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**LOK SABHA SECRETARIAT
NEW DELHI**

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N.B.—The sign + above a 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, 13th December 1957

¹ Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Economy Measures

1082. { Shri D. C. Sharma:
Shri Bibhuti Mishra:
Shri Gajendra Prasad Sinha:
Shri Sadhu Ram:
Shri Arjun Singh Bhadauria:
Sardar Iqbal Singh:

Will the Prime Minister be pleased to refer to the reply given to Starred Question No 742 on the 9th August, 1957 and state:

(a) what further measures have been taken by the Government of India for effecting economy in their expenditure;

(b) the amount of money expected to be saved as a result of these efforts;

(c) the number of Government servants of Class I, II, III and IV who have been retrenched so far on account of these economy measures; and

(d) what measures are being adopted to see that the economy proposals are fully implemented?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) In the reply given to

Starred Question No. 742 on the 9th August, 1957, it was explained that with a view to achieve economy in expenditure all Ministries had been called upon (i) to scrutinize the present and projected activities to see whether some of them could be reduced, postponed or abandoned and (ii) to review the expenditure on staff and contingencies so that revised and more austere standards may be adopted. Efforts on the same lines have been continued during the last four months. It will be appreciated that the scope for further economies on these lines must diminish rapidly and Ministries cannot be expected to achieve fresh savings month after month. It should also be noted that the economy drive is aimed not so much at bringing about a reduction in the total out-lay but rather to ensure that the expenditure on non-essential and less important items will be reduced and men and resources released for expenditure on items which are essential.

(b) Approximate figures of the 'savings' expected to result from decisions taken during the months of August to November are given in a statement laid on the table of the Lok Sabha [See Appendix IV, annexure No. 18]. The figures also include items in respect of which the 'saving' has resulted from factors outside the control of the administrative Ministries, such as severe rationing of foreign exchange.

(c) From the beginning of the economy drive it had been decided that retrenchment of personnel should be avoided as far as possible. Economies in this field have been sought almost entirely by reducing the demand for the creation of posts and by leaving sanctioned posts unfilled.

(d) The implementation of the economy measures is supervised by a Central Committee consisting of the Principal Secretary, Ministry of Finance, the Home Secretary and the Director, Organisation and Methods, with the assistance of the Secretary of the Expenditure Division of the Ministry of Finance and his staff.

Shri D. C. Sharma: In the statement it has been said that these economies will be effected after taking into full account the proper maintenance of efficiency and integrity. May I know if any objective standards have been evolved to test the efficiency of the working of any Ministry and also of the integrity of any Ministry and if so, what are those objective standards?

Shri Jawaharlal Nehru: As I understand the hon Member, he asks me if any objective standards have been evolved to test the efficiency of a Ministry. Is that the question?

Dr. Ram Subhag Singh: Integrity of a Ministry.

Shri Ranga: Efficiency.

Shri Jawaharlal Nehru: So far as efficiency is concerned certain standards are applied. It is very difficult to have perfect standards of this type. But, certain standards about the amount of work done, what are called 'work studies' are undertaken that is, how much time is spent on a certain quantum of work and how it can be reduced or increased. That is now a modern method applied to industrial techniques and now later to governmental and official techniques. As for integrity, it is much more difficult to measure. What one tries to do naturally is in a negative sense, any lack of integrity which is observed, is dealt with

Dr. Ram Subhag Singh: It is mentioned in the statement that orders have been issued to observe the utmost economy in the expenditure on travelling allowances and on items such as furniture, stationery, electricity, telegrams, telephones and the

like. May I know to what extent these orders are being followed by the Ministries concerned?

Shri Jawaharlal Nehru: How can I answer that question, unless accurate figures for each Ministry for telephones, etc., are compiled?

Mr. Speaker: It is a very general question.

श्री बिभूति मिश्र : इस स्टेटमेंट के देखने में पता चलता है कि फूड एंड एग्रीकल्चर विभाग में १२ लाख, ८२ हजार ६० कद किए गए हैं। किसी आइटम में कहा गया है: "Projects wholly or partly postponed or abandoned or reduced in scope" तो मैं प्रधान मंत्री जी से जानना चाहता हूँ कि फूड प्रोडक्शन पर इनका क्या असर पड़ेगा।

श्री जवाहरलाल नेहरू : डिपार्टमेंट आफ एग्रिकल्चर को कुछ इमारतें बनने वाली थी, वह रोक दी गई है २ लाख ६० को। और कुछ और re-designing and construction of shell type roof godowns, Calcutta and Delhi postponed, यानी मरवान बनाना बन्द कर दिया गया है।

Shri Dasappa: May I know whether these measures of economy embrace these autonomous corporations also?

Shri Jawaharlal Nehru: Economy should embrace everything. I cannot precisely say what specific instructions or directions are sent to them. They are supposed to carry out these measures of economy as much as anybody else.

Mr. Speaker: Shri Thimmaiah. Not one of the hon Members who have tabled the question gets up. Then, at the end, when I proceed to the next question, they get up and say, my name is there.

Shri Thimmaiah: May I know whether the Government has issued any directions to the State Governments to take certain economy measures and, if so, has the Government any information as to how far these

measures have been taken by the State Governments?

Shri Jawaharlal Nehru: Government does not issue any direction on this subject. The word, perhaps, is not happily conceived. But, the Government is constantly referring the matter to the State Governments. As Prime Minister, I have written to them about this on several occasions. The Home Minister writes to them. Apart from this, the Director of Organisation and Methods Division is in contact with them.

Shri M. R. Krishna: May I know whether this non-filling of certain posts will affect the filling of reserved vacancies? You said that some posts are not going to be filled up.

Shri Jawaharlal Nehru: That I cannot say. I do not know if such vacancies would be involved.

Shri Ranga: Has the possibility been examined, of economy by bringing down the top levels of our salaries that have been in practice on the lines suggested by the last Pay Commission?

Shri Jawaharlal Nehru: No salaries have been reduced. No attempt has been made to that end. Because, that involves considerable constitutional changes almost. I do not think purely from the point of view of economy that has much effect. It has a considerable effect: psychological reaction. The sums involved by and large, are not great. There are a limited number of people. But, I believe that certain economies have been effected in two ways. One is actual certain 10 per cent reduction or something or this has been converted into savings.

Shri Hem Barua: From the statement it is evident that certain economy is going to be made on the Railways, and on Steel, Mines and Fuel. May I know if these economy measures are going to affect the Calcutta suburban railway electrification and aids to self-sufficiency such as oil drilling?

Mr. Speaker: That is going into details.

Shri Jawaharlal Nehru: I am afraid I am totally ignorant of the subject.

Some Hon. Members rose—

Mr. Speaker: Hon. Members will kindly go through the list and then if there is any particular point which requires further elucidation, they may table questions later on.

Directorate of Export Promotion

*1082. { **Shri Shree Narayan Das:**
 Shri Radha Raman:

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

(a) the constitution, organisation and precise function of the Directorate of Export Promotion;

(b) the extent of work so far done by the Directorate; and

(c) the position of exports before and after the formation of this Directorate?

The Minister of Commerce (Shri Kanungo): (a) The constitution, organisation and function of the Directorate of Export Promotion were detailed in a Government Press Note issued on the 13th September, 1957, a copy of which is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 19].

(b) and (c). The Directorate of Export Promotion was constituted at the beginning of August 1957 and it seems it is too early to even attempt to establish any direct correlation between the work performed by the Directorate and export earnings.

Shri Shree Narayan Das: May I know whether the setting up of this directorate has involved any expenditure; if so the extent of the expenditure involved?

Shri Kanungo: Of course, it has involved a little expenditure. I could not give him the exact figure. There were certain cells which have been expanded. It did not mean exactly new expenditure, but enhancement of the existing expenditure.

Shri Shree Narayan Das: May I know whether the organisation has been fully manned, and if so, the total strength of the workers or officers engaged in this task?

Shri Kanungo: It is not fully manned yet. It is in the process of being manned.

Shri Radha Raman: May I know whether this organisation will make an attempt to find out what commodities which are manufactured in India and are in surplus will be able to find markets in foreign countries, and for that may I know whether any direction in this respect is to be given to this organisation by the Government?

Shri Kanungo: That is exactly the function of the organisation. No direction is necessary.

Shri Basappa: May I know the increase in the export of jute and cotton textiles to Soviet Russia, the East European countries, Canada and Australia?

Shri Kanungo: I have replied to the main question that it is too early to assess anything.

Shri C. R. Pattabhi Raman: Are the Government taking steps to see to it that the commodity exported conforms to the samples?

Shri Kanungo: That is one of the functions of the Export Directorate.

Shri Morarka: May I know why this Directorate was set up so late as August, 1957 and not earlier?

Shri Kanungo: Because we felt that additional efforts were necessary.

Shri R. Ramanathan Chettiar: Has there been any increase in the quantum of exports after the setting up of this directorate?

Shri Kanungo: I have replied that it is too early to assess it.

Shri T. K. Chaudhuri: May I know the relationship between this directorate and the Export Promotion Council?

Shri Kanungo: It is one of liaison.

Goa-Border Violations

+

*1083. { **Dr. Ram Subhag Singh:**
Shri N. R. Munisamy:

Will the Prime Minister be pleased to state:

(a) whether Government are aware of a Goa Radio broadcast of the 27th September, 1957, in which it has been officially stated that the Dabhal Bridge and Dabhal Chokie (Dam) incidents have been engineered by the Indians; and

(b) if so, whether there is any truth in the allegation?

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

(a) Yes.

(b) No. The Government of India have nothing to do with these incidents occurring in the Portuguese possessions in India.

Dr. Ram Subhag Singh: Is it true that a large number of Portuguese troops have arrived in Daman and military preparations are going on there?

Shrimati Lakshmi Menon: Yes, Sir. It is true.

Shri N. R. Munisamy: May I know whether any report has been received from our foreign embassies regarding the reactions of the countries where this propaganda has been made against India?

Shrimati Lakshmi Menon: That does not arise out of this question.

गन्ने की खोई से अखबारी कागज का तैयार किया जाता

*१०८४. श्री भक्त बर्मान : क्या बाणिज्य तथा उद्योग मंत्री २४ अगस्त, १९५७ के तारांकित प्रश्न संख्या ११३८ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या गन्ने की खोई से अखबारी कागज तैयार करने के बारे में इटली के विशेषज्ञ दल का विस्तृत प्रतिवेदन इस बीच प्राप्त हो चुका है;

(ख) यदि हां, तो उस प्रतिवेदन की मुख्य सिफारिशें क्या हैं;

(ग) उन सिफारिशों को कार्यान्वित करने के लिये क्या कार्यवाही की जा रही है;

(घ) यदि प्रतिवेदन अभी तक प्राप्त नहीं हुआ है, तो इस असाधारण बिलम्ब के क्या कारण हैं; और

(ङ) वह रिपोर्ट कब तक प्राप्त होने की सम्भावना है ?

बाणिज्य तथा उद्योग उन्मन्त्री (श्री सतीश चन्द्र) : (क) और (ख). अखबारी कागज तैयार करने के बारे में इटली के विशेषज्ञ दल से कोई विस्तृत प्रतिवेदन प्राप्त नहीं हुआ है। उस का प्रतिवेदन बांस से लुग्दी तैयार करने के बारे में ही है। कुछ भारतीय कच्चे मालों की उस दल ने जो जाच-पड़ताल की थी, उस के आधार पर यह प्रतिवेदन दिया गया है।

(ग) से (ङ). प्रश्न ही नहीं उठते।

श्री भक्त बर्मान : इस से पहले जर्मनी के विशेषज्ञों ने अपनी कुछ सम्मति दी थी या कुछ प्रणाली बतायी थी, और अब इटली के विशेषज्ञों ने अपनी सम्मति दी है। तो इन दोनों प्रणालियों में से कौन सी कम खर्चीली और अधिक लाभदायक है ?

श्री सतीश चन्द्र : मैं ने अपने जवाब में धर्ज किया कि इटली के विशेषज्ञों ने न्यूजप्रिंट बनाने की कोई रिपोर्ट नहीं दी है। जर्मनी वालों से एक रिपोर्ट मिली है और उन से बातचीत चल रही है। जहां तक इटली की रिपोर्ट का सम्बन्ध है उस को रिपोर्ट न्यूजप्रिंट के बारे में नहीं है, बल्कि रेयन ग्रेड पल्प और दूसरी चीजों के बारे में है।

श्री भक्त बर्मान : क्या मैं जान सकता हू कि इटली के विशेषज्ञों ने जो अपनी नई रिपोर्ट दी है उस के आधार पर कोई कार्यवाही की जायेगी और क्या हमारे देश में कोई नया प्लांट खोला जायेगा ?

श्री सतीश चन्द्र : उन से बात चीत चल रही है। रेयन ग्रेड पल्प बनाने के लिये यह सम्मति थी। उन की रिपोर्ट से यह मालूम होता है कि बांस का इस्तेमाल कर के रेयन ग्रेड पल्प बनाया जा सकता है। बांस से पल्प बनाने के कुछ कारखाने देश में हैं, और प्राइवेट पार्टीज से कहा गया है कि अगर वे इस में भी दिलचस्पी रखती हो तो इस फर्म से बातचीत कर सकती हैं।

Shri B. S. Murthy: May I know whether this Italian team has visited the Badrachalam forest area and tested the utility of the bamboo there?

The Minister of Industry (Shri Manubhai Shah): There is a slight misunderstanding. The main question relates to the manufacture of newsprint from bagasse, and as my hon. colleague has said, we are already negotiating with the West German Government and West German parties for setting up a newsprint factory in this country at Shakkarnagar for manufacture of newsprint from bagasse.

Shri B. S. Murthy: The hon. Minister said that the Italian team has submitted a report for producing paper from bamboo. I wanted to know fur-

ther whether that team has tested the Badrachalam bamboo.

Mr. Speaker: No, no. We are on bagasse. Merely because the hon. Member puts a question, must I allow an answer? The supplementary does not arise out of this. Very well, if the hon. Minister is willing to answer, he may.

Shri Manubhai Shah: As far as the Italian team is concerned, there is no question of their visiting many areas. Only, they were asked their technical opinion as to whether bamboos could be used for the manufacture of rayon grade pulp. That report has been received and is under study.

Shri Dasappa: May I know whether the Government have made any survey of the total quantity of bagasse available for conversion into pulp, whether newsprint, ordinary pulp or rayon grade pulp?

Shri Manubhai Shah: This is a very well known detail because every sugar factory produces bagasse, and it is of the order of two to three million tons on dry basis. We are trying to see that bagasse is used for the manufacture of paper and similar products.

श्री भक्त बर्गन : यह जो इटालियन टीम थी इस ने देश के किन किन स्थानों का दौरा किया और आया इन्होंने कोई सिफारिश की है कि कहा पर यह काम अच्छी तरह चल सकता है ?

श्री मनुभाई शाह : यही तो मैं ने जवाब दिया कि जहाँ तक इटालियन टीम का ताल्लुक है उन को जर्मन टीम के साथ मिला न दिया जाये क्योंकि जर्मन टीम को यह काम दिया गया था कि वह बगास में पेपर बनाने की स्कीम तैयार करें। इटालियन टीम में तो हमने खाली टेक्नीकल ओपीनियन माँगी थी कि बांस में रेयन ग्रेड पल्प बनाया जा सकता है या नहीं। इसलिये उन के दोरे का कोई मवाल नहीं उठता।

Manufacture of X-Ray Equipments

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*1085. { Shri S. C. Samanta:
 { Shri Barman:

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

(a) the steps taken for the manufacture of X-ray equipments in India;

(b) whether it is a fact that a Committee was set up to look into the matter;

(c) if so, the recommendations of the Committee; and

(d) whether any private party in India ventured to manufacture the same?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A panel was set up by the Government of India to examine the scope for development of manufacture of X-ray equipment in the country, and subsequently, interested firms in India, have been asked to come up with schemes for the manufacture of such equipment.

(c) The Panel submitted its Report to the Government in May, 1957. The recommendations of the Panel are contained in the Statement laid on the Table of the Lok Sabha. [See Appendix IV, annexure No. 20].

(d) Messrs. Radon House, Calcutta, are manufacturing certain types of X-ray equipment by using some imported components such as, X-ray tubes, timbers, high tension cables, fluorescent screens, lead glass and valves.

Shri S. C. Samanta: May I know the number and the names of the manufacturers that are at present functioning in India?

Shri Manubhai Shah: As I said, only one—Messrs. Radon House, Calcutta.

Shri S. C. Samanta: May I know which of the companies are producing the greatest number of parts?

Shri Manubhai Shah: As far as X-ray equipment is concerned, there is only one company which is manufacturing some of the parts, and that is why this panel was set up, and the panel's recommendation laid on the Table of the House makes it clear that we should make efforts to interest more parties so that all ranges are covered.

Shri V. P. Nayar: May I know whether this committee has enquired into the possibility of manufacturing some of the X-ray components by slight additions or modifications to the factory of Bharat Electronics?

Shri Manubhai Shah: Yes That is one of the recommendations given there, namely that the Bharat Electronics should be asked to manufacture certain valves, lead batteries and tubes etc.

Shri S. C. Samanta: May I know whether this is the same firm which was visited by the former Health Minister in Calcutta or another firm?

Shri Manubhai Shah: I do not know about the former Health Minister having visited this factory. But this is one of our very good factories which everybody would like to visit.

The Minister of Health (Shri Kar-markar): I should also like to visit it.

Shri Rameshwar Tantia: Has any other country offered collaboration to manufacture these materials in India?

Shri Manubhai Shah: Yes. That is precisely the recommendation of the panel that Government and the Industry should make efforts to secure technical collaboration from private firms in order to develop their manufacture in this country and to make the country as self-sufficient as possible in the earliest possible time.

Shri Nanjappa: May I know whether Government have got data to show the number of X-ray plants imported annually into India, and the approximate number of equipments required in the country?

Shri Manubhai Shah: The requirements of the country are assessed at Rs 50 lakhs per year, and we hope that with proper efforts within the next few years, a large portion of it could be covered except certain proprietary parts.

Recovery of Arrears of Rents from Displaced Persons

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*1086. { **Shri Rameshwar Tantia:**
Shri A. S. Saigal:

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

(a) the position regarding the recovery of arrears of rents and loans from the displaced persons of Delhi;

(b) the amount of arrears still to be recovered;

(c) the reasons for the delay in collecting them; and

(d) the estimated loss to Government as a result of those arrears?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) Arrears of rents and loans are being recovered according to the rules and procedure laid down for such recovery.

(b) As regards the position of the arrears, a statement is laid on the Table of the Lok Sabha. [See Appendix IV, annexure No. 21].

(c) General apathy in the matter of payment of rents and loans due to Government.

(d) Since recoveries of the arrears are still being made, it is not possible to assess the ultimate loss to Government from unrecovered arrears.

Shri Rameshwar Tantia: Is it a fact that the Auditor-General in his report for the year 1956 strongly criticised the Rehabilitation Finance Administration in the matter of their handling the accounts of the recovery, and is it also a fact that an officer did not render accounts of rent collected on

a number of receipt books and afterwards absconded? If so, what action has been taken on the Auditor-General's report and what action has been taken against the guilty and negligent officer?

Shri Mehr Chand Khanna: I believe the hon. Member is referring to the report relating to the auditing of the accounts of the H.R.O. organisation. This organisation till very recently was under the administrative control of the State Government of Delhi. After the popular government was abolished in the Delhi State, we have taken over that organisation under the administrative control of the Ministry of Rehabilitation.

Secondly, I have seen such a report in the press, and I am having the matter examined.

Thirdly, some cases have come to my notice where defalcations have taken place, and appropriate action is being taken.

Shri Rameshwar Tantia: Is it a fact that many buildings have escaped assessment resulting in consequent loss to Government?

Shri Mehr Chand Khanna: If the hon. Member is referring to the realisation of rent, I am prepared to say, as I have said in this statement that the amount due on account of arrears of rent from Delhi is about Rs. 3.80 crores. As regards escaping assessment, it is likely that it may be possible.

Mr. Speaker: Q. No. 1087. Shri Heda is absent.

Dr. Ram Subhag Singh: This is an important question, and, therefore, this may be replied to.

Raja Mahendra Pratap: This question is important. The people are very poor, and I think the rents should not be realised from them....

Mr. Speaker: Hon. Members may kindly send in all the suggestions that they want. If they want any information, I can allow them. But if this is

the kind of question, then I must proceed to the next question.

Displaced Students

*1088. **Shri Bhabuti Mishra:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) the total number of verified claims made so far up to 31st December, 1956 regarding displaced students;

(b) the total number of verified claims paid so far till 31st January, 1957;

(c) whether Government have made any scheme by which all verified claims be paid; and

(d) if so, what is that scheme?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) and (b). Separate figures for 'students category' have not been maintained. It is, therefore, not possible to supply the requisite information.

(c) and (d). The total number of claimants is about 4.65 lakhs, and the Ministry had planned to finalise the compensation cases of about 1.00 lakh claimants every year. Upto the end of October, 1957, 2.27 lakh claimants have been paid compensation. Efforts are being made to increase the speed of payment even beyond the figure of 1 lakh per year.

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि जो विद्यार्थियों के क्लेम हैं, सरकार उन को कितने समय में पूरा कम्पेन्सेशन दे देना चाहती है।

श्री मेहर चन्द खन्ना : मैं ने अभी प्रश्न किया है कि जहाँ तक विद्यार्थियों का ताल्लुक है, हम ने उन की कोई खास भलाहिदा जांच नहीं की है।

श्री बिभूति मिश्र : विद्यार्थियों के न सही दूसरे लोगों के जो क्लेम हैं, उन को कम्पेन्सेशन देने के लिये सरकार ने क्या कोई निश्चिन्ता प्रबंध निर्धारित की है ?

श्री मेहर लाल खन्ना : मैंने धर्ज किया है कि ४,६५,००० भाई हैं जिन के क्लेम हैं, जिन में से २,२७,००० को कम्पेन्सेशन मिल चुका है और उन को ७० करोड़ रुपये दिये जा चुके हैं। हम हर साल एक लाख लोगों को कम्पेन्सेशन दे रहे हैं और मेरा ख्याल है कि हम साल, डेढ़ साल या दो साल में कम्पेन्सेशन स्कीम को, सिवाय हार्ड कोर के, निपटा देंगे।

Aluminium Project

*1089. **Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that a French firm of non-ferrous metal manufacturers have made an offer to the Government of India to establish an aluminium project in Mettur at Salem?

The Minister of Industry (**Shri Manubhai Shah**): Some tentative proposals for extending technical collaboration and the broad terms of deferred payment which are under further negotiations have been received.

श्री रघुनाथ सिंह : इस योजना पर क्या खर्चा आयगा और क्या इसका काम स्टार्ट होगा या नहीं ?

श्री मनुभाई शाह : इसका खर्चा कोई बाढ़, ते ह करोड़ रुपये होगा और उत्पादन कोई दस हजार टन सालाना होगा।

Shri R. Ramanathan Chettiar: May I know whether a firm in the United States, namely Messrs. Reynolds, has offered to put up a large plant in Salem?

Shri Manubhai Shah: An offer from the American firm also has been received just like that from the French firm in question.

Shri Damani: May I know the present production and our requirements by the end of the Second Plan?

Shri Manubhai Shah: The present production is round about 7,500 tons going upto 12,500 tons soon and our requirements are of the order of 40,000 tons. We shall try to reach that by the end of the Second Plan.

Shri Khadlikar: May I know whether there is a similar proposal from the Kolhapur area in which either private parties or foreign firms have offered any collaboration?

Shri Manubhai Shah: No, Sir.

Cashew Industry

*1090. **Shri V. P. Nayar:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the speculative activities in the cashew trade, encouraged by the gap between installed capacity and indigenous availability of raw nuts prejudice the cashew industry's interests to the detriment of the interest of the country; and

(b) if so, the steps taken to counter the speculation?

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

(b) Does not arise.

Shri V. P. Nayar: Are Government aware that the Spices Enquiry Committee have reported that owing to the speculative content in the trade, the industry is not likely to prosper for a long time?

Shri Kanungo: Yes. The speculative aspect mentioned is that a large number of establishments are not fully equipped to carry on their trade.

Shri V. P. Nayar: Are Government aware that long before the indigenous crop of raw nuts comes to the market, the exporters get into price commitments for future supplies, and in order to honour such commitments, they are forced to take from importers who hold stocks at very high prices, and thereby they go on speculating more and more?

Mr. Speaker: The hon. Member is giving information. What does he want?

Shri V. P. Nayar: I want to know whether Government have taken any positive steps to prevent such speculation which is likely to be detrimental to our exports.

Shri Kanungo: I have said that speculation of that type does not exist. As for the variation in the time factor between the indigenous and the imported crops, it is a matter of two months, January and March.

Shri V. P. Nayar: Have Government any idea as to the time when the exporters offer to the foreign buyers and the time-lag between that and the supply of raw nuts?

Shri Kanungo: It is not much. In any case, the export prices do not show very much variation.

Shri Joachim Alva: The Commerce and Industry Ministry issue licences to a small group, nay, a clique of importers who corner the market. What positive steps have Government taken to ask the Food and Agriculture Ministry to step up the production, in view of this poor state of production?

Shri Kanungo: The information of the hon. Member is wrong. The large bulk of import is allowed to actual users only, and the Food and Agriculture Ministry have been taking steps to increase the acreage, as quickly as possible.

Mr. Speaker: Hon. Members would have noticed that these questions were put before and it was replied that 71 per cent was given to private agencies. Therefore, hon. Members will kindly do not ask questions with respect to which answers have already been given. The fact is that they were not present here at the time. Hereafter, I would request hon. Members to read all the questions and answers hitherto covered in this session before they ask questions.

Shri Joachim Alva: I have already read the report.

Mr. Speaker: In spite of it, he asks the question.

Shri Joachim Alva: I wanted to ask what positive efforts the Minister was taking.

Mr. Speaker: It is rather strange that in spite of it, he has asked it again. Now, Shri B. S. Murthy.

Shri B. S. Murthy: My question has been covered. I wanted to ask what steps were being taken to step up production.

Mr. Speaker: If it has been answered, he need not repeat the question.

Shri V. P. Nayar: Is it a fact that although licences are issued to actual users, those licences are re-sold to monopoly procurers because the users themselves cannot purchase nuts in Africa?

Shri Kanungo: Trafficking in licences is an offence.

Shri V. P. Nayar: But are Government aware of this fact?

Shri Punnoose: Is it not a fact that the crisis in the cashew-nut industry is due to the fact that a large quantity of nuts has to be imported, and may I know the steps taken by Government to see that the crisis is stopped?

Shri Kanungo: Extensive reply on this subject was given already.

Shri Punnoose: The question has been answered; but the crisis continues.

Mr. Speaker: It won't be answered. The hon. Member asked the same question the other day and it has been answered. Should I spend away the time of the House on this?

Shri V. P. Nayar: The crisis continues. Workers are thrown out.

Shri Punnoose: The problem is unsolved.

Mr. Speaker: The hon. Members won't get a satisfactory answer, to their own liking.

I find that hon. Members who have tabled questions Nos. 1091 to 1097 are absent. Hereafter, if I find that an hon. Member who has tabled questions is absent consecutively for three times, I will not call his question.

Shri V. P. Nayar: Under what rule?

**Employees of Indian High Commission,
London**

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*1098. { **Shri Anthony Pillai:**
 Shri L. Achaw Singh:

Will the Prime Minister be pleased to state:

(a) whether a system of differential pay and allowances obtains for the staff employed in the office of the Indian High Commission in London dependant on whether they are initially recruited in the United Kingdom or in India;

(b) if so, what are the differences in the pay, emoluments and other conditions of service for the several categories of staff based on the mode of recruitment; and

(c) how these compare with the salary scales for similar occupations in the U.K. Civil Service?

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

(b) and (c). India-based officials in our High Commission in London, like other Foreign Service personnel posted abroad, receive in addition to their basic Indian pay, a foreign allowance and other concessions like free furnished accommodation, medical assistance facilities, Children's Education allowance and certain other minor concessions normally granted to Foreign Service officials. The conditions of service of locally recruited staff in all our Missions abroad normally approximate to those granted by the Governments of the countries concerned for similar class of

employees. Locally recruited staff of our High Commission in London, therefore, get the same salary and conditions of service as are granted to similar employees under the U.K. Government. The U.K. Government has sanctioned certain increases in pay to their employees. The question of giving similar increments to the locally recruited staff in our High Commission in London is under examination.

Shri Anthony Pillai: In 1947, the pay scales of all those employed in the High Commission in London were on the same basis as those in the U.K. Civil Service. But since, 1947 there have been two increases given. Is it a fact that an industrial dispute has been raised by those initially recruited in London because of discriminatory treatment, in view of the fact that the emoluments of the India-based employees are roughly twice those paid to the staff recruited in London?

Shrimati Lakshmi Menon: If he could split the questions, I could answer one by one.

Mr. Speaker: The original employees in 1947 were paid according to the Civil Service rates prevailing in England.

Shrimati Lakshmi Menon: Yes.

Mr. Speaker: The new employees from India are getting twice as much. Has an industrial dispute been raised in regard to that?

Shrimati Lakshmi Menon: The recruits from India are paid more than the locally recruited staff for the reasons I have already mentioned. This is because the locally recruited staff are supposed to have other facilities. They are not transferred. They have got cheap accommodation and other things. Therefore, they are paid less than the India-based staff.

Mr. Speaker: Has there been an industrial dispute raised?

Shrimati Lakshmi Menon: No.

Shri C. K. Pattabhi Raman: How many of them are granted immunities like exemption from payment of Indian income-tax?

Shrimati Lakshmi Menon: The locally recruited staff do not pay Indian income-tax.

Shri Ranga: Have Government considered the advisability of otherwise of giving the same facilities to Indians who are recruited there locally, because they happen to be there at the time of recruitment, as are given to Indians who are recruited here and taken over there, in view of the fact that they have their dependants on this side and their case is not all fours with that of English people recruited in England?

Shrimati Lakshmi Menon: Their case is the same, whether they are Indians or English.

Shri Anthony Pillai: Is it a fact that the cost to the Government of India on account of the India-based staff is twice as much the cost of those recruited in England?

Shrimati Lakshmi Menon: It won't be correct to say that it is twice the cost of locally recruited staff. For instance, in the case of the India-based officer and staff, the First Secretary is paid Rs. 2,353; if he is locally recruited, he gets Rs. 2,000. Therefore, it won't be twice as much.

