Five Year Plan. Accordingly, we then broke away from the proportional reserve system in favour of foreign exchange prescription in absolute terms. The Act as amended in 1956 required the Issue Department of the

Bank to hold as a minimum 115 crores worth of gold and Rs. 400 crores worth of foreign securities. The Act also provided for reductions in the holdings of foreign securities below the level of Rs. 400 crores for specified periods after consultation with the Government as long as the holdings of foreign securities were at no time less than Rs. 300 crores. This relates to section 37 and the proviso to it.

In the event, the degree of flexibility that is provided by this amendment has been found insufficient. The House is aware of the continuous strain on our balance of payments since the Second Plan began. Our import bill has gone up considerably in keeping with the requirements of the Plan for capital goods and for raw materials. It has become necessary, in addition, in view of the fact that our food shortage exists, to import large quantities of food and also to add substantially to our defence requirements. Some part of the increased import bill is undoubtedly due to increase in world prices. At the same time, it has not been possible to increase our export earnings substantially in order to meet this gap and in the short run we had to contend with a heavy balance of payment deficit. While a part of this deficit has been met by assistance from countries which are friendly and from international agencies like the World Bank, we had to rely heavily on our accumulated sterling balances for bridging the gap.

In July this year Government permitted the Reserve Bank to reduce foreign securities in its Issue Department below the prescribed level of Rs. 400 crores. The amount of foreign securities held by the Reserve Bank, however, continued to decline and on the 25th of October last, the aggregate amount of foreign securities held by the Issue Department was slightly above the permissible Rs. 300 crores limit. It was in these circumstances that it became neces-

[Shri T. T. Krishnamachari]

sary to promulgate an Ordinance on 31st October amending the Reserve Bank Act so as to reduce the requirements of the Issue Department to a minimum of Rs. 200 crores in gold and foreign securities of which not less than Rs. 115 crores shall be gold. Further, section 37 of the Reserve Bank Act to which I have made reference was modified suitably to permit the Reserve Bank to reduce foreign securities with prior sanction of Government for specified periods. The Reserve Bank of India (Second Amendment) Bill, which I am moving now, is intended to seek the approval of Parliament for legislation embodying the provisions of the Ordinance.

Hon. Members will recall that the Government has taken a number of measures to reduce the drain on our foreign exchange reserves. All non-essential imports have been cut drastically and every effort is being made to permit the imports of even essential capital goods on suitable deferred payment terms. Government are also exploring every possibility of increasing export earnings and of augmenting the flow of foreign assistance. Despite these measures, it has not been possible to halt altogether the decline in our foreign exchange reserve partly as a result of the heavy backlog of outstanding commitments and partly in view of the fact that the implementation of the Plan in vital sectors has made it imperative to enter into some new commitments as well.

Already, the measures taken are beginning to take effect and the decline in our foreign exchange reserves in recent weeks has been significantly smaller than in the preceding months. I have no doubt that the measures that we have already adopted will in time bring the decline in our foreign exchange reserves if not to a halt, at least to certain minimum proportions.

The Government of India stand firmly by their declared policy of

honouring all commitments and of carrying forward the Plan to the utmost extent possible, and to this end we continue to exercise the greatest vigilance in regard to promoting exports, eliminating all non-essential imports and attracting foreign resources. I would therefore like to assure the House that we would continue to watch the situation carefully and take such measures as might become necessary from time to time, consistent with our declared policy of honouring our obligations and carrying forward the Plan to the greatest extent possible.

In one sense the amendment is intended to serve these objectives.

While the proposed amendment is intended to meet the immediate situation, I would like to submit to this House that it is also in keeping with the latest thinking in regard to the proper functions of foreign exchange reserves. It is now generally recognised that under modern conditions it is no longer necessary to link reserves in gold and foreign exchange directly with the note issue, and that the proper function of foreign exchange reserves is to enable a country to tide over balance of payments difficulties from time to time. In the nature of things, every country has to contend with balance of payments difficulties periodically and to the extent that foreign exchange reserves are available for meeting these difficulties, it becomes possible to allow time for the necessary adjustments in policies to correct the adverse trend in balance of payments rationally and smoothly. It follows therefore, that high legal requirements as to the minimum amount of foreign exchange reserve that a country must keep defeat the very purpose for which these reserves are intended. Foreign exchange reserves are useful only to the extent they are freely available for use in times of emergency and in times of difficulty. By immobilising a large part of such resources as backing for note issue,

a country merely sacrifices an essential degree of freedom without any corresponding advantage.

The futility of high legal minimum reserves has been aptly pointed out by an authority on the subject of monetary policy, the late Lord Keynes when he said:

"The legal reserves of the Central Bank merely lock away resources where they are useless, and the effective strength of a Central Bank entirely depends in practice on the amount of its excess reserves. Thus we have the paradox that the more strictly and conservatively the gold reserves of a Central Bank are prescribed by law, the weaker it is and the more utterly exposed to disastrous disturbances from every wind which blows. A Central Bank which was compelled to keep 100 per cent of its assets in gold would not be much better off than one which had no reserves at all."

The point I am driving at has also been illustrated aptly by the well-known analogy given by one of the living economists, Sir Denis Robertson in his remark that committing reserves as a backing for currency is "rather like saying that in order to ensure that there shall never be a shortage of taxi cabs, a certain proportion of taxi cabs must always be standing on the ranks."

It is in response to the considerations that I have just outlined that a large number of countries have modified their central banking legislation in recent years so as to abolish or suspend all reserve requirements. The Bank of Canada, for example, was required before 1940 to keep 25 per cent of its notes and deposit liabilities in gold coins and bullion. These requirements, however, have been suspended since May, 1940, and the bank is now given complete discretion in regard to note issue irrespective of the amount of gold it holds. Similar modifications have

also been made in Australia and New Zealand; and countries such as Ceylon and Israel, where central banks have been set up recently, have avoided all statutory provisions of this nature.

I do not wish to enter here into a detailed comparison of central banking legislation in different countries, but it is, I think, a significant pointer that the latest advances in economic thinking have found a concrete expression in the central banking legislation of a large number of countries where the futility of prescribing legal minimum reserves has been recognised by legislation. The successive modifications we have made in our Central Bank legislation in this regard are, therefore, in line with the latest trends in economic thinking and with central banking practice in large parts of the world.

I need hardly remind hon. Members that if foreign exchange reserves are useful to the extent that they could be drawn upon in times of difficulties it follows equally that such reserves should be built up by conscious and deliberate policy whenever circumstances are favourable. Balance of payments difficulties, after all, will arise for reasons beyond our control on future occasions also. If reserves are utilised in one period of difficulty, these reserves should also be built up as soon as possible so as to provide a margin of safety in subsequent periods of difficulties. I would also like to mention that during the period 1952-55 end, we did add substantially to our foreign exchange reserves in spite of the fact that we kept our policy in regard to imports at a fairly even level, and I think we added much more than hundred crores. Therefore, I am on fairly firm ground when I say categorically that in all our future policies and plans we shall need to keep a very careful watch over the level of our foreign exchange reserves. The fact that foreign exchange reserves are necessary for meeting balance of payments difficulties and not as a

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backing for currency does not imply that there is no need for husbanding carefully our foreign exchange reserves over a period of time. The justification for a greater degree of flexibility in the use of these reserves at this stage lies essentially in this, that our plans and programmes for development are at present in a crucial phase and that by carrying them forward we shall be adding considerably to our economic potential as well as to the long-term strength of our balance of payments. Hon. Members will recall that the emphasis on heavy industries which was given deliberately in the Second Five Year Plan was calculated to strengthen our balance of payments in the long run; and it is in view of this fact that we are giving high priority to projects in the core of the Plan in spite of their heavy foreign exchange content. The Second Five Year Plan has been framed with due regard to the long-term need of strengthening our balance of payments position. As our present plans and programmes get completed and as we take up new plans and projects for implementation, we shall need to adopt such policies as would lead to a general strengthening of our balance of payments and foreign exchange reserves. In this, as in all other matters, eternal vigilance is the price of freedom, and I can assure hon. Members that the Government are fully aware of the need for such vigilance.

I would like to add that in saying this it is unnecessary and indeed futile to link foreign exchange reserves with note issue. I do not imply that money supply or note issue has no bearing on the state of our balance of payments. In fact, the de-linking has already been done, but that does not mean that there is any justification for lack of caution.

13 hrs.

I would like to tell hon. Members that excessive increases in note issue of money supply will inevitably lead

to the emergency of inflationary pressures, apart from other kinds of pressures, and if such pressures are allowed to get out of hand, they would react adversely on our ability to export, and, therefore, on our ability to import. The point, however, is that such restraints as are necessary on the total supply of money in circulation are better provided by means other than legal minimum reserves.

Perhaps, the most important factor affecting money supply under Indian conditions today is the operation of the Government budget. Parliament has already full control over budgetary policy, including the policy in regard to deficit financing by Government. The Reserve Bank of India has ample powers both under the Reserve Bank of India Act and under the Banking Companies Act to control the expansion of bank credit to the private sector, and as the House is aware, the Reserve Bank has acquired new powers, of late, to this end, as, for example, the powers to prescribe variable reserve requirements for the banks. There is, therefore, at present adequate machinery for exercising such vigilance as may become necessary from time to time in regard to the overall supply of monetary media for the economy.

There is yet another reason which is sometimes advanced in favour of a high level reserve, namely the need for sustaining confidence in the currency. I can only say that the minimum reserves that we have now prescribed, namely Rs. 200 crores in gold and foreign assets compare favourably with the actual reserves of a great many countries in the world. Our present level of gold and foreign securities at more than Rs. 400 crores amounts to some five months' for normal imports. There are many countries in the world including the U.K., which acts as a banker to the entire sterling area, where the present level of reserves amounts to hardly two months' imports. Even at the minimum level

which is now prescribed, our reserves will compare favourably with the state of affairs in many countries.

Hon. Members would also remember that apart from our own reserves, we are entitled to draw upon the IMF of which we are a member, to some extent. In the ultimate analysis, the confidence in a country's currency depends on the economic potential of the country and on the morale and wisdom of its people and its Government. Whatever that may be, I have no doubt that as long as we hold fast to our policy of honouring all obligations and of taking such measures as may become necessary from time to time for safeguarding our balance of payments position, the confidence in the Indian rupee will be maintained at the very high level which it enjoys today.

Sir, I move:

Mr. Speaker: Motion moved:

"That the Bill further to amend the Reserve Bank of India Act, 1934 be taken into consideration".

Shri Bimal Ghose (Barrackpore): I am not opposed to the Bill which the Finance Minister has moved for consideration, and, therefore, also to the provisions embodied in the ordinance. But I am certainly opposed to the promulgation of an ordinance for the purpose.

It was agreed that ordinances should not be used to cover purposes which could be foreseen. You would remember that during the last session, when the Essential Services Bill was sought to be rushed through, one of the reasons given was that otherwise an ordinance might be necessary.

But so far as this matter is concerned, the trouble about our reserves was something which was not unknown at least to the Finance Minister, and there was also sufficient time before the last session to bring forward a Bill. So, it is really unfor-

tunate that instead of bringing forward a Bill during the last session itself, the Finance Minister should have taken resort to an ordinance

Now, with regard to the provisions of the Bill, two things arise. One is with regard to the reserves that we might or might not consider necessary to maintain against our notes, and the second is the position in connection with our foreign exchange reserves.

With regard to the first point, while I agree to all the arguments which the Finance Minister has put forward for lowering the reserves, I am really surprised that he should argue to maintain any reserve at all. It is true that in the past, most of the countries and most of the central banks used to maintain reserves, both for ensuring the stability of the note-issue and also for foreign exchange purposes. But as he has pointed out—I need not repeat those arguments—those arguments do not, or are not supposed to, hold good today, because it is the Government which has become responsible for the currency. As he has pointed out, Parliament has control over the budget. Therefore, I do not see why there should have been any reason for maintaining any reserves at all.

When the 1956 Bill was moved for consideration—at that time, I was a member of the other House—by the Minister who is now sitting here before us, he pleaded for Rs. 400 crores reserve. We said that no reserve should be necessary. He gave two reasons, the first of which was the psychological consequences of a complete removal of cover provisions. He also said:

"On a consideration of various alternatives, and in the context of our conditions, it is considered best to prescribe the minimum reserve in absolute terms both in gold and foreign exchange."

At that time, Government felt that it should be Rs. 400 crores in foreign exchange, and Rs. 115 crores in gold

[Shri Bimal Ghose]

and gold coins, that is, by way of revaluation.

Shri Naushir Bharucha: Now, they have become wiser, obviously.

Shri Bimal Ghose: But we did plead then. This shows that in August, 1956, Government had not an inkling of an idea as to the serious conditions of our reserves, because the Finance Minister was sure then that Rs. 400 crores of foreign exchange and Rs. 115 crores in gold and gold coins would be easy to maintain. He also went on to say:

"We are not only legislating for a Second Five Year Plan and it is not proper and expedient that this matter of currency should be discussed publicly and repeatedly. So, it is better to have one formula which may serve the Government's purpose for some years to come."

In a matter of about a year here is Government again with a Bill to lower the reserves. With a forward-looking Finance Minister as we have, I do not understand why it should at all be necessary to maintain this minimum reserve. Other countries, as for example, U.K. and also many other countries have done away with the reserves, and there is no cover against the note issue.

We might even adopt the Japanese practice, which, I believe, would appeal to our Finance Minister, where I find that the position is this, that all matters pertaining to the note issue are subject to the decision of the Minister of Finance, who acts....

Shri T. T. Krishnamachari: It is for that reason that the hon. Member thinks that it will appeal to me?

Shri Bimal Ghose: That is why I say this:

"The maximum amount of notes that the bank may have outstanding fixes the tax to be charged on excess notes outstanding beyond the fifteenth

consecutive day, and determines the types and valuations of paper and securities eligible as monetary reserves."

I have one objection to maintaining even this reserve at all of Rs. 85 crores of foreign exchange. So far as Rs. 115 crores of gold and gold coin are concerned, we have that by revaluation. Although the Finance Minister has provided that, if necessary, all this provision may be done away with, that is, both the Rs. 85 crores of foreign exchange and the Rs. 115 crores of gold and gold coin, yet whenever he wants to do so or the Reserve Bank wants to do so, Government permission will have to be taken. That means there will be same publicity about it, and then it will mean that the public will start saying that something has gone wrong with position. And again, the Reserve Bank has to take recourse to the provisions in the Act for bringing down the reserves to a figure less than Rs. 200 crores.

Since we know that the position of the rupee or its standing in the international market is quite safe, there should have been no necessity, as I have been trying to argue, for these reserves, because we have seen that although we brought down our reserves from Rs. 515 crores to Rs. 200 crores, the rupee has not suffered in the international market in value, a thing of which we should be proud.

Therefore, I should like the Finance Minister to reconsider and see whether it would not be much better to do without the reserves altogether, or if, he does not agree, at least to bring down the reserves to only Rs. 115 crores in gold and gold coin, and keep nothing for foreign exchange. Then, if he does not tamper with that reserve of gold and gold coin, he will have that all time, without considering whether the Reserve Bank should take advantage of Rs. 85 crores which may be held by it.

Mr. Speaker: At the time Rs. 400 crores was sought to be made the

minimum, the hon. Member suggested that there be no need for any reserve at all. Evidently, Government have now accepted the suggestion and brought it down to Rs. 200 crores. The next step will be nothing. Why should he now force the Government immediately to have nothing, not even Rs. 85 crores in foreign exchange?

**Shri Bimal Ghose:** Whenever you have a discussion on these matters, people say that there is something wrong with our rupee and Government have to explain such matters. Therefore, in such matters the less discussion we have, the better for the country.

The second point is with regard to our foreign exchange. Everybody knows that it is very difficult. I need not go into the causes why it is difficult today, because we have argued that position on more than one occasion. So far as most of the Members are concerned, I believe they are satisfied that Government policy has also been to blame. The Prime Minister conceded that point day before yesterday when he was speaking on the Plan. But we want certain information as to what is the position today. About the foreign exchange reserves, I want to know what are the outstandings at the moment and how Government expect to meet them.

It has been calculated that unutilised licences amount to about Rs. 400 to Rs. 800 crores. What is the truth of that? What is the amount of our unutilised licences at the moment, licences which were issued not today but quite a few months ago, and what are Government going to do about them? What is the position that Government expect in regard to our international trade? What is the Finance Minister's estimate of the rise in exports that might come about, if any, because the position has not been quite satisfactory in the recent past? Our exports have gone down; at the same time, imports have to increase because of the Plan. So I

should like to have from the Finance Minister a sort of balance sheet of the position today for the next year. He gave a figure of Rs. 700 crores. I should like to have the break-up of that figure. How much of it is for unutilised licences and how much he expects to be for licences that have still to be issued, and how he expects that gap to be covered? What does he expect by way of foreign assistance and what by way of our international trade position?

I should like to conclude by saying that the position is really serious so far as our foreign balances are concerned. There is no need to emphasise the point. We want information on that. So far as the cover that he is seeking to maintain against our note issue is concerned, I should like him to reconsider the position and bring it down to only Rs. 115 crores to be made up of gold and gold coin and not to keep anything in terms of foreign exchange.

**Shri Sadhan Gupta** (Calcutta-East): While I support the Bill, I also have to oppose the Resolution regarding the Ordinance. But in opposing the Resolution regarding the Ordinance, I have to offer an explanation because normally, our party on this side of the House does not approve of legislation by Ordinance. When an Ordinance has to be considered, we have to consider it not only on its merits but on the necessity of promulgating it at all. Even when on merits the Ordinance is unexceptionable, if we feel that it need not have been promulgated without consulting the House, without having the matter discussed in the House, we do not approve of it. In this matter, we feel very strongly on the merits. We support the Ordinance and the Bill on its merits. We also think that in this instance at least the promulgation of legislation by Ordinance was justified.

The reason is that a situation arose where something had to be done. Our reserves were falling short and something had to be done for it;

[Shri Sadhan Gupta]

otherwise, we would have landed in a crisis, in a sort of deadlock. There is no doubt a good deal of truth in the accusation of Shri Naushir Bharucha that the foreign exchange muddle has been the creation of Government. When we were planning for a development economy, we ought to have foreseen very long ago that we would have needed foreign exchange and not pursued an import policy of what I may call a reckless character during 1952, 1953 and even 1954. Through that unplanned pursuit of a reckless import policy of consumer goods, we had succeeded in dissipating our foreign exchange.

Also there is much truth perhaps in Shri Bimal Ghose's imputation that we should have foreseen this foreign exchange crisis and brought forward a Bill in the last session.