Shri Nath Pai: There is a large number of Indians in England recruited on the clerical staff locally. It is with regard to them that the question is being asked. Is it not true that with regard to them this ratio is true? For example, stenographers and clerical staff taken from India get almost twice as much as those who are recruited in London proper.

Shrimati Lakshmi Menon: That is more or less true. The India-based clerk gets about Rs. 1,071 whereas the locally recruited person gets Rs. 470.

Shri Nath Pai: It is more than two times.

Shri R. Ramanathan Chettiar: Is it not a fact that members in the Foreign Service get income-tax-free salaries, and does that not apply to those in the Indian High Commissioner's staff in London?

Shrimati Lakshmi Menon: The British members among the locally recruited staff have to pay the U.K. tax, whereas the Indian members do not pay income-tax. May I read out the reasons for the difference in pay? It is presumed that the Indian local recruits do not have to pass through the U.P.S.C. test; they enter into government service by the back door without any particular selective test. Anybody who has managed to go to England can get into the High Commission service without any competitive test. He can settle down in London and live like any other Englishman and plan his future accordingly. He is not liable to transfer to other parts of the world as the India-based officials, and he has no problem regarding the education of his children (*Interruptions*).

Regional News Broadcasts

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*1099. { **Shri Vajpayee:**
Shri Assar:
Shri Raghunath Singh:
Shri B. C. Mullick:

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

(a) the centres from which regional news broadcasts are made at present;

(b) the programme for expansion, if any;

(c) the arrangements made for the collection of regional news;

(d) whether any news agency service is being subscribed for these broadcasts;

(e) whether any news agency has offered to cater regional news in the languages of broadcasts; and

(f) if so, whether Government have accepted it?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). A statement is laid on the Table of the Lok Sabha. [See Appendix IV, annexure No. 22.]

(c) and (d). P.T.I., A.I.R.'s own correspondents, offices of the Press Information Bureau and State Governments' Information organisations.

(e) and (f). Government has one or two other offers regarding amplification of regional news service which will be duly considered on merit. It has, however, to be remembered that acceptance or non-acceptance of a particular news service of a news agency will entirely depend on the possible utility of that particular service to A.I.R. and also financial implications of the offer. A decision is always taken taking all factors into consideration and it is not possible, nor desirable, to lay such things on the Table of the House.

श्री बाजपेयी : क्या यह मत नहीं है कि पी० टी० आई० के कार्यालय केवल बड़े नगरों तक ही सीमित हैं और यदि हां, तो प्रादेशिक भाषाओं में समाचारों का प्रसारण करने के लिए क्या यह आवश्यक नहीं होगा कि ऐसी समाचार समितियों को प्रोत्साहन दिया जाए जिनके संवाददाता गांवों तक फैले हुए हैं ?

Dr. Keskar: The hon. Member in the shape of a question is making an argument in favour of a particular news agency.

Shri R. Ramanathan Chettiar: May I know whether it has been brought to the notice of the Government that in Madras where the regional language is Tamil, the regional language that is being catered by the bulletin is Telugu and there has been representations to the Government?

Dr. Keskar: I have not understood the question.

Mr. Speaker: Next question.

Shri Vajpayee: Sir, I have to put a supplementary.

Mr. Speaker: Hon. Members ought to put questions for eliciting an answer and they ought not to go on making suggestions and rise when I go to the next question.

Shri Vajpayee: I wanted to know whether it is not a fact that the offices of the P.T.I. are located at big towns only. It is a question and not a suggestion.

Dr. Keskar: Sir, the hon. Member is giving the first part of his question only. (Interruption). I am talking to the Speaker and not to the hon. Member. If I may translate his question, he wanted to say that there is a particular news agency which has offices all over in the small mofussil towns of U.P.

Shri Vajpayee: I never mentioned U.P. It is absolutely wrong.

Dr. Keskar: It is correct and he has made a suggestion that.... (Interruption).

Shri T. K. Chaudhuri: Sir, if it is wrong to make suggestions for action, is it not equally wrong to impute motives in answers?

Mr. Speaker: The hon. Member only wanted to know if all the offices of the news agency relating to the PTI—those correspondents are actually only in cities and none of them in the villages.

Shri Vajpayee: It is a simple question, Sir.

Mr. Speaker: Order please. The hon. Member makes it complicated by adding something.

Dr. Keskar: The PTI has got correspondents in big towns. At the same time it has got part-time correspondents in small towns also and our agreement with the PTI covers the question of having special part-time correspondents in mofussil towns also in order to help the regional survey.

Shri Ranga: Is no effort made to consult their own local advisory committees in coming to a decision?

Dr. Keskar: The question of publishing our regional news bulletins has been considered many times. But, I may inform the hon. Member that the Regional News Bulletin is for the moment very much restricted and it is for a short duration, mainly on financial account. And, when we are in a position to have more money, we will certainly consider the question of amplifying the news bulletin.

Retrenchment of Workers in Kanpur Cotton Mills

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*1103. { **Shri S. M. Banerjee:**
Shri Tangamani:

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

(a) whether it is a fact that nearly 1100 workers of Kanpur Cotton Mills are facing retrenchment as a result of a report submitted by a team of experts appointed by Central Government;

(b) whether any representation has been received from the Suti Mill Mazdoor Sabha protesting against this decision; and

(c) if so, the steps taken thereon?

The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra): (a) No. It is understood from the State Government that owing to financial difficulties the Mills have laid off the workers indefinitely from the 2nd December 1957.

(b) No.

(c) Does not arise.

Shri S. M. Banerjee: May I know whether this retrenchment is being done to force the workers to agree to rationalisation; and, if so, what action is being taken by Government to safeguard them against this onslaught?

Shri L. N. Mishra: So far we have not received any representation for rationalisation. They might have referred to the State Government. So far as we are concerned, we have received none.

Shri S. M. Banerjee: May I know whether the Minister is aware that nearly 30 per cent. of the labour population of Kanpur has been seriously affected by the lock-out, lay-out and closure by the Kanpur Textiles and what steps have been taken to solve the problem?

Shri L. N. Mishra: This is a general thing and does not refer to this question. The hon. Member might be making a statement based on newspaper reports, I think.

Shri S. M. Banerjee: May I know whether a committee was appointed to investigate into the working of the same mill previously; and, if so, whether that particular committee has submitted its report?

Shri L. N. Mishra: A committee was appointed by the Government of U.P. to enquire into the affairs of all the Kanpur Textile Mills and that report has not yet been made available to us.

Hides and Skins Industry

*1104. **Shri N. R. Munisamy:** Will the Minister of Commerce and Industry be pleased to state:

(a) the steps taken or proposed to be taken by the Government of India to ensure that price fluctuations in U.K. and U.S.A. do not adversely affect the hides and skins industry in South India;

(b) whether steps have been taken to conduct auction in India as in the case of Tea Industry;

(c) whether Government have considered the suggestion by the industry as to the flexibility of control in selling price of raw hides; and

(d) if so, with what results?

The Minister of Industry (Shri Manubhai Shah): (a) It is generally not possible to insulate the Indian prices from the world prices. Efforts are, however, being made to also develop our exports of hides and skins to countries besides U.K. and U.S.A.

(b) The matter is under consideration.

(c) and (d). There is at present no price control on raw hides. No suggestion from the industry has been received by the Government of India regarding the flexibility of control in selling prices of this commodity.

Shri N. R. Munisamy: May I know whether Government is aware that during the early forties the prices of raw hides, both ceiling and floor, had been fixed with a view to avoid fluctuation and would Government consider the possibility of reimposing the same control?

Shri Manubhai Shah: This question has been gone into several times and Government, for the present, is of opinion that no price control mechanism will really help the problem of export. To improve, the development technique is the right way to bring about better auctioning and better price.

Shri N. R. Munisamy: May I know whether the Trade Representative in U.K. has been instructed to be present at least at the time of auction with a view to avoid manipulating speculations at the time of auction?

Shri Manubhai Shah: Yes, Sir, generally a representative is present.

Shri R. Ramanathan Chettiar: In view of the importance of this industry in South India, what steps are Government taking to have an auction in Madras and the trade not depending upon the U.K. auction?

Shri Manubhai Shah: This matter is under study and, as I said earlier, the starting of an auction in Madras may not be the best way to help the traders to fetch higher prices. However, the matter is still under consideration. With the benefit of our experience in tea and other things, we shall certainly look into the matter.

Shri N. R. Munisamy: What is the foreign exchange that we are earning out of this export?

Shri Manubhai Shah: It is of the order of about Rs. 23 crores now for tanned hides and skins and Rs. 8 crores per year of raw hides and skins.

Ambar Charkha Programme

***1105. Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) how much money has been asked for by the Industries Department of the Punjab Government for the Ambar Charkha Programme during 1957-58;

(b) the amount sanctioned; and

(c) the number of Ambar Charkhas allotted to the Punjab during 1957-58?

The Minister of Commerce (Shri Kanungo): (a) The Government of Punjab in the Industries Department had asked for a grant of Rs. 4,60,910 and a loan of Rs. 3,80,000 for their Ambar Charkha Programme of the current year.

(b) The Khadi and Village Industries Commission has sanctioned a grant of Rs. 52,600 and a loan of Rs. 44,000 as the first instalment for the Punjab State. In accordance with the policy of the Commission, funds are made available to State Boards wherever set up under an Act of the State Legislature. In the Punjab there is such a Board. Only in States with no statutory board are funds made available direct to the State Government concerned.

(c) 13,100.

Shri D. C. Sharma: May I know why there is such a big gap between the amount asked for and the amount given, both as grant and as loan?

Shri Kanungo: It is mentioned in the answer that this is the first instalment. The procedure is, as and when disbursements take place, they are replenished.

Shri D. C. Sharma: May I know in how many instalments this money is disbursed to different States and what is the time lag between one instalment and another?

Shri Kanungo: It differs from State to State; but it depends upon the capacity for disbursement.

Raw Materials

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*1106. { **Shri Shree Narayan Das:**
Shri Radha Raman:

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

(a) the names of such industries both in the public and private sectors as have to depend on import of raw materials;

(b) the nature of such raw materials as are imported for our industries;

(c) the extent to which the demand of the imported raw materials when the First Five Year Plan started has diminished now; and

(d) whether any, and if so, what steps have been taken or are being taken to meet requirements of raw materials from indigenous production?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). No such statistics are separately maintained nor is it possible to collect this data. The growth of industries is going at a satisfactory pace and the production is also increasing. The average of general index of industrial production for the first nine months of 1957 was 148.8 as against the average index of 144.8 for the first nine month of 1956, and the year is likely to close with better results.

Shri Shree Narayan Das: May I know what is the foreign exchange involved in the importation of such raw materials as are required for our industries?

Shri Manubhai Shah: That is precisely what I have said; and that is the question put down by the hon. Member. Until the statistics are separately maintained, it is not possible to collect this data.

Press Trust of India

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*1107. { **Shri Rameshwar Tantia:**
Shri Hoda:
Shri E. M. Rao:

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

(a) whether it is a fact that the Board of Directors of P.T.I. took a decision not to accept the Wage Board's decisions; and

(b) if so, what steps Government are taking in this connection?

The Deputy Minister of Labour (Shri Abid Ali): (a) Government have no information.

(b) Does not arise.

Shri Rameshwar Tantia: Has the PTI staff sent any representation to the Labour Minister and if so, what steps have been taken?

Shri Abid Ali: Not in this connection.

Shri Vasudevan Nair: May I know whether the Government is contemplating or has decided to increase the subsidy to the PTI?

Mr. Speaker: How does it arise out of this question?

Shri C. R. Pattabhi Raman: Is it not a fact that this matter is pending before the Supreme Court?

Shri Abid Ali: The whole world knows it.

Dr. Ram Subhag Singh: May I know whether he knows that the PTI management has agreed to implement the Wage Board's decision?

Shri Abid Ali: No reference has been made either for acceptance or for rejection of the decision of the Wage Board.

Dr. Ram Subhag Singh: What is the present position? What action does the Government contemplate to take in the matter to have this Wage Board decision implemented?

Shri Abid Ali: In case any report is made to us and representation is received, action will be taken accordingly.

Shri Vasudevan Nair: There is a report that the PTI staff has approached the Government for help in order to implement the decision of the Wage Board. That is why I ask this question.

Mr. Speaker: That is a different matter. Does the hon. Member suggest that wages ought to be increased and the Government should go on helping? (Interruptions) That does not arise out of this question.

Indo-Asahi Glass Company Limited

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Dr. Ram Subhag Singh:
 *1108. { **Shri A. K. Gopalan:**
 Shri Vasudevan Nair:

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

(a) whether the Sodepur and Bhurkunda Glass factories which are owned by the Indo-Asahi Glass Company Limited have gone into production;

(b) if so, on what date they have gone into production; and

(c) what are the items of production and what is their present rated capacity?

The Minister of Industry (Shri Manubhai Shah): (a) The sheet glass factory at Bhurkunda has started production.

(b) The Bhurkunda factory commenced production on June 29, 1957.

(c) The Bhurkunda factory manufactures sheet glass and the present rate of production is of the order of 9.3 lakhs square feet per month.

Dr. Ram Subhag Singh: May I know whether despite the fact that this glass factory had all the sympathy and the support of the IFC and the Government, it did not go into production until 1954? What are the factors which have changed the situation that it has gone into production in June 1957?

Shri Manubhai Shah: This matter has come before this House several times in the last session and I had placed a statement on the working of this factory. As would be noticed from that statement, the IFC was negotiating with different technical teams from the world and as late as October 1956, they entered into an agreement with the Japanese Company which has now taken it over and within a period of nine months they have gone into production.

Dr. Ram Subhag Singh: In the light of the inefficiency on the part of the machinery which was helping the Sodepur Glass Factory, may I know whether the Government will take any step to improve that machinery?

Shri Manubhai Shah: That is exactly the purpose. This particular factory is a combination of the Sodepur and Bhurkunda factory.

Dr. Ram Subhag Singh: Not factory. I referred to the Government of India machinery which was helping the Sodepur Glass Factory because despite its help it cannot go into production. May I know what steps are being taken by the Government for improving that machinery, because if this machinery is allowed to run at present as it was at that time, there would certainly be no improvement?

Mr. Speaker: Does he refer to inanimate or animate machinery?

Shri Nath Pal: We thought that he was referring to the animate machinery.

Mr. Speaker: Why should there be an interpretation upon this. What does the hon. Member say? I am not able to follow.

Dr. Ram Subhag Singh: I refer to the administration in the IFC which is Government machinery or Government agency.

Shri Manubhai Shah: I think—I am not generalising—it is a matter for

congratulation that the IFC has been able to find a party and salvage the losses and also give the benefit of first-class production to the country.

Shri Vasudevan Nair: I would like to know whether the original scheme to produce figured glasses and bottles is altogether dropped.

Shri Manubhai Shah: No, Sir. It is also going to be considered; the technicians will decide. They are going to double the capacity which was originally designed. They will take up other types of glass.

Shri T. N. Singh: The hon. Minister stated that the IFC will salvage all the losses. Is that a correct statement?

Shri Manubhai Shah: In the sense that otherwise the entire amount was going to waste. They have been able to sell this at Rs. 62 lakhs.

Shri V. P. Nayar: How does the cost of manufacture in this factory compare with that, for example, in Hindustan Pilkington Ltd?

Shri Manubhai Shah: That is a different type altogether. For similar varieties and categories of sheet glass, the prices would become competitive. If I am not mistaken, 40-45 per cent of the requirements of high quality sheet glass are manufactured here.

Dr. Ram Subhag Singh: With reference to the amount of loss about which the hon. Minister spoke, may I know who are responsible for incurring that loss and also whether those persons are still continuing in the Government machinery?

Mr. Speaker: How does it arise?

Dr. Ram Subhag Singh: Because he said that the IFC had salvaged the losses.

Mr. Speaker: The hon. Member puts a question half relevant and half irrelevant and if answered fully goes on to the irrelevant matter arising out of this question. Next question.

Industries in Private Sector

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* 1100 { **Shri S. C. Samanta:**
* { **Shri Subodh Hasda:**

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

(a) the important industries for which sufficient capital is not forthcoming at present in the private sector;

(b) how Government is going to help these industries; and

(c) whether any one of them have applied for financial assistance?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). It is true that sometimes difficulties are experienced by some industries to raise capital. Various credit institutions like the State Finance Corporation, the Industrial Finance Corporation, the Industrial Credit Investment Corporation and banks, insurance and investment credit institutions help in raising capital.

Shri S. C. Samanta: May I know how much capital has been given to help such industries during the Second Plan?

Shri Manubhai Shah: That will be a broad question. There are so many credit institutions in the country that it is almost impossible to collect details. If the hon. Member is interested in the working of a particular corporation, I will certainly place the figures before the House.

Shri Dasappa: Can we be sure that the commitments made by the IFC already and entered into will be honoured by them?

Shri Manubhai Shah: This question has also come up several times. Practically the entire allocation to the IFC under the Second Plan had been exhausted in the first 20 months. It will be too difficult to anticipate just now whether the future commitments will also be honoured. We are trying to place more funds at the disposal of the IFC to pass as many applications as possible.

Cement Plant in Kashmir

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*1110. { Shri Raghunath Singh
Shrimati Ila Palchoudhuri:

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

(a) whether it is a fact that the Kashmir State is erecting a Cement Plant with aid from Rumania at a cost of Rs. 2 crores; and

(b) if so, whether the scheme has been approved by the Central Government?

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

(b) The question does not arise.

श्री रघुनाथ सिंह : काश्मीर में सीमेन्ट की आवश्यकता को देखते हुए क्या यह आवश्यक नहीं है कि वहां भी एक प्लैन्ट एस्टैब्लिश किया जाये ?

श्री भन्तु गार्ड शाह : लगाना तो जरूरी है। इसलिये जो २ करोड़ रु० की बात कही गई है उस के सम्बन्ध में मना किया, लेकिन ६० टन का प्लाट तो हम लगाने वाले हैं।

Mr. Speaker: Next question.

Shri Tyagi: 1111.

विद्युच्चालित करघों का बन्द किया जाता

*११११. श्री त्यागी (श्री आसर की ओर से) : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को ज्ञात है कि महाराष्ट्र में सांगली, कुर्दवाड, इचलकरंजी जैसे शहरों में ६०० से ७०० विद्युच्चालित करघे बन्द कर दिये गये हैं ;

(ख) यदि हां, तो उस के क्या कारण हैं;

(ग) क्या सरकार को यह भी ज्ञात है कि इन करघों के बन्द हो जाने के कारण हजारों मजदूरों की दशा दयनीय हो गयी है;

(घ) यदि हां, तो क्या सरकार इन करघों को फिर से चलाने के लिये प्रयत्न कर रही है; और

(ङ) यदि हां, तो क्या प्रयत्न किये जा रहे हैं ?

वाणिज्य मंत्री (श्री काबूनगो) : (क) और (ख). २६६ विद्युच्चालित करघे बन्द होने की खबर है, क्योंकि कुछ उस्ताद बुनकरों ने उन से कारबार करना बन्द कर दिया है।

(ग) ये करघे बन्द हो जाने से ४०० मजदूर बेकार हो गये हैं।

(घ) और (ङ). मामले पर सरकार गौर कर रही है।

An Hon. Member: The hon. Member, Shri Assar, is not present.

Mr. Speaker: The question has been answered.

Shri Dasappa: It may be answered in English also.

Shri Kanungo: (a) and (b). 296 powerlooms are reported to have closed down as a sequel to stoppage of transactions with them by certain Master Weavers.

(c) 400 workers have been rendered idle by these closures.

(d) and (e). The matter is engaging Government's attention.

Trade with Tibet

*1112. Shri Rameshwar Tantia: Will the Minister of Commerce and Industry be pleased to state what is India's present volume of trade with Tibet through Kashmir?

The Minister of Industry (Shri Manubhai Shah): It is not possible to furnish the required information as statistics of foreign trade are not recorded State-wise.

WRITTEN ANSWERS TO QUESTIONS

Cement Price

*1087. **Shri Heda:** Will the Minister of Commerce and Industry be pleased to state whether Government are considering the question of lowering the prices of cement with a view to give relief to the consumer?

The Minister of Industry (Shri Manubhai Shah): No, Sir. Attention is invited to the reply given on the 5th December, 1957 to part (d) of Starred Question No. 824 by Shri Narasimhan.

Textile Machinery from East Germany

*1091. **Shri Shivnanjappa:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the East German group of the textile machine manufacturers (Textima) has booked orders for the supply of textile machinery to Indian textile mills;

(b) if so, the value of those orders;

(c) whether part of the machinery under those orders has been supplied; and

(d) when the delivery against the pending orders is likely to be effected?

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

(b) Rs. 33,20,000.

(c) Not yet, Sir.

(d) By December, 1958.

सीमेंट का वितरण

*१०६२. **श्री आसकर :** क्या बाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को ज्ञात है कि सीमेंट न मिलने के कारण जनता को बड़ी कठिनाई हो रही है और उसे चोर बाजार से ११ या १२ रुपये प्रति बोरी की दर से सीमेंट खरीदना पड़ता है; और

(ख) यदि हां, तो सामान्य जनता को सीमेंट उपलब्ध करने के लिये क्या व्यवस्था की गई है ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) सरकार को पता है कि सीमेंट की मौजूदा सप्लाई इतनी काफी नहीं है कि सभी मांगें पूरी तौर पर पूरी की जा सकें और मांग के मुताबिक सप्लाई न होने से बड़ी कमी महसूस की जाती है ।

(ख) राज्यों को सीमेंट का अलाटमेंट अक्टूबर १९५७ से २१,५७० टन प्रति मास बढ़ा दिया गया है और भगली जनवरी '५८ से उसे २५,००० टन प्रति मास और बढ़ाया जा रहा है । राज्य सरकारों को सलाह दी गई है कि वे ग्राम जनता को दिये जाने वाले सीमेंट का अनुपात बढ़ा दें और जहां कहीं स्थानीय हालातों को देखते हुए, मुमकिन हो, सीमेंट बांटने के इंतजाम में कुछ ढिलाई करने पर विचार करें ।

Sugar and Textile Mills in Punjab

*1093. **Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Punjab Co-operative Sugar and Textile Mills have asked for any financial help either as loans or grants from the Government of India; and

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

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

(b) Does not arise.

Indians in Qatar

*1094. { **Shri A. K. Gopalan:**
Shri Warior:

Will the Prime Minister be pleased to state:

(a) whether Government had received any representation from the

Indian employees in Qatar, Persian Gulf regarding refusal of the political agent of Doha to issue "No Objection Certificates" on the ground that those employees are Hindus;

(b) whether any information had been received from the Indian Consul at Muscat; and

(c) the action taken by Government on the representation?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) Representations have been received from Hindu employees in Qatar that 'No Objection Certificates' had been refused in respect of their families on religious grounds.

(b) Yes.

(c) The Indian Consul, Muscat, has referred the matter to the Ruler of Qatar and his decision is awaited. The Consul is also visiting Qatar shortly to obtain first hand information for the Government of India. He will also discuss the matter with the authorities in Qatar. On receipt of his report, appropriate action will be taken through the proper channels.

Export of Graphite

*1095. **Shri Balarama Krishnaiah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there is any proposal with Government to prevent the export of graphite to foreign countries in view of its importance in usage of Atomic Reactors; and

(b) if so, the action taken by Government in this regard?

The Minister of Commerce (Shri Kanungo): (a) Export of graphite is banned.

(b) Does not arise.

Export Promotion Council for Cashew and Pepper

*1096. **Shri Kumaran:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the delegation sponsored by the Cashew and Pepper Council has submitted any report to Government about its study tour in European countries; and

(b) if so, what are the main suggestions or recommendations of that report?

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

(b) A statement showing the main suggestions or recommendations of the Delegation is laid on the Table of the Lok Sabha. [See Appendix IV annexure No. 23].

Gramodyog Centre in Orissa

*1097. **Shri Sanganna:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether a proposal to establish a Gramodyog Centre in the State of Orissa by the Khadi and Village Industries Commission is under the consideration of Government; and

(b) if so, with what results?

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

(b) Does not arise.

Central Sericultural Research Station, Berhampore (W. Bengal)

*1100. { **Shri H. N. Mukerjee:**
Shri M. Elias:

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

(a) whether the committee appointed to review the work of the Central Sericultural Research Station, Berhampore, West Bengal has held any meetings;

(b) if so, how many and on what dates; and

(c) what decisions, if any, have been taken regarding future development of the station?

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

(b) Three, on 17th July, 1957, 4th November 1957 and 26th November 1957.

(c) Does not arise as the Committee has not yet submitted its report.

Penicillin

*1101. **Shri T. B. Vittal Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total production of marketable penicillin (as distinct from that under various stages of production) during the year 1956-57;

(b) whether the production figure is in keeping with the target aimed at;

(c) the profit or loss incurred as a result of this production;

(d) whether there is a separate account of bottling plant of penicillin; and

(e) if so, the profit and loss account of the plant during the same year?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):
(a) 9.89 million mega units.

(b) Yes. The production has in fact exceeded the target.

(c) A small profit of about Rs. 58,000 after providing for depreciation and interest on loan.

(d) No, Sir.

(e) Does not arise.

Cycle Tyres and Tubes

*1113. **Shri Balarama Krishnaiah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the Cycle Rickshaw Association of Andhra Pradesh has requested Government to allot a specific quota of tyres and tubes from the manufacturing companies of Calcutta, so that they get these goods at scheduled rates;

(b) whether Government are aware of the fact that dealers are selling the tyres and tubes at prices three

times higher than the scheduled rate; and

(c) if so, the steps Government have taken to prevent this malpractice by the local dealers to help the owners of 74,000 cycle-rickshaws of Andhra Pradesh?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) In some cases, the retail prices have been higher than those fixed by the manufacturing companies owing to temporary shortage of Rickshaw tyres. No such complaint in respect of tubes has been received.

(c) The manufacturing companies have been asked to exercise strict control over their dealers and ensure that their products are sold throughout the country at the prices fixed by them. These companies are also taking steps to step up the production of cycle and Rickshaw tyres. Imports of cycle and Rickshaw tyres are being allowed on a quota basis.

C.P.W.D. Division in Orissa

*1114. **Shri Sanganna:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether Government are aware that there is no C.P.W.D. Division with its headquarters in the State of Orissa;

(b) whether there is a proposal to create any such division; and

(c) if so, when?

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

(b) No, Sir, for the present there is no such proposal.

(c) Does not arise.

Plantation Enquiry Commission's Report

*1115. **Sardar Iqbal Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have since taken a decision with regard to the

Report of the Plantation Inquiry Commission regarding coffee and rubber; and

(b) if so, whether any action has been initiated in this regard?

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

(b) Does not arise.

Modi Textile Mills, Modinagar

*1116. {Shri S. M. Banerjee:
Shri Tangamani:

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

(a) whether serious labour unrest is going on in Modi Textile Mills, Modinagar;

(b) if so, whether it is a fact that 170 workers have been arrested so far;

(c) the demands of the workers; and

(d) the steps taken to end this unrest?

The Deputy Minister of Labour (Shri Abid Ali): (a) The mill has been working from October twenty-fifth except that a few workers are at present resorting to Satyagraha following a strike called by one of the unions.

(b) Till the 7th December 1957, 149 were arrested for defying prohibitory orders under Section 144 C.R.P.C.

(c) Scrapping of the Conciliation Committee which is functioning in the Mill under an agreement enforced under the Industrial Disputes Act, reinstatement of dismissed workers and release of arrested persons.

(d) The State Government authorities are doing the needful in the matter.

Industrial Estates in Punjab

*1117. {Shri D. C. Sharma:
Sardar Iqbal Singh:

Will the Minister of Commerce and Industry be pleased to refer to the

reply given to Starred Question No. 1243 on the 28th August, 1957 and state the progress made so far in respect of each of the Industrial Estates to be set up in the Punjab State during the Second Five Year Plan?

The Minister of Industry (Shri Manubhai Shah): A statement is laid on the Table of the Lok Sabha. [See Appendix IV, annexure No. 24]

Import of Capital Goods and Heavy Electrical Plants

*1118. {Shri Shree Narayan Das:
Shri Radha Raman:

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

(a) the number of cases in which the Chief Controller of Imports and Exports issued letter of authority intent for opening negotiations with suppliers or the credit institutions for the import of capital goods and heavy electrical plants during the year 1957 so far;

(b) the number and nature of cases in which such letters were refused by him; and

(c) the nature and value of imports of such goods during the last 10 months of this year?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). A statement is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 25]

Visas

*1119. **Dr. Ram Subhag Singh:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that when individuals holding 'B' class visas for East Pakistan, apply for renewal, these are changed into 'C' class, if not refused altogether, by the Pakistan visa authorities at Shillong; and

(b) if so, whether Government have drawn the attention of the Pakistan Government towards this irregularity?

The Deputy Minister of External Affairs (Shrimati Lakshmi Menon): (a) and (b). We have received a few complaints of this nature and have taken them up with the Pakistan Government.

Export Promotion Committee

- *1120. { Shri Heda:
Shri Bibhuti Mishra:
Shri Raghunath Singh:
Shri N. R. Munisamy:

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

(a) the steps taken so far on the main recommendations of the Export Promotion Committee; and

(b) the result achieved in this direction?

The Minister of Commerce (Shri Kanungo): (a) and (b). Action has already been initiated on a number of points on which the Export Promotion Committee has made its recommendations. The other recommendations are under consideration and decisions are expected to be taken shortly.

दमन में पुर्तगाली सेना

*११२१. श्री आसकर : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को ज्ञात है कि अभी हाल ही में दमन में पुर्तगाली सेना एक जहाज के द्वारा पहुंची है;

(ख) यदि हां, तो क्या यह सच है कि पुर्तगाल अधिकृत दमन में मोर्चे को मजबूत करने के लिये बड़े पैमाने पर सैनिक तैयारियां की जा रही हैं;

(ग) क्या इन सैनिक कार्यवाहियों के कारण भारतीय सीमा में रहने वाली जनता में कोई आतंक या अशांति फैली है; और

(घ) यदि हां, तो इस सम्बन्ध में सरकार ने क्या कार्यवाही की है ?

वैदेशिक कार्य डायरी (जीवनी सखी मेनन) : (क) और (ख). जी हां। सूचना से पता चलता है कि हाल ही में बहुत से सिपाही भारत स्थित पुर्तगाली बस्तियों में घाये हैं। वे पुर्तगाल के यूरोपीय और अफ्रीकी सिपाही दोनों ही हैं, पुर्तगाली अधिकारी भारत-दमन सीमा पर काफी बड़े पैमाने पर तैयारियां कर रहे हैं।

(ग) सीमा के भारतीय हिस्से से किसी तरह का ज्यादा तनाव होने की रिपोर्ट नहीं आई है।

(घ) यह सवाल नहीं उठता। सरकार स्थिति को देख रही है।

Tea Exports

*1122. **Shri Rameshwar Tantia:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Tea Industry is experiencing a serious competition from Ceylon and East Africa; and

(b) whether Government are considering release of more quota for the export of tea?