In both respects, Government have committed an error. The question is whether on account of that error, we should disapprove of the Ordinance. Government did commit an error. Let us say as the result of an error, a certain situation arose in which a deadlock was threatened. Under those circumstances, if we now disapprove of the Ordinance, what we do is to block the Bill altogether—block the passage of the Bill altogether. Are we justified in doing it, even assuming that Government had been at fault previously? If we do it, we land our country into a mess. There is no other way for it. It is not a party matter. It is a matter concerning the whole country.

If we disapprove of the Ordinance because Government did commit an error, in the first place by following a reckless import policy and in the second place, by not anticipating what ought to have been anticipated long ago, if we disapprove of the Ordinance on these grounds, we will create a deadlock for which I think no responsible Member of Parliament will take any responsibility. That will be

creating a deadlock by stopping all supplies when we start on our path to industrialisation and development of the country. That is the reason why in this instance we take a rather exceptional path of opposing a Resolution of the kind proposed by Shri Naushir Bharucha, which we would, in normal circumstances, have supported.

Coming to the merits themselves, today this reduction of reserves is a welcome move, as Shri Bimal Ghose has also explained, because there is no sanctity in maintaining any kind of reserves, except so much as is required to tide over certain difficulties with regard to provision of foreign exchange.

Now, there are countries like Ceylon who do not require the statutory minimum reserve. Those countries are doing pretty well without it. There is no great threat to their currency or to their economy because of the absence of the statutory reserve. As a matter of fact, this system of statutory reserve is a ghost from the old times which need not haunt us any longer.

How did this statutory system of high reserves come to be established in our banking system? We all know that formerly there was the gold standard and gradually with the difficulty of maintaining the gold standard several countries maintained what was called the proportionate reserve system. It was all right for the economy of those days, a normal economy which had no stresses due to the pressure of developmental expenditure. Therefore, by maintaining the proportionate reserve system we restricted the supply of currency and that way we went on till we found, as a result of the execution of the First Five Year Plan and as a result of the projects in the Second Five Year Plan, that that kind of reserve system was such a great fetter on our economy that it would effectively stifle any attempt to develop our economy.

Therefore, we had to abandon the proportionate system in favour of a statutory minimum of Rs. 400 crores of foreign securities and currency.

Shri Bharucha has no quarrel with that. He says that the framers of the Reserve Bank Act very wisely foresaw that we would have foreign exchange difficulties and in their wisdom they provided Rs. 400 crores as the minimum, subject to that being reduced temporarily to Rs. 300 crores. Shri Bharucha has no quarrel with it but he has a quarrel with the reduction of the statutory minimum reserve to Rs. 200 crores in the aggregate of gold coins, bullion and foreign securities.

His principle objections are two. Firstly, today the velocity of money has increased and whereas, previously, in their wisdom, the framers of the Reserve Bank of India Act had provided Rs. 400 crores as a protection, we are reducing it today when we should actually increase it because of our velocity increasing.

Secondly, we have to get sufficient foreign exchange resources to meet the foreign exchange demands for the next 18 months or, perhaps, 3 years, and particularly to meet the peak load demands, as he very picturesquely puts it.

May I remind Shri Bharucha that as far as the velocity of our money is concerned, the statutory minimum that was provided by the framers of the Reserve Bank of India Act in their wisdom would be no protection? Today we could reduce the minimum to Rs. 200 cores of foreign securities. But even if we kept Rs. 400 crores foreign securities and Rs. 115 crores of gold coins, Rs. 515 crores of reserves, there was no bar to our increasing the volume of our currency say to Rs. 8,000 or Rs. 10,000 of whatever thousands of crores we wanted and there would be no check on it. The same position remains by reduction of the reserves. If we reduce the reserves now from Rs. 515 crores to Rs. 200 crores, no difference is made as far as inflationary

potentialities are concerned because we may still keep on pumping currency.

But there may be something in what he says about foreign exchange resources and that has to be dealt with. He wants us to keep the reserve of Rs. 400 crores so that we can meet our foreign exchange demands effectively. Is it necessary to maintain such huge reserve in order to meet our foreign exchange demands effectively? There are countries which do not have a statutory reserve and yet they are meeting their foreign exchange requirements. And, particularly, I believe, it would be quite the other way round. If we had to keep a high reserve, we would be all the more unable to meet our foreign exchange demands. If today we reduce our minimum from Rs. 400 to Rs. 200 crores of foreign exchange and 115 crores of gold—we would at once be in a position to meet our foreign exchange demands up to over Rs. 200 crores. But if we keep the reserves at the old level, we would at once be in a crisis. We would not be able to meet our foreign exchange demands.

Therefore, what is necessary today is not to be haunted by the old idea of a statutory minimum reserve or proportionate reserves to evolve a safety device inside our own economy so as to stabilise our currency. If we do not ourselves evolve safety devices, if we do not ourselves pursue proper measures to guarantee the stability of our currency, the mere Rs. 400 or Rs. 500 or Rs. 1000 crores of foreign security reserves will not help us out of our difficulties.

What threatens our currency today is not the depletion of foreign exchange reserves but the inability to control prices, the inability to control credit in certain directions. The prices of every commodity are going up today. Yet we do not pursue a price control policy and keep our prices reasonably stable, then we sustain confidence in our currency, whatever might happen to our foreign exchange

[Shri Sadhan Gupta]

resources. Today we are unable to control credit in certain directions; for example, I had on two occasions put questions about the advances against other commodities being utilised for speculation in foodgrains. The hon. Finance Minister, in the first instance, told me that it is very difficult to determine whether such advances were being utilised for speculation in foodgrains. The other day he went one step further and said that some efforts were being made and that it would take years before anything could be done in this direction. This is an acknowledgment of defeat in a very important matter.

**Mr. Speaker:** Does all this arise out of this Bill? This relates purely to foreign securities, the reduction of gold and foreign securities from Rs. 400 crores to Rs. 200 crores. The other stands as it is at Rs. 115 crores. Of course, the Reserve Bank controls all the currency, but it is not as though anything can be said covering the entire economy life of the nation. I am only asking whether it is appropriate to this particular Bill.

**Shri Sadhan Gupta:** A point is made out that due to reduction in foreign exchange reserve our currency is threatened with inflationary pressure. I am trying to meet that argument by saying that this inflationary pressure must be checked not by increasing foreign exchange reserves but by other means. I am illustrating what other means to take, what has not been taken and what should be taken.

**Mr. Speaker:** He need not go into the details. It is enough to say that reduction in foreign securities does not necessarily lead to inflation; for inflation there are other causes. How they will be controlled and all that may be reserved for another subject.

**Shri Sadhan Gupta:** Foreign exchange reserves are not really the means to control inflation in our country. There are other things necessary. Sir, I will just shortly conclude.

If we take years to stabilise, to prevent other advances being used for food speculation and thereby jeopardise the price of food, then it would be very difficult for us to check the stability of our currency through rise in prices. Therefore, I hope that the Government would pursue even a bolder policy in regard to foreign exchange reserves and protect our currency, stabilise our currency by suitable methods of credit control, being cautious in deficit financing and, in particular, adopting selective credit control in the matter of more important commodities of consumption on which the stability of prices would depend.

Therefore, If we adopt all these safety devices we need not be afraid of depleting our foreign exchange resources. After all, our foreign exchange reserves are for meeting our foreign exchange commitments, not for locking them up in our banks in order to create a false sense of stability of our currency.

**Dr. Krishnaswami:** Mr. Speaker, I listened to my friend the Finance Minister with the usual interest which his speeches deserve. I must say that it was a very learned speech on what the functions of a reserve should be. But, may I point out that many of the arguments that he advanced could well have been advanced in the year 1956 when we decided to snap the link between currency and reserves. We took the step then of having a statutory minimum reserve and in that there was no relation between the amount of currency and reserve. We had done so for the reason that any link between currency and reserve would be purposeless and was but a relic of the old gold standard days. Secondly, with the growth in deficit financing—I have noted the Finance Minister's words—currency was bound to expand, and if the link was preserved it would immobilise the existing gold and sterling assets which would be required to meet our pay-

ments abroad. At a time when this amendment was made the minimum statutory reserves were kept at Rs. 400 crores of foreign assets and Rs. 115 crores of re-valued gold.

[MR. DEPUTY-SPEAKER in the Chair]

13 35 hrs

This amount was thought to be sufficient as a stand-by against unforeseen contingencies such as a war or famine.

My hon. friend quoted from the writings of Lord Keynes and pointed out that the late Lord Keynes was very much opposed to anything like a link between currency and reserves. Lord Keynes pointed out that the purpose of this type of reserve was mainly to serve the purpose of what he called "a war chest" in an emergency or in a famine.

In view, however, of the expectations that large foreign payments were likely to fall during 1957, a clause was specifically put in the old Act of 1956 permitting the Reserve Bank to lower the minimum foreign assets, after consultation with the Central Government. There was also another clause to which I should like to invite the attention of this House, where it was pointed out that the Reserve Bank, only for the purpose of meeting temporary demands and for a limited period, could reduce reserves from Rs. 400 crores to Rs. 300 crores. I am only mentioning these facts to show what were the powers which we gave then.

Now what is it that we have decided to do? We have decided now to reduce the reserve of foreign assets from Rs. 400 crores to Rs. 85 crores and about Rs. 115 crores worth of gold assets. Even so far as these Rs. 85 crores are concerned, we can easily spend them without coming to Parliament for any further sanction, a point which will have to be borne in mind by many of my friends who ask as to why there should be any foreign exchange reserve at all for the purpose of meeting unforeseen demands.

Mr. Deputy-Speaker The situation is very much more serious than my friends are willing to admit, and I should like this House to bear with me for a few minutes as I feel that the time has arrived when we should analyse it as clearly as possible. The rate at which our demand for foreign exchange resources is growing is such that our foreign exchange resources would decline and the country will have no foreign assets in less than a year's time. Our exports continue to be stagnant. We have not as yet had any declaration of policy which would merely give us an assurance that there would be an expansion of exports at least within the next year or 18 months. Furthermore, the Plan is bound to make further inroads on our foreign exchange in about two years' time and this is a point which we would have to bear in mind, we would have additional pressure resulting from the need to pay off our deferred credits. The deferred credits may be credits, but they only defer the date of reckoning and we may as well give up the pretence of having Rs. 200 crores as emergency reserve.

Sir, the nature of an emergency is that it is unexpected and that it does not last for a long time. Our present commitments are neither unexpected nor are they for a short period. They will be with us for a very very long time.

KLF

While the present amendment is inevitable, and I do not in the least quarrel with my friend for having brought it forward since the foreign reserves have already touched Rs. 300 crores limit sometime in September, one should not look upon this amendment as anything else but a danger signal. And, it is here that I should like to have considerable enlightenment from the Government on what steps are being taken to meet the contingencies that will materialise possible in another seven or eight months. Have we taken all the measures necessary to increase our exports? What further commitments have we to enter into? Are we going to cut down our imports for some of

[Mr. Deputy Speaker]

our projects in the public sector which are not of a very very high grade priority?

My friend, participating in the debate yesterday, referred to the Rs. 4,800 crores figure which was said to be the financial limit which the Planning Commission had drawn up. There is nothing sacrosanct about Rs. 4,800 crores except that it was originally given out as the figure when the Second Five Year Plan was first published. One would like to know on what basis we have come to the conclusion that it is going to be Rs. 4,800 crores. What are the schemes of high priority which are to be pushed through? What schemes are going to be cut down? Because, obviously, if we do not know how we are going to cut down these projects, we are in for a period of very grave danger.

It is all well to speak eloquently on what the functions of reserves are. But in my judgement, that by itself does not touch the heart of the matter. What we have to find out is how we are going to face the new dangers and the new difficulties that are really going to come on us, and possibly in a great flood than we anticipate. In any period of planning, as my hon. friend has pointed out, we are bound to experience great difficulties. But, at the same time, having taken account of the fact that we do not have sufficient foreign resources, it may perhaps be wise even now, not waiting for the later period, to find out which of the particular schemes can be cut down which of the schemes can be pruned, so that we might not be caught napping when the real crisis comes in another eight or ten months. Unless this is done, there will not be an assurance that the successive lowering of the statutory minimum are not engendering complacency in Government circles; an assurance that has to be given that everything is being done to maintain the value of the rupee.

I am glad that at present the value of our rupee is being maintained. But do remember that unless we are

going to take positive steps to find out how we are going to cut down, to find out where we should cut down the Plan, where we should effect economies, we are likely to face a very dangerous situation six months later when our position might be much worse off.

My hon. friend spoke of foreign aid. I have from the beginning been one of those who has espoused the idea that we should go in for foreign aid and if the Finance Minister is willing to put up a fight for it and take steps for it, certainly we should be inclined to support it. But, apart from our going in for foreign aid, let us find out how we are going to earn foreign exchange resources within the next eight or ten months. Our cotton textiles have not shown any buoyancy in the way of exports and certainly some of the other important articles that we have for exports do not seem to show any increased tendency towards expansion. All these things are very disquieting and unless we are willing to apply our mind to these basic facts, the mere fact that we have altered our present currency system and we have become modern is not going to help us.

The crisis is on us and we might have to face it. There will be a more serious crisis in another eight or nine months unless we take positive steps now itself to build up sufficient resources to meet any contingency.

My hon. friend spoke of our having no foreign currency resources at all. It is true that a country need not specifically build up foreign currency resources which are merely locked up. But for certain emergencies we must have some of them, particularly as we might face very great difficulties. And if the time for payment comes and we do not have these resources, it would be a very very difficult position for us. It is these factors to which I should like our mind to be directed.

I would like to be more enlightened on how far the Government is really attempting to understand the difficult-

like. Even then the prices prevailing we are able to cut down the imports in some part of our public sector and have a rigid economy, it would not be possible for us to have anything like a safe margin within the next eight or ten months. I hope and trust that even now, before it is too late, policies will be promoted which lead to a growth of our exports and particularly attempt would be made to study how these exports should be promoted in the different markets and on what terms.

But, let us also remember that while the present system of deferred credit do not cast a great burden on our current resources, when the time for repayment comes, in the event of our not having sufficient foreign exchange resources, we would be in for a very very difficult situation. Then it is that the threat to the rupee will materialise and then it is that we will suffer for the short-sighted policies that we are pursuing at present.

**Shri Heda (Nizamabad):** I support the Bill and oppose the resolution. I was surprised to hear one particular word from the hon. Member, Mr. Bharrucha. He said that our Government is going bankrupt and the introduction of the Bill and the promulgation of the Ordinance are signs of it.

**Shri Bimal Ghose:** The Finance Minister agrees with it.

**Shri Heda:** I thought that Mr. Bharrucha had better choice of words. What are we doing at the moment? In fact, what we are doing now is making sound investment. We are using our foreign resources for a better purpose so that the country's production may increase, our standard of life may go up and our internal resources may expand. Even if we take a narrow view, from the point of view of foreign exchange, all that we are doing at the moment by losing this foreign exchange is that we are not only not saving but in future we will be earning more foreign exchange. Therefore, what the Bill proposes to

do is not to make us bankrupt but to enable us to make sound investment. In fact, more sound investment cannot be envisaged. Let us look into it with the proper perspective instead of taking an alarming view and creating unnecessary care. I agree with Mr. Ghose and Mr. Sadhan Gupta that there should be no need for maintaining any statutory reserve in foreign exchange at all. Why should there be such a reserve? We are an independent country. Our rupee has its own standard and it finds a very good place in the international market. There are countries where our rupee is preferred even to the sterling. There may be a country or two where our rupee is preferred even to the dollar.

Therefore, when we have established our own name, when our country has established a name for meeting the obligations and making payments in time, there is no need for us to have some statutory foreign reserve in the shape of gold, bullion or foreign securities. We have already taken the first step. Now if we take the second step of scrapping out the provision for maintaining foreign reserves, the country would be taking the right step and in this respect I support the views expressed by Mr. Ghose and Mr. Gupta and others.

Mr. Gupta, while discussing the stability of rupee, mentioned one factor. He said that we are not able to control the prices and, therefore, the rupee is not stable. A month or two ago, an international survey was made about the stability of different currencies—dollar, sterling, rupee and other currencies. In the survey it was found out that our rupee has got better value and stability than even the dollar and far greater value than the sterling. In the last ten years, the survey tells us, the price of rupee has gone down by about 11 per cent in the real market, whereas the dollar has gone down by about 30 per cent and the sterling something like 45 per cent. Therefore, to say that we are not able to control the prices is not the whole truth. Maybe we are not able to con-

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trol the prices to the extent we would like. Even then the prices prevailing in this country are much lower than those prevailing in countries all over the world.

Mr. Bharucha while discussing the foreign exchange position, referred to a news item that appeared in today's papers. Today's newspaper told us that President Eisenhower is not in favour of introducing a Bill in the Congress to give a large loan to India. That is a small item of news and from that our friend has concluded that probably no aid, no foreign exchange, would be coming from the United States. Therefore, he has been asking the Finance Minister from where he expects to get foreign exchange.

How much of foreign aid in the form of loan or deferred payment we can expect from the United States or West Germany, or France or England, or any of the countries, it is impossible to say for anybody—even for the Finance Minister. I am not one of those who would be inclined to rely upon such aids. But let us not unnecessarily rush to conclusions that no help would be coming at all. We may not depend upon it. We may build our plants on the loans or aids that would be coming, or as they would be coming. But let us not rush and come to conclusion that we will not be getting any assistance so far as our foreign exchange difficulties are concerning.

There is increasing appreciation of the Plans that our country has put through. Nowhere in the world is there any doubt about the success of the First Five Year Plan. In my tour of the United States and other countries I found that students of international economics and politics were feeling that our Second Five Year Plan is quite ambitious. There is no doubt about it. But then it is very necessary that we have to make adequate progress, if the objective of a social welfare State is to be achieved.

The recent tour that the Finance Minister made to the United States of America and other countries has again created a climate and I cannot pay more glowing tributes than has been already paid by Mr. Masani. Whatever its results may be and whatever may be the aids that would be coming, there is no doubt about it that he did a fine job in a country where for some reason or another there has been some misunderstanding and a sort of prejudice against our economic policies. America is a country where the word "socialism" is taboo. The feeling in the United States is that since they have made the greatest economic progress, the rest of the world should follow them. Therefore, there is a feeling there that we are not proceeding on the lines they did.

In such a country the Finance Minister created a good climate and I think whatever the aid that may be coming, and whatever its quantum may be, we should not rush to any conclusions that nothing would be coming. Moreover, different countries have different procedures. In the United States there is a particular procedure. In certain respects, the President there is more powerful than our Prime Minister; but in certain other respects, our Prime Minister has more power and authority than the President. Here, the Finance Minister in certain respects is much more powerful than the President in the U.S.A. under the American constitution.