The Minister of Commerce (Shri Kanungo): (a) We have been having competition from other producing countries in our tea export trade.

(b) Tea export quotas are released from time to time. So far quotas to the extent of 55% of the crop basis of Tea Estates amounting to 401.5 million lbs. have been released. Further releases will be made as and when necessary.

Goodwill-cum-Trade Delegation from Ghana

*1123. **Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that a goodwill-cum-trade delegation from Ghana is visiting India in the near future?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Yes, Sir. A Trade-cum-Goodwill Delegation from Ghana is expected to visit India shortly.

Compilation of Short Stories

*1134. Shri Sanganna: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that the State Governments have been given grants for the compilation of short stories and articles written in the tribal dialects and languages during the year 1957-58; and

(b) if so, the progress achieved in this behalf so far?

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

(b) Does not arise.

Retrenchment of Cine Technicians in Madras

[Shri S. M. Banerjee:

*1135. : : Tangamani:

Shri A. K. Gopalan:

Shri Easwara Iyer:

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

(a) whether nearly 700 Cine Technicians are facing retrenchment in Madras; and

(b) if so, whether this retrenchment is being carried out by the producers as a protest against the decision of the Centre to reduce the length of the films to 10000 feet?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Government are not aware of any such proposal.

बीगंगानगर में विस्थापित व्यक्ति

१६०६. श्री ए० ए० बाबूराव :

क्या पुनर्वास तथा अल्पसंख्यक-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या बीकानेर में विस्थापित व्यक्तियों के लिये मकान बनाने की कोई योजना है;

(ख) यदि हाँ, तो कितने मकान बनाये जायेंगे और वे कब तक बनाये जायेंगे; और

(ग) इन में से कितने मकान विस्थापित हरिजनों को दिये जायेंगे ?

पुनर्वास तथा अल्पसंख्यक-कार्य मंत्री (श्री मेहर बाबू साहू) : (क) और (ख). हाल ही में राज्य सरकार के साथ बातचीत होने पर यह फैसला हुआ है कि बीकानेर में ५० टेनीमेंट्स बनाये जायें। भाषा है कि ये जून १९५८ तक बन जायेंगे।

(ग) इन का एलाटमेंट पात्र शरणार्थियों को राज्य सरकार करेगी। हरिजन शरणार्थियों के लिये विशेष 'कोटा' नहीं है।

अखिल भारतीय खादी तथा ग्रामोद्योग बोर्ड

१६०७. श्री ए० ए० बाबूराव : क्या बाणज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) अखिल भारतीय खादी तथा ग्रामोद्योग बोर्ड को गत वर्ष कितनी वित्तीय सहायता दी गई;

(ख) अखिल भारतीय खादी तथा ग्रामोद्योग बोर्ड द्वारा चलाये जाने वाले केन्द्रों में जो बुनकर काम करते हैं उन की अधिकतम और न्यूनतम मासिक आय कितनी है;

(ग) क्या सरकार को यह विदित है कि स्थानीय खादी संस्थायें जो ग्रामीण बुनकरों से खादी खरीदती हैं, उस पर ६ भागा प्रति रुपया बढ़ा कर दाम निश्चित करती हैं और तब उसे ३ भागा प्रति रुपया कटौती दे कर बेचती हैं और उस कटौती को बुनकरों को देने की बजाय संस्थायें स्वयं सरकार से उसे ले लेती हैं; और

(घ) क्या सरकार को यह भी विदित है कि जब कि ग्रामीण कलवार कच्ची ऊन व रुपये प्रति सेर के भाव से खरीद कर काटी

हुई ऊन को ३२ रुपये प्रति सेर के भाव बेचते हैं, ये खादी संस्थाएँ जब इन कतवारों से ऊन कतवाती हैं, सब वे उन्हें प्रति सेर के केवल १६ रुपये देती हैं ?

उद्योग मंत्री (श्री मनु ई शाह) :

(क) ८,२५,४०,६५७ रु० के अनुदान और ६,३१,६३,७०८ रु० के ऋण दिये गये ।

(ख) बुनकरों की ग्रामदनी इस बात पर निर्भर होती है कि उसे मदद देने वाले लोगों की संख्या चाहे वे उस के परिवार के हों चाहे नौकर, कितनी है और वह किस किस्म का कपड़ा बुनता है ।

ग्राम तौर पर बुनकर की सहायता उस की पत्नी करती है या एक सहायक । २६ दिनों के महीने में औसतन ८ घंटे प्रति दिन काम करके एक बुनकर को ४५६० से १२५६० तक की ग्रामदनी होत है । विशेष किस्मों का कपड़ा बुनने के लिये जो बुनकर जैकार्ड करघे इस्तेमाल करते हैं, वे ग्राम तौर से ज्यादा कमा लेते हैं ।

(ग) खादी और ग्रामोद्योग कमीशन उन खादी संस्थाओं को प्रमाणित करता है जो हाथ से कता सूत और हाथ से बुना कपड़ा बेचते हैं । ये संस्थाएँ बुनकरों को सूत देकर कपड़ा तैयार करवाती हैं । वे, बुनकरों को अलग अलग नम्बरों के सूत के लिये कमीशन द्वारा निर्धारित दरों पर, काम के हिसाब से मजदूरी देती हैं । ये संस्थाएँ हाथ से बुना कपड़ा बुनकरों से नहीं खरीदतीं इसलिये उन को कटौती देने का प्रश्न ही पैदा नहीं होता । 'सरकार से मिलने वाली कटौती' का अर्थ जाहिर तौर पर इस छूट से है जो खादी को विक्री पर ३ आने प्रति रु० की दर से खादी एम्पोरियम या डिपो, सरकार से प्राप्त अनुदानों में से, खरीदारों को दिया करते हैं । इस छूट का पूरा पूरा फायदा कपड़े के खरीदार को दिया जाता है ।

(घ) जी नहीं, ऊनी घागे की कतवाई की दरें काफी हद तक ऊन और कते गये घागे की किस्म पर निर्भर होती हैं । कहीं कहीं तो यह दर ६०६० सेर या उससे भी अधिक होती है । इस बात का कोई आधार नहीं है कि खादी और ग्रामोद्योग कमीशन से प्रमाणित संस्थाएँ ऊनी घागे की कतवाई बाजार दर से कम देती हैं ।

Ejectment Suits in Delhi

1608. Pandit Thakur Das Bhargava: Will the Minister of Works, Housing and Supply be pleased to state:

(a) the total number of ejectment suits filed in Delhi Civil Courts under the Delhi and Ajmer Rent Control Act, 1952 for the years 1955, 1956 and 1957 (uptil 31st August) showing separately their number under each one of the sub clauses of Section 13 or any other Section under which they were filed in respect of residential and non-residential tenancies (to be shown separately);

(b) how many suits out of these have been decided in the various years and how many are yet pending;

(c) in how many cases the decrees for ejectment were passed and how many cases were dismissed in the years 1955, 1956 and 1957 (uptil August) how many decrees of ejectment out of cases decided appertained to residential tenancies and how many to non-residential tenancies; and

(d) in how many of these cases, the decrees for ejectment were executed and the tenant ejected (please give figures for residential and non-residential tenancies separately) for 1955, 1956 and 1957 separately?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) to (d). The information is being collected and will be laid on the table of the Lok Sabha in due course.

अम्बर चूर्णों का निर्माण

१६०६. डा० राम सुभग सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) अम्बर चरखे के निर्माण के लिये कौन कौन सी चीजें विदेशों से मंगानी पड़ती हैं;

(ख) उन के आयात पर अब तक किना धन व्यय किया जा चुका है;

(ग) क्या उन्हें देश में तैयार करने के लिये कोई कार्यवाही का गई है;

(घ) यदि हां, तो उस का व्योरा क्या है; और

(ङ) यदि उपरोक्त भाग (ग) का उत्तर नकारात्मक हो, तो उस के क्या कारण हैं ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) बाल बेयरिंग, गीयर कटर, विंग नट तथा फ्लूटड रोलर बनाने के लिये नरम इस्पात की चमकदार छड़े विदेशों से मंगानी होती हैं ।

(ख) इन के आयात पर ७.८२ लाख ४० सवें किये जा चुके हैं और ६.०६ लाख रुपये के आर्डर दे दिये गये हैं ।

(ग), (घ) और (ङ). ई एल-८ किस्म के बाल बियरिंग अभी देश में नहीं बनाये जाते । इस किस्म के बाल बियरिंग बनवाने के लिये मैसर्स नैशनल बाल बियरिंग कं० जयपुर से खादी तथा ग्रामोद्योग कमिशन बातचीत कर रहा है । गीयर कटरों सम्बन्धी आवश्यकतायें भी देशी साधनों से पूरी करने की कोशिश कमिशन कर रहा है । वाणिज्य तथा उद्योग मंत्रालय की विकास शाखा विंग नट बनवाने के लिये कलकत्ते की फर्म मैसर्स गैस्ट, कौन, विलियम्स लि० से

बातचीत कर रही है । लेकिन नरम इस्पात की शफ्टिंग छड़ों को देश में बनाना फिलहाल संभव नहीं है ।

बाट तथा माप की मीट्रिक प्रणाली

१६१०. डा० राम सुभग सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) कितने उद्योगों ने बाट तथा माप की मीट्रिक प्रणाली को चलाने का समर्थन किया है और वे उद्योग कौन कौन से हैं;

(ख) क्या किसी उद्योग ने इस प्रणाली के जारी किये जाने का विरोध किया है; और

(ग) यदि हां, तो उस उद्योग का क्या नाम है और किस आधार पर इस का विरोध किया गया है ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) बाट तथा माप की मीट्रिक प्रणाली अपनाने का समर्थन उन बैठकों में किया गया है जिन में निम्न आठ उद्योगों के प्रतिनिधियों ने भाग लिया था :—

(१) सूती कपड़ा ।

(२) चीनी ।

(३) लोहा और इस्पात ।

(४) इंजीनियरिंग ।

(५) सीमेंट ।

(६) कोयला ।

(७) चाय ।

(८) भारी रसायन (आरक) ।

(ख) जी नहीं ।

(ग) प्रश्न ही नहीं उठता ।

मन्त्रों की खोई से अखबारों का मन्त्र

१६११. डा० राज सुभग सिंह : क्या वाणिज्य तथा उद्योग मंत्री २४ अगस्त, १९५७ के तारकित प्रश्न संख्या ११३८ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) शककरनगर (भान्द्र प्रदेश) में अखबारों का मन्त्र के कारखाने के सम्बन्ध में परियोजना रिपोर्ट के लिये अर्जन विशेषज्ञों की फर्म को कुल कितनी फीस दी गई ;

(ख) इस फर्म द्वारा सुभाई गई नई प्रक्रिया नेपा के अखबारों का मन्त्र के कारखाने में अपनाई गई प्रक्रिया की तुलना में कहां तक लाभप्रद है; और

(ग) क्या इस प्रक्रिया से अखबारों का मन्त्र के उत्पादन की लागत कम हो जायेगी ?

उद्योग मंत्री (श्री मन्मोहन शाह) :
(क) रिपोर्ट देने के लिये कोई फीस नहीं दी गयी ।

(ख) दोनों प्रक्रियाओं की तुलना संभव नहीं है लेकिन यहाँ यह बात ध्यान में रखने की है कि नयी प्रक्रिया का प्रयोग गन्ने की खोई से अखबारों का मन्त्र बनाने के लिये किया जाएगा ।

(ग) भाषा तो यही है ।

अम्बर चर्खे

१६१२. डा० राज सुभग सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बतावे की कृपा करेंगे कि :

(क) कितने व्यक्तियों ने अम्बर चर्खे को सहायताप्राप्त मूल्य पर खरीदने की योजना में अब तक लाभ उठाया है ; और

(ख) सहायताप्राप्त योजना के अन्तर्गत अब तक कुल कितनी राशि दी जा चुकी है ?

उद्योग मंत्री (श्री मन्मोहन शाह) :
(क) ८६,०१७ व्यक्तियों ने ।

(ख) १,१४,५६१ अम्बर चर्खे कारिया-खरीद प्रणाली पर बांटने के लिये खादी तथा ग्रामोद्योग कमिशन ने विभिन्न संस्थाओं और अभिकरणों को १,३७,४७,३८० रु० का ऋण दिया है ।

विदेशी सरकारों को प्रत्यावर्तन व्यव

१६१३. श्री ज० बी० बिषय : क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि भारतीयों के विदेशों से प्रत्यावर्तन के लिये भारत को विदेशी सरकारों का कितना शेष धन देना है ?

प्रधान मंत्री तथा वैदेशिक कार्य मंत्री (श्री जवाहरलाल नेहरू) : विदेशों से जो भारतीय वापस लाये गये हैं उनके बारे में विदेशी सरकारों को कोई धन देना बाकी नहीं है ।

सिन्दरी उर्वरक

१६१४. श्री झूलन सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) सिन्दरी उर्वरक कारखाने को बीकानेर से जिप्सम पर्याप्त मात्रा में लगातार मिलता रहे इसके लिये सरकार ने क्या कार्य-वाही की है ;

(ख) क्या यह सच है कि गत वर्ष सिन्दरी के कारखाने को जिप्सम कम मिलने के कारण अमोनियम सल्फेट का उत्पादन कम हो गया था; और

(ग) कारखाने को इस कारण से किसनी हानि उठानी पड़ी ?

उद्योग मंत्री (श्री मनुभाई साहू) :

(क) राजस्थान सरकार से उस राज्य के उत्तरलाई स्थान की बढ़िया स्थानों का पट्टा कराने के लिये कदम उठाये गये थे जिस से सिंदरी कम्पनी खुद ही उन स्थानों की खुदाई करा सके। राज्य सरकार ने इस प्रार्थना को स्वीकार कर लिया और सिंदरी कम्पनी इन स्थानों से सितम्बर, १९५६ से जिप्सम निकालवा रही है। राजस्थान सरकार तथा मैसर्स बीकानेर जिप्सम लि० (जो सिंदरी कारखाने को जिप्सम सप्लाई करती है) ने यह आश्वासन दिया है कि भविष्य में बीकानेर से जिप्सम की सप्लाई में कोई रुकावट नहीं आएगी।

(ख) जी हा।

(ग) इस के कारण १९५६-५७ में २५०० टन अमोनियम सल्फेट का कम उत्पादन हुआ था।

बिजली का सामान

१६१५. श्री झूलन सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) बिजली के सामान की बिक्री के लिये अधिक अच्छी व्यवस्था करने के हेतु अब तक क्या कार्यवाही की गई है;

(ख) इस सम्बन्ध में निर्माताओं को क्या क्या कठिनाइयां हो रही हैं;

(ग) इन कठिनाइयों को दूर करने के लिये सरकार ने क्या सहायता दी है;

(घ) क्या सरकार ने बिजली के सामान की बिक्री में सहायता देने की दृष्टि से निर्माताओं तथा ग्राहकों को सम्बन्धित जानकारी देने के लिये कोई व्यवस्था की है; और

(ङ) यदि हाँ, तो उसका व्यौरा क्या है ?

उद्योग मंत्री (श्री मनुभाई साहू) :

(क) बिजली के सामान की बिक्री के लिये कोई खास कदम नहीं उठाये गये हैं। फिर भी इस प्रश्न पर भारी वैद्युत् उद्योग सम्बन्धी विकास परिषद् ने विचार विनिमय किया है। परिषद् ने सिफारिश की है कि माल मंगाने वाले अधिकारी बिजली के सामान के ग्राहक काफी पहले दिया करें जिससे निर्माताओं को कच्चे माल प्राप्त करने की योजना बनाने के लिए काफी समय मिल सके। परिषद् ने यह भी अनुभव किया कि अगर सारी खरीद एक-केन्द्रीय खरीद संस्था द्वारा करायी जाए तो देश की क्षमता का अधिकतम प्रयोग हो सकेगा। बिक्री के सौदों की शर्तों का प्रतिमानीकरण करने के लिए परिषद् ने एक उपसमिति की नियुक्ति की थी। इस उपसमिति की रिपोर्ट का अध्ययन करने के बाद परिषद् ने सुझाव दिया है कि परीक्षण के तौर पर तब तक केन्द्रीय खरीद की जाती रहे, जब तक कि उपलब्ध की स्थिति में सुधार न हो जाय।

ये सभी सिफारिशें विचाराधीन हैं।

(ख) सरकार को इस बात की जानकारी नहीं है कि बिजली के सामान के निर्माताओं को अपना माल बनाने में कोई गम्भीर दिक्कत होती है।

(ग) प्रश्न ही नहीं उठता।

(घ) और (ङ). इस मंत्रालय की विकास शाखा ने अपनी सूची में दर्ज फर्मों के बारे में हैडबुक आफ इंडीजीनस मैन्यूफैक्चरर्स (इंडीनियरिंग स्टोर्स) नामक एक पुस्तक छापी है जिसमें निर्माताओं के नाम, उनके पते और उनके द्वारा बनायी जाने वाली चीजों की जानकारी दी गयी है।

सूती वस्त्र निर्यात संवर्धन परिषद्

१६१६. श्री झूलन सिंह : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) सूती वस्त्र निर्यात संवर्धन परिषद् ने सूती वस्त्र का निर्यात बढ़ाने के लिये क्या उपाय किये हैं;

(ख) परिषद् द्वारा कितने कर्मचारी नियुक्त किये गये हैं और उन्हें कितना वेतन दिया गया है;

(ग) इस राशि में सरकार का भ्रंश-दान कितना है; और

(घ) सरकार इस परिषद् पर कुल कितनी धन-राशि खर्च कर रही है ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) सूतीवस्त्र निर्यात संबंधन परिषद् ने सूती वस्त्र का निर्यात बढ़ाने के लिए निम्न उपाय किये हैं :—

१. बगदाद, सिगापुर, लागोस, रंगून, अदन और मोम्बासा में ६ कार्यालय खोलना जो अपने कार्य क्षेत्र के बाजारों का अध्ययन करते हैं ।

२. छह विदेशी बाजारों में परिषद् की पत्रिकाओं, डायरेक्टरी, न्यूज सेरीज, समाचार पत्रों आदि के द्वारा सूती कपड़े का लगातार प्रचार करते रहना ।

३. प्रमुख बाजारों में समय समय पर प्रदर्शनों का आयोजन करना ।

४. झगड़ों की जांच पड़ताल करना और उन्हें तय करना ।

५. मोदी का एक प्रतिमानित रूप तथा पैकिंग का प्रतिमान बनाना ।

६. भारत के निर्यातकों तथा मिलों और विदेशी खरीदारों से सम्पर्क रखना जिससे वह विभिन्न निर्यात बाजारों के लायक नयी नयी किस्मों के भारतीय सूती कपड़े तैयार करवा सकें ।

७. व्यापार मिशन तथा निर्यात अध्ययन ग्रुपों को भेजकर निर्यात बाजारों की सम्भावनाओं का सर्वेक्षण कराना ।

८. विदेशों को व्यापार प्रतिनिधिमंडल भेजना । दक्षिण पूर्वी एशिया के बाजारों की स्थितियों का अध्ययन करने के लिये परिषद्

ने एक व्यापार प्रतिनिधिमंडल जून/जुलाई १९५५ में भेजा था ।

९. विदेशों की यात्रा या दौरे करना जिससे भारतीय कपड़े के बिकने की सम्भावनाओं का अध्ययन किया जा सके । परिषद् के सचिव १९५६ के शुरू में बहरीन, कुवैत, बसरा और बगदाद गये थे तथा वहाँ के कपड़ा बाजारों का दौरा किया था । परिषद् की प्रशासन समिति के सदस्य श्री एम० एन० सवानी ने १९५६ के मध्य में भारतीय कपड़ा खपने की सम्भावनाओं का अध्ययन करने के लिए पश्चिमी एशिया के बाजारों का दौरा किया था ।

(ख) परिषद् द्वारा नियुक्त किये गये कर्मचारियों की संख्या १ दिसम्बर १९५७ को ७८ थी जिमें विदेश स्थित ६ कार्यालयों के कर्मचारी भी शामिल हैं । इनको लगभग २२,६८६.६१ रु० प्रति मास वेतन दिया जाता है ।

(ग) सरकार परिषद् को वार्षिक अनुदान देती है इसलिए वेतन की मद में सरकार का भ्रंशदान प्रलग करके बता सकना संभव नहीं है ।

(घ) सूती वस्त्र निर्यात संबंधन परिषद् का खर्च निम्न नुसार है —

१९५४-५५	७२,०७१ रु०
१९५५-५६	२,५५,१४७ रु०
१९५६-५७	४,१६,६६७ रु०

साइकिलें

१९१७, श्री मूलन सिंह : क्या वाणिज्य तथा उद्योग मंत्र यह बताने की कृपा करेंगे कि .

(क) साइकिलों का निर्यात बढ़ाने के लिये क्या उपाय किये जा रहे हैं,

(ख) भारत से किन किन देशों को साइकिलों का निर्यात किया जाता है; और

(ग) सालू बर्ब में भारत से किन किन देशों को कितनी साइकिलों का निर्यात किया गया है ?

उद्योग मंत्री (श्री मनुनाई साह) .
(क) से (ग). एक विवरण सभा के पटल पर रख दिया गया है। [बेल्जिये परिशिष्ट ४, अनुबन्ध संख्या २६]

काम-दिलाऊ दफ्तर

१६१८ श्री झूलन सिंह . क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि काम दिलाऊ दफ्तरों को अनिवार्य रूप से रिक्त स्थानों को सूचना देने के सम्बन्ध में विधि बनाने की दिशा में अब तक क्या कार्यवाही की गई है ?

श्रम उ - मंत्री (श्री आबिद अली)
मध्य प्रदेश और जम्मू व काश्मीर राज्यों को छोड़ कर अन्य सभी राज्यों ने इस बारे में कानून बनाना मजूर कर लिया है। मध्य प्रदेश सरकार इस बारे में अभी विचार कर रही है। जम्मू व काश्मीर की सरकार राज्य में नियोजन कार्यालय खोलने के बाद इस बात पर विचार करेगी। कानून बनाने के सिलसिले में सम्बन्धित अधिकारियों की सलाह में प्रारम्भिक कार्यवाहियाँ की जा रही हैं।

काम-दिलाऊ दफ्तरों में पंजीयन (रजिस्ट्रेशन)

१६१९ श्री राधा रमण क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि

(क) जनवरी, १९५७ से अब तक देश के विभिन्न काम दिलाऊ दफ्तरों में पंजीकृत व्यक्तियों की संख्या में कितनी वृद्धि हुई है, और

(ख) उसका क्या कारण है ?

श्रम उ - मंत्री (श्री आबिद अली) :

(क) जनवरी १९५७ से ३१ अक्टूबर १९५७ तक नियोजन कार्यालयों में नाम लिखाने वाले बेरोजगारों की संख्या में १,०७,२८५ की वृद्धि हुई है।

(ख) उक्त अवधि में खोले गये २७ नये नियोजन कार्यालयों के कारण प्राप्ति की संख्या में ३२,००० की वृद्धि हुई। शेष वृद्धि का कारण नियोजन कार्यालयों में नाम दर्ज कराने वालों की संख्या में हो रही लगातार वृद्धि है। यह वृद्धि मार्च १९५७ से देखी जा रही है।

अन्तर्राष्ट्रीय श्रम संगठन का विशाल

१६२० श्री राधा रमण क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि नियोजन सम्बन्धी सूचना को इकट्ठा करने के लिये दिल्ली की अग्रगामी परियोजना के लिये जिस अन्तर्राष्ट्रीय श्रम संगठन के विशेषज्ञ की सेवाय प्राप्त की गई थी, उसका नाम क्या है और इस काम में उसके अनुभव का ब्योरा क्या है ?

श्रम उ - मंत्री (श्री आबिद अली)
श्री जे० एच० डेवी। युद्धकाल को छोड़ कर जब वे सैनिक सेवा में थे, श्री डेवी, ब्रिटेन सरकार के श्रम एंव राष्ट्रीय सेवा मंत्रालय में १९३९ से काम कर रहे थे। विभिन्न कार्यकारी पदों के अतिरिक्त आप प्रादेशिक और केन्द्रीय अमला अफसर भी रहे हैं। इस पद पर कार्य करते हुये आपने मंत्रालयों की जनशक्ति सम्बन्धी आवश्यकताओं का अनुमान लगाने, आयोजना बनाने तथा इसी सम्बन्ध में सारे ब्रिटेन का सर्वेक्षण का कार्य किया था। प्रवर नियोजना अधिकारी के रूप में आपका काम नियोजन सेवाओं तथा औद्योगिक और श्रमिकों की पूर्ति सम्बन्धी जानकारी इकट्ठा करना भी था।

नियोजन सेवा योजना

१६२१. श्री राधा रमण : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) व्यावसायिक निर्देशन, नियोजन सेवाये और नियोजन परामर्श सम्बन्धी योजनाओं को कार्यान्वित करने में अब तक क्या प्रगति की गयी है ;

(ख) इसके लिये अन्तर्राष्ट्रीय श्रम संगठन का कौन सा विशेषज्ञ नियुक्त किया गया है ;

(ग) उसके अनुभव का क्या व्योरा है और उस पर कितना व्यय किया जा रहा है ; और

(घ) अब तक कितने युवकों को व्यवसाय चुनने में सहायता दी गई है ?

श्रम उर्ध्वमंत्री (श्री आशिष अस्त्री) :

(क) भारत सरकार ने दिल्ली, मद्रास, कलकत्ता, पटना, लखनऊ, अम्बाला, और हैदराबाद के नियोजन कार्यालयों में व्यावसायिक मार्ग दर्शन एकाश खोलने की मंजूरी दे दी है। इस काम के लिये राज्य सरकारों द्वारा चुने गये अफसरों को व्यावसायिक मार्ग दर्शन और नियोजन सम्बन्धी सलाह देने के तरीके सिखाये जा चुके हैं।

(ख) और (ग). श्री एस० ओ० इ०। वे १५ वर्ष से रायल लेबर बोर्ड, स्टाक-होम (स्वीडन) के व्यावसायिक अनुसंधान और सूचना कार्यालय के प्रधान। इ भारत में रहते हुये उन पर ७,६५० रुपये खर्च हुये हैं।

(घ) राज्य सरकारों द्वारा उक्त एकाशों की स्थापना के बाद यह काम शुरू होगा। व्यावसायिक मार्ग दर्शन का तजर्बा हासिल करने और इस काम की कार्य प्रणाली तय करने के लिये नियोजन महानिदेशालय में

अध्यायी कार्य हुआ था। इस विस्तार के में २०० व्यक्तियों को सहायता दी गई थी।

व्यावसायिक गवेषणा तथा विस्तार सम्बन्धी योजना

१६२२. श्री राधा रमण : क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) व्यावसायिक गवेषणा तथा विस्तार सम्बन्धी योजना के अनुसरण में क्या कदम उठाये गये हैं ;

(ख) इसके लिये अन्तर्राष्ट्रीय श्रम संगठन का कौन सा विशेषज्ञ नियुक्त किया गया है ;

(ग) उसके अनुभव का क्या व्योरा है ; और

(घ) उस पर कितना व्यय किया जा रहा है ?

श्रम उर्ध्वमंत्री (श्री आशिष अस्त्री) :

(क) पुनः स्थापन एवं नियोजन महानिदेशालय में एक व्यावसायिक सूचना एकाश स्थापित कर दिया गया। इसके साथ ६ राज्यों—ग्राध प्रदेश, असम, बिहार, बम्बई, मद्रास, मध्य प्रदेश, पंजाब, उत्तर प्रदेश, और पश्चिमी बंगाल में व्यावसायिक सूचना एकाश खोले जा चुके हैं।

इन एकाशों में काम करने वाले अफसरों ने विशेष प्रशिक्षण प्राप्त किया है। देश के विभिन्न व्यवसायों का वर्गीकरण, परिभाषा और विवरण का कार्य चालू है। लगभग १००० व्यवसायों के क्षेत्रों का अध्ययन, देश के विभिन्न केन्द्रों में हो गया है।

(ख) से (घ). विशेषज्ञ का नाम श्री एस० ओ० इ० है। व १९५२ से रायल

लेबर बोर्ड स्टाफहोम (स्वीडन) के व्यावसायिक अनुसंधान और सूचना कार्यालय के प्रधान हैं। भारत में रहते हुये उन पर ७,६५० रुपये खर्च हुये हैं।

रानीगंज कोयला क्षेत्रों में केन्द्रीय अस्पताल

१६२३. श्री बि० प्र० सिंह : क्या अन्न और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) रानीगंज कोयला क्षेत्रों के केन्द्रीय अस्पताल में खोले गये पुनर्वास केन्द्र में अब तक कुल कितने पंगु मजदूरों को बसाया जा चुका है ;

(ख) इस पुनर्वास केन्द्र में इन पंगु मजदूरों को जो दस्तकारी की शिक्षा दी जाती है उसका उन्होंने अपने जीविकोपार्जन के लिये किस ढंग से प्रयोग किया है ; और

(ग) इन दस्तकारियों की सहायता से ये पंगु मजदूर प्रतिदिन कितना कमा लेते हैं ?

अन्न उपमंत्री (श्री आशिष अग्नी) :

(क) केन्द्र में १३३ पंगु खनिकों को विभिन्न तरह की दस्तकारी सिखाई गई है।

(ख) केवल अस्पताल में रहने वाले ऐसे मरीजों को जो पंगु हो, केन्द्र में ट्रेनिंग दी जाती है। अस्पताल में इलाज समाप्त होने के बाद वे ट्रेनिंग कक्षाएँ छोड़ देते हैं। यह नहीं मालूम कि उन्होंने ट्रेनिंग का कैसे उपयोग किया है।

(ग) सूचना प्राप्त नहीं है।

पंगु मजदूर

१६२४. श्री बि० प्र० सिंह : क्या अन्न और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६-५७ और चालू वर्ष में अब तक कोयला खानों में कितने मजदूर पंगु हुये ; और

(ख) पूना के कृत्रिम अंग लगाने के सैनिक केन्द्र में इन पंगु मजदूरों में से कितने मजदूरों के कौन कौन से कृत्रिम अंग लगाये गये ?

अन्न उपमंत्री (श्री आशिष अग्नी) :

(क) और (ख). सूचना प्राप्त की जा रही है जो यथासमय सभा की मेज पर रख दी जायेगी।

कोयला क्षेत्रों में केन्द्रीय अस्पताल

१६२५. श्री बि० प्र० सिंह : क्या अन्न और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) कोयला खान क्षेत्रों के केन्द्रीय अस्पतालों में मनोरंजन के क्या साधन उपलब्ध किये गये हैं ; और

(ख) यहाँ कितने बीमार मजदूरों को अब तक हिन्दी पढ़ाई जा चुकी है ?

अन्न उपमंत्री (श्री आशिष अग्नी) :

(क) धनबाद और भासनसोल के केन्द्रीय अस्पतालों में मरीजों के लिये मनोरंजन-कमरे स्थापित किये गये हैं, जहाँ प्रादेशिक भाषा की पुस्तकों, सामयिक पत्र-पत्रिकाओं और दैनिक समाचारपत्रों की व्यवस्था की गई है। कुछ एक भीतरी खेल, जैसे कैरम, शतरंज, लूडो, घादि की भी व्यवस्था है।

(ख) गतवर्ष लगभग २,००० व्यक्ति हिन्दी पढ़ने आये।

क्षय-रोग आरोग्यशालाएँ तथा केन्द्रीय अस्पताल

१६२६. श्री बि० प्र० सिंह : क्या अन्न और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) कोयला खान अन्न कल्याण निधि में से क्षय रोग से पीड़ित मजदूरों के उपचार के लिये क्या व्यवस्था की गयी है ;

(ख) इस काम के लिये कितनी क्षय-रोग आरोग्यशालायें और केन्द्रीय अस्पताल चल रहे हैं ;

(ग) वर्ष १९५६-५७ और चालू वर्ष में अब तक इन में कितने मजदूरों का इलाज किया गया ; और

(घ) इन अस्पतालों में बिस्तरों की संख्या सीमित होने के कारण कितने क्षय-रोग से पीड़ित मजदूरों को भर्ती नहीं किया जा सका ?

अम उधमजी (श्री आबिब खली) :

(क) और (ख). कोयला खान अम कन्याण फंड संस्था द्वारा धरिया और रानीगंज कोयला क्षेत्रों में बारह-बारह पलंगों के दो क्षय-रोग औषधालय चलाये जा रहे हैं। इसके अलावा, संस्था ने विभिन्न क्षय-रोग आरोग्यशालाओं/अस्पतालों में ६२ पलंग रक्षित कराये हैं।

(ग) जितने मजदूरों और उनके आश्रितों का क्षय-रोग आरोग्यशालाओं और औषधालयों में इलाज किया गया उनकी संख्या नीचे दी जाती है :—

	(नवम्बर, १९५६ १९५७ तक)	
१. संस्था के क्षयरोग औषधालयों में	१५१	१०२
२. क्षयरोग आरोग्य-शालाओं / अस्पतालों में जहां कि संस्था ने पलंग रक्षित कराये हैं।	६७	६७

(घ) लगभग १२००।

खली

१६२७. श्री रा० रा० मिश्र : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि खली से तेल निकाल लेने के

पश्चात् जो रही घंश शेष रहता है उसका कारखानों में किस प्रकार उपयोग किया जाता है ?

उद्योग मंत्री (श्री मनुभाई शाह) : खली से तेल निकालने के बाद कारखाने उसे इस्तेमाल नहीं करते। लेकिन तेल रहित खत्तों को खाद के रूप में प्रयोग किया जाता है तथा निर्यात किया जाता है। इन खलियों को जानवरों के खिलाने के काम में भी लाया जा सकता है बशर्त कि इनमें से तेल निकालने के समय घोलक पदार्थ के रूप में बढ़िया किस्म का "हैक्सीन" तथा "हैप्टेन" प्रयोग किया जाये।

एसबेस्टस सीमेंट की चादरें

१६२८. श्री रा० रा० मिश्र : क्या वाणिज्य और उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) एसबेस्टस सीमेंट की चादरें बनाने के लिये विदेशों से क्या-क्या कच्चा माल मंगाना पड़ता है ; और

(ख) इस कच्चे माल को देश में प्राप्त करने के लिये क्या प्रयत्न किये जा रहे हैं ?

उद्योग मंत्री (श्री मनुभाई शाह) : (क) एसबेस्टस सीमेंट की चादरें बनाने के लिये विदेशों से सिर्फ कच्चा एसबेस्टस मंगाना पड़ता है।

(ख) देश में जिस किस्म का कच्चा एसबेस्टस मिलता है, वह एसबेस्टस सीमेंट की चादरें बनाने के लिये पूरी तरह ठीक नहीं है। वैज्ञानिक गवेषणा (रिपट) (हैदराबाद) देश में मिलने वाले एसबेस्टस का प्रयोग किये जा सकने की जांच पड़ताल कर रही है। कलकत्ते में एसबेस्टस सीमेंट का संयंत्र स्थापित करने की एक योजना हाल ही में मंजूर की गयी है। इस योजना में कुछ आयातित कच्चा माल मिला कर देश

में प्राप्त कच्चा माल प्रयोग करने का विचार है। इन योजनाओं के सफल होने पर ही देशी रेशों को खासे बड़े पैमाने पर प्रयोग करना संभव होगा।

अल्युमीनियम

१६२६. श्री रा० रा० मिश्र : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५७-५८ में अब तक अल्युमीनियम की उत्पादन क्षमता को बढ़ाने के लिये क्या कदम उठाये गये हैं ; और

(ख) उसके फलस्वरूप उत्पादन में कितनी वृद्धि हुई है ?

उद्योग मंत्री (श्री मनुभाई शाह) :
(क) और (ख) अल्युमीनियम उद्योग की मौजूदा उत्पादन क्षमता ७,५०० टन वार्षिक है। १२,५०० टन की अतिरिक्त उत्पादन क्षमता स्थापित करने का लाइसेंस तथा मौजूदा उत्पादन क्षमता में २,४०० टन का और भी विस्तार करने की मंजूरी दे दी गयी है। इस प्रकार कुल उत्पादन क्षमता २२,४०० टन हो जायेगी।

जितनी अतिरिक्त उत्पादन क्षमता के लाइसेंस दिये जा चुके हैं उससे १९५७-५८ में अतिरिक्त उत्पादन होने की आशा नहीं है लेकिन १९५८ के अंत तक लाइसेंस शुदा एक योजना से अधिक उत्पादन होने की संभावना है।

ऊनी कपड़ा

१६३०. श्री रा० रा० मिश्र : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) विदेशों को प्रत्येक वर्ष कितना ऊनी कपड़ा निर्यात किया जा रहा है ;

(ख) इस निर्यात को बढ़ाने के लिये क्या सरकार कोई उपाय कर रही है ; और

(ग) यदि हाँ, तो क्या ?

उद्योग मंत्री (श्री मनुभाई शाह)

(क) १९५५ में ऊनी कपड़ा निम्न परिमाण में निर्यात किया गया :—

१९५५-५६ १९५६-५७ १९५७-५८
(जनवरी-जून)

ऊनी कपड़ा (गजों में)

१२,३११ ४४,४१५ ५,१२६

शाल (संख्या)

१४,७२८ २३,५३५ १४,०५१

अन्य प्रकार का (पीण्ड)

६,५६,७६७ ५,४१,४७० ८,६३,७५४

हीजरी

— — २४,११६

(ख) और (ग). ऊन उद्योग की विकास परिपद्ध में ऊनी माल का निर्यात बढ़ाने के लिये एक विशेष उपसमिति नियुक्त की है।

बिनीले के तेल के कारखाने

१६३१. श्री बाबूमीनी : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६ में बिनीले का तेल निकालने के जिन ६ नये कारखानों को लाइसेंस दिये गये हैं, उनके नाम क्या हैं ;

(ख) उनमें कितनी पूजी लगाई गई है ; और

(ग) ये लाइसेंस उन्हें किस आधार पर दिये गये थे ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) से (ग). एक विवरण सभा के पटल पर रख दिया गया है। [द्वितीय परिशिष्ट-४, अनुसूच्य संख्या २७]

पटसन के बदले में काम आने वाली चीजें

१६३२. श्री बाबूजी : क्या बाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) पटसन के कपड़े तथा टाट के बोरों के बदले में कौन-कौन सी वस्तुएँ काम में लाई जा रही हैं;

(ख) क्या इनके कारण पटसन के माल की खपत पर कोई बुरा प्रभाव पड़ा है; और

(ग) क्या सरकार ने इस सम्बन्ध में कोई गवेषणा कराने का प्रयत्न किया है ?

उद्योग मंत्री (श्री मनुभाई शाह) :
(क) कागज और कुछ सीमा तक प्लास्टिक की चीजें ।

(ख) जी, हा ।

(ग) जी, हा । इंडियन जूट मिल्स, एसोसियेशन ने काफी बाजार गवेषणा करायी है ।

उत्पादकता आन्दोलन

१६३३. श्री १० स० तिवारी : क्या बाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि क्या सरकार का उत्पादकता आन्दोलन के सिलसिले में कोई विशेष गवेषणा कराने का भी विचार है ?

उद्योग मंत्री (श्री मनुभाई शाह) :
उत्पादकता आन्दोलन शुरू करने की सिफारिश भारतीय उत्पादकता प्रतिनिधिमंडल ने की थी जो अक्टूबर-नवम्बर १९५६ में जापान गया था । प्रतिनिधिमंडल ने राष्ट्रीय उत्पादकता परिषद् स्थापित करने की सिफारिश की है जिसमें सरकार, मिल मालिकों, मजदूरों तथा उत्पादकता बढ़ाने में दिलचस्पी रखने वाले अन्य तत्वों के प्रतिनिधि होंगे । प्रतिनिधि मंडल की सिफारिशों सरकार के विचारा-

धीन हैं । राष्ट्रीय उत्पादकता परिषद् अन्य कामों के साथ साथ उत्पादकता से सम्बन्धित समस्याओं की गवेषणा करावेगी ।

विद्युच्चालित करघे

१६३४. श्री १० स० तिवारी : क्या बाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) प्रत्येक राज्य में अब तक कितने विद्युच्चालित करघे लगाये जा चुके हैं ; और

(ख) इन करघों द्वारा कितना कपड़ा तैयार हुआ है ?

उद्योग मंत्री (श्री मनुभाई शाह) :
(क) शायद प्रश्न में सरकार की वित्तीय सहायता से हाथकरघा क्षेत्र में लगाये जाने वाले विद्युच्चालित करघों का उल्लेख है । यदि ऐसा है तो कोई ऐसा करघा नहीं लगाया गया है ।

(ख) प्रश्न ही नहीं उठता ।

Expenditure on Housing in Kashmir

1635. *Shri Yajnik: Will the Minister of Works, Housing and Supply be pleased to state the total amount given to Jammu and Kashmir State during the period from 1st November, 1947 to the 31st March, 1957 and the amount actually spent under the various housing schemes, separately?*

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): A statement giving the requisite information in respect of various housing schemes administered by this Ministry is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 28].

Displaced Persons from Kashmir

1636. *Shri Yajnik: Will the Minister of Rehabilitation and Minority Affairs be pleased to state the total amount given to the Jammu and*

Kashmir State and the amount actually spent during the period from 1st November, 1947 to the 31st March, 1957 on the rehabilitation of refugees in the form of:

- (i) loan to them,
- (ii) relief to them, and
- (iii) their training, education centres and scholarships?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): A sum of about Rs. 354 lakhs was sanctioned to the Jammu and Kashmir State during the period 1st November, 1947 to 31st March, 1957. Out of this about Rs. 180 lakhs was as loan, about Rs. 159 lakhs for relief and about Rs. 15 lakhs for educational and technical training purposes. The actual amount spent by the Jammu & Kashmir Government against the above items is not readily available. This information has been called for from the State Government and will, on receipt, be placed on the Table of the Sabha.

Expenditure on Publicity in Kashmir

1637. Shri Yajnik: Will the Minister of Information and Broadcasting be pleased to state the total amount given to the Jammu and Kashmir State and the amount actually spent during the period from the 1st November, 1947 to the 31st March, 1957, each year under the following heads:

- (i) broadcasting, and
- (ii) information?

The Minister of Information and Broadcasting (Dr. Keskar): A statement giving the information is laid on the Table of the Lok Sabha. [See Appendix IV, annexure No. 29]

Industrial Estates in Orissa

1638. Shri P. G. Deb: Will the Minister of Commerce and Industry be pleased to state:

(a) the amount allotted from the Centre for establishment of Industrial and Rural Industrial Estates in the State of Orissa;

(b) the number of rural Industrial Estates that are going to be opened in Orissa with special attention to Adivasi and Harijan areas during the Second Five Year Plan with the names of places; and

(c) whether there are any recommendations of the Government of India to the different States that priority may be given to the famine stricken areas for such development works?

The Minister of Industry (Shri Manubhai Shah): (a) A sum of Rs. 62.70 lakhs has been allocated to the Orissa Government for Industrial Estates for the Second Plan period. The allocation for 1957-58 is Rs. 5.13 lakhs. No separate amount has been earmarked for the establishment of rural Industrial Estates in any State.

(b) The Government of Orissa have proposals to start five Industrial Estates in the following places:—

- (i) Cuttack
- (ii) Rourkela
- (iii) Jharsugada
- (iv) Jeypore
- (v) Kendra-para. (Community Project Area)

The above places have been selected by the State Government taking into consideration the needs of the Industries.

(c) No, Sir.

Propagation of Legislation

1639. Shri Bibhutl Mishra: Will the Minister of Information and Broadcasting be pleased to state:

(a) whether Government contemplate to take more energetic and vigorous attempt to propagate Government legislation in the rural areas; and

(b) if so, the nature thereof?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Publicity for legislation passed by the State Legislatures is primarily

the responsibility of State Governments. So far as legislation passed by Parliament is concerned, publicity in rural areas, wherever considered necessary, is provided through the various media such as the Radio, Press Film, posters, folders, pamphlets, cinema slides etc.

Miners' Family

1640. **Shri Bibhuti Mishra:** Will the Minister of Labour and Employment be pleased to state:

(a) whether Government accord any facilities to the miners' family who suffer from T.B.; and

(b) if so, the nature of facilities provided?

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

(b) The families of colliery workers whose monthly income is upto Rs. 300 are given free indoor and outdoor treatment at the T.B. Clinics run by the Coal Mines Labour Welfare Fund. The miners' families are also eligible for admission into tuberculosis sanatoria where the Fund has reserved beds.

The Mica Mines Labour Welfare Fund has a small T.B. ward attached to the Central Hospital, Karma, where the members of the families of mica miners who suffer from T.B., can get admission.

Slum Clearance in Punjab

1641. { **Shri D. C. Sharma:**
Sardar Iqbal Singh:

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

(a) whether the Punjab Government have submitted any scheme for the clearance and improvement of slums in Punjab State;

(b) if so, the details thereof; and

(c) the amount sanctioned during 1957-58 so far?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) No.

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

Shifting of Central Government Offices

1642. **Shri D. C. Sharma:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the number of Central Government Offices shifted from Delhi during 1957 (upto the 30th November 1957; and

(b) the places to which they have been shifted?

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

(b) Does not arise.

Heavy Water Factory

1643. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 528 on the 31st July, 1957 and state the progress since made in the construction of the Heavy Water Factory at Bhakra Nangal?

The Minister of Industry (Shri Manubhai Shah): A contract on deferred payment terms has been awarded to a French firm for the supply, erection and commissioning of the fertilizer group of plants. A contract for the supply of electrical equipment on deferred payment terms is expected to be finalised shortly. Tenders for the supply, installation and commissioning of the Heavy Water Plant have been received by the Nangal Fertilizer and Chemicals (P) Ltd. and they are under examination.

Tenders for the construction of about half the permanent township have been received and are under examination. Tenders have been invited for the construction of sewers and drains in a portion of the township.

The work relating to the laying of a railway siding is progressing according to schedule and is expected to be completed by the end of May, 1958.

Jute Mills

1644. Shri D. C. Sharma: Will the Minister of Commerce and Industry be pleased to state the total unused capacity in the Jute Mills at present?

The Minister of Industry (Shri Manubhai Shah): About 7,842 looms, with an approximate capacity of 12,000 tons of jute goods a month, representing 12½ per cent. of the looms in the jute mills, are at present unused.

Industrial Estates at Okhla (Delhi)

1645. { Shri D. C. Sharma:
Shri Naval Prabhakar:
Shri Heda:

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

(a) the progress made so far in the Industrial Estate at Okhla in Delhi;

(a) whether any expansion programme is envisaged in the Estate; and

(c) if so, the new industries proposed to be accommodated there?

The Minister of Industry (Shri Manubhai Shah): (a) Thirty-five factories have been completed. The work of construction of the Administrative Block is progressing and is scheduled to be completed by the middle of January, 1958. All the 35 factories have been allotted and 21 factories have already been occupied. The remaining 14 are expected to be occupied shortly. Of the 21 factories occupied, 12 have already gone into production.

(b) Yes, Sir.

(c) Applications from 140 parties covering 73 industries have been received, a list of which is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 30]. They will be considered when the new factories are constructed.

Manufacture of Quinine

1646. Shri D. C. Sharma: Will the Minister of Commerce and Industry be pleased to state the quantity of Quinine produced during 1957 (upto the 30th November, 1957)?

The Minister of Industry (Shri Manubhai Shah): The quantity of quinine manufactured from January to September, 1957 was 51,826.62 lbs. The production figures for the months of October and November, 1957 are not yet available.

Mulberry Growers of Punjab

1647. Shri D. C. Sharma: Will the Minister of Commerce and Industry be pleased to state:

(a) the amount allotted by the Central Silk Board for the issue of loans and grants to the mulberry growers of the Punjab State during the year 1957 so far; and

(b) the conditions governing such loans?

The Minister of Industry (Shri Manubhai Shah): (a) None of the schemes of the Government of Punjab relating to sericulture approved in 1957 involves the issue of loan though the grant-in-aid sanctioned for 3 schemes totals Rs. 47,115. Generally direct assistance is not given to mulberry growers but facilities are provided through the State Governments for supply of improved types of saplings, seeds, etc.

(b) Does not arise.

Handloom Industry in Punjab

1648. { Shri D. C. Sharma:
Sardar Iqbal Singh:
Shri Daljit Singh:

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

(a) whether any amount has been allotted as loans and grants to the Punjab State for the development of Handloom Industry during the Second Five Year Plan; and

(b) if so, to what extent?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) Rs. 40-44 lakhs.

कुटीर दियासलाई उद्योग

१६४६. श्री भक्त शर्मा : क्या बालिष्ण तथा उद्योग मंत्री १० सितम्बर १९५७ के तारंकित प्रश्न संख्या १६२४ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) दियासलाई तैयार करने के एक सौ नये कुटीर उद्योग केन्द्र स्थापित करने का किन-किन स्थानों पर निश्चय किया गया है ;

(ख) इन केन्द्रों को चालू करने की दिशा में क्या प्रगति हुई है ; और

(ग) शेष सौ केन्द्रों के लिये स्थान चुनने की दिशा में क्या कार्यवाही की गई है ?

उद्योग मंत्री (श्री मनुभाई शाह) :

(क) और (ख). नये सौ केन्द्र निम्न राज्यों में खोले जायेंगे :—

राज्य का नाम	केन्द्रों की संख्या
ग्रांध्र	१०
आसाम	५
बिहार	१५
केरल	५
मद्रास	३०
मैसूर	१५
उत्तर प्रदेश	२०

हाल ही में इनके लिये वित्तीय बंटन भी कर दिया गया है। इनके लिये सब से पहले प्रारम्भिक काम जैसे स्थान का चुनाव करना, उपयुक्त इमारतें बनाना, कारखाने चलाने के लिये लाइसेंस हासिल करना और रासायनिक पदार्थ तथा कच्चे मालों की खरीद करना,

पूरे करने होंगे। इसलिये कारखानों में उत्पादन शुरू होने में कुछ समय लगेगा।

(ग) चालू साल का कार्यक्रम दियासलाई के बनाने के 'ब' श्रेणी के इन सौ नये कारखानों तक ही सीमित रखने का प्रस्ताव है जिसका उल्लेख (क) भाग में किया गया है।

Cashewnuts

1650. Shri V. P. Nayar: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that during 1956-57 the export of cashewnuts has yielded more foreign exchange to India than in the preceding year; and

(b) if so, to what extent?

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

(b) A statement is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 31].

Land Purchase Loan

1651. Shrimati Renu Chakravartty: Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether Government have sanctioned the land purchase loan of 59 agriculturist families of Nafarganj Debnagar Colony P.S. Canning 24 Parganas against executed "baynanamas";

(b) if not, when the loan can be expected to be sanctioned;

(c) how many months have elapsed since their "baynanamas" were submitted to Government; and

(d) the reason for the delay?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) Loans to 47 families out of 59 who had applied have been sanctioned. Loans could not be given to 12 families as their title to the lands was found to be defective.

(b) Does not arise.

(c) and (d). "Bayanamas" are not required to be submitted to the Government but to the District officers. The proposal for grant of loan was received by the State Government from the District Officer in August, 1956. As the loan required by each family was in excess of the prescribed ceiling, further enquiries with regard to the quality of the land, the prevailing market price, etc. were necessary in order to decide whether a relaxation of the ceiling should be allotted. These enquiries took some time and the final recommendations were received by the State Government from the District Officer only in July, 1957. Sanction was accorded in August, 1957.

Slum Clearance

1652. Dr. Ram Subhag Singh: Will the Minister of Works, Housing and Supply be pleased to state:

(a) the number of slum clearance schemes sanctioned by Government for each State;

(b) the estimated amount needed for the execution of those schemes; and

(c) the number of these schemes in each State which are under implementation?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): (a) to (c). A statement giving the required information is placed on the Table of the Lok Sabha. [See Appendix IV, annexure No. 32].

निष्कास सम्पत्ति

१६५३. श्री पद्म देव : क्या पुनर्वास तथा अर्थसंयोजक कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि १६५१ माल रोड, शिमला पर स्थित दुकान संख्या १३ भाग से नष्ट हो गई और किरायेदार ने उसमें आवासीय मरम्मत करा ली ;

(ख) क्या यह भी सच है कि मरम्मत पर कुल खर्चा लगभग सात हजार रुपा और कस्टोडियन जनरल ने इसकी स्वीकृति दे दी थी ; और

(ग) क्या यह भी सच है कि अभी तक किरायेदार को रुपया नहीं दिया गया है ?

पुनर्वास तथा अर्थसंयोजक कार्य मंत्री (श्री मेहर बाबू खन्ना) : (क) जी हाँ ।

(ख) जी हाँ ।

(ग) मंजूर की गई रकम का बिल सहायगी के लिये २६-११-५७ को मंत्रालय के पे एण्ड अकाउंट्स आफिसर के पास भेजा गया था ।

Cooperative Housing

1654. Shri Tangamani: Will the Minister of Works, Housing and Supply be pleased to state the steps Government propose to take for encouraging cooperative housing?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): The actual formation and development of cooperatives is the concern of the State Government. The Government of India Subsidised Industrial Housing and the Low Income Group Housing Schemes, however, already provide for adequate financial assistance on convenient and attractive terms to cooperative housing societies. With a view to inducing more cooperative societies of industrial workers to build houses themselves the Housing Ministers' Conference held recently at Mysore has also made certain recommendations which are under consideration. Copies of the recommendations are available in the Parliament Library.

Licensing of Looms and Spindles

1655. Sardar Iqbal Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of looms and spindles licensed in Punjab and Delhi during the years 1954-55, 1955-56, 1956-57, and 1957-58 so far;

(b) now many of these licences have been utilised and the names of the firms which have failed to utilise the licences;

(c) whether any attempt has been made to get the licences of defaulters, utilised by some other companies or firms; and

(d) whether Government have any scheme to step up the production of the Northern Zone of India to meet the local requirements of textiles?

The Minister of Industry (Shri Manubhai Shah): (a) to (d). A statement giving the required information is placed on the Table of the Lok Sabha [See Appendix IV annexure No. 33]

Works Committee of the Marine Department, Port Blair, Andamans

1656. { **Dr. Ram Subhag Singh:**
Shri A. S. Saigal:

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

(a) whether elections to the Works Committee of the Marine Department, Port Blair, Andamans, were held in October, 1957, in an irregular way;

(b) whether Government have received any representation in the matter from the Marine Employees Union, Port Blair; and

(c) if so, the action taken thereon by Government?

The Deputy Minister of Labour (Shri Abid Ali): (a) to (c). The Government of India have received a complaint regarding alleged irregularities in the conduct of election to the Works Committee in the Marine Department, Port Blair. The Chief Commissioner, Andaman & Nicobar Islands has however intimated that the elections were held in accordance with the Industrial Disputes (Central) Rules, 1957.

Copra and Betel-nuts in Nicobar Islands

1657. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 1808, on the 13th September, 1957, regarding Copra and Betel-nuts in Car Nicobar and other Nicobar Islands and furnish the information promised in regard to parts (b) and (d) thereof?

The Minister of Commerce (Shri Kanungo): Part (b): The purchase price for Copra and betel-nuts in Car Nicobar and other Nicobar Islands is fixed on the basis of selling prices in the Calcutta market as reported by the West Bengal Government authorities.

Part (d)	Gross Profits	Approximate Royalty payable to Govt. during 1956.
M/S. Carnicobar Trading Company.	Rs. 1,88,351	Rs. 56,000
M/S. Akoojee Jadwet & Company.	Rs. 1,61,600	Rs. 82,000

Shoe Industry

1658 **Shri Sambandam:** Will the Minister of Commerce and Industry be pleased to state the amount of assistance given by the Government to State schemes such as Shoe Industry in Madras State during the current financial year?

The Minister of Industry (Shri Manubhai Shah): A statement is placed

on the Table of the Lok Sabha. [See Appendix IV, annexure No. 34].

Adulteration in Goods

1659. **Kumari M. Vedakumari:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government consider the complaints of retailers in business, for being punished for adulteration

even for the labelled goods other than food articles and drugs they get from wholesale dealers in business; and

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

The Minister of Commerce (Shri Kanungo): (a) and (b). The Government of India have not received any complaint. Reports have been called for from the State Governments and the information will be placed on the Table of the Lok Sabha in due course.

Development Plans for 1958-59

1660. Shri Sanganna: Will the Minister of Planning be pleased to state:

(a) whether it is a fact that the State Governments have been asked to submit their development plans for 1958-59 by the 25th November, 1957, in terms of a time-table which envisages preparation of the final report on the overall plan for the year by the end of July next year;

(b) if so, whether the information has been received from all the State Governments; and

(c) the salient features of development plans of each State?

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

(b) So far, development plans for 1958-59 have been received for the following areas:

States: Andhra Pradesh, Bombay, Madras, Rajasthan, West Bengal and Bihar.

Union Territories: Delhi, Himachal Pradesh, Tripura Laccadive & Amin-divi Islands, Pondicherry, Andaman & Nicobar Islands and NEFA.

(c) We are not in a position to give this information at this stage.

Sand at Chandipur Seacoast (Orissa)

1661. Shri K. C. Jena: Will the Prime Minister be pleased to state:

(a) whether it is a fact that some valuable sand has been found at the seacoast near Chandipur in the District of Balasore, Orissa;

(b) if so, whether the same has been chemically examined; and

(c) if so, the result thereof?

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

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

Labour Participation in Management

1662. Shri S. M. Banerjee: Will the Minister of Labour and Employment be pleased to state whether any steps are being taken to end rival unionism in the country for the successful implementation of "Labour participation in Management" Scheme?

The Deputy Minister of Labour (Shri Abid Ali): Government consider that the trade unions in the country are conscious of rivalry between themselves and the difficulties it creates in their effective participation in management. Government will welcome attempts on the part of the unions to end rival unionism.

Motor Transport Workers

1663. Shri Dasaratha Deb: Will the Minister of Labour and Employment be pleased to state:

(a) the number of motor transport workers in Tripura;

(b) whether any representation was made by the Motor Transport Workers Conference to Government for improving their conditions of service; and

(c) what steps have been taken by Government in this regard?

The Deputy Minister of Labour (Shri Abid Ali): (a) 2211.

(b) Representations have been received from time to time on behalf of transport workers for the enactment of separate legislation to regulate their working conditions.

(c) A tripartite Committee has been set up to go into the question. Its report is awaited.

Plantation Labour Act

1664. Shri Dasaratha Deb: Will the Minister of Labour and Employment be pleased to state:

(a) whether the Plantation Labour Act has been implemented by any Tea Estate in Tripura;

(b) the names of the Tea Estates which have implemented the Act partly;

(c) the action taken by Government to get the Act implemented; and

(d) the difficulties in the way of implementation of the Act?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). All the tea estates in Tripura are gradually implementing the Plantation Labour Act.

(c) The Tripura Administration has set up a machinery to keep a watch on the proper implementation of the Act.

(d) The provisions relating to housing and medical facilities are causing some difficulty because of the weak financial position of the tea estates which are mostly small.

Coal Mines Welfare Commissioner (Bihar)

1665. Shri Rajendra Singh: Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that the Coal Mines Welfare Commissioner (Bihar) has so far refused to comply with the repeated request of the

Advisory Committee to place Government audit report before the said Committee for perusal; and

(b) if so, the reasons therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) No.

(b) Does not arise.

Water Level in Delhi

1666. Shri Rameshwar Tantia: Will the Minister of Works, Housing and Supply be pleased to state the steps taken so far to bring down sub-soil water level that was reported to have endangered the foundations of buildings in New Delhi?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): It is not correct that rise in sub-soil water level has endangered the foundations of buildings. A number of tube wells are, however, being sunk for lowering sub-soil water level. A comprehensive survey to improve the surface drainage in the compounds, lawns and gardens has been completed and further recommendations of the Technical Experts are awaited.

राजस्थान में विस्थापित व्यक्ति

१६६७. श्री प० ला० बाबूपाल : क्या पुनर्वास तथा अलगसंख्यक कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि राजस्थान के जिला गंगानगर में बहुत से शरणार्थियों की दूकानें १६ अक्टूबर, १९५७ को आग से भस्म हो गई ;

(ख) क्या इस सम्बन्ध में शरणार्थियों को सहायता देने के विषय में सरकार से कोई प्रार्थना की गई है ;

(ग) सरकार इस सम्बन्ध में क्या कर रही है ; और

(ब) जिन शरणाधिकारियों की दूकानें जल कर भ्रम हो गई हैं उनमें कितने ऐसे शरणाधिकारियों हैं जिन्हें पुनर्वास मन्त्रालय ने व्यापार करने के लिये कर्ज दिया था ?