Our Finance Minister can bring a Budget and that Budget is generally passed without a comma being altered and therefore he can guide the nation's economy. There, though the Budget is presented formally by the President, it is scrutinised and amended, not once, but many times. So, the procedure in the United States is quite different, and if we take that into account, I do not think there had been any move, or there had been any indication that the aid or assistance in foreign exchange may not be forthcoming. Rather a student of United

States economics and politics would come to the conclusion that all things are moving in the right direction, so that we may expect quite a satisfactory assistance from the United States and other countries.

Mr. Bharucha in his speech asked one question and that question is generally asked all over the country. We do not know what are our requirements even for the core of the Plan, so far as foreign exchange is concerned. Last week, and even today, quite a few questions were directed to the Planning Minister and he gave us an idea as to what is the core of the Plan from the foreign exchange point of view. But when it was asked as to how much foreign exchange it would involve he was not able to reply. The country in fact would be glad if the Finance Minister would tell us that so far as the core of the Plan is concerned, how much foreign exchange is involved and out of that how much is already met and how much we have to meet, so that we may know whether there is any real ground for anxiety or no anxiety at all. If we feel that there is no room for anxiety at all and that we have already met our commitments towards the core of the Plan we will be glad. Rather they say that they have selected particular items as the core of the Plan. In fact, the Finance Minister included into the core the power projects. Some of the Members were of the opinion that these power projects—Mr. Dange was one of them—may not be included in the core of the Plan at all. He said that it can wait for the third Five Year Plan.

So some of us feel that the Finance Minister was emphatic in including these power projects, simply because he was quite sure or had already made arrangements for that much of foreign exchange. There are some—I believe Mr. Bharucha is one of them—who feel that out of the Rs. 700 or Rs. 800 crores of foreign exchange that is needed for the next eighteen months, barely Rs. 80 or Rs. 100 crores is available and we have not much in reserve. Thus we will have to muddle through.

Whether this section is right or that section is right, it would be quite clear if the Finance Minister takes the country into confidence and states, so far as the core of the Plan is concerned, how much foreign exchange is involved, out of that how much has already been arranged and out of the rest, we can judge by our reserves and other resources.

14 hrs.

No doubt, there is one very happy development. Whenever a Plan is made, estimates are made and the foreign exchange involved in it is separately mentioned. Formerly, it was not done. That was not the practice. Now that is done. But, it is too meagre and that is not sufficient. Let me state that we are not happy that in the last two weeks, for so many supplementaries, the Finance Minister avoided the question and he was not able to give us the actual figure about our present condition of foreign exchange.

Mention was made about our export and import position. It was stated that our imports are increasing and exports are not increasing accordingly and, therefore, we will be in further difficulties after a few months. On the face of it, it looks like that. If we analyse the imports that we are making, we will find one very praiseworthy feature. It is that we are not importing consumer goods. Rather we are importing raw materials essential for our industries. We import so many chemicals, the type of chemicals that we are not able to manufacture in our country. These are chemicals necessary to run our various industries. So the composition of the imports is such that it is not only saving our foreign exchange, but it may help us in speedily industrialising our country.

It is also possible that as time passes, there would be lesser and lesser need for importing these materials. Therefore, we will be switching on some other materials which are more and more necessary for more developed industries. Therefore, if we look at the breakup of these imports, we may come to the conclusion that planning

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in this connection is very commendable. As time passes, there is every likelihood that imports of these particular commodities will go down.

If we look at the exports, there, again, we find that some of the items are such which we cannot control. Take the case of tea. It is not possible for us to control the price. It involves a very complicated question. Even in exports, I think the trends, as they are, are hopeful. Therefore, as I stated earlier, because of his insistence on including power projects into the core of the Plan, if we find out our present foreign exchange position, the country may be able to come to its own conclusion whether our foreign exchange position is sound or whether there is anything left for anxiety.

With these words, I support the Bill and oppose the Resolution.

**Shri Parbhat Kar (Hoogly):** Sir, I welcome the Bill. But, I would say the time and why it has been presented have given rise to so much of discussion which easily could have been avoided and apprehensions in the minds of the common people and persons in interested quarters which easily could have been stopped.

In 1956, when the legal minimum was reduced to Rs. 400 crores, it was suggested that there is no necessity to keep this legal minimum. Because even the Finance Minister today admits that in advanced countries the Central Banks do not insist on maintaining a higher legal minimum, easily the amount of Rs. 400 crores could be reduced. I would have liked the Finance Minister to give the reason only that, as it is not necessary to maintain a proportional reserve to the currency, as today the old gold standard is outmoded and as we want to utilise this amount of foreign securities which we are holding, we are reducing the legal minimum and we are completely eliminating the foreign securities holding.

As he has presented that the whole country is passing through a crisis because of our folly, because of the policy that we have pursued and as a result of that it has become inevitable today to reduce this minimum to Rs. 200 crores, naturally the question arises, why this crisis. This, naturally, will make us discuss about the foreign exchange position and import-export policy. The last part of the Finance Minister's reason could have been the only reason to bring down the minimum. But he has put the foreign exchange crisis as the main reason. Subsequently, in supporting this, he has quoted Lord Keynes and other countries' Central Banks and sought to justify his action.

I would suggest that it does not tell upon the stability of a country's currency if the legal minimum is reduced. The rupee is as stable as it was before and the stability or value of the rupee has not diminished because of this legal minimum. But, before reducing this legal minimum, an atmosphere has been created. Take first the cry of dearth of foreign exchange. Then, to go round different parts of the world for certain financial help and to make even this statement that without financial help our Plan will not succeed; the Finance Minister comes back; the people come to know that there is no possibility of help; then to pass an Ordinance to reduce the foreign exchange reserve of the Reserve Bank. Common people will link up this matter that because we are today facing a crisis, we have been forced although we should not have been and naturally, today, there is a possibility of even the papers thinking in terms of devaluation of the rupee. This requires a categorical assertion on the part of the Finance Minister that this reduction in the legal minimum of the reserves does not give the picture of the insecurity of our currency, nor is it a financial bankruptcy, but that as we want today to utilise money more and more instead of keeping it in reserve and blocking it, this step has

been taken. It could have been done earlier. We did not do it, but we are doing it now. If in August 1956 when the reserves were reduced to Rs. 400 crores this step had been taken, perhaps there would have been a sense of security in the minds of everybody that this is not because of an inevitable situation created by our own policy, of the failure of our policy even in planning.

We do not take things seriously. Today we are reducing the reserves to Rs. 200 crores—Rs. 115 crores of gold and Rs. 85 crores of foreign securities—but what is the basis? Why was this not done in August 1956? Why are not foreign security holdings completely eliminated, but Rs. 85 crores are retained? The Finance Minister has not said anything about it. He has not taken the House into confidence as to the reason why this limit cannot be reduced further. After making the minimum Rs. 400 crores, it is now being made Rs. 200 crores. Again he may come forward with an amendment that this Rs. 85 crores of foreign securities may go.

**Shri Bimal Ghose:** That will not be necessary. We can reduce it to zero under the Bill.

**Shri Prabhat Kar:** We are not opposed to it, but at least let the country know and have full confidence that this has got nothing to do with the stability of the currency, that the rupee is as stable as it was before, and that there is no need to keep the reserves in the present advanced banking and economic situation.

I quite realise why Shri Bharucha has raised this question. It is because of the situation created by the Finance Minister. Already there is a feeling that because of our foreign exchange crisis, our Plan is going to be completely pruned, and though it has not been stated exactly what part of our Plan we are going to adhere to—we have made certain vague statements—the net result is that our economy is in a crisis. Naturally

Shri Bharucha raises objection and wants a categorical statement.

So far as the ordinance is concerned, again it gives rise to this feeling that we were almost on the verge of a crisis, and in order to save that crisis we passed the ordinance. We could have waited for some time for the Bill, but that has not been done. So, today if there is a sense of insecurity, if there is a talk against this particular step of the Finance Minister outside the House or amongst interested quarters, I would say the reason is the policy of the Government, the way this reduction has been made, and for that I would say the responsibility lies with the Finance Minister.

I would like that we should be very, very serious now. The other day the hon. Prime Minister said: "I am perfectly prepared to admit that with a little more careful planning, a little more looking ahead in regard to our import and export, the strains would have been slightly less." After putting the country into a crisis, if we say that we are prepared to admit that with a little more careful planning we could have slightly lessened the strain, it does not speak well of a responsible Government. It gives the feeling that even in serious matters we do not take care or take cognizance of what others says. We carry on in our own way without caring to listen to what the others say, and at the last stage we come forward and say: "All right, we are prepared to admit that there may be some mistake, but after all, the major framework is there and we will go forward." When we made a reduction in August 1956, it could have been reduced to Rs. 85 crores, but now we are doing it without giving the basis why we are keeping this Rs. 85 crores or Rs. 200 crores.

I would only point out that although we are still insisting that there was no necessity for us to keep this minimum, in order to dispel the psychological impression that may be created in the country, there is need for certain categorical statements. We

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should make it clear that with some more vigilance we shall be able to tide over the difficulty of foreign exchange, and that this step that we have taken to reduce the minimum limit of reserves is not going to effect our business policy.

Secondly, I think a categorical statement will be required that the stability of the rupee will not be affected, because in the common man's mind for a long time there has been a feeling that the currency is backed by a certain amount of gold. If the people know today that the gold reserve or the security reserve is being lessened, they may feel that perhaps the rupee will lose its value. We have got to tell them that it is not so. We have to make a statement that even if the sterling balances disappear altogether, it will not hamper our trade. It requires a statement from the Finance Minister.

We have got to make sure that the rupee does not lose its value and that it is as stable as it was before. This categorical statement is also necessary from the Finance Minister because there are persons in interested quarters who have already started speaking against this particular action, and saying that this is going to create further complications in our trade, that without sterling balances it will be almost impossible to carry on trade. In order to stop this gossip of the persons interested in discrediting India's economy even in the international market, this statement or assurance from the Finance Minister is necessary.

I would say that I am opposed to Shri Bharucha's resolution because the step that has been taken is welcome. Although generally we do not like that ordinances should be promulgated, that the law should be made through ordinances, since in this case we are in agreement with the aim that the Government wanted to achieve, we are not opposed to the promulgation of the ordinance. I

would, however, like the Finance Minister to make it clear to the nation while this Bill is passed that this does not show a sign of the bankruptcy of our economic policy.

Shri T. K. Chaudhury (Berhampore): In spite of the strong support that has been given to this Bill by some hon. Members on this side, I must categorically state that I oppose this Bill and I support the resolution moved by Shri Bharucha. This means I oppose the ordinance which we are discussing.

Firstly I am opposed to the manner of passing the ordinance, the manner in which the ordinance has been rushed through. I am opposed to the timing of the ordinance. Although Government spokesmen did say as soon as the ordinance was passed that this should not be regarded as "a pessimistic footnote" to the disappointing results of the Finance Minister's tour abroad soliciting foreign exchange aid for our Plan, people know how to put two and two together. The Finance Minister goes out to solicit foreign exchange aid for our Plan, comes back, keeps mum, and then the Government comes out with this ordinance. And people need not even put two and two together. Even Government themselves have been frank, for they have stated in the Statement of Objects and Reasons:

"Experience has shown that consistently with the requirements of the Second Five Year Plan, it is not possible for the Reserve Bank to comply with the requirements of section 33(2) of the Reserve Bank of India Act in regard to the size of the foreign securities holdings....".

So, Government have been very frank inspite of the solicitude of Shri Prabhat Kar and his friends about the good intentions of Government. Government have plainly

stated why they are bringing forward this Bill, and why they passed this ordinance.

Thirdly, I am opposed to this Bill on a more fundamental ground, namely in so far as it raises the question of confidence in the Government. This Bill gives almost unlimited fiduciary powers in the hands of Government. If we were convinced that these powers would be judiciously used, if we were convinced that these powers would be used in running the national economy for the good of the common man and not for the benefit of the privileged classes, then we would certainly have accorded our support to this Bill.

Unfortunately, however during the past one month, various statements have been made by Government and Government spokesmen, which have clearly brought out the fact that the present-day economy, in spite of our high-sounding ideological professions, is run in the interests of what has come to be known in rather equivocal terms as the private sector.

I might refer here to the speech of one gentleman, which has gone rather unnoticed in this country. I mean the speech made by the gentleman who happens to be the Governor of the Reserve Bank of India, delivered at California lately. I do not know how he happened to be there, and in what capacity he was there. It was reported that it was an international conference of industrialists. Our esteemed friend Shri M. R. Masani was there on behalf of a group of industrialists. Some members of the Birla Mission were also there. The Governor of the Reserve Bank also went there. I was astounded to read that speech wherein he has made the statement that although the justification for the Plan is given in ideological terms, as a matter of fact, there is nothing ideological behind it, and that our economy is dominated by the private sector and will continue to be dominated by the private sector for the foreseeable future.

Now, this is the statement that has been made by one of the two gentle-

men, in whose hands we are giving these fiduciary powers, the other being, of course, the Finance Minister who has come forward with this Bill before the House seeking those powers.

Shri Heda just referred to the excellent climate that has been created by the tour of the Finance Minister abroad, in the USA, in Germany, in Great Britain, in Canada and everywhere. Not only Shri Heda, but another esteemed gentleman, although he is not a Member of this House, namely Shri G. D. Birla, who led the Industrial Mission to USA and other countries lately has been saying—and he had started saying it even while he was on tour in the USA—that a wonderful climate has been created by our Finance Minister. I do not know whether the Finance Minister has been reported aright. Sir, these are very embarrassing days. I do not know whether he has been quoted by press correctly. But it has been reported that in the USA he somewhere made the remark that the USA itself was a socialist country. Naturally, if he makes that kind of statement in the USA, the people in the USA would certainly like our variety of socialism or socialistic pattern very much; there is no doubt about it.

Now, coming to the provisions of the Bill, the Finance Minister has said, our Communist friend Shri Sadkan Gupta has said, Shri Bimal Ghose has said, and last but not least, Shri Prabhat Kar has said, that this is a very ideal type of measure, and that really this fiduciary reserve is not at all necessary. Lord Keynes had said that as early as 1924. Why then did Government take so much time to discover it, and discover it only on the morrow of the Finance Minister's return from the USA? Do Government want us seriously to believe that had the Finance Minister's mission been more successful in getting foreign exchange resources for our Plan, he would have come forward with this Bill? Does the Minister really want us to believe, and do our hon. friends who have supported

[Shri T. K. Chaudhury]

this Bill want us to believe that this has been done only on text-book grounds, only on the grounds that an eminent economist of the calibre of Lord Keynes had advocated for the abolition of these currency reserves?

Sir, the facts are very plain. We are short of foreign exchange resources, and we must have them, and, therefore, we are, so to say, scraping the bottom of the barrel. But that is only one aspect of the matter.

Now, there is also another aspect of the matter. We are entrusting Government with unlimited powers to print notes in unlimited quantity. Where is the guarantee that Government would not misuse that power or would not employ that power for profit inflation of the so-called private sector, which the Governor of the Reserve Bank said the other day, is dominating and will continue to dominate the Indian economy in the foreseeable future? That aspect of the matter has to be taken into consideration very seriously.

We are thankful to Government spokesman, from the Finance Minister down to the other official spokesmen who do not occupy his exalted position, for frankly stating that we are running our economy today for the benefit of the private capitalist sector.

But what is the guarantee then that this power to print notes in unlimited quantities which we are giving in their hands will not be utilised for creating an atmosphere of profit inflation so that the eminent gentlemen who went to the United States and other countries in an industrial mission or the other eminent gentlemen—Shri M. R. Masani was amongst them—who represented or sought to represent our country in that international conference of industrialists at California, may profit not unduly benefit?

**Mr. Deputy-Speaker:** Is the hon Member likely to take some more time?

**Shri T. K. Chaudhuri:** Yes.

**Mr. Deputy-Speaker:** Then he may resume the next day. We take up non-official business now.

## COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

### NINTH REPORT

**Shri Easwara Iyer (Trivandrum):** I beg to move:

"That this House agrees with the Ninth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th November, 1957."

**Mr. Deputy-Speaker:** Motion moved:

"That this House agrees with the Ninth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th November, 1957."

**Shri Tangamani (Madurai):** We find that there is a Bill to be introduced by Shri P. K. Deo to amend the Constitution of India. Permission is being withheld to this in the Report. There is also a reference to the findings of the first Committee. Am I to take it that whenever an attempt is made to amend the Constitution of India, leave to move the Bill will be withheld by the Committee?

**Shri Easwara Iyer:** In fact, the Committee had considered the question of amending the Constitution raised by the Mover of that Bill. Really, it is not a case of withholding permission always. But it is a case where he wanted to amend particular articles involving amendment of various other provisions of the Constitution also. We thought that it would not, in the circumstances, be desirable to admit it. It was only on that ground that the Committee withheld permission.

**Mr. Deputy-Speaker:** It is true that normally, leave to introduce is granted in this House, and only in very rare cases such leave has been refused. But so far as non-official Bills are concerned, it is the practice that if they relate to amendment of the Constitution, then the Committee has also to consider whether permission is to be granted or not. Then it makes its recommendations here. It is not an ordinary amendment which is to be made. A certain majority is required for the passing of the Bill also.

**Shri Tangamani:** It relates to election of Governors.

**Mr. Deputy-Speaker:** I am talking of Constitution amendment Bills in general for the present. In such cases, the Committee has to scrutinise whether really permission is to be granted or not. In Rule 294, the functions of the Committee have been laid down. Objection is raised that there is a reference to the previous decision of the Committee. But that also has to be taken into consideration if the same circumstances weigh, as were taken into account previously and there had been no change in those circumstances. If there had been some change in the circumstances, the Committee would be free to decide what should be proper under the present circumstances. But in this case particularly, the Committee thought that there had been no change in the circumstances. The same considerations weighed this time also. Therefore, that recommendation has to be made to the House now.

I shall now put the motion to the vote of the House.

The question is:

"That this House agrees with the Ninth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th November, 1957."

*The motion was adopted.*

## RECOGNITION (OF SERVICES TO THE COUNTRY) BILL

**Raja Mahendra Pratap (Mathura):**  
**Mr. Deputy-Speaker and the House.**

**Mr. Deputy-Speaker:** It is to be addressed only to the Deputy-Speaker and not to the House.

**Raja Mahendra Pratap:** I beg to move for leave to introduce a Bill to recognise the services to the country of certain persons, namely, Shri Vir Savarkar, Shri Birendra Kumar Ghose (brother of Shri Arbindo Sant) and Dr. Bhupendra Nath Datta (brother of Swami Vivekananda).