पुनर्वास तथा अल्पसंख्यक कार्य मंत्री (श्री मेहर बाबू लाला) : (क) से (ग). श्री कर्ण सिंह सदस्य सदस्य की मार्फत गगननगर के कुछ शरणाधिकारियों दूकानदारों का एक प्रार्थना पत्र जिनकी दूकानें अक्टूबर, १९५७ में भ्रम हो गई थी, भेजा था। उन्हें जल्द सहायता दिये जाने के लिये ५०० रुपये की रकम अनुदान के रूप में दी गई। क्योंकि बाढ़, सूखा और आग आदि के मामले में शरणाधिकारियों और स्थानीय लोगों के साथ समान बर्ताव होता है, इसलिये उन लोगों को राज्य सरकार से इस बारे में प्रार्थना करने के लिये सलाह दी गई है।

(घ) जानकारी एकत्रित की जा रही है और मिलने पर सभा की मेज पर रख दी जायेगी।

शराब का आयात

१९६८ बी. पी. ० ल/० बाकुराल : क्या बालिष्ठ तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि

(क) सन् १९५६ से अक्टूबर, १९५७ तक कितने रुपये की अग्रेजी शराब बाहर से मगाई गई, और

(ख) इसी अवधि में कुल कितने गैलन देशी शराब भारत में तैयार की गई ?

बालिष्ठ मंत्री (श्री कानूनगो) : (क) जनवरी १९५६ से जून, १९५७ तक कुल १६,६१,००० रुपये की शराब बाहर से विदेशों से आयात की गई। उसी अवधि में फ्रिटेन से आयात की गई शराब का मूल्य ४,२८,००० रु० था। जुलाई-अक्टूबर, १९५७ की अवधि में हुये आयात के आकड़े अभी उपलब्ध नहीं हैं।

(ख) ठीक ठीक जानकारी उपलब्ध नहीं है।

Sindri Fertilizers and Chemicals Private Ltd.

1669. { Shri Ghosal:
Shri S. M. Banerjee:

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

(a) whether Sindri Fertilizers and Chemicals Private Ltd., has earned a profit of over Rs 4 crores in the year ending 1957;

(b) if so, what portion of the profit has been distributed among the employees; and

(c) in what form?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, a gross profit of a little over Rs. 4 crores was made during the year ending 31st March, 1957

(b) and (c) No share of the profit has been or is being distributed to the employees as bonus. An ex-gratia ad hoc payment of Rs. 16 lakhs was, however, sanctioned in 1957; Rs. 12 lakhs of this to be distributed in cash, and Rs 4 lakhs to be utilised for making an appropriate addition to the Provident Fund of the employees

Ammonium Nitrate

1670. { Shri Raghunath Singh:
Shri Subodh Hasda:
Shri S C Samanta:

Will the Minister of Commerce and Industry be pleased to state whether it is a fact that Soviet Government has offered 30,000 tons of ammonium Nitrate to India?

The Minister of Commerce (Shri Kanungo): The Soviet Government has offered 10-15 thousand tons of Ammonium Nitrate.

Imports of Capital Machinery and Other Materials

1671. Sardar Iqbal Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) the total amount spent for importing capital machinery and

other materials during the year 1957-58 so far; and

(b) what amount was spent for importing luxury articles during the same period?

The Minister of Commerce (Shri Kanungo): (a) Rs. 499.75 crores.

(b) 'Luxury articles' are not classified separately and the exact amount spent on the import of these articles is not available. The licencing for these items during 1957 was, however, negligible.

Small Scale Industries

1672. **Shri P. G. Deb:** Will the Minister of Commerce and Industry be pleased to state the outcome of the meeting of the Small Scale Industries Board recently held in Delhi and the Policy laid down for achieving the targets of the Second Five Year Plan?

The Minister of Industry (Shri Manubhai Shah): The Minutes of the ninth meeting of the Small Scale Industries Board containing the main recommendations of the Board have already been placed on the Table of the House in reply to Starred Question No. 275 answered in the Lok Sabha on the 19th November, 1957.

The Board does not lay down any policy for achieving the targets under the Second Five Year Plan. It has made specific recommendations for the successful implementation of the different programmes for development of Small Scale Industries. These recommendations are under consideration of the Government.

BUSINESS OF THE HOUSE

Shri T. K. Chandhuri (Berhampore): Sir before you proceed to other business, I want on behalf of some of the Members on this side to make a request to increase the time allotted for Shri Firoze Gandhi's motion about the investments of Life Insurance Corporation.

Mr. Speaker: Why do not they wait until we reach that? Let nobody interrupt. Whatever is in the Order Paper, we shall get through. Whenever the time comes or the occasion arises, let them place it before the House. We can always extend or restrict the time.

CORRECTION OF ANSWER TO UNSTARRED QUESTION NO. 56

The Minister of Information and Broadcasting (Dr. Keskar): Sir, in reply to Unstarred Question No. 56 answered in the Lok Sabha on the 17th May, 1957, the House was informed that the number of Community Radio Sets supplied to the Punjab State during 1955-56 and 1956-57 was 2,300 and 1,000 respectively. The correct position is that, while 2,300 sets had been ordered for the Punjab during 1955-56, only 400 sets were actually supplied in that year. The remaining 1,900 sets, as well as the 1,000 sets ordered during 1956-57, were supplied in 1956-57.

310 sets were supplied in 1955-56 to PEPSU which is now merged with the Punjab

PAPERS LAID ON THE TABLE

AMENDMENTS TO PREVENTION OF FOOD ADULTERATION RULES

The Minister of Health (Shri Karmarkar): Sir, I beg to lay on the Table under sub-section (2) of Section 23 of the Prevention of Food Adulteration Act, 1954, a copy of each of the following Notifications, making certain amendments to the Prevention of Food Adulteration Rules, 1955:—

(1) S.R.O. No. 465, dated the 25th February, 1956.

(2) S.R.O. No. 1202, dated the 26th May, 1956.

(3) S.R.O. No. 2213, dated the 26th September, 1956.

[Placed in Library. See No. LT-439/57].

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

The Deputy Minister of Finance (Shri B. R. Bhagat): Sir, I beg to lay on the Table, under sub-section (3) of section 642 of the Companies Act, 1956, a copy of Notification No. S.R.O. 3867, dated the 7th December, 1957 making certain amendments to the Companies (Central Government's) General Rules and Forms, 1956. [Placed in Library. See No LT-440/57]

REQUISITIONING AND ACQUISITION OF IMMOVABLE PROPERTY (AMENDMENT) BILL*

The Minister of Works Housing and Supply (Shri K. C. Reddy): Sir, I beg to move for leave to introduce a Bill further to amend the Requisitioning and Acquisition of Immovable Property Act, 1952

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Requisitioning and Acquisition of Immovable Property Act, 1952."

The motion was adopted

Shri K. C. Reddy: Sir, I introduce the Bill.

UNION DUTIES OF EXCISE (DISTRIBUTION) BILL AND ESTATE DUTY AND TAX ON RAILWAY PASSENGER FARES (DISTRIBUTION) BILL

Mr. Speaker: The House will now resume further discussion on the Union Duties of Excise (Distribution) Bill, 1957 and the Estate Duty and Tax on Railway Passenger Fares (Distribution) Bill, 1957. Out of 3 hours and 30 minutes agreed to by the House for general discussion of both the Bills, 1 hour and 16 minutes have already

been availed of and 2 hours and 14 minutes now remain. After the general discussion is over, clause by clause consideration and third reading of these Bills will be taken up for which 30 minutes will be available.

Seth Achal Singh may continue his speech.

से 5 अक्षय सिन् (आगरा) अध्यक्ष महोदय, जो एक्साइज ड्यूटी के बटवारे का बिल हमारे सामने पेश है उसका मैं स्वागत करता हूँ। यह बिल फाइनेंस कमिशन की रिपोर्ट के आधार पर पेश किया गया है। लेकिन हमें इस बात का अफसोस है कि जो पहले ४० फी सदी एक्साइज ड्यूटी डिस्ट्रीब्यूट होती थी उसको २५ फी सदी कर दिया गया है। इस वक्त तीन चीजों की एक्साइज ड्यूटी का बटवारा होता था, अब चार और चीजें बढ़ा दी गई हैं। अब गवर्नमेंट को २६ करोड़ रुपया स्टेट्स को देना होगा जब कि वह पहले २२ करोड़ देती थी। लेकिन स्टेट्स की जो फाइनेन्स की मांग है वह इससे पूरी नहीं हो सकती है। अच्छा तो यह होता कि जो ४० परसेंट पहले दी जाती थी वही दी जाती रहे। लेकिन अगर फाइनेन्स कमिशन की यह रिपोर्ट है कि बजाय ४० के २५ परसेंट दिया जाये, तो मुझे उसमें कोई एतराज नहीं है, क्योंकि सेंटर से स्टेट्स को दूसरे मुहकमों में, पंचवर्षीय योजना में और डेवलपमेंट के कामों में सहायता मिलती है। सेंटर की आमदनी और स्टेट्स की आमदनी करीब करीब बराबर है। ऐसी सूरत में सेंटर का यह फर्ज है कि जो स्टेट्स उससे सम्बन्ध रखती हैं उनको हर तरह की सहायता दी जाये।

मैं इसका भी स्वागत करता हूँ कि स्टेट्स को सेंटर को लोन देने से उनकी मियाद १५ और ३० बरस कर दी गई है। इसके अलावा जो इनकम टैक्स ५५ परसेंट

[सेठ अवस सिंह]

राज्यों की मिलता था वह ६० पर सेंट कर दिया गया है।

लेकिन एक बात मेरी समझ में नहीं आई। फाइनेंस कमिशन ने अपनी रिपोर्ट में शूगर, सम्बाकू और टैक्सटाइल मिल्स के कपड़े पर एक्साइज ड्यूटी लेने की सिफारिश की थी। मुझे भ्रमसे है कि मिल क्लोथ पर सेल्स टैक्स के बजाय एक्साइज ड्यूटी नहीं लगाई गई है। इस मामले को हम लोग पिछले कई वर्षों से पेश करते आ रहे हैं कि कपड़े पर सेल्स टैक्स होने की वजह से राज्यों को काफी नुकसान हो रहा है क्योंकि जो कपड़ा बेचने वाले हैं वे गलत नामों से कपड़ा लाते हैं और सेल्स टैक्स न दे कर उसे बेच देते हैं। इसी प्रकार इनकम टैक्स में अपना हिसाब कुछ का कुछ दिखाते हैं और स्टेट्स को नुकसान होता है। इस प्रकार राज्यों को करोड़ों रुपये का नुकसान हो रहा है। मुझे भ्रमसे है कि जो तमाम देश की मांग थी कि कपड़े पर सेल्स टैक्स के बजाय एक्साइज ड्यूटी लगाई जाये वह अभी तक नहीं लगाई गई। मुझे आशा है कि हमारे फाइनेंस मिनिस्टर साहब इस बात पर गौर करेंगे और जल्दी से जल्दी इस तरह का बिल लायेंगे जिससे कपड़े पर बजाये सेल्स टैक्स के एक्साइज ड्यूटी लगाई जाये। मैं इन शब्दों के साथ इस बिल का स्वागत करता हूँ और आशा करता हूँ कि फाइनेंस मिनिस्टर साहब हिन्दुस्तान के व्यापारियों की वशों की इस मांग पर ध्यान देंगे कि कपड़े पर सेल्स टैक्स के बजाये एक्साइज ड्यूटी लगाई जाये और ऐसा करने के लिये जल्दी से जल्दी एक बिल लायेंगे और सबको राहत देंगे।

Shri Barman (Cooch Behar-Reserved—Sch. Castes): Mr. Speaker, Sir, the hon. Finance Minister has told us to accept the provisions of these Bills as they are. He bases his argument mainly on the fact that he has accepted the arguments of the Finance Com-

mission as they are. That is a verdict which the House has to accept as coming from an impartial judge. After consideration of various factors that Commission has given its decision, and the hon. Finance Minister has accepted its recommendations as they are. We certainly recognise the argument that he has placed before us. But in the same breath he says that the other recommendation of the Commission regarding assistance from the Centre to the States as loans will put the Centre in a difficult position so far as financial assistance in the next two Plans, the Second Five Year Plan and the Third Five Year Plan, and even for the coming 13 or 15 years is concerned.

I just want to tell him that he like the proverbial angel should not blow hot and cold by the same breath. If he wants us to accept the recommendations of the Finance Commission as they are regarding these two Bills, we can in the same breath ask him to accept the other recommendation regarding payment of loans which have been recommended by the Commission.

But that is only a matter of argument. We admit it is quite understandable that the Finance Minister's position will be a little bit difficult if the payments position by the States to the Centre be adjusted according to the recommendation of the Commission. But we learn from today's newspapers that at the Governors' Conference the Finance Minister made a statement. In the course of his statement he is said to have made a remark that the States have been given liberal concessions; so far as their financial position is concerned adequate consideration has been given to the States by the Commission. Side by side he states that the position being as it is, the States should not expect much help from the Centre, so far as their capital and revenue position by way of assistance and

loans from the Centre is concerned. I want to say a few things only regarding that point.

I have cursorily gone through the report of the Commission. There are broadly three parts. The first is, income-tax has been raised from 50 per cent. to 60 per cent. But the Commission itself, at page 39 of the report, has said that this tax has ceased to be an expanding source of revenue. We all know that it is so. I would be rather happy if the hon. Finance Minister gave us the exact position resulting from this increase of this incidence of tax by 10 per cent. and to what extent each State is going to gain during the coming years. When we know that, we can certainly understand that the States have been given liberal consideration so far as allocation of income-tax is concerned. As we understand, it will not be much. Perhaps the responsibilities of the States are many and great. In fact, in all the development projects and undertakings, the responsibility is that of the States. Agricultural development, health, medical relief, education, and in fact all the nation-building departments, are the responsibility of the States. They are to deal with them directly. Their resources are very scanty. I shall come to that presently.

It being so, if the Centre says that now that the Finance Commission has given them liberal consideration they should not expect much from the Centre but that they should exercise their taxing powers that have been allocated to them, namely, those in the State list, I think that will be a very difficult position for the States. Then, really the nation-building departments of the States will suffer for want of revenue.

Regarding grant-in-aid, it has been increased from Rs. 16 crores to Rs. 40 crores. But what are the grant-in-aid for? This is not the time to recount all the heads but one or two instances may be given. Now, take the frontier States of Punjab and West Bengal.

For them, certain grants are given by the Centre. Any hon. Member can understand the difficult position and the enormous expenditure that these two States have to undergo or bear; though policing is the State's responsibility, practically it is the Centre's responsibility in a way.

Take then the grow more food campaign. It is the direct responsibility of the State. But it is practically the responsibility of the Centre and the State combined. They have increased the amount from Rs. 16 crores to Rs. 40 crores to all the 14 States. I do not know whether that is a great and liberal concession to the States.

As regards the excise duty, it has been reduced from 40 to 25 per cent. It may be said that many other taxes have been added to the former list. It is so. But, at the same time, so far as we calculate, the increase or increment will not be much. So, regarding the statement that the hon. Finance Minister is reported to have made at the Governors' Conference, namely, that the States have been liberally dealt with by the Commission, I want to say that though the increase is there, it is not a liberal one. And when the Finance Minister says that in the coming years, the States should not look much to the Centre but should exercise their own taxing powers and the revenue raising powers, I apprehend very much that it will be a difficult position.

12.15 hrs.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Then I come to the next point. So far as our State is concerned, namely, West Bengal, formerly, it was mainly dependent on land revenue. We know that by various changes in our land laws and the growing consciousness of the people, this land revenue position is now becoming very much strained, and it is going to twindle down further, and there is no scope for increasing the revenue from that source.

[Shri Barman]

Then there is agricultural income-tax. By the recent pieces of legislation, it can be presumed that this source also is drying up. There will be no big holdings in the rural areas so far as agricultural land is concerned. Naturally, the resources from this aspect are scanty and the tax will come down. May be that ultimately, it will be eliminated. If you want to reap something from the rural areas, you know that the rural people mainly depend on agricultural property, but due to social changes and social justice, the ownership of land is also getting into revolutionary ideas and it is undergoing revolutionary changes, and, as a necessary corollary to that change, the resources of the State out of this agricultural income-tax will certainly ultimately disappear.

Then there is another resource of the State and that is excise from liquor. On the one hand we say that this drink evil should go and that it is rather immoral for any State which professes so many things to raise crores and crores of rupees out of this excise revenue. On the other hand, we cannot tell them that they should raise crores and crores of rupees. I know certain States whose revenue from this source ranges from Rs. 10 crores to Rs. 15 crores.

Shri Naushir Bharucha (East Khandesh): Rs. 25 crores in Bombay.

Shri Barman: Yes; so, you just ask Bombay to give up prohibition. At the same time, you ask her to accept prohibition for the sake of revenue, and ask her to rely on her own resources. So, these are contradictions in terms. I think that these are the main three taxing powers out of which substantial revenues can be raised by the States. All the three resources are going to dry up and it will be difficult for us to reach our social objectives.

There are others but petty resources of taxing powers of the States for the purpose of raising revenue. At such

times, if the hon. Minister says that the States should try to take resource to their own taxing powers and revenue powers, I think that it will be placing the States in a very awkward position.

On the other hand, the Centre has got enormous powers of raising revenues in different ways. Here we have some experience. While the Finance Minister tries to raise revenue from these sources, there has been a lot of difficulty in his way. But I do not like to deal with those matters. I simply want to say this; that the Centre has got enormous powers. It can draw blood from those quarters where blood is congested. But if it is unable to do so, the hon. Finance Minister cannot tell the States that because the States have got a little concession by the decision of the Commission, they shall no more expect much grant or assistance by way of loans from the Centre whose budget position is also strained. Therefore, I would like the hon. Minister to give us in detail what is the amount that the States are going to be given by the acceptance of the recommendations of the second Finance Commission, so that we can judge what is the position of the States and the States also may know what they are going to get. That is my submission.

Shrimati Ila Palchoudhuri (Nabadwip): Mr Chairman, Sir, everybody knows that taxation is the legitimate support of Government and the distribution of that taxation is surely the Government's legitimate support to the people they are taxing, because taxes, after all, will be paid by the tax-payers, whether the knife falls on the melon or the melon falls on the knife.

I will deal with my State in particular, because we have been assured, as the previous speaker said, that in the Governors' conference, the Minister said that the States had been given very liberal consideration by the Finance Commission and that they should not come over and over again

to the Centre for further aid, because a lot has been done for them. In this connection, I would like to point out that there are States that have peculiar problems. In this matter, we can borrow the example from Australia where, when the States want some revenue, they state their own peculiar problems and they are assisted in that particular way. There are States that have their own peculiar problems *tis judice* and I think those States will need better aid from the Centre, whether the allocation has been liberal or not by the Finance Commission in years to come, because so far as the Plan is concerned, it is not only the Centre that is going to perform the Plan. The States also are going to perform their share and the whole performance has to be integrated, because if the States cannot perform their share of it, surely the Plan cannot be expected to go forward as it should.

The case of West Bengal has to be specially considered, because in West Bengal, right from the beginning, it has been a case of dwindling participation in the divisible pool. The Second Finance Commission has decided that for the total income-tax divisible pool, instead of 55 per cent, 66 per cent should go to the States and of the 66 per cent, 90 per cent has to be distributed on population and 10 per cent on collection basis. According to this, the share of West Bengal has again decreased from 11.25 per cent, which was the first Commission's allocation, to 10.8 per cent. If you look back, right from the time of the passing of the Government of India Act of 1935, the share of West Bengal has gone down constantly, whereas the problems of West Bengal have constantly gone up.

May I point out certain figures which are very revealing? You will see that the agricultural livelihood in West Bengal in 1951 was 14.9. But the non-agricultural livelihood has remained static. It was 19.1 in 1901, 17.7 in 1911, 16.1 in 1921, 14.3 in 1931 and 16.6 in 1951. The words of the

Census Report are revealing. The Census Report says:

"This indeed is a shocking revelation.... It shows how gradually the proportion of earners to total population has been declining steadily in agricultural and total livelihoods..... What is more alarming is the almost stationary proportion of the population in non-agricultural livelihoods since 1911, which indicates how the excess population steadily squeezed out in increasing numbers, remains unabsorbed in non-agricultural livelihoods and goes on widening the fearful gap between the total population of employable age and the population employed in earning a living".

That is why the question in West Bengal is acute, and the 15 lakhs of increase in population in Bengal, as a result of the refugee influx, has not been given due consideration by the Finance Commission. Although the refugee problem has been financed from the Centre, it is no more than theoretical help to West Bengal, because after all, when there is an injection of a huge population in a small State, the dislocation on the economics of the State is self-evident and this should have a particular bearing on the recommendations of the Finance Commission. For that reason, I would certainly say that had we discussed the Finance Commission's report before this Bill was brought in, which seeks to implement the recommendations completely, it would have been more of a clarification to the House and we could have gone into the problems more fully. Now, as the Finance Minister said yesterday, it would be more difficult to do away with some of the recommendations and change the Bill; I realise that. But at the same time, another reviewing may take place and the Finance Minister may reconsider the suggestion that the States cannot come to the Centre again, because liberal concessions have been made to them.

[Shrimati Ila Palchoudhuri]

I ask, after, all, what are the resources of the States from which they are supposed to finance the Plan? Much of it must come from certain amount of small savings and a certain amount from the revenue on liquor which, of course, we cannot really say is good, but wherefrom is the revenue to come? If we bring in prohibition, it will gradually take away that revenue. Was it not Napoleon who said,

"Tax vices; tax them hard because vices are good patriots. I have got 5 billions from the love of brandy and I would like to know which of the virtues would pay me as much."

For that reason, though I would not say that we should not have prohibition, but certainly by taxing alcohol and opium higher and higher, you will control the vices, because the people will have to pay more and more for those vices.

Shri Hem Barua (Gauhati): Napoleon too had his vices.

Shrimati Ila Palchoudhuri: Yes, Napoleon had his vices, and his oxotrics too! but by taxing the the vices more and more, you can control the vices, and yet get revenue.

Secondly, I would also recommend what the Mysore Government has found possible to do; by the tightening up of tax collection machinery, they hope to make Rs. 2½ crores to Rs. 3 crores more. That is an example which the Governments at the Centre and in the other States must look to. That is one solution of getting more taxes for the States, because after all, it is that wonderful lot of people who think,

"What is it to us if taxes rise or fall,

Thanks to our fortune, we never pay at all!"

These are the people that have to be taxed by tightening up the tax collection machinery.

Then, there are certain schemes in certain States which should be allowed

to go forward if the revenues of the States have to be increased. But there are peculiar things that the Central Government does sometimes. The Rihand scheme in U.P. is a good scheme and there is also the Farraka barrage scheme which is going to affect so much the economics of Bengal. All these schemes are not really allowed to go forward by the Centre. If these schemes are allowed to go forward, the States' revenues would be increased. There is also another peculiar sort of arrangement by which the Centre comes in the way of the States. For instance, if some test relief work is held and if it is going to give something of a permanent value to the State, the Centre objects to it. I do not understand this sort of attitude. If this policy is changed, it would surely help the States. If they can really make some permanent asset out of the Centre's help to the States, that, I think, should be encouraged and if to change the present policy creates any technical difficulties, it should certainly be changed. I hope the Finance Minister will realize the case of West Bengal. That State needs particular help and I hope that this formula will not be rigidly followed that the States cannot come to the Centre for more help as the Plan progresses.

I want to say one word about the railway tax. I think one member opposite said that while it is good to have electrification, it should not be done when other backward areas are yet to be opened up. I am all for opening up backward areas in other States. But the electrification in Bengal should certainly go apace. After all, it is from the revenues of the railways that you are going to distribute the money. Sealdah and Howrah are the busiest centres of railway traffic in the world. So, if there is to be electrification, it should be done quickly in West Bengal—and it should not be discouraged.

Even now West Bengal has got the highest incidence of traffic. But look

at the share of West Bengal from the railway earnings! It will get 6.31 per cent., which is less than what Madras will get, namely, 6.46 per cent. It is one of the States which gets practically lesser allocation. After all, the tax is not collected on the basis of mileage only. A State which has got the greatest amount of traffic should be given at least a reasonable allocation by the Central Government, as the fares are going to yield the revenue.

Bengal has many problems and those problems can be tackled only with sympathy. The Centre should not think that because they have given some allocation, so the States should not come to them. Because, the States are part of the Centre. The Centre must join hands with the States and help them to come up to a certain level so that the Plan may move forward according to the targets.

Shri Ghosal (Uluberia): Mr. Chairman, these two Bills are based mainly on the recommendations in the Report of the Second Finance Commission. I am also of the opinion of my colleagues that the report should have been placed before the House before the Bills were introduced. But that has not been done. Anyhow, I would like to confine myself to my State of West Bengal which has been very much affected.

As the speaker who spoke before me stated, Bengal has suffered not

only by partition or that from 1935 but even much earlier Bengal has suffered. Bengal first suffered by the Meston award, by which almost all the revenue from income-tax went to the Central coffer for the improvement of agricultural provinces. Thereafter, many committees were set up, one after another. For example, the Tax Enquiry Committee in 1924-25, the Simon Commission in 1930, the Peele Committee in 1931, the Percy Committee in 1932, the Joint Parliamentary Committee in 1933-34 considered this matter and ultimately the whole problem for allocation to the Centre and the State was sent to Sir Otto Niemeyer in 1935.

The Niemeyer Award and Percy Committee accepted "collection" as the main basis of distribution. But, from 15th August 1947 to 31st March 1950 the income-tax revenue was distributed as follows:

Bombay	— 21 per cent
Madras	— 18 per cent.
W. Bengal	— 12 per cent.
U.P.	— 19 per cent.
M.P.	— 6 per cent.
Punjab	— 5 per cent.
Bihar	— 12 per cent.
Orissa	— 3 per cent.
Assam	— 3 per cent.

After the partition, how West Bengal was affected will be evident from the accounts of 1948-49, which are as follows:—

State	Collection to the divisible pool	Share of the State	Percentage
	(in lakhs)	(in lakhs)	
Bombay	Rs. 41.60	Rs. 9.95	23.92
West Bengal	Rs. 30.72	Rs. 6.40	20.83
Madras	Rs. 8.90	Rs. 8.29	93.15
U.P.	Rs. 4.76	Rs. 8.53	178.08
Punjab	Rs. 3.67	Rs. 2.61	71.12
Bihar	Rs. 1.84	Rs. 5.92	321.74
Assam			84.20
M.P.			215.15
Orissa			617.39

From this it will be seen that U.P. paid only Rs. 476 lakhs as income-tax. But its share from the divisible

pool is Rs. 8½ crores. Bihar has paid Rs. 184 lakhs and received Rs. 592 lakhs. Bengal has paid Rs. 307½ lakhs

[Shri Ghosal]

but has received only Rs. 640 lakhs. I do not grudge other States getting more. But there should be some equitable principle for the division of these taxes.

Then, at the time of framing the Constitution, an expert committee was appointed under the chairmanship of Shri Nalini Sarkar. He accepted population as the basis for distribution of the divisible pool. He abolished the allocation of 62½ per cent. of the income on jute duty and fixed it at the fixed amount of Rs. 1 crore per year. If the 62½ per cent. had been retained, Bengal could have received Rs. 7 crores to Rs. 8 crores per year. But it was not done.

So, in 1950 Shri Deshmukh was entrusted with the consideration of this matter. Shri Deshmukh did some justice to West Bengal by increasing the percentage of the share of West Bengal by 1½ per cent., by taking it from the shares of U.P. and Bihar. But the first Finance Commission gave another blow to her. Mr. Sarkar hesitated to allocate the State's share on the basis of population. But Mr. Neogy, in the report of the first Finance Commission, did it. Under the Neogy Award, West Bengal's share came down from 13.5 per cent. to 11.25 per cent.

The First Finance Commission recommended that the excise tax on tobacco, matches and vegetable products will be distributed on *per capita* basis. So, West Bengal got 7.15 per cent. of her share, that is, 40 per cent., which was fixed as the States' share.

Before the Second Finance Commission the West Bengal Government filed a memorandum. At this stage I would like to read just one portion of that memorandum. It reads:

"since almost the beginning of the British rule, Bengal has been subjected to great pressure in the field of public finance; first, due to the imperialistic warfare of the British Government and, secondly, in the course of constitutional

development. The constitutional pattern of development since the Montagu-Chelmsford enquiry has been on federal lines, in course of which taxes on agriculture were given to the States and taxes on industries to the Centre. This division of taxing power may have been fair to the Provinces with a prosperous agricultural sector, but was clearly unfair to the industrial Provinces. It was to solve the difficulties of the industrial Provinces that income tax came to be a shared tax and it was to solve the special difficulties of Bengal noticed by almost all the Commissions and Commissions of enquiry like the Peel Committee, Simon Commission, etc., that jute tax came to be shared. West Bengal, as now constituted, has an insignificant agricultural sector which is not only too weak to yield any appreciable revenue but actually requires expensive support from the State Government. At the same time, as a result of the last Finance Commission's recommendations, the sharing of income tax can no longer do its function for which it was originally intended, namely bringing some relief to the disparity between agricultural Provinces and industrial Provinces. West Bengal must now depend for its very existence on industrial development but such development will not bring the State Government any commensurate revenue while it has no revenue-yielding agricultural sector. As a result, West Bengal, today, enjoys the unenviable position of having great concentration of wealth but little power by which this wealth can be taxed for the benefit of the poorer people living in the midst of that wealth. This great disparity between wealth and taxability is the biggest tragedy in the State and this is at the root of most of the malady from which the body politic of this State suffers.

"This is the problem peculiar to West Bengal and it cannot be solved without giving to the State Government a commensurate share in the tax on industrial wealth and industrial income."

In spite of the said appeal to the Second Finance Commission, in the award which has been published, the population basis has been increased and the collection basis has been decreased and West Bengal has suffered by the recommendations of the Second Finance Commission.

I shall conclude my speech by reading another portion from this appeal which will prove how unfair it is and what injustice has been done to this province.