**Mr. Deputy-Speaker:** Motion moved:

"That leave be granted to introduce a Bill to recognise the services to the country of certain persons, namely, Shri Vir Savarkar, Shri Birendra Kumar Ghose (brother of Shri Arbindo Sant) and Dr. Bhupendra Nath Datta (brother of Swami Vivekananda)."

**Shri C. R. Narasimhan (Krishnagiri):** On a point of order. The Bill which has been circulated to us does not contain the recommendation of the President. As it deals with expenditure I do not know whether according to our rules this can be introduced.

**Mr. Deputy-Speaker:** Which rule?

**Shri C. R. Narasimhan:** I do not remember the particular rule.

**The Minister of Law (Shri A. K. Sen):** It is under the Constitution itself—article 117.

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

[Shri A. K. Sen]

"Provided that no recommendation shall be required under this clause for the moving of an amendment making provision for the reduction or abolition of any tax.

"A Bill or amendment shall not be deemed to make provision for any of the matters aforesaid by reason only that it provides for the imposition of fines or other pecuniary penalties or for the demand of payment of fees for licences or fees for services rendered or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes....."

It may not be for that reason to be regarded as involving one of the purposes mentioned in clause (1). But in clauses 1 and 2 of this Bill, it is said that in recognition of the services of certain people, they shall receive Rs. 500 per month from the Government. The whole Bill is only concerned with expenditure on the part of Government. Therefore, recommendation of the President is necessary for introduction.

Shri Mohammed Tahir (Kishanganj): Permission may be had afterwards.

The Minister of State in the Ministry of Home Affairs (Shri Datar): You will kindly see article 110 also. Sub-clause (c) relates to payment of moneys out of the Consolidated Fund or withdrawal of moneys therefrom; (d) is about appropriation of moneys out of the Consolidated Fund.

Mr. Deputy-Speaker: Does it fall under article 117 or 110?

Shri A. K. Sen: Article 110 is automatically attracted. My objection is really on the ground that this is a Bill which involves one of the matters contained in 110(a) to (f) and, therefore, it is prohibited from being introduced without the recommendation of the President.

Mr. Deputy-Speaker: Has the Raja Sahab anything to say?

Raja Mahendra Pratap: May I explain?

Mr. Deputy-Speaker: This is what I have requested the hon. Member to do.

Raja Mahendra Pratap: I think this is a very important Bill. It is a question of looking into the matter patriotically. These patriots....

Mr. Deputy-Speaker: We are not discussing the merits here. Has the hon. Member anything to say with regard to the objection that has been raised?

Raja Mahendra Pratap: I would say that even raising this objection reflects upon your patriotism.

Mr. Deputy-Speaker: Order, order.

Shri T. K. Chaudhuri (Berhampore): May I make a submission with regard to the objection that has been raised? Article 110(c) and (d), particularly (d), relates to the appropriation of moneys out of the Consolidated Fund of India. This Bill does not really ask for any appropriation to be made out of the Consolidated Fund of India. It only says that certain persons will get a pension of Rs. 500/-.

Several Hon. Members: From where?

Shri T. K. Chaudhuri: From any fund that the Government has already appropriated.

Mr. Deputy-Speaker: Let us hear arguments though they may not be convincing. We have to hear them.

Shri T. K. Chaudhuri: There are certain funds already appropriated. This only makes a recommendation. There is the Prime Minister's Relief Fund; there is the Political Sufferers' Relief Fund and there are other funds also. They have been appropriated

from the Consolidated Fund of India. Further this Bill.....

**Shri Tyagi (Dehra Dun):** This will be misappropriation.

**Shri T. K. Chaudhuri:** For a good cause.

**Mr. Deputy-Speaker:** As I see it, the objection has not much of force. There are two kinds of Bills. One kind is a Money Bill and the other a Bill that involves expenditure and is not exactly a Money Bill. So far as a Money Bill is concerned, that cannot be moved unless the permission has been obtained previously before it is introduced. But, so far as article 117 (3) a Bill which involves expenditure out of the Consolidated Fund is concerned, that requires permission for the consideration of the Bill and not for the introduction of the Bill.

My attention has been drawn to article 110(c) and (d). 110(c) does not apply here because it relates to the custody of the Consolidated Fund or the Contingency Fund of India; and (d) is the appropriation of moneys out of the Consolidated Fund of India.

This appropriation question was raised some time ago here in this Parliament, rather in the Constituent Assembly (Legislative). There the Law Minister had described that this appropriation meant appropriation of certain funds for which demands had been passed. And the Deputy Speaker there said:

"I entirely agree with the hon. Law Minister in coming to the conclusion that appropriation as used in article 110(1)(d) is only a term of art and it applies only to cases which are referred to in article 114. Therefore, the provisions of the Bill do not militate against referred to in article 114. Therefore, the provisions of the Bill do not militate against the provisions of article 117(1). Of course, this involves expenditure from the Consolidated Fund and therefore

comes within the purview of clause (3) of article 117. (Parl. Deb. Part II, 12th April, 1951, cc. 6727-28).

This Bill also attracts clause (3) of article 117. It would require the recommendation of the President for consideration and passing and not for the introduction of the Bill."

Now, the question is:

"That leave be granted by introducing a Bill recognise the services to the country of certain persons, namely, Shri Vir Savarkar, Shri Birendra Kumar Ghose (brother of Shri Arbindo Sant) and Dr. Bhupendra Nath Datta (brother of Swami Vivekananda)."

Those in favour will please say 'Aye'.

**Some Hon. Members:** Aye.

**Mr. Deputy-Speaker:** Those against will please say 'No'.

**Several Hon. Members:** No.

**Mr. Deputy-Speaker:** I think the 'Ayes' have it.

**Shri A. K. Sen:** The 'Noes' have it.

**Mr. Deputy-Speaker:** I will have the lobbies cleared.

**Some Hon. Members:** This is the first time that introduction is opposed.

**Mr. Deputy-Speaker:** Other Bills have been opposed. Shri Kamath's Bill was opposed. When it is opposed I have only to ask for the votes of the House.

**Shri A. K. Sen:** May I explain why it is being opposed? Since it cannot be taken into consideration without the recommendation, it will really be taking up the time of the House uselessly by introducing it.

**Mr. Deputy-Speaker:** Order, order. Now, I have asked the lobbies to be cleared.

14.50 hrs.

[MR. SPEAKER in the Chair.]

Mr. Speaker: I will put the motion again.

The question is:

"That leave be granted to introduce a Bill to recognise the

services to the country of certain persons, namely Shri Vir Savarkar, Shri Birendra Kumar Ghose (brother of Shri Arbindo Sant) and Dr. Bhupendra Nath Datta (brother of Swami Vivekananda)."

The Lok Sabha divided:

Ayes 48;

Noes 75.

## Division No. 3

## AYES

14.51 hrs.

Awasthi, Shri  
Beck, Shri Ignace  
Bhaucha, Shri Naushir  
Choudhury, Shri S. C.  
Dasgupta, Shri  
Deo, Shri P. K.  
Dige, Shri  
Elias, Shri M.  
Gaikwad, Shri B. K.  
Ganpati Ram, Shri  
Ghodasar, Shri Fatehsinh  
Ghosai, Shri  
Ghose, Shri Bimal  
Godsora, Shri S. C.  
Gopalan, Shri A. K.

Gupta, Shri Sadhan  
Halder, Shri  
Iyer, Shri Easwara  
Kalika Singh, Shri  
Kodiyan, Shri  
Kumbhar, Shri  
Kunhan, Shri  
Lal, Shri R. S.  
Mahendra Prasad, Raja  
Majhi, Shri R. C.  
Martin, Shri  
Menon, Dr. K. B.  
More, Shri  
Mukerjee, Shri H. N.  
Mullick, Shri B. C.  
Nayar, Shri V. P.

Paichoudhuri, Shrimati Ila  
Panigrahi, Shri  
Patel, Shri P. R.  
Pillai, Shri Anthony  
Prodhan, Shri B. C.  
Ramam, Shri  
Reddy, Shri Viswanatha  
Saksena, Shri S. L.  
Samanta, Shri S. C.  
Sampath, Shri  
Singh, Shri L. Achaw  
Soren, Shri  
Sugandhi, Shri  
Supakar, Shri  
Tangamani, Shri  
Vajpayee, Shri  
Valvi, Shri

## NOES

Achar, Shri  
Arumugham Shri R. S.  
Bahadur Singh, Shri  
Bangshi Thakur, Shri  
Bhagat, Shri B. R.  
Bhargava, Pandit Thakur Das  
Birbal Singh, Shri  
Chuni Lal, Shri  
Daljit Singh, Shri  
Dasappa, Shri  
Das, Shri Shree Narayan  
Datar, Shri  
Desai, Shri Mogensji  
Easwaran, Shri I.  
Ganapathy, Shri  
Gandhi, Shri Feroze  
Ghosh, Shri M. K.  
Hajarnavis, Shri  
Haada, Shri Subodh  
Hem Raj, Shri  
Heda, Shri  
Hukam Singh, Sardar  
Jain, Shri M. C.  
Jigachandran, Shri

Josh, Shri A. C.  
Joshi, Shrimati Subhadra  
Kanakasabai, Shri  
Karmarker, Shri  
Karm Singh, Shri  
Kasiwal, Shri  
Keshava, Shri  
Khan, Shri Shah Nawaz  
Krishna, Shri M. R.  
Krishnamachari, Shri T. T.  
Malviya, Shri Motilal  
Masuriya Din, Shri  
Mehta, Shrimati Krishna  
Mishra, Shri B. D.  
Mishra, Shri L. N.  
Munisamy, Shri N. R.  
Naidu, Shri Govindarajulu  
Nair, Shri C. K.  
Narayanawamy, Shri R.  
Padam, Dev, Shri  
Pahadia, Shri  
Parmar, Shri Y. S.  
Raj Bahadur, Shri  
Raju, Shri D. S.  
Ramakrishnan, Shri  
Raman, Shri Pattabhi

Rane, Shri  
Rao, Shri Jaganatha  
Rungtaung Suissa, Shri  
Saigal, Sardar A. S.  
Samant Sinhar, Dr.  
Sangamma, Shri  
Satyabhama Devi, Shrimati  
Scindia, Shrimati Vijaya Raju  
Sen, Shri A. K.  
Shankarsiya, Shri  
Sharma, Shri D. C.  
Sharma, Shri R. C.  
Shukla, Shri V. C.  
Siddananjappa, Shri  
Singh, Shri D. N.  
Sinha, Shri Gajendra Prasad  
Subramanyam, Shri T.  
Surya Prasad, Shri  
Tewari, Shri Dwarikanath  
Thimmaiah, Shri  
Thirumala Rao, Shri  
Thomas, Shri A. M.  
Tula Ram, Shri  
Uike, Shri  
Umrao Singh, Shri  
Upadhyaya, Shri Shiva Datt  
Wadiwa, Shri

The motion was negatived.

**Raja Mahendra Pratap:** In protest against the decision I have to leave.

**Mr. Speaker:** Shri Jhulan Sinha.

**Raja Mahendra Pratap:** I hope every Bengali and every Maratha will also walk out.

(At this stage Raja Mahendra Pratap and some other hon. Members left the House).

14.51 hrs.

**Mr. Speaker:** Order, order. I find hon. Members go on disobeying the rules of the House. When I, or whoever is in possession of the Chair, get up all other Members will kindly sit down. We have to set an example for ourselves. Also, there are 14 Assemblies and 8 Councils working in this country apart from other Parliaments elsewhere.

**Shri Nath Pai (Rajapur):** No insult was meant to you, Sir. That happened because we were just walking out.

**Mr. Speaker:** Shall I sit down for five minutes and allow hon. Members to walk out?

**Shri Nath Pai:** Yes, Sir, we were in the process of walking out.

14.51½ hrs.

(At this stage Shri Nath Pai and some other hon. Members left the House).

**Mr. Speaker:** Hon. Members may, walk out now.

**Shri A. K. Gopalan (Kasargod):** Sir, I just want to say that this is the first time that a Bill is opposed at the introduction stage and vote taken thereon. There was a point of order raised from the other side and there was a discussion whether this Bill can be introduced. Then the Deputy-Speaker gave the ruling that it can be introduced. After that it was opposed. This is a very unusual thing that even at the very introduction a Bill is being

opposed. Now a very innocent Bill at the introduction stage is opposed even though it was ruled by the Deputy-Speaker that according to rules there is absolutely nothing against its introduction. If this is the case, every Bill can be opposed. Non-official Bills and resolutions can never come up in this House because there is a majority. Every non-official Bill or resolution which the other side does not like can never be discussed in this House. The object of a non-official Bill or resolution is that in cases where the Government is not bringing forward a Bill a private Member must have an opportunity to bring a Bill. If that is also opposed, I do not know what can be done to protect our right. So we protest against this and we request that we may be allowed, as a protest against this decision, to go out.

**Mr. Speaker:** Order, order. Let them hear me and then go out if they like; I cannot prevent anybody from going out. I have got a book here, L.B. 19—Bills opposed in introduction from 1921 to 1954. There are as many as 60 items. Hon. Members possibly are not aware of that. I shall send a copy and the hon. Member can look into it. Normally, Bills are not opposed at the stage of introduction, but in matters of extreme policy with respect to which either one side or the other does not want to give a particular impression to the country at the consideration stage they are thrown out. I have allowed the Preventive Detention Act to be opposed by my hon. friends here at the introduction stage. Therefore, there is nothing new.

**Shri A. K. Gopalan:** We gave reasons for the opposition; here we do not get any reasons, absolutely no reasons are given why they oppose it.

**Mr. Speaker:** If anything is opposed, the Chair will certainly call upon those persons who oppose to just make one statement and the other side to make one statement. There will not be any discussion.

**Shri A. K. Gopalan:** Sir, you do not know what happened here. They

[Shri A. K. Gopalan]

were asked why they opposed and they said that they opposed it under certain articles of the Constitution. Mr. Deputy-Speaker gave the ruling that as far as those articles were concerned there was nothing against the introduction of the Bill. No other reason was given why they opposed the introduction of the Bill.

Shri A. K. Sen: It was only on the question of the point of order that we stated our position.

Shri Feroze Gandhi (Rai Bareilly): Sir, I rise on a point of order.

Mr. Speaker: The point of order evidently is for the purpose of telling me that after the matter is over there is no question of raising it again. Shri Gopalan wanted to give an explanation for his going out. Now we are not considering any other point of order. The matter is over. Rules are there. They need not give an answer or an explanation. They merely make a statement. The Chair has no right to ask them to make a statement in a manner different from the statement they want to make. It is left to them to convince the House one way or the other. It is open equally for the Opposition to make a statement. The mode of making the statement is entirely in the hands of the persons making the statement. If they do not agree and they feel that the Government ought not to have opposed they are entitled to go out. Therefore, that matter is closed.

14.53 hrs.

(At this stage Shri A. K. Gopalan and some other hon. Members left the House).

Shri Feroze Gandhi: Sir, the Bill was introduced and at the introduction stage the Law Minister objected to it on some grounds. Those grounds were over-ruled by the Deputy-Speaker. Therefore, this action of opposing the introduction of the Bill by the Government amounts almost to a vote of 'no confidence' in the Deputy-Speaker.

Mr. Speaker: He has given his opinion; that is all. Now we go on with our business.

## INDIAN RAILWAYS (AMENDMENT) BILL

(Insertion of new Section 99A and amendment of Sections 113 etc.)

Shri Jhulan Sinha (Siwan): Sir, I beg to move for leave to introduce a Bill further to amend the Railways Act, 1890.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Railways Act, 1890."

The motion was adopted.

Shri Jhulan Sinha: Sir, I introduce the Bill.

## TRAINING AND EMPLOYMENT BILL

Shri D. C. Sharma (Gurdaspur): Sir, I beg to move for leave to introduce a Bill to make provision for employment and training for employment and to establish a comprehensive youth employment service.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to make provision for employment and training for employment and to establish a comprehensive youth employment service."

The motion was adopted.

Shri D. C. Sharma: Sir, I introduce the Bill.

# CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

*(Omission of Section 144)*

श्री अश्वथी (बिल्हौर) : अध्यक्ष महोदय मैं प्रस्ताव करता हूँ कि मुझे दंड प्रक्रिया संहिता (संशोधन) बिल (बारा १४४ का लोप) पेश करने की अनुमति दी जाए।

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1898."

*The motion was adopted.*

Shri Awasthi: Sir, I introduce the Bill.

# CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

*Omission of Sections 107, 109 and 110 and amendment of Section 161)*

श्री अश्वथी (बिल्हौर) : अध्यक्ष महोदय, मैं प्रस्ताव करता हूँ कि मुझे दंड प्रक्रिया संहिता (संशोधन) बिल (बारा १०७, १०९ और ११० का लोप और बारा १६१ का संशोधन) पेश करने की अनुमति दी जाए।

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1898."

*The motion was adopted.*

Shri Awasthi: Sir, I introduce the Bill.

# PREVENTIVE DETENTION (REPEALING) BILL

15 hrs.

Shri Naushir Bharucha (East Khandesh): I beg to move for leave to introduce a Bill to repeal the Preventive Detention Act, 1950.

Mr. Speaker: Motion moved:

"That leave be granted to introduce a Bill to repeal the Preventive Detention Act, 1950."

The Minister of State in the Ministry of Home Affairs (Shri Datar): I beg to oppose the introduction of the Bill on two grounds. One is that the Act, as it now stands, would expire by the end of December, that is, by the end of next month and before this Bill, if at all, becomes law. So, it will have no purpose at all because, unless something is further done, the Preventive Detention Act would expire by the end of December. That is the first point.

Secondly, the Prime Minister has already informed this House that during this session a Bill to extend the life of the present Preventive Detention Act is going to be placed before Parliament for consideration. Under these circumstances, I oppose the introduction of this Bill so that there can be no further technical objection on any ground.

Shri Naushir Bharucha: What are the technical objections? I should like to know the point of order.

Shri Datar: The point of order is that I oppose the Bill.

Shri Naushir Bharucha: You are opposing it only?

Shri Datar: Yes.

Shri Naushir Bharucha: That is a different thing. I thought there was a point of order.

Shri Datar: I have stated very clearly that I am opposing it.

Shri Naushir Bharucha: Let the Government know clearly that this is a game which the other side can also play.

The Lok Sabha divided Ayes 38; Noes 104.

## Division No. 4

## AYES

15.06 hrs.

Awasthi, Shri  
Banerjee, Shri S. M.  
Beck, Shri Ignace  
Bharucha, Shri Naushir  
Chaudhuri, Shri T. K.  
Dasgupta, Shri  
Deo, Shri P. K.  
Dwivedy, Shri Suren  
Ellas, Shri M.  
Ghodasara, Shri Fatchsinh  
Ghosal, Shri  
Ghose, Shri Bimal  
Godsara, Shri S. C.

Gopalan Shri, A. K.  
Gupta, Shri Sadhan  
Halder, Shri  
Iyer, Shri Baswara  
Kar, Shri Prabhat  
Kodiyam, Shri  
Kumbhar, Shri  
Kumbhar, Shri  
Majhi, Shri R. C.  
Manay, Shri  
Matera, Shri  
Matin, Shri  
Menon, Dr K. B.

Nath Pal, Shri  
Nayar, Shri V. P.  
Panigrahi, Shri  
Patel, Shri P. R.  
Prodhan, Shri B. C.  
Salunke, Shri Balasabeb  
Sampath, Shri  
Singh, Shri L. Achaw  
Soren, Shri  
Tangamani, Shri  
Valvi, Shri  
Yajnik, Shri

## NOES

Abdul, Lateef, Shri  
Arumugham, Shri R. S.  
Badan Singh, Ch.  
Bahadur Singh, Shri  
Bangshi Thakur, Shri  
Basappa, Shri  
Bhagat, Shri B. R.  
Birbal Singh, Shri  
Brajeshwar Prasad, Shri  
Chettiar, Shri R. Ramanathan  
Chuni Lal, Shri  
Damani, Shri  
Dasappa, Shri  
Das, Shri Ramdhani  
Das, Shri Shree Narayan  
Datar, Shri  
Desai, Shri Morari  
Dube, Shri Mulchand  
Dwivedi, Shri M. L.  
Echaram, Shri I.  
Elayaperumal, Shri  
Ganapathy, Shri  
Gandhi, Péroze, Shri  
Ganpati Ram, Shri  
Ghosh, Shri M. K.  
Hajarnavis, Shri  
Hasda, Shri Sobodh  
Heda, Shri  
Hem Raj, Shri  
Hukam Singh, Sardar  
Jain, Shri M. C.  
Jang Bahadur Singh  
Joshi, Shri A. C.  
Joshi, Shrimati Subhad  
Kalika Singh, Shri

Kanakasabai, Shri  
Karmarkar, Shri  
Kastilwal, Shri  
Keshava, Shri  
Khan, Shri Shahnawaz  
Krishna, Shri M. R.  
Krishnamachari, Shri T. T.  
Lahiri, Shri  
Lal, Shri R. S.  
Mallik, Shri U. S.  
Maniyangadan, Shri  
Masuriya Din, Shri  
Mishra, Shri B. D.  
Mishra, Shri L. N.  
Mohan Swarup, Shri  
Munisamy, Shri N. R.  
Muthukrishnan, Shri  
Naidu, Shri Govindarajulu  
Nair, Shri C. K.  
Naidurgker, Shri  
Narasimhan, Shri  
Narayanansamy, Shri R.  
Nayar, Dr. Sushila  
Nehru, Shri Jawaharlal  
Padam Dev, Shri  
Palchoudhuri, Shrimati Ila  
Parnat, Shri Y. S.  
Patel, Shrimati Maniben  
Raj Bahadur, Shri  
Raju, Shri D. S.  
Raman, Shri Pottabhi  
Ramaswami, Shri S. V.  
Ramaswamy, Shri K. S.  
Rao Krishan, Shri  
Ranbir Singh, Ch.

Rane, Shri  
Rao, Shri Jaganatha  
Reddy, Shri Viswanatha  
Rungsung Swasa, Shri  
Sagel, Sardar A. S.  
Samanta, Shri S. C.  
Sament Sinhar, Dr.  
Sambandam, Shri  
Sanganna, Shri  
Sarhadi, Shri A. S.  
Satyabhama Devi, Shrimati  
Sen, Shri A. K.  
Shankaraiya, Shri  
Sharma, Shri D. C.  
Sharma, Shri R. C.  
Shukla, Shri V. C.  
Siddananjappa, Shri  
Singh, Shri D. N.  
Singh, Shri T. N.  
Sinha, Shri Gajendra Prasad  
Sinha, Shri Jhulan  
Subbaraman, Dr. P.  
Subramanyam, Shri T.  
Swaran Singh, Sardar  
Tahir, Shri Mohammed  
Tewari, Shri Dwarkanath  
Thimmaiah, Shri  
Thirumala Rao, Shri  
Tula Ram, Shri  
Tyagi, Shri  
Uike, Shri  
Umrao Singh, Shri  
Upadhyaya, Shri Shiva Datt  
Wadiwa, Shri

The motion was negatived.

# ALL INDIA INSTITUTE OF MEDICAL SCIENCES (AMENDMENT) BILL

(Amendment of Sections 4 and 28)

**Dr. Atchamamba (Vijayavada):** I beg to move for leave to introduce a Bill further to amend the All India Institute of Medical Sciences Act, 1956.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a bill further to amend the All India Institute of Medical Sciences Act, 1956."

*The motion was adopted.*

**Dr. Atchamamba:** I introduce the Bill

## SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) BILL

Amendment of Section 6

**Shri Keshava (Bangalore City):** I beg to move for leave to withdraw the Bill further to amend the Salaries and Allowances of Members of Parliament Act, 1954.

This Bill concerns a large number of members of this House. This Bill seeks to provide against the greater inconvenience caused to a large number of members who are coming from places which are very far away from Delhi—say thousands of miles away—involving travel by train.

**Mr. Speaker:** What does the hon. Member want?

**Shri Keshava:** I thought I should give an explanation to the hon. Members and this House before I withdraw the Bill.

**Shri V. P. Nayar:** No explanation is necessary for withdrawal.

**Shri Keshava:** The Bill, as it stands, envisages scope for travel by air. Now I seek to introduce a Bill on identical lines, seeking for facility for travel only between Delhi and the constitu-

ency. I cannot introduce that Bill until I withdraw this Bill.

**Mr. Speaker:** The question is:

"That leave be granted to withdraw the Bill further to amend the Salaries and Allowances of Members of Parliament Act, 1954."

*The motion was adopted.*

**Mr. Speaker:** The Bill is withdrawn.

## CODE OF CIVIL PROCEDURE (AMENDMENT) BILL

Omission of Section 87B

**Mr. Speaker:** The House will now resume further consideration of the following motion moved by Shri M. L. Dwivedi on 8th September, 1957:

"That the Bill further to amend the Code of Civil Procedure, 1908, be taken into consideration."

Out of the 2½ hours allotted for the discussion of the Bill, 25 minutes were taken on the 6th September, 1957 and 2 hours and 5 minutes are still available. Shri Braj Raj Singh will now continue his speech.

I find that Shri Braj Raj Singh is not here. Does anybody else want to speak on this?

Since nobody wants to speak on this Bill, I am going to put it to the vote

The question is:

"That the Bill further to amend the Code of Civil Procedure, 1908, be taken into consideration."

*The motion was negatived.*

## BEEDI AND CIGAR LABOUR BILL

**Shri A. K. Gopalan (Kasergod):** I beg to move:

"That the Bill to provide for regulating employment and work in the factories manufacturing Beedi and Cigar in India, be taken into consideration."

[Shri A. K. Gopalan.]

The object of this Bill is to provide for regulating employment and work in factories manufacturing Beedi and Cigar in this country. In 1945 a Committee under the Chairmanship of one Mr. Rege was appointed to go into the working of the beedi industry. That committee made a thorough study and submitted a report. The report said that the beedi and cigar industry is one of the worst industries in India, with low wages, insecurity of employment, partial employment, employment of children, high incidence of T.B., absence of protective labour legislation, etc. To combat all these evils immediate legislation, regulating the working hours, and for securing to workers certain minimum conditions of service is necessary. As far back as 1946 this Committee stressed the importance of such legislation. This Bill seeks to put the beedi and cigar industry on a factory basis and securing the workers certain minimum conditions of work. The Bill seeks to put the beedi and cigar industry on a factory basis while still protecting the self-employed worker. The Bill also seeks to assure the workers the benefits of protective labour legislation available to large sections of industrial workers. I shall now mention some of the recommendations of the Rege Committee which will show the conditions under which the cigar and beedi workers live.

The Rege Committee observed that the factories or work places are found in semi-dark and insanitary godowns and bylanes. The workers squat on the floor with their material. Overcrowding is rampant. No drinking water or latrines or urinals are provided in the premises of the factories. The pungent smell of fermented tobacco greets one as one enters the workshops.

[MR. DEPUTY-SPEAKER in the Chair]

15.12 hrs.

As far as the conditions of the workers are concerned, it has been clearly stated in many places in the Report of the Committee that their

conditions are very bad. Sweated labour prevails on a large scale. So, it is high time that something is done to improve the lot of the workers.

There have been certain judgments in regard to beedi and cigar industry labour, one by the Madras Tribunal, another by the Nagpur Tribunal and the third by the Bombay Tribunal. One judgment differs from the other. The Madras Tribunal said that the employer employee relationship does not exist in the beedi industry and that it is governed by the contract system. So, as far as the employees are concerned, there is no question of any application of the factory law, or any other legislation. Employers can do as they like.

The judgment of the Nagpur Tribunal related to the Payment of Wages Act. It said that the Payment of Wages Act applied to the industry. But the employers do not pay. The Bombay tribunal judgment said that there is no question of employer employee relation; there is only a contract system; so the Tribunal cannot interfere. It depends upon the employer. There is nothing binding on the employer as far as wages and conditions of work are concerned.

There are about one million workers employed in the industry of which about 3 lakhs are in Madhya Pradesh, about one lakh in Madras and the rest in the other States. According to certain judgments, the Minimum Wages Act passed in certain of the States do not apply to the beedi industry, and consequently its provisions are not implemented. When the Factories Act was passed, instead of implementing it, what happened was the workers were retrenched. The contract system was obtaining in the industry. The workers were scattered with leaves and tobacco powder, asked to make beedies and deliver them to the employers so that he may give them the wages. The Factory Act is not applicable. I shall presently describe the organisation of this industry.

There is the commission basis; there is the contract system; there is the

home work. In all these cases the Factory Act does not apply; so also the Minimum Wages Act. In Kerala a minimum wage was fixed for the workers employed in the cigar and beedi industry. In the neighbouring States of Mysore and Madras there is no minimum wage for similar workers. So the employers tried to shift their factories to those places, so that the Factory Act may not be applicable to them and they may be able to carry on the contract system.

In Madras a Bill similar to the one which I have introduced has been published and it is likely to come before the State Legislature in the course of the next few months. Unless there is uniformity of conditions governing the workers' service the industry is likely to shift from an unfavourable to a favourable State. It is very necessary that about a million or more of workers employed in this industry must be governed by uniform legislation. That is why I have introduced this Bill.

In regard to the beedi and cigar labour the report of the Rege committee said:

"The bidi and cigar labour however, satisfied many of the criteria of sweated labour, such as sub-contract system, long hours, insanitary working conditions, home work (in bidis) employment of workmen and child-employment of workmen and children, irregularity of employment, low wages, and lack of bargaining power."

When such is the working condition of labour, it is certainly necessary the workers have to be protected and legislation with that end in view has to be enacted. The bidi industry is one of the biggest unorganised industries in India. The war has given a fillip to all these three industries and it is very likely that at least the cigarette industry will maintain its present position in the post war period. The bidi industry has not maintained its position; it has deteriorated.

As far as the employers, especially in Madhya Pradesh, are concerned,

they manage the production of beedi through contracts. In the contract system there is no direct connection between employers and the workers and the contractor gets a commission of 1 to 1½ annas per thousand beedis which is deducted from the wages of the workers. This system has come into force because when the Payment of Wages Act was enacted, the system of not employing them directly, but on a contract basis, especially in the Jubbulpore District, became prevalent. It is scattered here and there. A not confined to any particular locality. It is scattered here and there. A certain amount of localisation there is in and around towns where there is abundant supply of labour and where there is also the possibility of rail transport.

Now, I come to the organisation of the industry. This industry is organised in two ways, direct and indirect. Organisation direct means, the employer gives the raw material, he gets the bidi from them whatever they produce and he gives them wages. There is connection between the employer and the employee. Also the employer gives the raw material and takes back the bidis. This is the direct system. The indirect system is prevalent in Tinnevely, Palghat, Salem and Vellore and Mysore State. That is the contract system. Even in this case, in Salem, Vellore and Mysore State, there is variation in the system. The difference is that they open branches, there are 8 or 9 people in the branches, they appoint one as manager or agent, the employers give him the leaves, etc., he goes out to the workers, he takes the products and gives them to the employer. As far as the contract system also is concerned, there is variation as far as these places are concerned. The wage payment and supply of materials are direct. As far as the other things are concerned, it is different in the indirect system.

In the indirect system, there are three systems. One is the buying and selling system; the other is the commission system and the third is the home work system. In the buying and

[Shri A. K. Gopalan.]

selling system, the middleman purchases the tobacco and leaf from a factory at a fixed price, he takes it to the workers either individually or in batches of 3 or 4 or 5, he gets back the products and gives them to the owner. The owner has two profits: one when he sells the tobacco, leaf, etc. and again on the manufactured bidis he gets another profit. The middleman gets another profit. This is the buying and selling system.

Then, there is the commission system. Under this system, the middlemen obtain raw materials from the factory owners and give them a stipulated number of bidis in return. He is paid a commission, though this amount is fixed. Out of this amount, he has to pay the workers. He pays the workers whatever he likes. In this system, there is no question of service conditions or anything else, because the workers are directly under the control of this commission agent. He gives the materials individually and he gets the bidis from them for a specified wage, as a contract system, for a thousand bidis or cigars so much money.

In the Home work system, the middlemen get the raw materials from the factory owners either on purchase or commission basis, but instead of setting up work places, they distribute the materials among a number of home workers, mostly women, and gather the finished product which they sell to the owners. This practice is common in those centres where home work is prevalent. In Tinnevely, about 20,000 workers are employed in this. They work in their houses. The middlemen take the raw materials to them and take back the finished products from them and give them to the employer.

There is also under-employment in this industry. There are so many causes for that. The important cause is inclemency of weather. When there is the rainy season, only very few factories have got the process of arti-

ficially drying the bidis in an oven. In other places, the workers will have no work. Though the workers come, they will be told that they will have no work. Also when there is irregularity in the supply of bidi and cigar or there is lack of transport facilities for marketing, the factories are closed and the workers have no work. Because, it is mostly contract system where they work and get some wages, there is very great under-employment. In places where there is rain, especially in the south, they get work only for 7 or 8 months and for four months, there is no work. In the other periods also, there may be accumulation of big stocks and when the stocks are there, they will be asked not to work. As I said, the lack of transport facilities is there. This is the organisation of the industry.

As far as working conditions are concerned, this Bill says that some regulation should be made. Chapter II of the Bill deals with the Inspecting staff and powers and functions of the Inspectors. In clause 4, it is specially said:

"The Inspector shall inform the Secretary or Secretaries of the Labour Union or Unions in the concerned industry or factory before he inspects any factory or factories and the Secretary or Secretaries of such Union or Unions shall have the right to accompany the inspector during his inspection and make any representation which may be deemed necessary."

This is provided here because in many factories which are small, where at least 10 or 8 workers are employed, because there is the commission system, there are very small children employed. What these children will get will be about two annas per day. They are to put the thread for the bidi or cigar. They have only to tie the thread. For that they are employed. When the Inspectors come

for inspection, in many places either they will be asked to run away or they will be covered with something so that the Inspector, when he comes, he will not see the children and when he goes away, the children will appear. They will disappear and appear. That is why it is said here that the secretaries of the union also should be asked to follow the Inspector. They know what is happening in these factories, how many children are employed, how old they are, etc., so that they would be able to point out and the inspection may be useful.

In Chapter III, drinking water, conservancy, medical facilities are referred to. In almost all the places, in 95 per cent of the factories which are there now, there is no drinking water facility. As far as conservancy is concerned, nothing is provided. So, this Bill says that in every factory, a sufficient number of latrines and urinals accessible to the workers should be provided. In factories employing more than 50 workers, there should be a visiting doctor who shall examine the workers at least once in six months. In the bidi industry, the workers sit together for hours together. Certainly, they have no exercise at all. The conditions are insanitary. They work for 10 or 12 hours. The Rege Committee has found that most of the cigar and bidi workers are suffering from T. B. Particularly those who work in this industry should be examined by a doctor once in six months at least.

As regards hours of work, in Chapter V it is provided:

"No adult worker shall be required to work in Beedi or Cigar factories for more than forty-eight hours in a week or more than nine hours in any day."

The minimum limit is:

"No adolescent shall be required to work in any Beedi or Cigar factory for more than forty-two hours a week or eight hours in any day."

It also says:

"No child shall be employed or permitted to work in any Beedi or Cigar factory for more than four and a half hours in any day."

Chapter VI deals with holidays. In this industry, whether it is a big bidi factory or a small factory, there is no question of holidays. Even for such national holidays like the Republic Day and others, there is no holiday at all, because holiday means with wages. Because the system is contract system, piece rate system, only when he works and gives bidis, he will have wages. There is no question of a holiday. Holidays are not also given even when the worker wishes not to go to work on that day. They are made to work on that day even though they are willing to forgo the wages. Even if holidays are given, it will be no holiday because a holiday means without work. Otherwise, it may not be a holiday. They have no weekly holidays or national holidays. In many places, they work all the seven days in a week. Not only that. In some villages and particularly in the towns, they work from morning till evening, sometimes 10 to 12 hours.

The Factories Act comes into effect only if there are ten workers. So, when there are only eight or nine workers, they are asked to work for longer hours. They make 1,500 or 2,000 beedis so that they will get more money. Because they are poor, for the sake of getting more money they sit for 12, 14 or 16 hours. They also do not get the weekly holiday or the national holidays and hence their health suffers greatly.

In respect of intervals, it has been provided:

"The period of work on each day shall be so fixed that inclusive of interval of rest it shall

[Shri A. K. Gopalan.]

not spread over more than ten hours including the time spent on waiting for the work on any day."

This is important because now the workers get only 10 or 15 minutes as interval to take some food if they have any, and then they have to work for the whole day.

There is no security for the workers because they are on a contract or commission basis, and they can be asked to be away on any day. There is no legislation to give them security.

Regarding the employment of young children, I need say nothing because it is generally accepted that no child who has not completed fourteen years should be required or allowed to work in a factory. I visited some beedi factories and talked to the workers. The children told me that they are unable to go to school, and to be of some help to the family they have to work. Thus they lose their chance of education also. It is very necessary that there should be strict prohibition of this practice which can be done only by legislation.

Chapter VII deals with annual leave with wages and also festival and national holidays. This I have already explained.

Now I come to sick and maternity benefits. A report from Tinnevely District says that there are thousands of women workers there who do not have these benefits. So, these should be provided.