"West Bengal is, perhaps, the only State where the agricultural sector is decadent and is too weak to yield any revenue. But, the Constitution has made the State Governments mainly dependent on revenues from the agricultural sector. Land Revenue, Forest receipts and irrigation rates, which yield large revenues in other States, are practically non-existent in this State. Essential land reforms just introduced will in a year or so make receipts from the agricultural income-tax insignificant. West Bengal has, however, a large and prosperous industrial sector and in fact, it is on this sector that the economic condition of West Bengal depends. But, the State has no power to tax industrial income or industrial wealth for the benefit of the poorer people living in the midst of the same. Thus the Government of West Bengal has power to tax wealth which the State does not possess but has no power to tax wealth which the State has in plenty..... So, there is now the maximum exploitation of the constitutional powers of taxation and there is little possibility of any further increase from State

sources. In these circumstances and in view of the particular division of taxing power and the peculiar economy of West Bengal, further progress and development in the State must depend mainly on federal finance transfers."

Recently, the West Bengal Government has introduced in the present Assembly session some taxation proposals by which they are increasing the tax on electricity used for fans and lights. They have also increased the tax on aviation spirit, motor spirit and lastly they have increased the tax on diesel oil also. As a result of this minor irrigation also suffers. In conclusion, I would request the Finance Minister to consider this question of increasing the grants to West Bengal.

There was a rumour in the press that in the last Finance Ministers' conference which was attended by Dr. B. C. Roy, the Chief Minister, Rs. 3½ crores had been given further to West Bengal. Of course, we do not know the authenticity of the news. However that be, I would request the hon. Finance Minister to consider about increasing the grants to West Bengal in order to save her from her miserable conditions.

Shri N. R. Munisamy (Vellore): Mr. Chairman, some of the friends here humourously remarked that Madras Members need not participate in the discussion on these two Bills for the reason that the Finance Commission was led by an individual hailing from Madras and the Finance Minister, who is all powerful, is also from Madras. I take it that they never meant anything except to say that unless the child cries, the mother will never see that the child is fed. We must have our share in these discussions and offer our suggestions.

Before I deal with these Bills, I wish to make a few preliminary remarks. I am afraid the Finance Minister has not given due consideration to the entire Commission's report. I do not know whether it is due to

[Shri N. R. Munisamy]

lack of time or whether he has complete faith in the Commission's report as not to change even a word or comma or dot or a full stop. He has incorporated the entire recommendation. There was nothing to add to it. I would respectfully state in this regard that instead of wholesale following the recommendation, it would have been much better if it had been screened by an expert, for this reason that when any Commission makes its report, unless the recommendations are formulated with complete knowledge of the Finance Minister or others, the recommendations have certainly to go through some other procedure. Now, I find it is not so. The report was printed somewhere in the middle of November and the Bills also have been prepared subsequently, a week or ten days thereafter. It would mean that they have been completely appraised of the day to day enquiry and they were satisfied.

Shri Naushir Bharucha (East Khadesh): On a point of order, Sir, my friend is casting aspersion on the Finance Commission that from day to day they kept the Government informed and the whole thing was prepared in link with the Government.

Shri N. R. Munisamy: I think there is some misapprehension that unless it be in that way, we cannot expect incorporation of this. I only suggested it may be like that. I did not cast any aspersion on the Finance Commission, much less on the Finance Minister. I do not think there is any point of order.

Going further, I wish to make a few remarks in connection with this. Let me take first the Union excise duties. The Finance Minister said that instead of 40 per cent., it has been reduced to 25 per cent. but on the whole, the States get more than what they would otherwise get if 40 per cent. had been adopted. The reasons are that the range of commo-

dities has been enhanced and as a result of that, they are likely to get more money, that the divisible pool will be large in its size and their share will be increased. That is the reason which he has given.

I would say, if, instead of 25 per cent., 40 per cent. had been adopted and the range had also been widened, we could have had much more money than we would otherwise get if 25 per cent. had been adopted. I find from the Commission's report no valid reason assigned why they have adopted 25 per cent. and not 40 per cent. I have read these pages carefully to see whether they have adduced any reason for reducing the percentage though the range has been widely increased. I would respectfully say that this is only arbitrary fixing of 25 per cent. and not 40 per cent. The reason why 40 per cent. was fixed was also not there. The only thing is, it has been so done for so many years. Now that we are enhancing the range of the commodities, they thought, it could be reduced because the overall divisible pool would be increased at every stage and as a result of it, we can reduce it to 25 per cent. I do not find any cogent reason has been adduced by the Commission or by the Finance Minister.

The other point is, I find all the States have given some suggestions or other with regard to the division of excise duties. But, I do not find any from the Central Government. The Central Government is also a State. No attempt has been made by the Commission and no memorandum has been submitted by the Central Government as to its own reactions and its own ideas. The Central Government deals with the Union Territories and they have got their responsibilities. Except that 1 per cent. or half a per cent. that is fixed there, no reaction has been stated by the Central Government. In the absence of it, I respectfully say that their reactions must have been taken into account, so that we could understand

what is the view point of the Central Government.

In regard to the Union excise duties, several States have given several principles of distribution and proportion, with regard to the population basis, some on the basis of area and some on the basis of consumption. Ultimately, the Commission has come to the conclusion taking this as the background and fixed 25 per cent. I would respectfully say, instead of going into the question of consumption or area or any other thing, they could have taken the population as the main basis for distribution in which case it would have been 40 per cent. or even 35 per cent. It will never be 25 per cent.

As regards the other Bill, in regard to estate duty and tax on railway passenger fares, I would say that so far as estate duty is concerned, the Act was passed in 1953 and we have been distributing, out of the collections, amounts to the various States for the last four years on some basis. They have to be distributed only according to an Act passed by Parliament and it is quite natural that a Bill has to be introduced in order to lay down the principles of distribution with regard to the estate duty. Estate duty and the tax on railway fares need not have been clubbed together. The Act in respect of railway fares was passed recently. The schedule that has been now been appended to the present Bill could have been incorporated in that Act itself as one of the schedules. We could have amended that Act itself, instead of having this procedure of clubbing it with estate duty. Estate duty comes under a separate article, and it has been long pending. For the last four years we have been distributing the entire collection on an *ad hoc* basis, and it is but fair that we had that matter dealt with separately.

So far as estate duty is concerned, certain principles have been evolved with regard to the ratios that movable and immovable properties bear to the entire proceeds of the collection, and the ratios that they bear would be

adopted with the regard to the distribution of the divisible pool to the different States. Instead of doing that, I suggest that the entire collection on movable and immovable property may be pooled together, and we may have only one data, applying it to the States, instead of having money recovered from movable property and immovable property. We have already eliminated the value of agricultural property. Therefore, for the purpose of having clear-cut data for distribution, instead of the cumbrous and confusing method envisaged at present, the one suggested by me might be examined by Government.

We have to find some way for financing the State Governments because they have entered upon several schemes of economic development and industrial development. The Finance Minister should take courage and find some way of enhancing the money given to the States. He can conveniently set aside certain principles for the time being because we are in dire need of money. The policy with regard to prohibition and salt duty might be reconsidered.

I am of the opinion that prohibition as well as salt duty put together would easily fetch about Rs. 150 crores a year. The salt duty alone will bring about Rs. 100 crores and prohibition the balance. Many States are not happy over the working of prohibition, and they have to pull on with this programme much against their own conscience. I find that in the villages a spirit of exceptional co-operation between the administration and the villagers has been inculcated. The villagers are happy and they do want prohibition to be scrapped at all, because they know the advantages they enjoy by having prohibition, as they are able to earn more than they would be able to do otherwise. The net result is that we have been seeing a good deal of agitation in some States as regards land reform. The landless labourers are not at all lazy; only they do not have irrigation facilities or enough money to carry on cultivation. Because of the vagaries of the

[Shri N. R. Munisamy]

monsoon, and the absence of enough funds to carry on cultivation operations, they resort to illicit distilling because they can easily do it in a corner of the village and earn a little by it.

So far as the Five Year Plan is concerned, we can give enough money to the States, because the salt duty can get us a large amount of money. I say this with certain reservations because I fear that the expression of this idea might go against the very fundamental principles of our Constitution.

After all, we have to find money. It is said that scrapping of prohibition is immoral and that any money got by scrapping prohibition will not do any good to the country. I can only submit with great respect that it can be pushed through provided we suspend our prestige to some extent.

Shri Vasudevan Nair (Thiruvella): May I submit that a large number of Members want to take part in the discussion and that we have got very little time before us? As the Bills are being discussed together, you may increase the time by one hour.

Mr. Chairman: Let us see. As a matter of fact, we are not yet short of time. It may be that I may be able to accommodate all the Members who are desirous of speaking, and as regards such of them who do not get time, I will see that they get time in the third reading. Shri Guha.

Shri Dasappa (Bangalore): What about the States which have had no chance?

Mr. Chairman: Certainly I shall try to see that every Member gets a chance, but I would request hon. Members to be rather brief, because, after all, the number of speakers is very large and time has to be distributed among all those who desire to speak.

Shri A. C. Guha (Barasat): The difficulty is we have not been given an opportunity to discuss the Finance

Commission's Report. Had we been given a chance, many of the points mentioned here would be avoided. Anyhow, we shall try to be as brief as possible.

These two Bills are of a somewhat peculiar nature. They are being sponsored by the Finance Minister, but neither he nor his Ministry can be held responsible for anything contained in these two Bills. There is a sort of vicarious charge and that is why it would be easier for me to deal with these two Bills.

India has got a federal Constitution, and the States have been allowed some amount of financial autonomy, but what is the marginal line between the Centre and the States as regards taxation? It is very difficult to determine this and draw a definite line.

India started with a unitary financial system, and it is only from the beginning of this century that a certain amount of devolution has been effected in favour of the States. The present position is not quite logical, but it has some historical compulsion behind it. The Finance Commission in its report has pointed out, and this House also knows, that the States have been left with a very inelastic source of revenue. As my hon. friend Shri Barman has stated, it is easier for the Central Government to raise a considerable amount of money, but it is very difficult for the State Government to raise even a paltry sum of Rs. 2 to Rs. 3 crores annually by way of additional taxation.

If we look at page 28 of the Report we find that in the First Plan period the States were expected to raise Rs. 230 crores, but they could raise only Rs. 80 crores, that is, only about 35 per cent. of the target was achieved. I do not know how the Finance Minister would envisage the performance of the State Governments during the Second Plan period. The other day in the course of his reply on the debate on the Plan, he has expressed his worries as to the capacity or the willingness of the State Governments to raise sufficient money for

financing the Plan. Sir, it is often a question of day to day current venue being deficit and States often find it difficult even to maintain their administrative machinery with their revenue budgets. So, I do not know how the Finance Minister can expect Rs. 350 crores plus Rs. 850 crores, that is Rs. 1,200 crores to be met from old and new taxes jointly by the States and the Centre. How that expectation would be realised, I do not know.

13 hrs.

The Finance Minister yesterday said that he is the most unhappy person because he has to part with Rs. 52 crores more annually, but I agree it is not an easy job for him to give some additional revenue to the States from the Consolidated Fund of India. But I think his estimate of Rs. 52 crores is some what exaggerated. From this fund I think the States would get about Rs. 24 crores additional as grants-in-aid, about Rs. 7 crores as additional from excise and about another Rs. 6 crores or near-about that from income-tax, which in all would come to about Rs. 38 or Rs. 39 crores. The taxes on railway fares and estate duty of course really do not belong to him. Under the Constitution, they belong to the States. The tax on railways may yield near about Rs. 12 crores and of the estate duty it is very difficult to make even an approximate estimate. Anyhow it is not expected to exceed Rs. 3 crores.

However, if the States in the remaining period of the Second Plan get this additional Rs. 52 crores, I think it would be proper for the Finance Minister to take this House into confidence, with this allocation, does he expect that the States would be able to discharge their responsibility as regards their administrative expenses, and also meet the expenditure to be incurred on the Plan. That is a vital matter for this House and also for the nation.

I find, Sir, from this report that last year, this year, every year, the total

revenues of the States, inclusive also of the Central aid, were falling short of the expenditure. They were running at some deficit year after year. I am doubtful if this new allocation would fill up this gap and would make the States solvent.

Then, Sir, there is the question of grants-in-aid. Besides the grants-in-aid mentioned in this report, there are other grants also which the State Governments usually get from the Central Government, as for example, for grow-more-food, for rehabilitation, for Scheduled Castes and Tribes, for primary education and for many other things. This House is in a most peculiar position as regards this money allotted by this House year after year, and I am sure the Finance Minister also must not have been feeling very happy about this allocation. We, as representatives of the nation, pass huge amounts, several crores of rupees, to be handed over to the States. This House is responsible to the nation for the expenditure of any amount sanctioned from the Consolidated Fund of India. After giving our vote for the amount to be allotted to the State Governments, under several heads of grants-in-aid this House has got very little opportunity to see how the grants are being spent, and I feel the Finance Minister has also got little control or has got little information about the expenditure of the amount sanctioned by this House from year to year to be allotted to the different States on different subjects.

The other day, in reply to a certain point of mine, the Minister of Food and Agriculture, referred to the failure of the States Governments to increase food production inspite of huge amounts being sanctioned year after year to those State Governments under the head of grow-more-food or minor irrigation schemes, or something like that. The Ministers here have got no authority over the amount that is handed over to the State Governments. I wish some logical position may be devised so that this House may not be

[Shri A. C. Guha]

put in this anomaly of sanctioning certain amounts from the Consolidated Fund of India, but having no control and check over the expenditure.

Sir, in certain Federal States there is only one budget, the Central Budget. That is the case in U.S.S.R., in Germany and to some extent also, I think, in Switzerland. I do not think such a position would be possible here. If that is not possible, then I think the Centre should decide to allow more scope to the States so that the States can find their own money and may feel that the money that they are spending is their own, not gifts from the Central Government regarding which naturally they cannot be expected to be very particular. If the money is raised by them they have to go to their own legislature, ask for the vote in the form of new taxation proposals. But here they get the money from the Central Government and for that money they have not to take any sanction from the State legislatures. So the State legislatures also do not feel the responsibility of supervising the expenditure of the amount. If they have to give the vote for new tax proposals to raise the money, then the responsibility would be felt squarely and fairly by the State legislatures. I humbly suggest to the Finance Minister to see if anything like this can be evolved so that this anomalous position of making grants-in-aid may be avoided.

Sir, at page 72 of this report there is a sentence to the following effect—

"It is for consideration whether the time is not ripe for a review of the constitutional position dealing with the financial relations between the Union and the States."

I think it should be seriously considered whether scope of the State revenues should be widened and the States should be asked to find their own money, or in the alternative—which I feel will be considered as a retrograde proposal by the States surely—there should be one Central Budget and this House will allocate

money to the States and this House will have the responsibility and authority over the expenditure of the money allotted to the States.

Then, Sir, coming to the provisions of these two Bills, several Members from Bengal have already ventilated the grievances of Bengal. I hope the Finance Minister will not consider that Bengal, like the hero of Dickens, is always in the habit of asking for more. There is a genuine case for Bengal to be considered. I do not quite disagree that collection of revenue should not be the sole basis for distribution. But that does not mean that population should more or less determine the allocation of revenue between the States. Other factors also should be considered.

It is a peculiar position that though all the States belong to one country, the revenue of the different States varies from Rs. 9 to Rs. 19 per capita, inclusive of the Central aid. The State which is in the happy position of spending Rs. 19 must be looked upon with some amount of jealousy by the State which can afford to spend only a revenue of Rs. 9 per capita. Naturally, there will be disparity in development. In a federal country, in spite of the States' autonomy, I think it should be the general policy of Government that there should be equality of development, and for that, it would be necessary that each State should have more or less equal per capita revenue. It may not be exactly equal, but the disparity should not be so much as from Rs. 9 to Rs. 19 per capita. The revenue of the neighbouring State of mine, namely Bihar, is the lowest. Any poverty in Bihar affects the economy of Bengal. I know that if the employment potentialities available now for a number of Biharis in Bengal are closed, then an impossible situation will be created in Bihar; so, it is not a feasible proposition that the employment potentialities in Bengal should be closed to anyone coming from Bihar. At the same time, if this disparity continues,

and this consequent encroachment from neighbouring States continues, then there must be some amount of jealousy between the States; you cannot avoid what is just natural and psychological.

So, I would plead that Government should see that there may be some amount of parity between the per capita revenues of the different States.

Now, I come to the question of borrowing power. That is a sign of financial autonomy. That power for the States exists today only in the theory. This year, the States were advised not to go to the market for borrowing. I think only one State could have the courage to go to the market, and that was Bombay; no other State.....

The Minister of Finance (Shri T. T. Krishnamachari): Two States went, namely Bombay and Mysore.

Shri A. C. Guha: Anyhow only 2 States. Other States had not the courage to go.

Shri B. S. Murthy (Kakinada—Reserved—Sch Castes): Neither a lender nor a borrower be.

Shri A. C. Guha: So, the borrowing power of the different States has practically vanished. Then, where is the financial autonomy of the States? The only source for the States to borrow from is the Central Government.

The Second Finance Commission has made certain recommendations on the loans so far taken by the State Governments. I find that about 2792 loans have been given to the States, totalling to above Rs. 880 crores. While accepting the other recommendations of the Second Finance Commission, the Finance Minister has been somewhat reluctant to accept this recommendation of the report as regards the rationalisation of these loans. I hope the Minister will agree that these loans are on an *ad hoc* basis and on the most irrational basis. There is no symmetry; there is no policy background as to the manner in which these loans have been given, and the basis on which they have been given.

There is nothing definite about these loans. I feel that the Finance Minister should agree to accept the recommendation without any reservation in regard to the rationalisation of these loans. That would mean only Rs. 5 crores for him annually. If he could part with Rs. 38 or Rs. 39 crores, Rs. 5 crores could be easily swallowed or rather disgorged.

I now come to the tax on railway fares. If it was not quite fair to allocate the income-tax to the extent of 90 per cent. on population basis, I think it was most unfair to allocate the tax on railway fares on route mileage. If a certain State has not got sufficient route mileage, that means that the State concerned has got a grievance against the Central Government. It is not the responsibility of the State Government to construct route mileage in its territory. If Orissa has not got sufficient route mileage, that is because of the failure of the Central Government. For this are we going to penalise that State? But that is what has been recommended. It is the responsibility of the Centre to construct railway lines in different States, and they have neglected certain States. Now, to come and say that there is not sufficient route mileage in a particular State, and, therefore, that State would not get sufficient share of the tax on railway fares, is a very unfair thing. Having done some injury in the past, again to penalise them by inflicting another injury on that State is very unfair.

Shri Bimal Ghose (Barrackpore): Equalise the size of the States.

Shri A. C. Guha: Route mileage is no criterion for allocation of revenue. In the Southern Railway, the revenue per route mile is only about Rs. 22,000, whereas in the Eastern Railway, the revenue per route mile is about Rs. 60,000. So, how can you divide the tax on railway fares simply on the basis of route mileage? I am sorry the Second Finance Commission have not given sufficient thought to this aspect, and they have not given

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any reason why they have taken route mileage as the sole criterion for the distribution of this tax on railway fares.

I hope the Finance Minister will look into this matter. I know it is not possible for him to alter the recommendations, and I am not asking him to do that impossible thing. But he may see that certain States, which might have some genuine grievance in this matter, may be compensated otherwise. On the proposed basis, Uttar Pradesh and Bombay would take away about 35 per cent. of the total revenue accruing from this tax on railway fares, while the remaining eleven States—I think Jammu and Kashmir has no railway—would get only 65 per cent. Is it fair that two States should take away 35 per cent. of the total amount available, while the other eleven States should get only 65 per cent? I place all these things for the consideration of the Minister, so that he may do justice to the other States at the appropriate time.

As regards Central excise duties, the Commission have extended the number of items from three to eight, but have reduced the divisible pool from 40 to 25. They have increased the total divisible pool by only Rs. 6 or 7 crores. I do not know why they have fixed the number at eight and not at ten or any other number. I see no logic behind that recommendation. I find from the report that all the States had asked that cotton cloth be included. I think it should have been included.

Lastly, for the purpose of calculation of the excise duty, I do not know on what account the refugees in West Bengal have not been taken into consideration. Their number, even after the 1951 census, would be not less than 25 to 28 lakhs. If that had been taken into account, West Bengal would have got a few more lakhs of rupees on that score. So the number of refugees should have been taken into consideration.

I would again press on the hon. Finance Minister the case of West Bengal which deserves serious consideration. It is a problem State because of many factors, particularly Partition.

13-21 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Shri Mohamed Imam (Chitaldrug): The Finance Commission is appointed once in five years to study the financial condition of every State and to suggest measures to see that these States carry on their normal functions without any financial embarrassment.

The Commission which has reported was appointed recently. It is true that it has done a little justice to the States, but I am afraid it has not done full justice, and it has not gone deeply into financial matters and financial condition of the various States as they prevail today. I am pleading for those States whose financial condition...

Shri T. T. Krishnamachari:... has been greatly benefited!

Shri Mohamed Imam: I am going to find out how far the States have been benefited, whose financial condition is far from satisfactory and who have been entrusted with responsibilities and obligations which are far beyond their capacity. The States are not in the same position as they were before. This sad condition and plight of the States commenced from the time of the Financial Integration which took place in 1948 or 1949.

Shri Dasappa: 1950.

Shri Mohamed Imam: I am sure many of us, especially my hon. friend Shri Dasappa who was a Finance Minister, and also the Finance Minister, know what was the financial position of the States before financial integration. I am coming from Mysore and I can speak with some amount of authority, being associated with the administration of Mysore for a long time. The State of Mysore prior to integration never depended on Central assistance. Its revenue and expenditure were within bounds. It had built up

substantial reserves for various developmental activities and without any Central aid, it did carry on many works of development. For example, Mysore has to its credit the position of being the pioneer in hydro-electrical industries. It built many irrigation dams; it built many industries; it built many communication works. All these were done with its own resources. And while it spent on all such developmental activities, its financial position was quite sound, so sound that for decades and decades the Government of Mysore did not have recourse to any fresh taxation. I might also state that as compared to the present administration, the financial administration at that time was wiser and more prudent because the Government in those days never indulged in ideological or reckless expenditure. Now, what a contrast!

Sometimes I feel when I study the present state of Mysore, how dependent it is on Central assistance. I have often remarked that not only Mysore but other States have become the pensioners of the Central Government. They have lost all initiative and are living on the doles and grants of the Centre. If the Central Government stops these, I think practically most of the activities of the States will be paralysed. That is the state of affairs.

Now, what is this due to? Who is responsible for it? What are the factors responsible for this poor financial position of the States? Firstly, various fruitful and elastic sources of revenue were taken away from the jurisdiction of the States. Secondly, the present democratic Governments began to spend regardless of available resources. Thirdly, the debt position of all the States has mounted to such an alarming extent that the Finance Commission has refused to deal with this question at all, beyond stating that it has become a deadweight.

Having lost all these fruitful sources of revenue, when the Central

Government asked them to incur more expenditure on developmental schemes and other schemes of the Five Year Plan, when they found that the domestic resources remained the same while the expenditure went up by leaps and bounds, it could not but be expected that the entire financial equilibrium of not only the State of Mysore but all other States also was upset. It was pointed in the Report of the Finance Commission that they should have recourse to their own tax efforts. They must raise their own resources. I know from my experience that the States did their best.

Now, what are the sources of revenue left to the States? Excise duties have been taken away. Income tax was taken away. All elastic sources of revenue have been removed from their jurisdiction. What are the sources left? Only land revenue, agricultural income-tax, sales tax and perhaps income from motor cars, automobiles, stamp duty and court fee stamps. Within this limited scope, the Mysore Government has done its best. For example, if you look at the Finance Commission's Report, statistics given there indicate that the entire income from tax sources in Mysore in 1951-52 was Rs. 600 lakhs. In 1955-56, it is Rs. 800 lakhs. So during five years, the State has raised its tax revenue by Rs. 200 lakhs, by imposing fresh taxes. If you compare the tax revenue of 1950-51 with what it was in 1947, you will find that it had gone up nearly three or four times. So the Mysore Government cannot be accused of having failed in implementing those recommendations, that they have not done their best. That they have done their best is borne out by facts. They have increased the taxes much to the discomfort of the people.

I say the Indian people are very unfortunate so far as taxation is concerned. It is not one agency that taxes them. The same person is taxed on the same commodity by three different sources. First, the

[Shri Mohamed Imam]

Central Government taxes him without any compunction. Then the State Government taxes the individual. After these two, come the local bodies; they have their own measures of taxation. So, the Indian citizen is exposed to these taxation blows from three sides and there is a recommendation to tax the individual. I think this is considerable danger which an Indian citizen cannot face. In spite of this, the Mysore Government has done its best. In spite of this, what was the financial position last year, 1955-56? I was there. As represented by the Budget of the then Finance Minister, after reorganisation of the State, the Mysore Government had to face a deficit of Rs. 9 crores.

For the implementation of the Second Five Year Plan the Mysore Government has admitted that they can set apart from their State resources only to the extent of Rs. 1 crore. For the whole State of Mysore, it is Rs. 83 crores. Their statement is that under their present resources they can set apart only Rs. 1 crore. So, the other Rs. 82 crores has to come either through extra taxation or through borrowing or from the Centre.

How is this position going to be improved? I say that the Finance Commission has not gone into the entire structure of the finances of the State. They have confined themselves only to the normal expenditure and the committed expenditure. They have removed from the Budget purview the works of a capital nature; they have removed also the amounts that were set apart for amortisation of public debts and compensation and they have only taken the normal expenditure and the normal income and they have concentrated their attention only on that. But, I wish they had taken an overall picture of the entire fiscal need of the State.

For example, I see, now the recommendations they have made just

balance the Budget. Supposing the State is unable to get about Rs. 8 or Rs. 9 crores more. What about their commitments which they have to discharge under the Five Year Plan? The total for the State of Mysore for the total Five Year Plan is about Rs. 146 or Rs. 156 crores. So, every year they have to find out or set apart Rs. 30 crores for the implementation of the programmes of that year. How is this going to be achieved?

I am afraid the Finance Commission have not taken all these aspects into consideration. I wish they had taken into consideration the entire need—a comprehensive survey of their need—and their obligations for the entire period and made their recommendations and also shown some ways and means of implementing these. It looks as if the recommendation is only a tentative one and it covers only normal revenue and normal expenditure. They have not made any recommendations as to how far these extra commitments have to be implemented and how far this amount is to be found.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shri Mohamed Imam: Sir, for the first time I am speaking.

Mr. Deputy-Speaker: That is a different thing.

Shri Mohamed Imam: I will finish in 5 minutes, Sir.

Mr. Deputy-Speaker: I am giving only 10 minutes to each hon. Member because there are so many hon. Members.

Shri Mohamed Imam: I will finish in five minutes.

Mr. Deputy-Speaker: Even the second bell has gone. The hon. Member should finish in one minute.

Shri Mohamed Imam: I will submit only one thing. It looks as if there is

too much of over-centralisation. It is this over-centralisation that has made the States lose their initiative, that has upset the financial equilibrium of the States. They have lost their initiative; they have begun to depend upon the Centre for every pie so much so you find the position of the State Ministers coming to Delhi almost every month and meeting the Ministers here. Unless the entire picture is examined and unless there is a certain amount of decentralisation, I am afraid, the position will become worse and worse.

They speak of this grant-in-aid. I do not want the States to be entirely dependent upon the Centre. I wish a permanent provision is made to the States so that the States may be sure of their financial position and adjust themselves. This has provided only Rs. 6 crores to the State of Mysore. What can that do? We have got the Bhadra Reservoir scheme and the Shiravati hydro-electric scheme and various other schemes and we expect the State to carry on all these developmental activities with this meagre sum.

So, I submit that the entire picture should be reviewed and whatever amount is needed for the States for the implementation of their obligations, apart from what they raise, the entire amount must be made good by the Central Government, because it is the Central Government that is mainly and directly responsible for the depletion of the revenues of the States whose fruitful and elastic sources of revenue were taken away by the Centre.

There is no meaning in reducing the percentage from 40 to 25. This is taking away by one hand what is given by the other. We have added some more commodities. I wish a definite ratio of the excise is earmarked for the States.

Shri Naushir Bharucha: Mr. Deputy-Speaker, Sir, the problem of the distribution of union excises is just like the problem of distribution of legacies. Nobody is satisfied and whichever way the distribution takes

place, there is always bound to be some considerable opposition.

I have been hearing carefully the speeches of various hon. Members who have been putting forward a plea on behalf of their States. I think the problem requires to be looked at from different angle.

Prior to 1952, no excise revenues were distributed. The first Finance Commission gave a limited share in the excises. The second Finance Commission has expanded the share. But, still people are not satisfied. The main thing in the speeches was that the basis on which distribution was recommended is not correct. I should like to ask those who have been criticising the basis of the distribution, what concrete suggestions can they make. If you take population as the basis of distribution, there is bound to be injustice. If you take consumption, it is very difficult to get statistics; if you take into consideration, the extent of territory, one wonders whether that would be a satisfactory criterion. If you take the backward condition and economy of a particular State, one doubts whether that will satisfy anybody. We cannot take the tax-paying capacity of the people as a criterion; nor can we take as criterion whether there is a balanced budget there or not or whether there are peculiar needs which perhaps, to an extent, have to be taken into consideration.

The point I am making is that while the Finance Commission is being criticised for having taken this, that or the other criterion, nobody has suggested what is the correct criterion to be taken when it comes to the question of distribution of the excises or the taxes on passengers.

If we take two or three such criteria together and try to distribute, I am afraid, the problem becomes still more complicated and there is no absolute solution. I wonder if the framers of the Constitution, instead of making provision for the appointment of a Finance Commission, had

[Shri Naushir Bharucha]

said that all of the Finance Minister meet together including the Central Finance Minister and find out an agreed solution, I am sure they would not have been able to do that. We have got to accept these recommendations in the nature of an arbitration and arbitration does not satisfy everyone.

It is true that the States do require a larger share. On that point, there is no doubt because today we are committed to a socialist pattern of society and, naturally, the States go in for more and more reforms and welfare projects. In some cases, I am inclined to think that the States which have made fetish of prohibition do not deserve any grant from the Centre. The States want to have the luxury of prohibition—and I confine myself to the experience of my own State of Bombay, I am inclined to think that how can a State which squanders away Rs. 25 crores every year in the faith that they are implementing the programme of prohibition, how could such a State come with a beggar's bowl for a crore or two crores of rupees from the Centre? I also find that the States depend more and more upon the Centre without making any effort to levy taxes themselves. If we examine the resources of the Five Year Plan and also the present budgetary position of the States, we find there is considerable lag. In the course of a debate, speaking in the Rajya Sabha, the hon. Finance Minister has stated: "We have got to carry the States together; we have got to put our best efforts; goad them and prod them on, but if they do not proceed further, we have to carry the burden." If that line of argument is persisted in, the States will more and more want to be spoonfed. Therefore, the time has come when we must decide on certain principles: on what basis the Centre will advance a share in the excise duties?