Then, it has been provided that whenever any workman who has put in service of one year or more is retrenched, dismissed or retired, he shall be given benefits at the rate of fifteen days wages for every year of service put in by him. In other industries it is more, but we have asked for only 15 days here:

"Every employer of Beedi or Cigar industry shall guarantee full

work for at least 280 days to workmen working under him."

This provision for guarantee has been made because as I have already pointed out there is work generally only for three or four months in the year. So, the workers should have a guarantee of at least 280 days in the year and facilities for transport of beedi should be provided to see that beedi is not kept in stock.

Chapter XI provides:

"No self-employed worker shall sell or otherwise dispose of his produce of Beedi or Cigar to any factory owner, dealer or merchant in Beedi or Cigar having tobacco licence or trade mark of any particular brand of Beedi or Cigar".

What is generally done is this. Sometimes workers put forward some demands. Work is stopped by the owner and some other workers are brought in to do the work, and they get their beedies. This is the way the real demands of the workers are defeated. Hence the above provision, and we have also said:

"Any factory owner, merchant, dealer or principal employer in whose name any Beedi or Cigar trade mark is registered shall be punishable with imprisonment for six months, or with a fine of rupees one thousand, or with both in case he buys from any self-employed worker".

Regarding over-work, there is a report from Nagapattinam that the working conditions in the factories there are very bad. Most of the factories are in rented buildings, and even where there are regular factories there is no ventilation, no sanitation and provision for drinking water. There are no paid holidays or sick or maternity leave. About 5,000 people from Nagore, Nagapattinam, Porayar, Nalladai etc., are following double wrapper method. Here, in addition to the normal work, the labourers are asked to do various extra work for

which no wage is paid. They are tearing the tobacco, rolling the same into balls, drying, preparing gum, softening and cleaning the tobacco etc., which require about six hours of work per day. No wage is paid for this work. They are paid according to the number of beedis or cigars they make, and hence they have to do all this work for five or six hours a day to make the cigar. In the case of beedi it may be less. For this work they do not get any wages.

I have just explained what the Bill stands for. There are a million workers employed in the cigar and beedi industry. There is no legislation for their benefit, and this Bill seeks to give them the protection and benefit which other workers in this country are getting.

I want to point out that Madras State has already published a Bill, more or less on the same lines. I have got a copy of it. But, if there are conflicts between legislations introduced by different States, it would affect the industry as a whole as well as the workers, and the workers may be exploited both by the employer and the middleman. So, a uniform Bill is necessary and hence I request Government to accept my Bill. I am sure the State Governments are also willing to bring in legislation, but such legislation will not be effective. For instance, the Kerala Government has fixed the minimum wages. On the one side of Kerala there is Tamil Nad and on the other there is Mysore. The employers have threatened the Government that they will shift their industry to other parts so that they may not have to pay the minimum as fixed by the Kerala Government. So, unless there is central legislation, whatever is done by the States will not be of any use, and there will also be no uniformity. The industry itself may be destroyed by the middlemen. So, to protect the industry as well the workers, legislation is overdue.

This is an industry employing a million workers, and I do not

know why the Labour Minister or his Deputy is not here. After all, what I am suggesting is nothing new; it is there already for the other workers. So, I hope the Minister will see his way to accept this Bill. If he wants to make some amendments or modifications, certainly they can be done, and there is no harm in it. But I would urge that something must be done for these workers, and, therefore, I request that this Bill may be accepted.

Mr. Deputy-Speaker: Motion moved. Now, Shri Heda.

Shri Tangamani (Madurai): I have given notice of some amendments.

Shri Heda (Nizamabad): Amendments will come up after the consideration stage is over. उपाध्यक्ष

महोदय...

Shri V. P. Nayar (Quilon): In English please.

Shri Heda: This is for my constituency.

Shri V. P. Nayar: The hon. Member can send the translation to his constituency.

श्री हेडा : उपाध्यक्ष महोदय, इस बिल का जिस उद्योग से सम्बन्ध है उसका तात्सुक मेरे निर्वाचन क्षेत्र से भी है। इस बारे में मैंने जो वहां प्रयत्न किये और जो जो मुश्किलें देखीं वे मैं आपके सामने रखना चाहता हूं।

पहले मैं यह कबूल कर लूं कि गो मैं ने वह रिपोर्ट देखी है फिर भी मैं यह धर्म करूंगा कि मेरा यह निवेदन केवल निजामाबाद के जिले से ही तात्सुक रखता है बल्कि सासकर झारमूर के तात्सुक से तात्सुक रखता है जिसके बारे में बिला मुबालगा यह कहा जा सकता है कि तकरीबन हर गांव में एक छोटी मोटी फैक्टरी है जहां बीड़ी का काम होता है क्योंकि वहां पत्ता घासानी से मिलता है और तम्बाकू भी पैदा होता है। वहां पर वह

[श्री हैश]

काम बड़ी तादात में चल रहा है। सिर्फ निजामाबाद में तकरीबन ४० फैक्टरियां हैं। भामतौर पर हर गांव में एक एक छोटी फैक्टरी है। काम करने का तरीका वहां यह है जैसा कि गोपालन साहब ने भी बतलाया है कि काम करने वाले सुबह फैक्टरी पर घाते हैं उनको पता और तम्बाकू तोल कर दे दिया जाता है और शाम को बीड़ी गिनकर ले ली जाती है। अगर कोई बीड़ी ठीक नहीं बनी होती तो उसको लेने से इन्कार किया जाता है मगर भामतौर पर ऐसा होता नहीं। जिस तरह से बीड़ी घाती है उसी तरह से मजदूरों दी जाती है। हमारे यहां देहातों में १४ आने की हजार बीड़ी के हिसाब से मिनिमम बेज और शहरों में १ रुपया २ आना की हजार के हिसाब से मिनिमम बेज मुकरर की गयी है लेकिन इसकी भामतौर पर पाबन्दी नहीं होती है। इसकी पाबन्दी कानून के जरिये कराना मुश्किल होता है क्योंकि इस बात का ठीक से पता नहीं चलता कि किस तरह से रोजगार दिया जाता है और क्या काम किस तरह से होता है। गोपालन साहब ने भी इसका जिक्र किया है और मैं ने भी जब कभी मजदूरों को संगठित करने की कोशिश की और चाहा कि उनके संगठन के जरिये उनकी मुआशी हालत ठीक की जाये तो मैं ने देखा कि दिक्कत यह होती है कि ये लोग गांव गांव में फैले हुए हैं और अनपढ़ हैं इनको हम इस तरह से संगठित नहीं कर सकते जिस तरह से कि फैक्टरियों के दूसरे मजदूरों को कर सकते हैं। इनको एक जगह इकट्ठा करना मुश्किल होता है।

15.44 hrs.

[SHRI C. R. PATTABHI RAMAN in the Chair]

यही वजह है कि जो मदद हम उनको पहुंचाना चाहते हैं वह उस वक्त तक उनको नहीं मिल सकती जब तक कि सुपरवीजन काफी न हो। इस प्रकार की नियरानी को प्रभावशाली

बनाने के लिए यह आवश्यक है कि जो लेबर आफिसर हों उनकी संख्या बढ़ायी जाये और वे भ्रमल भ्रमल गांवों में जाकर और छोटी मोटी फैक्टरियों के हालात को देख कर हफ्ते बार या महीने बार उनकी रिपोर्ट दें। इससे भी बढ़कर एक और चीज हो सकती है जो कि सिर्फ इसी उद्योग से लाभकारी सिद्ध नहीं हो सकती बल्कि इस तरह के दूसरे उद्योगों में भी लाभकारी सिद्ध हो सकती है और वह यह है कि जहां पर मजदूरों को संगठित करके उनकी भलाई का काम नहीं किया जा सकता है वहां सरकारी आफसरों और गैर सरकारी नेताओं को मिल कर कुछ इस प्रकार की योजना करनी चाहिए ताकि वे खद जाकर हर ६ महीने में या हर साल में या हर दो साल में इन मजदूरों का जा-जा लें और देखें कि उनकी हालत में क्या तबदीली या तरक्की करनी चाहिए और अपनी सिफारिशें सरकार के सामने पेश करें और सरकार उन पर भ्रमल करे। यह तरीका ज्यादा बेहतर होगा। हम दूसरे उद्योगों में जहां मजदूर संगठित होते हैं यह देखते हैं कि जो मजदूरों के मतालबात होते हैं उन पर गौर होता है सरकार की तरफ से और मालिकों की तरफ से और दोनों पर दबाव डाल कर समझौता कराने की कोशिश की जाती है। लेकिन वह तरीका यहां कारगर नहीं होता क्योंकि यहां यूनियन बन ही नहीं पाती और अगर कोई यूनियन बन भी जाती है तो उसके अन्दर वह शक्ति नहीं पैदा होती जिसकी वजह से वे अपनी मांगों को मनवा सकें। इसलिए मेरा यह निवेदन है कि जहां तक बीड़ी और सिगार इंडस्ट्री का ताल्लुक है यह बेहतर होगा कि बजाय इसके कि हम मजदूरों की यूनियन पर निर्भर रहें सरकार की तरफ से कम से कम दो साल में एक बार इन लोगों की हालत देखी जाये और यह मासम किया जाये कि इनको क्या उजरत मिलती है उसके ऊपर गौर किया जाये और उसके बारे में सरकार से उचित सिफारिशें की जायें और उन पर भ्रमल किया जाये।

15.47 hrs.

[PANDIT THAKUR DAS BHARGAVA  
in the Chair]

जहाँ तक कारखानों का तात्लुक है इस बिल के धन्दर कुछ चीजों पर सस्ती के साथ पाबन्दी करने की कोशिश की गयी है। मैं निवेदन करूँगा कि इस धन्दे में बहुत छोटे छोटे कारखाने आम तौर पर होते हैं बहुत कम लोगों के चार या छः या दस कारखाने होंगे। हमारी तरफ शिवाजी बीड़ी बहुत मजदूर हैं। मैं नहीं समझता कि उसके दस या बारह कारखाने हैं। आम तौर पर एक आदमी के दो चार कारखाने होते हैं बल्कि ज्यादातर तो एक एक आदमी का एक एक कारखाना होता है हर एक का अपना अपना बाँड होता है। अगर हम उनके ऊपर बहुत ज्यादा सस्ती से पाबन्दी लगायेंगे और अगर उनको असुविधा ज्यादा हुई तो यह खतरा है कि वे लोग इस धन्दे को ही छोड़ दें और किसी दूसरे धन्दे की तरफ चले जायें और इस तरह से मजदूरों में बेरोजगारी पैदा हो जाये। इस तरफ थोड़ा सा इशारा इस बिल के पेश करने वाले साहब ने भी किया है। उन्होंने फरमाया है कि इस उद्योग को किसी प्रकार का नुकसान न होने देते हुए हमें मजदूरों की हालत को सुधारने की कोशिश करनी चाहिए और इसी ढंग से हमें इसको सोचना चाहिए।

उन्होंने यह जिक्र किया कि कारखानेदार पर यह पाबन्दी की जाये कि वह साल में कम से कम २८० या २८५ दिन मजदूरों को रोजी दे। मैं समझता हूँ कि इस तरह की पाबन्दी लगाना ठीक नहीं होगा। मेरे निर्वाचन क्षेत्र में यह हालत है कि वहाँ जो कारखानेदार हैं उनका यह कहना है कि जिस मौसम में धान बोया जाता है और जब कि आवल निकाला जाता है बीड़ी के कारखाने बन्द होने चाहिए ताकि उनको काम करने के लिए मजदूर मिल सकें। और वाक्या यह है कि जो मजदूर बीड़ी का काम करते हैं उनको एक बार चाहे मजदूरी कुछ कम भी मिले तो वे बीड़ी का ही काम करना पसन्द करते हैं क्योंकि वे उस काम

को अपने घरों पर अपनी सहूलियत के मुताबिक करते रहते हैं। उनको क्षेत्रों में काम करना पसन्द नहीं होता। वे लोग कृषि के उद्योग में फँसना पसन्द नहीं करते। जापानी पद्धति से धान बोने के लिए बड़ी संख्या में मजदूरों की आवश्यकता होती है। ता कारखानों की मांग यह है कि साल में कम से कम दो महीने के लिए बीड़ी के कारखाने बन्द होने चाहिए। ऐसी हालत में मैं समझता हूँ कि कारखानेदारों को इसके लिए मजदूर करना ठीक नहीं होगा कि वे साल में २८० या २८५ दिन की उजरत मजदूरों को जरूर दें। मैं समझता हूँ कि जिस तरह से अभी रोजगार चल रहा है अगर उसको उसी तरह से चलने दिया जायेगा तो रोजगार की ज्यादा तरक्की हो सकती है।

जहाँ तक रोजगार का तात्लुक है मैं यह देखता हूँ कि जिन कारखानेदारों की आमदनी अच्छी है, जिनकी मुद्राशी हालत अच्छी है वहाँ मजदूरों की हालत खराब नहीं है। जो कारखाने अच्छी तरह कमाते हैं वे अपने मजदूरों को १४ आने, एक रुपया और १ रुपया चार आने की हजार बीड़ी तक की मजदूरी देते हैं और वहाँ मजदूरों को भी कम शिकायत होती है। लेकिन जिन कारखानों की मुद्राशी हालत अच्छी नहीं होती उन कारखानों में मजदूरों को वक्त पर १४ आने भी नहीं मिलते और कभी कभी तो कारखाने का दिवाला ही निकल जाता है और उनकी उजरत नहीं मिलती। इस तरह की बारदातें होती हैं। इसलिए यह जरूरी है कि हम कुछ क्वालिटी कंट्रोल लगा दें कि इस नमूने से नीचे की बीड़ी नहीं बन सकती। ऐसा करने से कारखानेदारों को भी फायदा होगा और साथ साथ मजदूरों को भी फायदा होगा क्योंकि उनको पक्के तौर पर रोजगार मिल सकेगा।

आजकल हालत यह है कि गांव में एक नया कारखाना खुलता है। लोग खुश होते हैं और उस में शरीक होते हैं। लेकिन महीने दो महीने बाद उस कारखाने के बन्द होने की नौबत आ जाती है। लोगों की उजरतें डूब जाती हैं

[श्री हेडा]

धीरे उद्योग को नुकसान पहुंचता है। मैं समझता हूँ कि अगर स्टैंडर्डिजेशन के बारे में कुछ किया जा सके तो मजदूरों और उद्योग दोनों को बड़ा फायदा हो सकेगा, लेकिन मैं ने देखा है कि उस की तरफ कोई प्रवृत्ति नहीं है।

भामतीर पर धादमी जिस तरीके से काम करता है, उस को कैसे बेहतर बनाया जाय उस के काम करने की सक्त—ताकत—कैसे बढ़े, उस की स्पीड और उस की एफिशेन्सी में कैसे इजाफा हो, सरकार की तरफ से इस ओर ध्यान नहीं दिया जाता है। अगर किसी रिसर्च इंस्टीट्यूट में इस बारे में जांच-पड़ताल की जाय और ऐसे तरीके निकालने की कोशिश की जाय जिससे अगर एक धादमी पांच या छः घंटे में एक हजार बीड़ी बनाता है तो वह १२०० या १५०० बीड़ी बना सके और इस के अलावा इस वस्तु काम करने के दौरान में उस को जो थकान होती है, कोई ऐसा तरीका निकाला जाय कि उस को कम थकान हो, तो मैं समझता हूँ कि मजदूरों को माशी नुक्ता-ए-नजर से और सेहत के नुक्ता-ए-नजर से भी बड़ा फायदा होगा।

अगर हम एक दूसरी मिसाल दें, तो इस सिलसिले में एक बहुत बड़ा फर्क दिखाई देता है। माचिस बनाने की फैक्ट्रियां हाथ से चलाई जाती हैं, सिवाय कुछ बड़ी फैक्ट्रियों के। हम यह देखते हैं कि शिवकाशी में ऐसे लोग होते हैं, जिनकी काम करने की ताकत दूसरे लोगों से दुगुनी तिगुनी होती है। वे दोनों छः, सात घंटे काम करते हैं, दोनों की सेहत और ताकत एक जैसी होती है, लेकिन एक जगह काम कम होता है और दूसरी जगह ज्यादा होता है। इस की वजह यह है कि जहां काम ज्यादा होता है, वहां के लोगों में काम करने की महारत ज्यादा होती है। वे सब लोग महारत हासिल करें और उनकी एफिशेन्सी में इजाफा हो, ऐसे तरीके निकालने की जिम्मेदारी किस पर

है? मेरे क्याल से इस की जिम्मेदारी सरकार पर है और सरकार पर होनी भी चाहिए, क्योंकि सरकार को इस में सब से ज्यादा फायदा होता है। तम्बाकू पर जो टैक्स है, वह सरकार के पास जाता है। लोग बीड़ी पीने के लिए जो खपया खर्च करते हैं उस का बेहतर हिस्सा सरकार के पास चला जाता है। इस उद्योग से सरकार को बहुत मुनाफा होता है। मैं चाहता हूँ कि इस उद्योग से सरकार को जो खपया मिलता है, उस का कुछ हिस्सा मजदूरों के फायदे के लिए खर्च करना चाहिए और इस बात का इन्तजाम करना चाहिए कि उन की महारत में इजाफा हो।

जहां तक दूसरी सहायियों का सवाल है, जैसे पानी, खाने की जगह, हवा, रोशनी और सैनिटरी कन्डीशन्ज हैं, मैं समझता हूँ कि वे धाम कायदे कानून के मातहत भानी चाहिए। अगर हम फैक्ट्री लाज में थोड़ी बहुत तरमीम कर दें और उन में काम करने वाले मजदूरों की तादाद कम मुकर्रर कर दें, तो मौजूदा फैक्ट्रीज एक्ट के तहत ही इन लोगों को बड़ा फायदा पहुंच सकता है। सिर्फ इन्हीं लोगों की खातिर एक खास, अलग कानून की दरकार में नहीं समझता, हालांकि उस की मुआलफत करने की भी मेरे लिए कोई वजह नहीं है।

मैं अर्ज करना चाहता हूँ कि इन मजदूरों की फलाह व बहबूदी इस उद्योग की तरक्की के ऊपर निर्भर है। इस लिए हमें इस बात को देखना चाहिए कि यह उद्योग तरक्की करे। स्वयं श्री गोपालन ने कहा है और रिपोर्ट्स में भी हम देखते हैं कि हिन्दुस्तान भर में, दस पंद्रह लाख मजदूर इस उद्योग में काम करते हैं। मुमकिन है कि वे कुछ ज्यादा या कम हों, लेकिन इस बात में कोई शक नहीं कि उन की एक बहुत बड़ी तादाद इस उद्योग में काम करती है। मेरे जिले में, जो कि बहुत बड़ा जिला है, इन मजदूरों की तादाद पांच हजार से कम नहीं

है। जिस उद्योग में इतने लोगों के हित निहित हैं, उस की तरक्की के लिए हकूमत की तरफ से कोशिश होनी चाहिए और इस बात का प्रयत्न करना चाहिए कि इन लोगों की महारत में इजाफा हो, काम करने के तरीके बेहतर हों, शारीरिक श्रम ज्यादा न बढ़ते हुए वे आज की निस्वतः ज्यादा काम करें।

इस बात की भी बड़ी निगरानी होनी चाहिए कि मुस्लिम रकबों में जो मिनिमम बेजिज मुकरर होती है, उन की पाबन्दी सक्ती से होती है या नहीं। अगर उन आफिसरों की तादाद में इजाफा किया जाय, जो कि इस सिलसिले में लेबर डिपार्टमेंट की तरफ से तैनात किए जाते हैं, तो काफी फायदा होगा।

इन हालात में मैं समझता हूँ कि इस मामले के लिए एक भलाहिदा बिल की कोई खास आवश्यकता नहीं है। अगर हकूमत किसी और ढंग से इन बातों की तरफ ध्यान दे, तो मजदूरों की भी और उद्योग की भी, दोनों की तरक्की हो सकेगी।

श्री बे० प० नायर (क्विलोन) : श्रीमान्, इस भाषण को सुनने के बाद यह ज्ञात नहीं हो सका कि माननीय सदस्य इस बिल का समर्थन कर रहे हैं या विरोध। यह साफ होना चाहिए।

श्री हेडा : अपने भाषण के आखिर में मैंने यह प्रश्न किया था। मेरे स्याल से मेरी हिन्दी—या उर्दू—जिन की समझ में नहीं आई, इसलिए अंग्रेजी के दो जुमले कह देता हूँ।

I have recommended certain measures to be taken by the Government which would be in the interest of both the industry as well as labour. If those measures are taken, there will be no particular need for this legislation.

Shri V. P. Nayar: What I wanted to know was whether he supported the Bill for his constituency or opposed it.

Mr. Chairman: The hon. Member spoke very efficiently in Hindi. This question should also have been asked in Hindi.

Shri Heda: He speaks Hindi very well.

Shri Tangamani: Shri A. K. Gopalan has already pointed out that this Bill is long overdue. Not only are there more than 10 lakh workers throughout the country, but their conditions of service are very bad and wages are also very low. He also pointed out how in the Rege Committee Report beedi is mentioned as one of the biggest unorganised industries and the labour that is engaged in it is the most sweated labour. This was taken into consideration when the Minimum Wages Act was passed in 1948 and in Schedule A to that Act, one of the items mentioned is the beedi and cigar industry.

But what we find is that in many of the States no minimum wage has been fixed, and wherever it has been fixed, it has always been fixed at a level lower than the existing one. Several decisions have come about, whether in the tribunal or in the High Courts or appellate tribunals. I distinctly remember in 1954 the dispute between the beedi workers and the beedi employers was referred to the tribunal in Madras and the then tribunal, Shri Akhilandam Pillai, has given a very interesting award. Although he fully sympathises with the demands and aspirations of the beedi workers, he has found that there is no employer-employee relationship between the workers and employers.

There is also an obiter that the State Government or the suitable Governments must immediately come forward with legislation giving protection to these beedi workers, under the Industrial Disputes Act. That was nearly three years ago and from 1954 onwards, the beedi workers' organisations both in Tamil Nad and in Kerala

[Shri Tangamani]

have been demanding that such legislation must be immediately brought forward.

16 hrs.

Several tripartite committee meetings have been held and the workers have made very valuable and useful suggestions. Those suggestions have all been more or less accepted by the Government of Madras and they are incorporated in the draft Bill which has been framed by the Government of Madras. I understand that a copy of the Bill has been forwarded to the Centre for approval. Although labour and industrial relations is a concurrent subject, for the sake of uniformity it is necessary that the approval of the Centre has got to be obtained. And, I do not know whether the approval has been given.

In this connection, I may also mention that one of the questions concerning this has been admitted for 2nd December, 1957. Having said this, I would like to say that if we go through that Bill which is a draft Bill framed by the Government of Madras, as well as the Bill before this House, we will see that the two are more or less identical. It appears as though the relevant portions of Shri Gopalan's Bill have been copied by the Government of Madras.

I have sought to get an opportunity to move certain amendments and they are nothing but the important provisions contained in the Madras Bill. I wanted to move certain amendments to clarify the question of employer. Both in the Rege Committee's Report and the several reports that have been published in the Madras State and other States also, the question of employer is an elusive one. If there is a trade mark holder and if he is an employer who really wants to do good to the employees and make an honest profit, then, he keeps what is known as a factory and he submits himself to all the regulations of the Factories Act and regular wages are paid. But

such employers are few. What we find mostly is this.

These employees engage only a certain type of labour inside the factory and leaves and the tobacco are supplied to middlemen who are known as the Branch Managers in our parts. The Branch Managers in turn engage 10 or 12 workers and these workers work in a particular place and they are not governed by the Factories Act. Even if they are to be governed by the Shops and Establishments Act, they would reduce that number from 10 to 9.

I will give the instance of one particular concern in Madras, the Taj Mahal concern which employs nearly 3,000 to 4,000 workers. There the question of employer employee relationship is very elusive. It is true that 4,000 workmen are employed in the Taj Mahal concern because the Taj Mahal owner who is the registered trade-mark holder ultimately gets all the beedies. He has under him 20 or even 50 Branch Managers and they engage 10 to 15 workers in their turn. The Tribunal held that the relationship of master and servant, employer and employee existed only between the Branch Managers and the workmen. So, if the workmen get an award against the Branch Manager it can only be put into the waste-paper basket. So, the attempt has always been to find out who the actual employer is.

Similar things have arisen also in the case of the casual employees in the dock workers' case. Here is an employer who employs nearly 3,000 to 4,000 workers and this employer must be held responsible for the payment of wages and for maintaining the good working conditions of these employees. The ultimate employer is the person who gets the beedies, whether it is through middlemen or whether it is directly from the workmen. So, the definition of employer is very important. That is why in the Madras Bill and also in the amendment I seek to

move, I have introduced the definition. I have said:

"'Employer' means the person who has the ultimate control over the affairs of any Beedi or Cigar factory and where the affairs of the factory are entrusted to any other person (whether called a Managing Agent, Manager, Superintendent or by any other name) such other person shall be deemed to be the employer and includes a Proprietor or a registered user of a Trade Mark."

So, the employer who gets the ultimate control should not escape from his liability. That is the direction in which the trade union movement in the south has been moving. This, I submit, is a very very important point and this is also covered to a certain extent by Shri Gopalan's Bill when he defines 'workmen' as those people who are employed not only by the middleman or contractor but also by the ultimate trade-mark holder.

Having said this much what I would like to add is this. Government may probably be aware of certain reports which have been published. Soon after the end of the War there was a report published under the name of Dr. B. V. Narayanaswamy Naidu. In that he had dealt with not only the Beedi and Cigar workers but all those workers who are termed sweated labour.

Of these recommendations the main point that attracts attention is that in those cottage industries where we employ sweated labour, where the workers may get their work only at the whims and fancies of the employer or the whims and fancies of the season, they must be guaranteed a minimum wage. Not only should the employer guarantee a minimum wage but the worker must be given wages when he is not able to work due to reasons beyond the control of the employer. That is, when the worker himself is prepared to sell his labour and comes to the factories and when

the employer is not in a position to give him work, then the employer must be asked to give a certain amount. That is compensation for involuntary unemployment. In the Narayanaswamy report, for the Beedi worker, I think, one rupee per day has been fixed. That also is sought to be covered in Shri Gopalan's Bill.

Another report which I would like the hon. Minister to refer to in his reply if he chooses to do so is this. Recently, the Regional Factory Inspector, Shri Natarajan, toured all the beedi centres in Madras State and has made an extensive study of the industry and elaborated whatever points that have been raised in the Rego committee's report and he has gone deeper into them.

After all the workers of this industry are going to thrive because it is cheap and the beedi and cigar smokers are proportionately on the increase. So, this industry has come to stay and for protecting this sweated labour certain recommendations have been made. The hon. Minister will do well to go through those recommendations so that if by chance he brings in some legislation some of these may be included in it or for giving advice to State Governments to bring suitable legislation on this point.

My next point is about the rule making power which is brought out in the Bill of Shri Gopalan. I felt that clause 13 by which certain rule-making powers are given is not very exhaustive. That is why the rule-making powers must be so framed that the State Government may make rules to carry out the purpose of the Act. I have suggested an amendment seeking to substitute for line 7 on page 4: "13. The State Government may make rules to carry out purposes of this Act and without prejudice to the generality of the foregoing power such rules may". So, greater powers must be given to the State Government to make rules, because in this industry there are certain points which may not be exhausted at all in this Bill. To copy in toto the Factories Act or

**[Shri Tangamani]**

the Shops and Establishments Act also will be wrong. Therefore, certain residuary powers by way of subordinated legislation will have to be given to the State Government to formulate these rules.

Another important point so far as the beedi workers are concerned, is the question of security of service. There are very expert beedi workers. If a real survey is made it will be found that it is one of the skilled jobs. The way they take the leaves, soak it, get it at a particular temperature, dry it, then cut it and the way they just roll it is all a clever piece of work. That is being done by small children and women. In our parts we find that mostly it is a home industry. I believe Mahatma Gandhi also suggested that our women folk are not used to remaining idle and that our women folk also must not be exposed to big factories. He was opposed to factories. The point that I want to drive home is that the charkha was an attempt to give work to our women. In our parts we find that mostly Muslim women are engaged in this job. There would be an employer, the middle-man will supply the leaves and the women in their hundreds roll these beedis during spare hours. Of course, the wages they get may not be considerable. Even then those who are doing this work in their houses must also be covered under this Act. That purpose is also sought to be served by this particular legislation. The Madras legislation has done it in a much more specific manner.

What Shri Gopalan has suggested is, if in a particular factory more women are employed—actually more women are rolling these beedis—a separate factory must be built for these women alone. If the Muslim women, Ghosha women want to do hard work and earn they should not be deprived of an opportunity.

My next point is also a very important point. It applies not only to

the beedi industries but also to other industries. A worker who has put in six months service or one year's service according to our rules and regulations will be deemed to be a permanent worker. When a worker becomes permanent it becomes difficult for an employer to remove him. There is no protection for a beedi worker. He can be removed according to the whims and fancies of an employer. Therefore, I want to add to clause 24 certain sub-clauses more or less taken from the Madras Act. The purpose of this is that no employer shall dispense with the services of a workman employed continuously for a period of not less than six months. My point is that if an employee has been working for six months then he must be deemed to be a permanent employee and he must be given at least a month's notice or a month's wages in lieu thereof before he is sent away. Of course, if he has committed acts of mis-conduct then it is a different matter. My provision is, if there is a charge of mis-conduct it must be supported by satisfactory evidence recorded by an enquiry held. For that purpose there must be a domestic enquiry and that must conform to principles of natural justice. Even after the domestic enquiry has found that a workman is guilty and gives power to the employer to dispense with his services, he must have the right to appeal whether it be to the Labour Commissioner or any other competent authority who may be fixed by the State Government. If the appellate authority decides that the dismissal is wrong, then certain things must follow. There is a lacuna here. It may not be of much interest to some people here, but I know it has been the most problem so far as Madras Government is concerned. There are a number of employees who are governed under the Madras Shops and Establishments Act. Under section 41, when the appellate authority gives his decision that the dismissal is wrongful, there is no remedy for that worker to be reinstated. That is the lacuna in sec-

tion 41 of the provincial legislation. I want to remedy it here. Then it will be an improvement. This arises mainly from the experience of many of the trade unions throughout the country. Because, there is no specific power in any of the laws compelling the employer to reinstate him where a particular order has been passed by the appellate authority.

I now come to the last point which I have sought to bring by way of amendment. Certain salutary provisions are there in many of the labour laws. One such thing is the Employer Standing Order Act. Under this Act, where there are more than 50 workers, the employer is compelled—there is a mandate provided by this Act—to frame certain standing orders. After some experience, that Act has been modified. Now, whether the workmen has got the right under the Standing Order or not, whether they are reasonably paid or not, the provisions of the Standing Order Act should apply to factories where there are more than 50 workmen.

Then, certain instances have been brought to my notice. Shri A. K. Gopalan referred to the Nagpur decision on Ramnath Beedi Factory. The question that arose in that case was whether the job workers are employees and whether the remuneration received for work done will be considered as wage. In that case a Bench of the Nagpur High Court held that they are workmen and that they are entitled to all the protection under the Payment of Wages Act, that is, wages will have to be paid within a particular day in the following month and the wages cannot be cut except under certain circumstances. They have also gone further and stated that under the Factories Act they will be entitled to recuperative holidays, which come to about 15 days.

Even after this, because there is no standing legislation protecting these workmen, because of the various types of decisions which are now pre-

valent in this country, we are not able to enforce it. Then, the beedi industry is one of the industries which is included in the Minimum Wages Act. It is one of the industries where the trade union is not very strong.

I may inform the hon. Deputy Minister—I am glad he has come—that the workers in the beedi factories and workers in the cigar factories are anxiously looking forward to what is going to happen to this piece of legislation and what is going to be the reaction of the Central Government to this.

Beedi and cigar are allied industries. In cigar we are far more advanced in this country, particularly the cigar from Trichinopoly and Dinidigal are very famous and they are being exported to different countries. But the conditions of service of the workers are very bad. Even those who have got 20 to 25 years of service are being retrenched. And it is difficult to bring them under any one of the legislation. The ordinary rights which are available to other employees are denied to them. So, it is time that confidence is given to this sweated labour, the beedi and cigar workers, who look forward to the Centre. I submit that the Centre should, if they are not going to bring forward any legislation, or if they are going to oppose this, at least encourage the State Government to come out with such legislation. If a particular State brings forward any piece of legislation it would be based on the experience of that State. That experience is given by the State to the Centre. That State should be allowed to proceed with its legislation and steps should be taken to fill up the lacuna, if any in it.

With these words, I once again not only commend the Bill, but also request the hon. Deputy Minister to give due consideration to this measure, because it is a very essential piece of legislation and has been long overdue

**Dr. K. B. Menon (Badagara):** Mr. Chairman, Sir, I wish to avail of this opportunity to place before the House and the Government a few of my experiences in connection with the beedi workers. I underscore everything that the mover of the Bill said about the condition of the beedi workers. Their working conditions are deplorable; their wages are low; they have very little of security of employment. The industry deserves the attention of the Government for the reason that it employs lakhs and lakhs of workers throughout the country. It is also a growing industry, because beedi favourites are increasing in number, partly because of the rising prices of cigarettes and partly because the beedi smokers are developing their own favourite brands.

It is also a growing industry because the industry needs very little investment. I am, however, doubtful whether it is possible to bring the industry under a factory system, I have my own doubts about it because machinery cannot be employed on any large scale, the industry calls for very little investment because with a handful of tobacco, plus a couple of bundles of leaves and scissors, I think one can launch on beedi production.

It is excellent as a cottage industry and comes in as an effective supplement, especially in agricultural communities. As has been pointed out by some of the previous speakers, the Muslim women particularly take to this industry because it comes in as a handy supplement to their income. Therefore, it is very nice if it could be brought under the factory system. But, considering the nature of the industry, I have my doubts whether that is possible. I would, therefore, like to use the time to invite the attention of the Government to the difficulties that the workers are facing in getting even their minimum wages that they are entitled to under the Minimum Wages Act. This industry, I believe, is included in the Schedule.

The Minimum Wages Act is enforced in Kerala. In the last month there

was a strike in three of the districts of erstwhile Malabar which involved nearly 20,000 beedi workers. The immediate reason for this strike was the imposition of the tax of 15 naya paise. When the strike started and the demand became persistent and the strike continued, Government was forced to lower the tax and one big obstacle in the way of the strike was, therefore, removed. As a result of that, the strike in two districts was called off.

But, the strike in one district continued because there were other factors which brought about the strike. The one factor that brought about the strike in that district was the underhand methods which the employers used to undermine the conditions of the workers and difficulties in enforcing payment of minimum wages. The industry in this district was, to a large extent, controlled by two employers who had their own trade marks. I do not know whether they were working on a factory basis. I do not believe so, because they were avoiding those restrictions and limitations and did not wish to deny themselves the advance ages of working otherwise. The two brands were popular and they controlled the industry to a large extent.

When the Minimum Wages Act was enforced, these employers, instead of straightaway giving them the minimum wage, resorted to entertaining this labour on half-time work denying them full employment and giving the rest of the work on the putting out system or distributing the work to their homes. With the result that an average beedi worker received only 12 annas a day and he could not carry on. This was a very difficult position. Government was not in a position to enforce payment of minimum wages with full employment because the employers stuck to the letter of the law and they were able to evade it in other respects.

The result was, the Collector called a conference of the employers and representatives of the employees. I

had the privilege of taking part in it and that is why I am able to give first hand information on the subject. Government was helpless and Government was not in a position to enforce the minimum Wages Act providing full employment. The Government had to plead with the employers and a temporary arrangement was arrived at where a committee was appointed to go into the cost of production, and the employers agreed to pay minimum wages and provide full employment to the beedi workers in this district until the committee reported and an agreed settlement was arrived at.

There is, therefore, an obvious difficulty that the industry is facing with regard to minimum wages. I would like the Government to examine the position and see whether they could find out ways and means to get over this difficulty and to compel the employer to pay the minimum wage, whether the Shop Assistants Act could be extended to this industry and thereby secure some kind of relief for the employee. I do not know. These are problems which the industry is facing, and I submit that even if it is not possible to bring it under a factory system, about which I myself have my doubts, Government should examine the position and see whether it is possible to prevent the employer circumventing the law and denying the worker the minimum wage with full employment.

This is a problem which the industry is facing today. The strike I mentioned has not been completely called off. It has been called off for the time being pending a settlement, and even if there is a settlement, that will be a settlement between the employer and the employee for the time being, but it must be given a kind of legal sanction.

I have no exact suggestions to make. I would only request the Government to examine the position and find a way out.

**Shri D. C. Sharma (Gurdaspur):** Beedis are the common man's smoke and cigars are the fashionable persons' smoke.

**Shri Tangamani:** There are cheap cigars.

**Shri V. P. Nayar:** Almost as cheap as beedis.

**Shri D. C. Sharma:** Whatever these beedis or cigars may be, the persons who roll or produce them, and the persons who employ the labour to get them made are very curious specimens of humanity in different senses of the word.