I am inclined to think that what the Second Finance Commission has

recommended is a reasonable proposition in the sense that by and large it does justice, or, if hon. Members so choose to call, distributes harshness equally among the States. But, in addition to that, where certain development projects undertaken lay a special obligation on the States to incur heavy expenditure, then the Centre should have a policy of giving ad hoc grants. Ad hoc grants are given in Bombay. Bombay Municipal Corporation was getting ad hoc grants from the Government of Bombay to tide over financial crisis. In special cases it might be done.

I like the idea of my hon. friend, Shri Guha, that the States should be compensated according to their peculiar needs in some other ways, say, by grant-in-aid. Whether you like it or not, grant-in-aid is the only practical alternative.

It has also been said that in the matter of tax on passengers, the basis of distribution is unjust. Of course it is unjust. As my friend, Shri Guha said, the earning per mile is different in different States. Therefore, if you take the route mileage, it not only ignores the earnings per mile; in addition to that it completely ignores that the railways had come to exist largely as a matter of historical necessity and geographical expediency. It is wrong to say that route mileage is the only criterion but what other things can be said? Can we suggest population? We are distributing tax on passenger fares. It is not excise duty which depends upon consumption which in turn depends upon population. If you are going to distribute tax on passengers it is a different category of tax from the Union excise. What practical criteria can we take?

Shri Biren Roy: At least the basis of Travelling mania and number of travellers.

Shri Naushir Bharucha: It is very difficult again to take travel as a

criterion. Because, mostly the traffic originates from Bombay and comes to Delhi passing through so many states; they will not get travellers in that sense. Whichever the criterion you take, there is bound to be injustice and it is a futile attempt to try to reconcile all these criteria by an attempt to distribute on the basis of other than what the Finance Commission has done. States' efforts require to be supplemented by some sort of a grant-in-aid, either *ad hoc* or spread over a number of years. It has got to come that way. This grant-in-aid should take the form of a compensatory re-adjustment. I was rather surprised to find only 467 miles in Kerala. In a case like that, it deserves some compensation. There may be other special features where compensation is deserved. Care can be taken in these things by readjustment, special grants-in-aid, whether spread over a number of years or promised or given on an *ad hoc* basis.

The Finance Minister can do nothing else than accept the provisions of the Finance Commission. As one hon. Member said, he had not altered a single dot. What does he want—to shift the decimal point? It cannot be done without upsetting the calculations and causing injustice to someone else or causing a dent in the revenues of the Centre. These proposals must be regarded as part of the entire Plan for the Centre to help the States. I do expect that the Finance Minister will come up with the proposals for assisting the States on the basis of the special requirements and needs by giving such grants in aid, either temporary or permanent.

Shri Dasappa: Sir, due to limitation of time, I am afraid I have got to hurry up considerably. I have almost been nursing a grievance that my turn has not come earlier. But I am now thankful that it has come after the speech of my hon. friend, Shri Mohamed Imam. Let me answer him first. I really do not know what he was trying to aim at when he laun-

ched a kind of a protest over the whole question of federal financial integration. Possibly, left to his goodself, he would not like Mysore to join the Union at all. I conceive of nothing else to support his wonderful statement except an attitude of that nature. Federal financial integration does mean a surrender of certain sources of taxation which are common to all the States, namely, income tax, Central excises and things of that sort.

Shri Biren Roy (Calcutta-South West): Not always income-tax; in other federal States it has been accepted.

Shri Dasappa: I am talking only of the pattern to which we are subscribing. I am not talking of something else. I am only talking of our Indian Constitution.

Secondly, he seems to have stated that Mysore was in an extremely happy and comfortable position and that it was doing in such a marvellous way without recourse to any external aid, in the sense of going to the Centre for help. It was floating its own loans undoubtedly. Absolutely true. But, when he further proceeded and said that it went on a kind of expenditure which was inexcusable, I did not want to interrupt him. But I would like him to come up with courage and point out where we have entered into infructuous or unprofitable or useless expenditure. There may be room for a certain amount of difference of opinion in the case of one scheme or one building. But whatever we have done and have been doing ever since the federal financial integration right from 1.4.1950—I have had a hand in it—we have been in the closest touch with the Centre. There is no undertaking which we have taken regardless of the First Plan; there is no undertaking which we have entered into without the whole-hearted co-operation of the Centre.

There may be some fault in the State level. But, am I to think that the Centre was also guilty of that fault so as to simply enable the States

[Shri Dasappa]

to resort to this kind of an infructuous expenditure. I am very sorry that my hon. friend, Shri Mohamed Imam, should have launched on—I may almost characterise it as—irresponsible criticism. I know my friend used to be in the Opposition there.

Shri Mohamed Imam (Chitaldrug): I launched the same attack against you when you were the Finance Minister there.

Shri Dasappa: When it came to a question of binding him down to the particular items of expenditure which were objectionable, by any standards whatever, he had nothing to offer and so I do not exactly see what his opposition was and what his opposition is today.

Those were the days of splendid isolation when we had our own scales of salary which I am prepared to own were very low. With the development of this consciousness today of Indian nationalism, is it possible for us to stick to those old scales of salary? Is it wrong that the Central Government has come to the rescue of these smaller officials, and met a large percentage of the additional increase in their emoluments? Should not my friend have a word of thanks to the Centre for doing that without any fuss? He in his time launched certain projects, projects like the multi-purpose projects of Bhadra costing Rs. 40 crores. He did not launch the Sheravati Valley Project which costs Rs. 40 crores or Rs. 45 crores. Does my friend imagine that it is within the resources of the Mysore State to find all the money for the rapid implementation of these schemes? I am afraid my friend has given a wrong picture. We have only to go to the people. There are millions of people who are so happy that the whole area is humming with work, and within a few years you will find the waters from this project going and enriching the land. You will find the power

generated there practically building up the prosperity of the country. That is the result of this union, of the federal financial integration.

I am afraid I should not have entered on this controversy. What I would like to say about the particular measures before us is this. Shri Mohamed Imam referred to the Finance Commission confining itself more or less to the revenue side. If he had read the report of the Finance Commission he would have seen that it purports to deal with nothing else. In fact, in section III they have very well stated the exact scope of their function and their work. They say that it has got more to do with the revenue side than with the capital side. When the terms of reference, when the scope of the Finance Commission are so clearly defined, would it be fair on his part to say again that they have not taken into account the whole of the Plan expenditure and have not taken the full expenditure into consideration? That, Sir, would necessitate a different Commission and not the Finance Commission that the Constitution contemplates. In fact, I think, they have very clearly stated here—I will just read one sentence—on page 13 of their report:

"It will be an advantage if, in future, the period covered by the recommendations of a Finance Commission coincides with that of a five year plan. Further, it is desirable to eliminate the necessity of making two separate assessments of the needs of the States."

Earlier they have said:

"Secondly, the plan does not distinguish between revenue expenditure and capital expenditure...—I am referring to the Second Plan—"...while our main function under the Constitution is to make recommendations for the devolution of revenue resources."

Therefore, Sir, it is wholly beside the court for anyone to say that this

Finance Commission has not considered the question of capital allotment.

I would like to say just a few words with regard to the work of the Finance Commission. I have gone through the report in fair detail, though I have not seen every page of it. They have brought to bear upon their work a considerable amount of thought. They have taken into account every requirement of a State. My friend Shri Imam should see that of all the States Mysore gets as much as Rs. 6 crores grant every year. The next highest is, possibly, Rs. 4 crores given to Andhra Pradesh, and sometimes West Bengal also gets Rs. 4.75 crores towards the end of the period. Now, he ought to have, at least relatively speaking, been happy that of all the States in India Mysore has got as much as Rs. 6 crores. He says: "Of what use is it? Does Rs. 6 crores help to implement all the projects that are in progress?" This grant is not meant for that. There are other allotments which are going to be made for the purpose of completing those other projects to which he referred.

I may say in justification of the recommendations of the Finance Commission that they have taken a very realistic and objective view of the positions of the respective States. Why is it that they have thought of Rs. 6 crores for Mysore? There are reasons for it. You have had Hyderabad-Karnatak. There is no road between one district headquarter and another. Things have been so backward that hardly any progress has been made there. As regards educational institutions and so on, the less said the better. In Bombay-Karnatak also, those four districts, there is hardly any communication, and those that are there are few and far between. Various other things also have to be developed. With regard to normal development there is need for a lot of funds, and I am grateful to the Finance Commission for having taken a very sympathetic view of the position.

There is only one point which I will answer. My friend Shri Bimal Ghose

asked yesterday as to what is the fun of enlarging the number of commodities on which excise duties are levied and then distributing the same when it would be far simpler if you take textiles, say 60 per cent. or 70 per cent. put it into a pool and make it divisible whereby you will get the same return. The point is, it is not advisable to put all the eggs in one basket. For instance, if as Shri Ghose says a decision is taken to put a high duty on textiles and make it a divisible pool, in case by chance the Finance Minister thinks that it becomes necessary in the interest of the industry that the rate of excise duty has to be lowered, then what is to happen? We all stand to lose. It is true that recently the return from the excise duty has increased from about Rs. 50 crores to more than Rs. 250 crores, so that Rs. 7 crores that is now being added on for the benefit of States could not be very large percentage of the enhanced returns that we get under excise duties today. I am pretty sure that the whole scheme being one, it would be very wrong for us to touch any portion of the whole scheme which the Finance Commission had before it and has presented to us, and the hon. Finance Minister is perfectly justified in trying to sound a note of caution right at the beginning. For God's sake do not try to meddle with any one aspect of it, because that will mean so much of dislocation of the other aspects of the recommendations.

Sir, I have great pleasure in welcoming the two Bills, and joining with the rest of my hon. colleagues in thanking the Finance Commission for the very great work that they have done.

Some hon. Members rose—

Mr. Deputy-Speaker: I find there are four or five hon. Members still who are very anxious to participate in the debate.

Shri Shree Narayan Das (Darbhanga): Nobody from Bihar has spoken so far, Sir, therefore one

Member from Bihar should be allowed.

Mr. Deputy-Speaker: Normally it is time that I should call the hon. Finance Minister to reply. There is half an hour for the third reading and there will not be many amendments.

Shri Biren Roy: The time may be extended, Sir. We are to start with non-official business at 3-30.

Shri C. R. Pattabhi Raman (Kumbakonam): No one has spoken so far as Madras is concerned

Pandit Thakur Das Bhargava (Hisar): If we go according to the time allotted there will be some time left before we start the non-official business. So far as amendments are concerned, it is likely that some of them may be ruled as out of order. Therefore, there will be some time left.

Shri Biren Roy: We have to speak a little bit on them.

Mr. Deputy-Speaker: Then, if it is the desire of the House to extend the time, I will extend it by half an hour.

Shri Vasudevan Nair (Thiruvella): At least by one hour, Sir.

Mr. Deputy-Speaker: All right But now no fresh Members should stand up who have not expressed their desire so far, when they find that the time has been extended, because in that case we won't be able to accommodate all. I would request hon. Members to take only ten minutes and not more than that.

14.00 hrs.

Shri C. R. Pattabhi Raman: Mr. Deputy-Speaker, Sir, I had not really intended to speak when these two Bills were taken up for consideration.

As has been rightly pointed out by my good friend Shri Naushir Bharucha, magnificent work has been done by the Finance Commission who have balanced various considerations and arrived at the only conclusions possible, as he correctly put it. If

only it was left to the Finance Minister of India to negotiate with all the various Finance Ministers of States, there would have been no agreement at all so far as the financial distribution is concerned.

I was rather amazed to find complaints from various localities so far as the distribution is concerned. If I may say so, if anybody is to complain, if any States has to complain about the recommendations made, it will be Madras, Bombay or perhaps Uttar Pradesh. But none of these States appear to have complained much. So far as the point made by other friends with regard to what they called financial autonomy of the States is concerned I shall presently come to it.

The fact is this. Under article 283(2) of the Constitution, the distribution of the taxes has to be formulated by Parliament assembled here, and the second Finance Commission has made its recommendations which have been accepted by us. Some words fell from Shri A. C. Guha with regard to the principle—he questioned the rationale—for the reduction of 40 per cent to 25 per cent. He asked on what principle it was reduced. Actually, so far as the union excise duties are concerned, what we find is, the present list of matches, tobacco and vegetable products has now been extended to include coffee, tea, paper, sugar and vegetable non-essential oils. As a result of that, you will find that the amount now available is Rs. 27.80 crores as against Rs. 22.64 crores which the States were getting till now. That is an appreciable increase.

Likewise, when Shrimati Ila Palchoudhuri was saying that a special consideration should be shown to West Bengal I was rather amazed. Without meaning any disrespect, I may say that if any State really benefited by Central aid it was the State of West Bengal.

An Hon. Member: Question.

Shri C. R. Pattabhi Raman: I am not referring to particular items. But

take, for instance, the rehabilitation and settlement of evacuees. Even the Dandakaranya Scheme in Orissa is for the benefit of West Bengal. A lot of money, crores and crores of money, have been pouring into West Bengal, and rightly so. I am saying that they have suffered, and quite rightly money has been poured into that State. But to say that there has been some mal-adjustment, that there has been some, if I may suggest, partiality, so far as the distribution is concerned is going a bit too far.

Shri Shree Narayan Das: Dandakaranya scheme is a national scheme. It is not for West Bengal alone.

Shri C. R. Pattabhi Raman: I am not saying that we should not help West Bengal. I shall always say that we should help them. I am saying that money has gone to help West Bengal. It is our duty to help West Bengal. After all, West Bengal is in a very unique position. Look at the hundreds of thousands of evacuees or refugees coming there. Our sympathies are with them. I am only answering Shrimati Ila Palchoudhuri's complaint about distribution to West Bengal. I am not questioning the help rendered. The money and the help given to them are very necessary.

Shri Biren Roy: What about Punjab?

Shri C. R. Pattabhi Raman: I was referring to West Bengal. Help for Punjab also is very necessary. But no Member from Punjab got up and said that there is any partiality shown or that there was any maldistribution; because of that I did not refer to Punjab. The hon. Member is quite right. Punjab also is in a position similar to that of West Bengal.

Then, I heard my good friend from Mysore, Shri Mohamed Imam, complaining about Mysore losing as a result of the integration of that State with the Indian Union. I would like to know what the picture of Mysore would be if it remained a separate State and had to deal with defence, and with foreign affairs and embassies abroad. After all, unless there is

a wall, as they say in a Tamil proverb, you cannot write a picture. If the Union is strong, the rest of India is strong. If the Union is weak, there is nothing else to do about it. So, the complaint that there is much concentration on the Union is wrong.

So far as the principle governing the recommendations of the Finance Commission is concerned, they had not only to take into consideration the population basis but also the area basis. Just imagine this. Rajputana, a very big State, has large areas of desert. Some other States like Kerala or West Bengal they may be very small in regard to space or area—have a lot of people. So, the area of the States, the population of the States and the amount of tax collection—all these have gone into their judgement and decision. They had all these considerations in their mind.

Finally, I think that so far as this distribution or, as they call, dole from the Centre, is concerned, it is necessary that the developmental possibilities of the various areas have to be kept in mind. If it so happens that petrol is available in only one State, by all means, let all our money be spent on that State and let us produce more petrol, because by that one mineral, the whole of India is to benefit. Assam is a case in point. Therefore, to say that any one principle should weigh with the distribution of the amount so far as payment from the Consolidated Fund of India is concerned, will be quite wrong.

So far as Madras is concerned, it has been pointed out that we have suffered. But we have also gained by the recommendations. We are now getting an additional income representing 6.46 crores so far as the share of tax on railway fares is concerned. So far as the estate duty is concerned, it has been there from 1954 onwards, and pending the formulation of principles, the distribution which was being made in a certain way is now actually being confirmed. We have got a new tax, the tax arising from the railway passenger fares. The Bill also deals with the new tax has been levied as a result

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of the report of the Finance Commission. The tax on the railway passengers will go entirely to the benefit of the States.

It is true that, as has been pointed out, the States have now to rely on land revenue and on the sales-tax items. The better opinion seems to be that so far as sales-tax is concerned, as far as possible, the collection should be by the Centre and distribution also by the Centre. After all, what is the principle enjoined in the various provisions of the Constitution. It is this: assuring free trade and inter-State trade. Vexation and harassment as between State and State is not desirable. So, I would welcome the Centre collecting most of the items so far as the sales-tax is concerned. Let them collect it and distribute it.

After all, in Russia, what happens? In the Soviet Union, almost all taxation is indirect taxation. And that is a model—and that is copied as a model State by my friends on the opposite side. Therefore, all I am saying is that it does not lie in the mouth of anyone to complain with regard to the recommendations of the Commission. The Commission has done a magnificent job. Anyone who goes through the report will realise that the Members of the Commission have brought to bear their great learning and their experience in attending to their task and arriving at solutions which are most acceptable to Indians all over India. It is only by building a very strong India that we can ever make any progress either as a State or as a Union.

It has been stated quite rightly, that India is not a pure federation. Whenever there is a reference made to the federal units, I find people are moving away from the main point, though we are not like the United States of America. You have a New York state which is a very rich area. Texas is again a very rich State. Actually, the universities in Texas in the middle-west are very, very rich. People

there are getting so many facilities, because the oil kings are there. Other States in the United States are very poor. Fortunately, our Union is a quasi-federal Union. Therefore, it is that so far as the financial aspect is concerned, we have more power in the Centre. Though there is financial autonomy, strictly speaking, it cannot be called what is called State autonomy, *vis-a-vis* a federation.

I heartily approve of the two Bills before us and in doing so congratulate the Finance Commission on the excellent work they have done.

Shri Biren Roy: Coming practically at the fag-end of this debate, I shall not try to repeat the arguments that have been mentioned before. But I have to point out that our task would have been much lighter if we could have discussed the Finance Commission's Report. Then, these two Bills would have gone through very much quicker. We have now introduced certain things discussion of which here will not even make these quite explicit.

My friend who spoke last was quite right when he said at the end of his speech that India is not a federal Government. But it is a unitary Government; that is the trouble. Therefore, all the States have to come with a beggar's bowl. In that respect, my friend, Mr. Guha, made a mistake when he said that it is a federal system. It is not a federal system. Even in a federal system, as for instance in West Germany, the tax is collected mainly by the States and nothing accrues to the Union. Here, of course, we have no objection to the Centre collecting the tax; it is a custom and convention. But why should the Centre keep so much of the amount themselves and not give to the States what is attributable to them? Why should they try to distribute it mainly on the basis of population and only 10 per cent on other considerations?

The question of Punjab and Bengal looms largely in our view. In Bengal,

before partition, when East Pakistan was with us, the same amount of income-tax practically was collected and we used to get 20 per cent from the divisible pool. That was being carried on from the time of Meston's award and then Niemeyer's award. Suddenly when the partition came in, it was immediately brought down to 12 per cent and only when objections were raised there in West Bengal, in the Deshmukh's award—interim award—it was raised to 13.5 per cent. Unfortunately, the First Finance Commission reduced it again to 11.48. Now, by the Second Finance Commission, by taking into account the population basis, by raising the share on the basis of population from 80 per cent to 90 per cent, it has been reduced to 10.28 per cent or something. Bengal is in a very unfortunate position, because of the influx of refugees to which Shrimati Ila Palchoudhuri and others have referred. The position of Punjab also is the same.

We have been allotted certain grants, but what is the total liability of the State today? We have the stranglehold of the Centre. The liability of Bengal is over Rs. 134 crores and that of Punjab is Rs. 154 crores. When a recommendation was made by the Finance Commission itself about consolidating all these liabilities or writing them off, that recommendation was not accepted. But we were asked in this Parliament just to accept percentages which have been fixed on another principle and when most will not accept that principle. Certainly in West Bengal we cannot accept it, because of the fact that the density of the population in West Bengal has not been considered at all. Bengal has the second highest density of population in India. We have very little land and still we have tried to improve our revenues by only oppressing our own people, because in four years from 1951-52 to 1955-56, as taxation figures have been given, it has gone up from Rs. 23.86 crores to Rs. 29.13 crores, which is nearly Rs. 30 crores. This means an increase of 25 per cent in four years, and we have got prohibition also. We have thus

increased the taxes in West Bengal and even then we cannot meet all the expenditure.

So, if we really like to have a fair percentage of income-tax distribution, then 75 per cent should be distributed and the distribution should be on the basis of a compromise formula, which I have suggested in one of my amendments, namely, 50 per cent on the basis of collection and 50 per cent on the basis of population. That I think would be better.

Nobody has spoken much about estate duty. I put a question to the Finance Minister on this subject, but three times the question was disallowed. I suggested that we can follow the practice in other countries where the estate duty collection is made from the assessee and the assessee is given the choice of offering to the Government in lieu of money the assessed properties, so that the estate duty can be adjusted. That is one of the easiest ways in which the assessee's duties can be realised. Today when it is stated in the Bill that the immovable properties attributable to the States—of course, the gross value is noted—will go to the States, it is very necessary that either the Act is changed or the rules modified, so that the assesses pay their estate duties by choosing one or some of the properties as valued and assessed by the Government, not by themselves, in lieu of the estate duty assessed against them. This is fair, because otherwise what will happen? In view of the speculation, when they cannot pay in cash, those things will be sold at very low prices. That will mean not only the assesses themselves coming to grief, but also the money attributable to the State even from immovable properties coming down. Therefore, the Finance Minister should take notice of this and make the necessary changes either in the rules or in the Estate Duty Act itself.

Now, coming to the problem of the railway fares, basing it only on the mileage, as has been pointed out by several speakers, is really quite unfair. It has been pointed out that as

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we could not have sufficient data, this was done. We hope that in future sufficient data would be made available in the meantime, and not after five years. The Railway Board can easily collect the data regarding the number of travelling public in certain zones, the amount of travelling in that particular area and so on and the distribution can be made also on the basis of 50 per cent on collection and 50 per cent on such data that I have just mentioned. That will be the only other way to make it fair.

Coming to the percentage basis, the fact that Bengal has the second highest density of population in India and Kerala the first highest density should be considered and the percentages should be changed, as I have already indicated in my amendments. Perhaps my amendments may be ruled out of order and I may not be allowed to speak on them. So, I may only state that in the case of the Union excise duty, I have tried to put down the figure which was previously 40 per cent and already approved by practically every section. About the estate duty also I have explained. My suggestion is that the balance, in respect of immovable property, should be distributed on the basis of fifty per cent collection-wise and 50 per cent population-wise.

Shri Shree Narayan Das: Mr. Deputy-Speaker, while considering the figures for the distribution of these taxes between the Union and the various States, we have to take into consideration the responsibilities that have been placed on the Centre and upon the various States by the Constitution. In a matter like this, where the question of sharing taxes collected by the Union is concerned, there is every likelihood of disputes arising between the shares. After going through the report of the Finance Commission, I have found that when the States were asked to state what should be the basis of distribution of excise duties collected by the Union, the tax on railway fares and the estate

duty, every State came forward with its own suggestions and the suggestions of the various States are varying in nature. No State took the overall picture of the Indian finance into consideration. Every State suggested a basis which was beneficial or advantageous to that State. Therefore, although His hon. House has been empowered by the Constitution to lay down principles with regard to the distribution of estate duty, railway fares tax and excise duties, I think in a matter like this, the decision should lie with some independent organisation. Although as Members of Parliament we represent the whole of India while arguing the case, we are apt to be led away by the considerations existing in the States. But for Parliament it would not be a good precedent if after discussions we come to decisions on these things by votes. Therefore, I fully support the statement made by the Finance Minister that although under the articles of the Constitution, it is not the duty of the Finance Commission to lay down the basis of distribution of excise duties as well as taxes accruing from estate duties and taxes accruing from railway fares, the same was referred by the President for the consideration of the Finance Commission, and on the basis of the report submitted by the Finance Commission, the Government has come forward with these two Bills laying down the principles as well as the percentage of distribution of Union excise duties.

But I would like to say that some of the States, rather the majority of the States have suggested that all the excise duties at present levied by the Central Government should be brought within the purview of the divisible pool. I cannot say at this moment what should be the percentage of distribution, but the principle that the taxes collected under Union excise duties on the commodities that are at present taxed should be brought within the purview of this measure should be accepted. At present the collection of excise duty on only three commodities is distributed to the

States and the percentage of the States is 40 per cent. Now, when other commodities are also brought within the purview of this measure, the percentage may be reduced to 25 per cent. They have to decide it after examining all aspects of the question whether the percentage may be reduced to 25 per cent in view of the responsibilities of the Centre. But I would should consider the desirability of suggest that the Finance Minister bringing in other excise duties within the purview of this Bill. Many arguments have been brought forward for this and so I won't repeat them. If they are brought under the purview of the Act, there will be many advantages. Otherwise, more taxes will be collected on one commodity and nothing on others. So it would be a good thing to bring all the excise duty under the purview of this Bill.

Then I come to the division of the tax on passenger fares. Almost all the members here have suggested that the recommendation of the Finance Commission that the division of the passenger fare should be on the basis of mileage is not a good recommendation. It is only an accident that some States have been provided with more mileage of railway lines, whereas others have been denied of that. I think it is an injustice done to the various States.

In this House members of the various States, which have got less mileage, have been asking for more miles of railway lines in their States. But, due to paucity of funds, they have been told that it is not possible during the Second Five Year Plan to have any more mileage. Therefore, when the question of distribution of taxes on passenger fares is going to be considered, I think the Finance Commission should have devoted more time to find out some more suitable arrangement, a more suitable principle on which this tax should be distributed. But that is not possible. For the time being, they have accepted mileage for purposes of distribution of tax.

The Finance Commission has suggested—and the First Finance Commission also suggested—that the proper basis on which the Central excise duties should be distributed should be on the basis of consumption. But, as the First Finance Commission has stated, data and statistical information are not available. The Second Finance Commission have also stated that during the five years that has elapsed between the First Commission and the Second Commission, it was not possible for the Government or for any organisation to find out statistics, on which they can base this distribution.

Therefore, I would suggest that when the next Finance Commission is going to be appointed, they should not be given an opportunity to say that no statistics are available with regard to consumption of various commodities in various States. It will be better if some organisation, a body of experts, is set up to collect necessary data and statistics so that the distribution of tax between the Centre and the States may be on more scientific lines.

As I come from Bihar, I do not say that injustice has been done to Bihar. But Bihar has been worst affected by the natural calamities which followed one after another. It has happened in some other States too. Bihar has been affected by floods and drought. Therefore, the finances of the State Government have been very badly affected. Of course, the Centre has been helping the various States, including the State of Bihar, for rendering relief to those affected, and it is in the nature of the things. But, in view of the fact that practically the whole State is affected by drought and large sums of money will be required for rendering relief, for supplying food and for providing people with work, I say that the Central Government should come forward with sufficient aid in the form of grant in aid for the relief work to be rendered in that area.

I support these two measures and I hope that when the next time the

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consideration of distribution of tax comes before this House, the necessary organisation will be set up and some statistical data will be collected, on which the future Finance Commission may be able to base its principle of distribution. If the necessary statistical data is not available, they would not be able to come to any basis other than the population basis. With these words I support the Bill.

Shri Vasudevan Nair: Yesterday, the hon. Finance Minister pleaded that the recommendations of the Finance Commission may be accepted *in toto*. Several other hon. Members also paid compliment for the work of the Finance Commission. There is no doubt that the Finance Commission has done a very responsible piece of work.

But, if one finds that there is an apparent contradiction between some of their formulations and some of their decisions, then it is not possible for one to agree with their conclusions. I wish to point out some of their formulations with regard to the trends in federal finance. On page 21 it is stated.

"A noticeable trend in all federations has been the progressive increase in the size of federal payments to the State"

It seems to me that the Finance Commission also agrees with that trend. It seems to me that the Finance Minister also thinks that that should be accepted by us. But, at another place, on page 42, the Finance Commission has made the following remark:

"With tax on income ceasing to be an expanding source of revenue, it is obvious that any further substantial devolution of revenues to the States by sharing a tax will have to come from the Union excise."

That also they have agreed. So, if the State should get something, then that should be from the Union excise, according to the Finance Commission.

And the Finance Commission is not, in principle at least, against the devolution of revenues to the States in larger measure. But what is their conclusion? What is their decision? Is the decision of the Finance Commission in spirit with the formulations that they have made? I beg to submit that the decision of the Finance Commission at least in regard to the distribution of Union excises is in contradiction with their formulations. Because, previously, as a result of the recommendation of the First Finance Commission, the States used to get Rs. 20 crores from Union excises. Now, as a result of the recommendation of the Second Finance Commission, the States are going to get Rs. 27 crores. One may point out, there is an increase. That is only very small. That is not a substantial increase. The Finance Commission points out that the main share to the states should come from the Union excises. In the 1957 Budget, the Central Government expects to get nearly Rs. 260 crores from Union excises. I think the recommendation of the Finance Commission on the question of Union excises is the most unreasonable of their recommendations.

Some friends, for example, the hon. Member Shri Naushir Bharucha pointed out that the States do not exert themselves to mobilise all their resources. That may be true with regard to some of the States. But, there are States which make an effort and try to mobilise their resources. For example, the State of Kerala tried to mobilise their resources. In their Budget this time, they levied some tax on agricultural income, they levied a tax on plantations. As a result of this tax on agricultural income and on plantations, the Kerala Government expects to get Rs. 65 lakhs per year. But, it is so strange that very responsible people in the Central Government, very responsible Ministers in the Central Government go to that State and go about speaking that the incidence of taxation in that State is very high. What is the meaning of such a statement, we want to know.

When replying to the debate on planning last time, the Finance Minister, in this House, said that the States will have to mobilise their resources, that the States will have to find more money from its taxation, otherwise, we won't be able to fulfil the plan. That is what the Finance Minister says. Yesterday also, the tone of his speech was that. But, Shri Morarji Desai, who is in Kerala, in a press conference stated that sales tax in Kerala is very high. Yesterday, in another press conference, he has stated that planters and industrialists have complained to him that the incidence of taxation in Kerala is very high.

Taking pity for the industrialists and planters of Kerala, he has expressed the concern of the planters to the Chief Minister of Kerala. That is his statement in the press conference. The sales tax in Kerala is very high according to the Commerce and Industries Minister. He has asked how can people from outside, capitalists from outside, come into this State and invest their money here when the incidence of taxation is very high.