During the last Lok Sabha in one of the sessions I had the honour to put a question about the beedi workers. I came to be interested in this thing because some workers came to me and described to me the appalling conditions under which they were working. I think the Labour Ministry was very thorough in giving a reply to that question, and the statement which they placed in my hand covered four to five typed pages. I had asked a question about the welfare schemes, if any, which were there for beedi workers, and I also wanted to know under what circumstances and conditions they worked, the number of workers engaged in the industry etc. I must say that the Labour Minister gave me a very full and complete answer, but the very fulness of the answer was such as to make iron enter into the soul of any thinking or feeling person. One could never understand how in a Welfare State where so much has been done for workers of all kinds during the last ten years, where so much ameliorative legislation has been passed, where so many laws have come into being to do good to the workers, these beedi and cigar workers did not come within the purview of the Labour Ministry. It was a puzzle for me, and I think the puzzle has been solved to some extent by the able speech which my friend Shri Gopalan made. It is a

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very peculiar type of industry. Is it a factory industry, or is it a cottage industry, or is it an industry which employs what Shri A. K. Gopalan calls in his Bill as self-employed workers? It is a very complex or composite kind of industry. Perhaps, its composite nature has baffled the ingenuity of our Labour Ministry to bring it under its control.

But I believe the time has come when these ten lakhs of workers—I hope I am not giving a wrong figure—should understand that they are living in a free India where exploitation is being reduced to zero, and where the provisions of the welfare State are going to affect everyone. I think it is a very pathetic thing for me to think that our Labour Ministry has not taken notice of these one million workers all these days. I do not know whom to blame. Perhaps, we are to blame that we have not pin-pointed this fact so far. We have not highlighted their conditions so far. If Shri A. K. Gopalan has not done nothing else, at least he has focussed the attention of this House on these ten lakhs of workers who are of an indescribable variety, so far as factory legislation and labour legislation are concerned.

Therefore, I say that not a day should be wasted and not an hour should be lost now, and these workers must be brought into some kind of organisation where they can behave like workers and enjoy those privileges which workers have, and where they will not be at the mercy of the employers.

I need not repeat what has been said already by my hon. friends Shri Tangamani, Dr. K. B. Menon and others. They have given a very graphic picture of the conditions under which these workers are doing their work. I think, for a beedi worker, tuberculosis is the most normal thing. If he escapes it, it is his good luck. He is inhaling tobacco waste all the time and is working in dark and dingy houses and in all kinds of

conditions. And those conditions are such as cannot make for normal living or normal expectation of life.

I remember I met a headmaster of a high school in Calcutta. He was not a labour leader, but he was an educationist, and he told me a great many things about these workers. And what he told me has been corroborated word for word by what was told to me by the Labour Ministry in answer to my question and by what has been said to-day.

Now, the question is what we are going to do to improve their conditions. I believe that that is a problem not only for the Government of India and the State Governments, but it is also a problem for the Central Social Welfare Board. It has been said on the floor of the House that there are a great many Muslim women who work in this industry. I do not care whether they are Muslim women or Hindu women or Christian women; I do not want to go into these distinctions; I am very sorry to have to use these words such as Muslim Hindu etc., But I am told that there are a large number of women who work in this industry. Now, our Central Social Welfare Board has evolved a scheme for enabling middle-class women or women who want to eke out an income to work on a cottage industry basis for manufacturing matches. I think that is what they have done in the case of matches. Likewise, I think this is also a problem for the Central Social Welfare Board which is the recognised social welfare agency of our Government of India.

I believe that the Board also should do something. There are not many persons who would like to join factory. There are some Indian ladies who would like to do this kind of work in their homes and I believe that this problem should be turned over to the Social Welfare Board so that they can do something for them.

Again, this is also a problem for the State Governments, as was described by Shri Tangamani. He said that the Central Government could encourage State Governments to pass legislation of this kind. He told us that the Madras Government was going to have some legislation of this kind and that was going to prove very useful to these beedi workers. Therefore, I think, that in addition to the Social Welfare Board, the State Governments should be in the picture and they should try to regulate the working conditions and other things of these beedi and cigar workers. I think I am not wrong in saying—Shri T. K. Chaudhuri will correct me if I am wrong—that these beedi and cigar workers are also to be found in the State of West Bengal. I think there is a large concentration of such labour in West Bengal also.

So the second agency which has to deal with this problem is the State Government. But Labour is also a concurrent subject and I believe that if our Government here can do something, it will be very good. But if they take shelter behind the argument that this is a problem primarily for the State Governments, I would say that they should send a directive to the State Governments to bring about better conditions for these workers. Unless that is done, I believe that this will remain a very undesirable—I was going to use a very harsh word—sector of human labour in this country of ours.

Of course, Shri A. K. Gopalan has brought forward a full-fledged Bill and I compliment him on the pains that he has taken in preparing it. Whoever brings forward any legislation for this will take note of what Shri Gopalan has said. But his experience is mainly based upon what he has seen in Kerala and one or two other States. There are other States also. Therefore, I would say that in the first place, this problem should be studied and explored on a State-wide basis. Of course, there are some

States which have already got this problem explored; but there are also others which have not done anything. Therefore, this problem should be investigated on a State-wide basis and after it has been so investigated, we should do something to bring it under some kind of legislation.

There is one danger, and that is not to be ignored. From what has been said on the floor of this House, and from what I find in this Bill, I think that the persons interested in the production of beedies, I mean the employers, know all the tricks of the trade, if I can use that expression. For instance, they can conceal children when somebody comes to inspect; they can decasualise labour; they can turn factory labour into cottage labour and vice versa. They can do all kinds of tricks in order to escape the rigours of the law, in order to escape detection. Therefore, they have to be dealt with as strictly as possible. But also this thing has to be taken into account that these workers do not get unemployed. This is also one aspect of this problem, that while we are safeguarding the interests of the workers—and we must safeguard them—we should also see to it that they are not thrown out of work altogether. I want these workers to enjoy all the amenities which other workers enjoy—I do not want to deny them these amenities. But I also want that we should guard against the practices of these employers so that these workers do not lose their source of living or source of income. That is also an aspect which has to be taken into account.

I think we have taken too long in concentrating our attention upon this subject, the beedi and cigar workers. Not a day is to be wasted. Something has got to be done and the sooner we do it the better it is. I believe that instead of passing any uniform legislation we should ask the State Government—rather the Central Ministry should send a directive to the State Governments—to soon bring forward legislation to regulate the conditions

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of workers in the industry. I believe that there would be no State Government which might not have to take notice of Shri Gopalan's Bill. This has been drafted with great care and I think it will be very helpful to them in drafting their own Bills. So, I would say that something should do done immediately and these beedi and cigar workers should also come to feel that they are living in conditions which are prevalent in a Welfare State.

**Shri Kunhan (Palghat—Reserved—Sch. Castes):** I support the Bill. The importance of this industry in our present day economy cannot be minimised. The industry has recorded rapid progress during the last so many years. Today the industry has almost a stable market. The smoking habits of the people are such that the beedi and cigar industry can satisfy their present demands.

The industry has grown considerably but the condition of the workers are very poor. The workers are not getting even the minimum wages necessary to maintain themselves. There are no regulations regarding their working hours. In some cases, they are denied the privileges extended to industrial workers by the Factories Act. The worker in the beedi industry works for about 12 hours in a day and still he gets only a meagre wage. In many cases the managements have tried to evade the regulations of the Factories Act by breaking their industrial units into small branches. Reorganisation of a big factory into a number of small branch units is being done by the managements with the sole purpose of evading the Factories Act. Thus, the workers in this industry are being denied the privileges which are enjoyed by the workers under the Factories Act.

I support this Bill because it provides for the regulation of employ-

ment and work in the factories manufacturing beedis and cigars. The Bill provides that no adult worker shall be required to work for more than 9 hours in a day. Such a provision if adopted will definitely make the worker's condition better.

Apart from the need for regulation of the hours of work and a minimum wage, there are other facilities which should be given to the workers in the beedi and cigar industry. Facilities for good drinking water, latrine and other primary facilities have to be provided by the management in every factory. Arrangements for medical examination at least once in six months must be made in the factories. The Bill contains many other provisions also beneficial to the workers. If the provisions in the Bill are adopted it will give a great relief to the thousands of workers engaged in the beedi and cigar industry.

**Shri Keshava:** I am second to none, Sir, in fighting the battle for the improvement of the conditions of workers in whatever activity they may be. I quite admit there have been quite a large number of workers engaged in this industry of beedi and cigar manufacture. It so happens that I am also not satisfied with the conditions of living and conditions of working of these workers.

In many concerns I am aware that people of all ages, even children of the objectionable age, are employed and, perhaps, the payment of wages is also not satisfactory. As such there has been a very great need for improvement of the working conditions of the workers in this industry.

This is one of the very potential cottage industries that we have in our country. But the remedy does not lie in a separate legislative measure as my friend is seeking to bring forward in this Bill. The Bill only seeks to provide for inspection of these factories, defines the powers of inspection to the inspectors and also

makes provision of giving other amenities like drinking water, conservancy, medical facilities and things of that kind. I am only anxious to provide all that. But even factories where ten workers are working with power come under the Factories Act. Factories where 20 workers are working without power come under the ambit of the Industrial Disputes Act. We have a heap of measures passed for the amelioration of the conditions of workers. My greatest grievance against the Government is that those labour legislations which we have passed in the interest of labour are not being implemented to the fullest extent possible. They are not in a position to implement the very salutary measures that we have passed for the welfare of the workers. When all the beedi factories do come under the Minimum Wages Act, the Factories Act, the Workers' Compensation Act and the Industrial Disputes Act, where is the need for another legislative measure of this kind. I feel we are unnecessarily burdening the statute-book, and this would amount to a superfluous measure which is absolutely not necessary under the conditions existing in our country.

My friend Shri D. C. Sharma was pleased to say that the employers are resorting to all sorts of practices against the workers. I quite agree there are several very objectionable employers in this industry. I am aware of it. But that does not mean we should resort to another legislation. They can certainly be brought to book under the existing laws. In fact, the biggest thing that we have got to do is to implement the legislative measures and enactments that we have already passed in this House. Even in the Statement of Objects and Reasons my good friend has very significantly omitted to mention the fact or reason why a separate legislative measure is necessary in spite of the heap of other enactments existing in this country already. Under these circumstances, I am compelled to oppose this Bill.

Shri T. K. Chaudhury (Berhampore): I commend the Bill of our friend, Mr. Gopalan for the acceptance of the House. The member who spoke just before me asked: what was the necessity of a separate legislation for beedi and cigar labour? I would like to submit to him and to the House that the problem of beedi labour in our part of the country is very acute. I come from one of those districts of West Bengal where beedi-making is a major industry. There is one centre in my State, Murshidabad, which is regarded as the second biggest centre of beedi industry in the whole of India. There about 50,000 people are earning their livelihood by beedi making. But, unfortunately, the system that obtains there is, as the Rega Committee has called, the *Gharkhata* system or the *domestic* system, under which the employers have beedis rolled by workers who work in their homes.

The difficulty all these years has been that these workers cannot be brought under the provisions of the Minimum Wages Act although for all practical purposes they are nothing but wage workers sweated in the worst possible manner. I would place before the House for its consideration, and also for the consideration of the hon. Minister, the ticklish situation that has arisen in Aurangabad where the majority of the beedi workers are Muslims. In the last elections, the seat in that constituency went to a Congress Muslim. He was a good Congressman and he had supported most of the beedi workers. So, they also in return supported that candidate. But there was another Hindu Congressman, who was a beedi magnate, who stood as an Independent candidate. He lost the elections. Since then, in order to retaliate upon the workers, he has reduced the piece rate of these domestic workers to eight annas per thousand from Rs. 1/4/- per thousand. Other employees have followed suit. I had been to that centre though that is not in my constituency but I belong to that district.

[Shri T. K. Chaudhury.]

We approached the Labour Department of West Bengal and the hon. Labour Minister of West Bengal was pleased to visit the centre because the livelihood of 50,000 workmen are involved. But he pleaded helplessness because they cannot be brought under any legislation. That is why this legislation is very necessary.

I support the contention of my friend, Professor D. C. Sharma that not a day should be lost and immediately, without waste of a single moment, Government should proceed to bring forward a legislation; if they are not able to accept the legislation

put forward by our friend, Mr. Gopalan, then they should themselves, of their own accord, bring forward a Bill, which brings the thousands of beedi workers within the purview of labour legislation and give them the benefit of minimum wage.

Mr. Chairman: I think the hon. Member may take some more time to conclude his speech. I, therefore, request him to continue his speech next time.

17.00 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, the 24th November, 1957.*

(Friday, 22nd November, 1957)

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419	Jute products	1854		
<b>U.S.Q.</b>		No.	Subject	
538	News Bulletin	1854—55		
539	State Labour Ministers' Conference	1855—56		
540	A.I.R.	1856		
541	Nagas	1856		
542	Kashmir	1856		
543	Indian Embassy in Washington	1857		
544	Indians in U.S.A.	1857		
545	Persons Crossed into India without Passports	1858		
546	Visits of Pakistan Nationals	1858		
547	A.I.R. Nagpur	1859		
548	Employment Exchanges	1859—60		
549	Portuguese Flag Salutation	1860—61		
550	Prime Minister's National Relief Fund	1861		
551	Small Scale Industries	1861—62		
552	Import of Fruits	1862		
553	Import Licences	1863		
554	Ban on Exhibition of Films	1863		
555	Passports for Nepalase	1863—64		
556	'India, 1957'	1864		
557	All India Handloom Board	1864—65		
558	Slum Clearance in Assam	1865		
559	Newsprint Factory in Assam	1865—66		
560	Assam Oil Company	1866		
561	Ajoudhya Textile Mills, Delhi	1866		
562	Shipment of Iron and Manganese Ores	1867		
563	Silk Industry	1867—68		
564	Patna Press Information Centre	1867—68		

## WRITTEN ANSWERS TO QUESTIONS—

COLUMNS

US.Q. No.	Subject	COLUMNS
565	Bank Employees Strike	1868—69
566	Financial Assistance for Indian Film Producer	1869
567	Accidents in Kolar Gold Mines	1870
568	Pakistan Check Posts	1870—71
569	Vanaspati Exports	1871
570	Fresh Fruits	1871—72
571	Central Travancore Planters Association	1872
572	Indian Embassies Abroad	1872—73
573	Pakistan News	1873
574	Government Advertisements	1873—74
575	Pensions for Displaced Government Servants	1874
576	Textile Spinning Mills	1874
577	Radio Station at Patiala	1875
578	Imported Consumer Goods	1875

## MOTIONS FOR ADJOURNMENT 1876-79

The Speaker withheld his consent to the moving of the following two adjournment motions:

- Alleged strike by the workers of WIMCO in Bareilly
- Accident to a bus of Himachal Pradesh Transport.

## PAPERS LAID ON THE TABLE 1879

The following papers were laid on the Table—

- A copy of the statement of cases in which the lowest tenders have not been accepted by the India Stores Department, London, during the half year ended the 30th June, 1957.
- A copy of the Annual Report of the Nungal Fertilizers and Chemical (Private) Limited along with the Audited Accounts of the Company for the year ended the 31st March 1957, under sub-section (1) of Section 639 of the Companies Act, 1956.

## MESSAGES FROM RAJYA SABHA 1880

Secretary reported the following message from Rajya Sabha :—

- that at its sitting held on the 20th November, 1957 Rajya Sabha had agreed without any amendment to the Industrial Finance Corporation (Amendment) Bill 1957, passed by Lok Sabha on the 13th November, 1957.
- that at its sitting held on the 19th November, 1957 Rajya Sabha had passed the Indian Nursing Council (Amendment) Bill, 1957.

BILL PASSED BY RAJYA SABHA—  
LAID ON THE TABLE 1880

Secretary laid on the Table the Indian Nursing Council (Amendment) Bill, 1957, as passed by Rajya Sabha.

## BUSINESS OF THE HOUSE, 1880—1

## BILL INTRODUCED 18-

The Opium Laws (Amendment) Bill, 1957 was introduced.

REPORT OF BUSINESS ADVISORY  
COMMITTEE—ADOPTED 18f

Twelfth Report was adopted.

## RESOLUTION UNDER DISCUSSION

Shri Naushir Bharucha moved the following Resolution:—

"This House disapproves of the Reserve Bank of India (Amendment) Ordinance, 1957 (Ordinance No. 6 of 1957 promulgated by the President on the 31st October, 1957)".

## BILL UNDER CONSIDERATION 1897-193

Shri T.T. Krishnamachari moved that the Reserve Bank of India (Securities Amendment) Bill, 1957, be taken in consideration.

COMMITTEE ON PRIVATE MEMBER  
BILLS AND RESOLUTIONS 1936—

Ninth Report was adopted.

## PRIVATE MEMBERS' BILLS—MOTIONS FOR INTRODUCTION NEGATIVED 1937—48, 1950—

The motions for introduction of following Private Members' Bills were negatived:

- The Recognition (of services to country) Bill, 1957.
- The Preventive Detention (Repealing) Bill, 1957.

## PRIVATE MEMBERS' BILLS INTRODUCED 1948—

The following Private Members' Bills were introduced:

- The Indian Railways (Amendment) Bill, 1957. (Insertion of new section 99 A and amendment sections etc.)
- The Training and Employment Bill, 1957.
- The Code of Criminal Procedure (Amendment) Bill, 1957 (Omission of sections 107, 109 and 110 amendment of section 161) by Jagdish Awasthi.
- The Code of Criminal Procedure (Amendment) Bill, 1957. (Omission of section 144) by Shri Jagdish Anand.

- (5) The All India Institute of Medical Sciences (Amendment) Bill, 1957  
(Amendment of sections 4 and 28)  
By Dr. K. Aschamamba.

**PRIVATE MEMBER'S BILL—WITH-DRAWN** 1953—54

The Salaries and Allowances of Members of Parliament (Amendment) Bill, 1957  
(Amendment of section 6)

**PRIVATE MEMBER'S BILL—NEGATIVED** 1954

The Code of Civil Procedure (Amendment Bill) 1957, Omission of section 87 B).

**PRIVATE MEMBER'S BILL—UNDER CONSIDERATION** 1954—56

The Beedi and Cigar Labour Bill, 1957.  
by Shri A.K. Gopalan.

The motion for consideration of the Bill was moved by Shri A.K. Gopalan.

**AGENDA FOR MONDAY, 25TH NOVEMBER, 1957.**

Further consideration of Resolution Re Reserve Bank of India (Amendment) Ordinance, 1957 and the Reserve Bank of India (Second Amendment) Bill, 1957 and consideration of the Naga Hills—Tuensang Area Bill, 1957.