On the one hand, the Finance Minister, pleads with the States for more taxation and on the other hand, another responsible Minister goes to the States and says that the incidence of taxation is very high and the planters and industrialists feel very much annoyed.

Shri Punnoose (Ambalapuzha): One is finance and the other is politics.

Shri Vasudevan Nair: I plead very much with the Government that they should have some uniform policy, that they should believe in what they say. When a Government makes an honest attempt to mobilise its resources, at least the Central Government should help them. If they are not able to help the State Government, they should not stand in the way of that Government. My submission is that while the State Governments should make efforts to mobilise their resources as much as they can, they have to be substantially helped by the Central

Government if we have to fulfil our Plan.

The recommendations of the Finance Commission, taken as a whole, do not satisfy the needs of the State Governments which are making their own efforts to mobilise their own resources. We can accept the recommendations of the Finance Commission mainly if the Finance Minister would make some changes here and there in the recommendations of the Finance Commission, mainly with regard to the distribution of excise duties and with regard to grants in aid to the States.

On the question of grants in aid, we can speak about it tomorrow when we discuss the Supplementary Demands for Grants. But, coming from Kerala, I wish to point out that the special problems of that State were not taken into consideration by the Finance Commission. We are very glad that Mysore has got a very good share, a substantial share, and I feel very happy that Shri Dasappa has given much compliments to the Finance Commission, because they are getting Rs. 6 crores per year. It is very good. But, I am very sorry for the recommendations of the Finance Commission because, even though they could not give us something, they could at least point out our difficulties, they could at least say that we have some problems. Then, we are satisfied. They have not even done that. We feel that we were let down on that score. I hope the Finance Minister will give his thoughts to these problems and will try to
 1. for the shortcoming.
 Finance Commission's report.

Shri T. T. Krishnamachari: Mr. Deputy-Speaker, hon. Members who spoke in the course of this debate have pointed out to me a shortcoming that in the course of my introductory speech, I did not do the obvious duty that was cast on me to make an acknowledgment that was due from the Finance Minister and the Government of India to the Finance Commission for the magnificent labour that they have undertaken and the results that they have produced. I feel ashamed that I should have forgotten

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This obvious duty. I am very glad that hon. Members have remembered it. May I, Sir, even at this late hour, join my friends in extending the thanks of the Government, and I think, of the House also, to the Finance Commission for the work that they have done on our behalf in apportioning portions of the Central revenues to the States.

On one aspect of this problem which I mentioned at the outset, considerable amount of emphasis was laid by my hon. friend Shri Naushir Bharucha. I wish what Shri Nashir Bharucha said was borne in mind by hon. Members here. Firstly, if I may repeat what he has said, if we undertake to do this task ourselves, may be, the Finance Minister starts doing it, I do not think it will be possible for me to get an agreement from my counterparts in the various States. Assuming that some proposal which, perhaps, gets the support of the majority of the Finance Ministers of the States is brought before the House, and each hon. Member has his own proposal to make in regard to the variation of these proposals, I do not think we will see the end of the debate any time. It is perfectly obvious that, in a matter like this, we have to refer the matter to arbitration. Once having done it, we can have the satisfaction of telling ourselves that the arbitrator has done us an injustice; nevertheless his award has to be accepted. It is a delegation of power that this House makes to the Finance Commission. The House, undoubtedly, is sovereign. If the House does not want to accept this particular motion before them, they are perfectly entitled to throw it out. But, what next? Are we again to appoint a Committee to go into this matter? Some time or other, we have to accept somebody's suggestion because we cannot discuss it on the floor of the House. With fourteen States being represented here and the Centre not being represented at all except in the person of the Finance Minister, how are we to come to an agreement on a matter like this? I think Shri Naushir Bharucha has made a very

valuable contribution in this regard and I am very grateful to him for it.

The other aspect of this matter that has not been correctly understood is this. The Finance Commission does not make any recommendation in regard to developmental expenditure which is of a capital character, where capital works are undertaken. They have not made any provision in the apportionment that they have made having relation to the needs of the various States for the reason that that has to be found separately. Of course, you might say they have not made any provision for the amortisation of this debt. Even that must be found from out of the results of that capital expenditure. The improvement in the economy with the resultant benefits to it must produce results that would enable a State Government to amortise both the interest and the amount due towards capital.

So, when hon. Members speak of the Plan and the developmental aspects of the Plan and relate it to this report, I am afraid they are making a mistake because the Finance Commission have not dealt with that aspect of the matter except indirectly.

Shri Punnoose: But they claim they have examined some of the special problems of the States

Shri T. T. Krishnamachari: The special problems are different. The special problems are not problems which involve capital expenditure. For instance, an hon. Member from Mysore mentioned the Honnemaradu scheme. The scheme might cost in the region of Rs. 45 to Rs. 50 crores. If you ask the Finance Commission to make a provision for the implementation of that scheme, it cannot be done, any more than the Finance Commission can be asked to make provision for the Idukki scheme in Kerala, though that is perhaps even better from the point of view of the return that it promises. This has to be done separately, and it has to be done on the basis of the conjoint borrowing powers of the

States and the Centre. So, we are importing a problem. The Finance Commission have had enough problems before them to solve which they might have solved according to the point of view of a particular Member, as he likes it.

Maybe Shri Imam is not satisfied with Rs. 6 crores, but Shri Dasappa feels that they have given special consideration. I do not think Shri Dasappa himself will say that he is satisfied because somebody will say tomorrow: "You have expressed satisfaction". All that he says is that the problems of Mysore, having integrated in itself three or four areas some of the majority of whom are deficit, have been taken into consideration by the Finance Commission, and therefore Mysore has been sort of lifted to the position of primacy. Nevertheless it is a point and has to be accepted.

Maybe the hon. Members who spoke from Madras or Bombay were very modest—and U.P., because I do not know what my friend Seth Achal Singh said; he spoke in a language which I do not understand. I think his point was to emphasize the fact that while all States got grant-in-aid, these three children were denied even the sweets. It does look on the face of it that these States have got a grievance.

I might even take it further. Some of my own colleagues in the Cabinet might say,—after all, as you probably know the Home Minister happens to be from U.P., and the Commerce and Industry Minister from Bombay and I am the unfortunate representative from Madras—we might say that these three States have been treated badly and so we shall not accept the Finance Commission's Report; we present a proposition to the House to say that we shall appoint another Finance Commission. It cannot be done; it is not done. It may be each one of us feels perhaps that the State could have been treated a little better, but you cannot really say that the Finance Commission had any bias against Bombay or U.P. or Madras for that matter, any more than you can say they were

probably overwhelmed by the hospitality of Mysore which is traditional. Therefore, the question of how the Finance Commission, barring the principles they have laid down here, made up their mind to fix these particular quotas of distribution is a thing which we will have to leave very much to them.

The question was raised in regard to railway fares. My hon. friend from Kerala, Shri Vasudevan Nair who speaks extremely persuasively and therefore merits a great deal of attention, spoke about the problems of Kerala. Nobody denies that Kerala has many problems. It has to be conceded. For instance, their greatest problem is that they cannot grow the food needs of the State. The reasons are heavy rainfall and the washing away of quite a lot of the soil. But if that is a problem which could be taken into account by the Finance Commission in regard to the normal needs of the State, I believe they should have taken it into account, but anything else that is not done has got to be approached from a different point of view.

So far as I am concerned, I wish I could come to you with more taxation which will not impinge harshly on the economy of the country, so that we shall have more resources, so that I shall be in a position to distribute more to the States. After all, a Central Finance Minister has no particular State on which he can spend the money, excepting Delhi and perhaps Himachal Pradesh, Manipur and Tripura. You have got to spend the money somewhere. Even a steel plant has got to be put up in Orissa, Bihar or Bengal. As my friend Shri Pattabhiraman pointed out, if you get oil, you have got to spend money in Assam or any other place where you get it. Therefore, this question of spending the money is a thing which can be looked at objectively, and so far as I am concerned, I recognise that most of the States need much more money than what they have today.

I do not agree with my hon. friend Shri Pattabhiraman or the sentiments

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which were echoed by Shri Roy on the other side about the characteristics of this Constitution, because I do believe that in actual practice this Constitution of ours is far more federal than any Constitution functioning in any other part of the world, including the American Constitution. The centralisation in America is far greater than it is in India. This question of a theoretical assessment whether it is federal or not is of no use to us. Here we want this country to develop as a whole. The problems of the various parts have to be met as and when they arise.

My hon. friend Shri Guha mentioned, and the Finance Commission itself has at page 49 mentioned, this question of West Bengal. In paragraph 130 they say:

"West Bengal is still in a difficult position. Its economy and its administration are being strained by the influx of refugees from East Pakistan, and it needs substantial assistance. We recommend a grant-in-aid of Rs 3.25 crores a year. West Bengal's revenue in the last two years would be seriously dislocated by the disappearance of the grant-in-aid under article 273. The grant-in-aid recommended to the State should be raised to Rs 4.75 crores for each of these two years."

So, it is not a case of the Finance Commission having lost sight of the normal needs of West Bengal, but quite a number of other needs of West Bengal are more than normal and have to be attended to. I have no quarrel at all with any hon. Member when he says that his State has special needs and they must be attended to. I agree. My only difficulty is this: hon. Members who speak for each State here must also, in so doing, find out with me the resources for the Centre, so that the Centre can distribute it to the States. That is all that I am asking, I am not asking for anything more. If I have the money, I am quite prepared to spread it out to the States.

For instance, my hon. friend Shri Shree Narayan Das from Bihar spoke about the unfortunate condition of Bihar. Bihar's condition is more than unfortunate. It is something terribly deplorable, it is something which cannot be brought into the newspapers, and nobody would speak about it because perhaps of the reason that we do not have very powerful speakers on behalf of Bihar here, with my apologies to my friend Shri Jagjivan Ram. They are not in a position to collect their land tax, they are not in a position to collect taccavi loans; and then the problem is complicated further by a 50 per cent shortage in their foodcrops this year, and the deficits in that State is something unfortunate—not due to any want of competence on the part of the Bihar Ministers, but due to a number of circumstances over which they have really no control, mainly because the whole system of zamindari went and there has been no land revenue system to replace it. It is a thing which I understand. I have been to Bihar. In fact, as Commerce and Industry Minister I had submitted a report to my colleagues about Bihar stressing the need for special attention to Bihar, as I did in 1952 in the case of Kerala. I wish they had accepted my report then; something more could have been done for Kerala.

So, it is a question of many of the States needing help, and some of them needing special help. If I have the resources, I am prepared to give. There is no question of my telling the Finance Ministers or the State Governors that the States must do with the amount that they have. The Governors' Conference is a closed conference. I do not know where the newspaper report comes from. I do not know if I have said anything of that nature. Possibly, I might have said in a different context, even if I have said it. But it not really a question of denying to the States what they need. All that I am saying is if we have the resources, I am prepared to let the States have them.

And the Planning Commission is there for that purpose. I happen to be a member of the Planning Commission, and so far as I am concerned, my voice is always added to the voice of the States that want help, subject to the fact that I have the money to give.

My hon. friend and my former colleague Shri A. C. Guha raised the question of loans. The particular recommendation in regard to loans is not causing me any undue worry, in so far as the interest is concerned. We have a saying in my part of the country, 'When the water flows over your head, what does it matter, if it is one span or one cubit?'. I know water is flowing above the Finance Minister's head in this country. I do not mind adding to it by another Rs. 5 crores. But the entire gamut of operations covered by that particular position, that is to say, the loan position, which is sought to be postponed would materially affect immediate resources of the States. I cannot do two things; I cannot postpone payment and still go on continuing the loans. So, the matter has to be examined. And we are not sufficiently efficient as they do in a business office, to go and look at the ledger page and find out exactly what the position is. Various Accountants-General will have to answer, and various Accountants-General of various types and degrees of efficiency, and with their records kept in various ways. So, it is a matter where the Government must know fully what it is committed to before it can come to the House with a proposal. Therefore, it is not a matter of disinclination to help the States or to lighten their burden, but is a question where I am not able to comprehend the problem in all its aspects and in all its seriousness.

Therefore, while I agree with the Members in their plea for helping their individual States, I suggest that this particular matter has been decided by the Finance Commission in a comparatively narrow aspect, namely to find out how the revenue

considerations of the State, the needs of the State for a revenue budget, can be met by apportionment of the Central revenues either as a charge on the Central revenues or as a charge as grant-in-aid to the various States.

Then, the basis of distribution was questioned by home hon. Members,—whether it should be on the basis of collection, whether it should be on the basis of consumption, or whether it should be on the basis of population. I do not think there is any view expressed in this House by most of the hon. Members who have spoken, which has indicated that there is any unanimity in regard to how this should be apportioned.

Of course, naturally, if you are in Bombay or Calcutta, you think collection is the best. If you are in U.P. you think population is the best. If you have a railway line in your State, you think route mileage is the best. If you have no railway lines in your State, you say, this is due to the neglect by the Centre and the Railway Administration, so, we cannot be penalised, some other State which has should help us for our needs. Sometimes, it does look somewhat absurd. For instance, take Uttar Pradesh. Uttar Pradesh contributes roughly about Rs. 5 crores for income-tax, and it would probably get Rs. 10 crores or something like that from out of the revenues. All the income-tax is met by the textile mills or by other people from out of the consumption of the 63 million people in Uttar Pradesh. That is a thing which cannot be forgotten. So far as estate duty is concerned, why should this be varied? That is varied because there is a tangible property in that particular area, and there is a responsibility on the part of the State to maintain that property, to see that the conditions are such that the property values do not go down. If the State allows a particular town to be deserted, well, we may levy an estate duty, but to be deserted an estate duty, but the valuation will be negligible, and we would not get anything. The maintenance of the

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contents and the maintenance of the prosperity of a particular town happen to arise from the efforts made by a State. It may be that these were the considerations that prompted the Finance Commission for varying the bases in regard to the particular types of taxation.

But as you can argue against, you can also argue for. Hon. Members here—and each one of them—have argued for a particular point of view; while one has argued for a particular point of view, another has argued against that. If we put the sum total together, I am afraid you have to come to the conclusion that the Finance Commission have reached.

My hon. friend Shri Bimal Ghose suggested that we should follow the Australian pattern. I have a little advantage over him. I do not want to take undue benefit of that advantage. It is just like anybody growing old in the same atmosphere and saying he knows all about the place. I have no more credit than that I have been here since 1942, and I know everything that happened. It happened that during the time of the Constituent Assembly, we appointed an expert committee to consider this question of grants, and that committee went to Australia also. I have also read some literature about the Australian Grants Commission. It is extremely inapplicable so far as the Indian situation is concerned. The finality there is much less than we are contemplating here. In fact, a professor of federal constitution who met me recently did ask me, 'Are the recommendations of your Finance Commissions being accepted generally by Government and Parliament? Is that convention being established, or are you going the way of Australia or Canada?'. I told him, 'If we accept the recommendations of two Finance Commissions, we are certainly establishing a convention that we accept them normally.' So, I do not think Shri Bimal Ghose is right in asking us to follow an example

which has more pitfalls than the conventions that we are seeking to establish.

Shri Bimal Ghose: I think I am a little misrepresented.

Shri T. T. Krishnamachari: I am very sorry. I have no intention of doing so. The hon. Member knows about it.

Shri Bimal Ghose: What I said was that since there is a Planning Commission which is taking account of all the facts, if there is any difference between the States, we might follow the Australian practice to the extent of inviting claims from claimant States to remove disparities. That is all that I have said.

Shri T. T. Krishnamachari: That is why I am really saying that the Australian practice is not a correct practice. So far as the Planning Commission is concerned, the hon. Member knows that I am Member (Finance) in the Planning Commission. The hon. Member will also realise that the decision is very largely induced, at any rate, by the Finance Minister here, who, certainly according to all hon. Members and also according to fact, is not a particularly competent person; he is exposing himself to a position which he would not like to, if he knows the real facts of the case. The legitimacy of my claims in regard to competence is a thing which I would leave to the hon. Member and his Party.

Therefore, I would not like to change the system. The system is a good one, and we better adhere to that system.

So, I come back to where I began. While it would be wrong on my part and presumptuous on my part to make even a suggestion that the House will have to accept it, I feel, so far as I am concerned, I am not in a position to put any alternative to the suggestions or recommendations made by

the Finance Commission in regard to the apportionment of the revenues and also in regard to the grants-in-aid to be paid to eleven out of the fourteen States, in regard to the distribution of the estate duty, and in regard to the distribution of the amounts collected by way of excise duty and tax on railway passenger fares. Having listened to hon. Members with the care and courtesy which is due from a person like myself, I still feel that the position which I envisaged at the time of moving for the consideration of this Bill, and to which I gave expression still holds good.

Shri Biren Roy: May I ask one question on a point which has not been answered? That is regarding the changing of the Estate Duty Rules, so that an assessee could pay by properties at the value at which the Government valuer would assess his property, in lieu of the estate duty from him.

15 hrs.

Shri T. T. Krishnamachari: I am afraid if the hon. Member is going into the matter of the working of the Estate Duty Act, I cannot deal with it now. The hon. Member has raised the question. It will probably be dealt with at the budget time.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the distribution of a part of the net proceeds of certain Union duties of excise among the States be taken into consideration".

The motion was adopted.

Mr. Deputy-Speaker: Now I shall put all the clauses together.

Shri Biren Roy: What about my amendment?

Mr. Deputy-Speaker: He already knows that that amendment would be ruled out of order. Therefore, I need not advance any reason.

The question is:

"That clauses 1 to 6, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clauses 1 to 6, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

Mr. Deputy-Speaker: I shall now take up the other Bill.

The question is:

"That the Bill to provide for the distribution of the net proceeds of the estate duty and the tax on railway passenger fares among the States be taken into consideration".

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments.

The question is:

"That clauses 1 to 6, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clauses 1 to 6, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: Motion moved:

"That the Bill be passed".

Shri Bimal Ghose: I want to explain the point to which the Finance Minister had referred and which I

[Shri Bimal Ghose]

nad suggested for his consideration. The point is that after the Constitution was adopted providing for the Finance Commission, we set up the Planning Commission. The Finance Commission itself says that that has brought about certain anomalies. I had asked the Finance Minister as to what he was going to do with regard to that problem. Both these Commissions are more or less doing the same thing. The Planning Commission takes account of both revenue and capital expenditures, both revenue and capital needs of States. The Finance Commission is taking account only of revenue needs. But in its Report, it says that it has been guided by the objectives and standards and requirements estimated by the Planning Commission. It has not further examined as to whether the Planning Commission was right in allocating certain revenues to certain States.

Now, what is the Finance Minister's attitude towards this question of both Commissions functioning and doing, to a certain extent, the same kind of work? What I had suggested was this: the Australian and Indian examples are quite different. I am not trying to import the Australian practice into India because in Australia there is nothing like a Planning Commission. Here, now that we have the Planning Commission, if the Finance Minister thinks that there is no further Commission necessary, I have no objection. But after the Planning Commission has come to certain decisions, if there are any States which feel that they have special difficulties for which special consideration is needed, then there might be an organisation or agency to consider those special needs. In that context, I referred to the Australian example. I am quite aware that the Australian example cannot be applied in its entirety to India because here conditions are different.

Shri T. T. Krishnamachari: I still feel that my hon. friend has not understood the position. The position

is that the Planning Commission has no statutory basis. Secondly, the reference made by the Finance Commission to the Planning Commission is because the Planning Commission envisages certain surplus from out of the normal revenue and expenditure to which that revenue should be committed in each State, which it takes into account as being available for planned development. The interest of the Planning Commission in regard to the normal functioning of a State is only incidental.

If we refer to the Planning Commission a particular matter, for instance, the Bihar question we do it merely because they are a competent body of people who can take some more work, in addition to the normal work. So far as the work of the Planning Commission is concerned, it is very essential to frame schemes for planned development and adequate use of resources available in various parts of the country. As much of the expenditure is developmental, they have necessarily to look for surpluses in each State or extra taxable capacity in each State.

So the area within which the Finance Commission operates and the area within which the Planning Commission operates certainly might coincide at certain places. But they really do not normally overlap except incidentally. Therefore, to say that merely because there is a Planning Commission the Finance Commission is not necessary or that we should find some method of asking the Planning Commission to make recommendations from time to time in regard to the allocation of resources to a State, similar to what is being done in Australia, is not a question which arises. It does happen that perhaps—as it is done in Australia—without any statutory sanction for it, we often seek the help of the Planning Commission in regard to certain matters of apportionment. I tell them that I have got Rs. 60 or Rs. 70 crores available for the grow-more-food campaign and seek their advice as to

to the apportionment of that expenditure among States where results would be forthcoming or where other factors like employment or still other factors which would mean that in the long run there will be some other results, would be considered. But the reason why we do it is totally different. The reference by the Finance Commission to the Planning Commission and the plan period is undoubtedly vital, but it is incidental. If the hon. Member gives some more thought to this, he will find that his question is not based on proper premises.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS*—GENERAL

Mr. Deputy-Speaker: The House will now take up the Supplementary Demands for Grants in respect of the Budget (General) for 1957-58 presented on the 3rd September, 1957 and 6th December, 1957. There will be a combined discussion and voting on both the sets of Supplementary Demands for Grants and the amounts voted may be incorporated in a single Appropriation Bill. Three hours are available for discussion and voting on these. After the discussion on all the Demands is over, I will put them all together to the vote.

I would like to know whether hon. Members desire to allot to separate items separate time.

Shri Naushir Bharucha (East Khandesh): I do not think it is necessary. But there is in the Chair's discretion one additional hour.

Mr. Deputy-Speaker: Discretion should not come in the first instance. First, we may try to finish it within the allotted time. But if there is any necessity for additional time afterwards, that will be seen. Now, we have taken half an hour from the

previous Bills. As there is no particular item for which particular time is to be allotted, we may continue discussion on both sets together.

The Minister of Finance (Shri T. T. Krishnamachari): May I ask if the House would like to discuss Demand No. 23A first, that is, Naga Hills-Tuensang Area? I ask this because my colleague, the Deputy Minister of External Affairs will not be here tomorrow. So we may probably like to hear her. Otherwise, I will have to act to the best of my ability tomorrow.

Mr. Deputy-Speaker: I agree with the hon. Minister that if the hon. Members want that to be taken up separately, we can take it up first. We can devote the time we have got because that would be a new item.

Shri Naushir Bharucha: Is it proposed to be taken up first?

Mr. Deputy-Speaker: Yes; the hon. Deputy Minister for External Affairs will not be here tomorrow. But, then, it will be difficult; there are only 15 minutes left.

Shri Naushir Bharucha: It would not be possible.

Mr. Deputy-Speaker: So, it would be left to the Finance Minister.

DEMAND NO. 18—GEOLOGICAL SURVEY

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 20,65,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Geological Survey'".

DEMAND NO. 23A—NAGA HILLS—TUENSANG AREA

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 1,07,21,000 be granted to the President to defray the charges which will come in

*Moved with the recommendation of the President.

[Mr. Deputy-Speaker]

course of payment during the year ending the 31st day of March, 1958, in respect of 'Naga Hills-Tuensang Area'".

DEMAND NJ. 93—SUPPLIES

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 3,96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Supplies'".

DEMAND NO. 104—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'".

DEMAND NO. 126—CAPITAL OUTLAY OF THE MINISTRY OF STEEL, MINES AND FUEL

Mr. Deputy-Speaker: Motion moved:

"That a Supplementary sum not exceeding Rs. 10,10,000 be granted to the President to defray the charges which will come in course of payment during the year ending 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'".

Now, the Demands are before the House for discussion.

Shri Naushir Bharucha: Sir, I am not using the time allowed to me to speak. I am raising a point of order, namely, that Demand No. 104 be ruled out of order. If you turn to the First Supplementary Statement, on

page 7, Demand No. 104 is a Demand for a token grant of Rs. 1,000.

The points of order that I raise are that the prevailing practice of Ministries asking for token grants. . .

Mr. Deputy-Speaker: Would it be desirable according to the hon. Member to throw it out at the first instance or when we take them up afterwards? We are opening them for discussion now. Does he mean to say that it cannot be discussed?

Shri Naushir Bharucha: All the Demands are placed before the House.

Mr. Deputy-Speaker: They are placed before the House for discussion.

Shri Naushir Bharucha: Therefore, I am inviting the Chair to rule out that one Demand. If it is ruled out, there would be less of discussion.

The point of order that I am raising is that the prevailing practice of the Ministries asking for token grants as in the case of Demand No. 104 is unconstitutional and illegal.

Secondly, that rule 217 of the Rules of Procedure sanctioning such practice is *ultra vires* the Constitution.

Thirdly, that the correct method where funds to meet the proposed expenditure on a new service can be made available by so-called reappropriation is to make a Demand for the entire expenditure involved on that new service and to treat the available funds as lapsed grants or savings.

Therefore, the Demand for Rs. 1,000 as token grant is out of order; and my reasons are as follows:

The control of Parliament over expenditure consists ultimately in sanctioning specific sums for specific heads of expenditure.

Once Parliament sanctions a specific sum for a particular head of expenditure, under 114(2) no amendments can be proposed which will

have the effect of varying the amount or altering the destination of any grant so made in the course of an Appropriation Bill.

Thirdly, when Rule 217 refers to reappropriation, it virtually means that it gives authority to the executive both to vary the amount of grant and to alter its destination.

Fourthly, such varying of grant or altering of its destination, once the Appropriation Bill is passed rests only with the Parliament under article 115(a) and (b), and not with the Executive.

Fifthly, article 115 contemplates supplementary demands, additional demands, that is, for new service or excess demands.

Sixthly, neither under article 114, nor article 115, nor even under article 116, any legal fiction of a so-called token grant is permissible.

Seventhly, the legal effect of a token grant is that Parliament sanctions only a microscopic fraction of the entire expenditure on a new head and delegates to the Executive with respect to practically the whole of the expenditure on a new service the power to alter the destination of a grant. Such delegation is not constitutionally permissible and what cannot be done under the Constitution cannot be done under any Rule.

Eighthly, the Constitution does not recognise any practice of reappropriation which is only another name for varying the amount or altering the destination of a particular grant.

Ninthly, if the practice of reappropriation of token grants were accepted as under Rule 217, the logical and legal implications of it would be that the Executive can play a 'general post' with the entire Budget, utilising grants made for head of expenditure for any other head, so long as the Executive remained with the gross Budget amount and came to the House for so-called token grants.

Tenthly, on merits the practice of token grants tends to conceal at first sight the magnitude of the transfer from one Budget head to another and to make slackness of supervision of the House over the Budget.

Eleventhly, the fact that the practice of token grants prevails in other Parliaments is not relevant to the issue as we have specific prohibitory provisions in our Constitution against altering the destination of grants or varying the amounts thereof.

Twelfthly, that the practice of token grants may defeat the right of an hon. Member to move a token cut of Rs 100/- where the Ministry asks for a token grant of less than Rs. 100/- or even to move a policy cut of Re. 1/- if the Ministry comes forward with a token grant of eight annas.

Therefore, I submit that all token grants under Rule 217 of our Rules is *ultra vires* the Constitution and that the practice of asking for token grants is unconstitutional, and illegal and, therefore, Demand No. 104 has to be recast. As it stands it is *ultra vires*.

Shri T. T. Krishnamachari: As the hon. Member himself is rather new to me, his method of argument is rather new. I do not think Rule 217 is a thing which prevents token grants excepting that it prescribes that a certain method should be followed when funds to meet the proposed expenditure on a service can be must by reappropriation. I think it is a common practice, leave alone this particular instance, for us in the Budget to put down a token amount for anything new or even for something old, if we do not have all the detailed data available for the make-up of the Budget. The House then discusses the principle and if we accept the principle, then we bring in later on when the details are available, the total amount of expenditure.

In fact, that is my experience of this particular House and its predecessors during the last 17 years. I have had so many instances where there has been a grant of Rs. 1000 or Rs. 1 lakh or even Rs. 1 crores, as the case may

[Shri T. T. Krishnamachari]

be, put down without any specific detail.

In fact, even in the Budget which is under preparation I felt that in many Ministries where they did not give me any details, I was not going to accept the Budget in that way and I shall come to the House only for a token grant so that they agree to the services and, shall put before the House the complete detailed cost because it is not right for me, without being convinced that the expenditure is legitimate or adequate or inadequate as the case may be, to come before the House and say that I want Rs. 3,97,23,000/-.

Oftentimes it does happen that the various Ministries do not give me adequate figures and I have told them that they have to come back again to the House for supplementary demands, and I will take only token grants. It is a habit which we do normally have in a Budget.

I do not think here that Rule 217 is preemptive really. It relates to a different contingency other than the one that is now being contemplated under this particular demand. I do not see any force in the arguments of the hon. Member.

Shri Naushir Bharucha: If rule 217 does not apply, which rule applies?

Mr. Deputy-Speaker: The hon. Member, Shri Bharucha, has raised a very complicated question. I must say that he wants me to rule Rule 217 as *ultra vires* the Constitution and then say that this Demand that is being made is not admissible and it cannot be taken up here. Without going into the question whether the Demand made here is admissible or not, I have to say that I have no authority to rule out this Rule 217 as *ultra vires* the Constitution. These Rules have been accepted by the House and I have to administer them as they are. I cannot declare that such and such rule is *ultra vires* the Constitution. If the hon. Member has got that grievance, he

should put in an amendment that so far as this particular Rule is concerned, it is *ultra vires* the Constitution. It would be referred to the Committee and it would give its own decision. Then it will come before the House and the House shall have a chance to declare whether it is *ultra vires* or not. In this indirect and summary way, I have no authority—I think no Speaker has. So, when I have not got that authority, I cannot proceed further and I over-rule the objection and place all the Demands that we may take up for discussion now.

Is anybody wishing to speak?

Shri Naushir Bharucha: This could not be taken as part of my speech. There are two or three points.

Mr. Deputy-Speaker: I wanted to find out whether any Member was getting up. Shri Bharucha has stood up. I call upon him to speak.

Shri Naushir Bharucha: I think the hon. Finance Minister wants to speak and say something in support of his Demands.

Mr. Deputy-Speaker: That is not the usual method. He may speak now.

Shri Naushir Bharucha: Sir, I desire to invite the attention of the House to two or three points. The first relates to Demand No. 126 printed on page 10. This is a Demand for Rs. 10 lakhs for the purchase of shares in a newly created corporation, namely, Orissa Minerals Development Company Limited. The Durgapur Steel Plant requires the supply of iron ore and the Government has come to the conclusion that the best possible source, taking into consideration, the quality as well as the transport difficulties, would be from the mines at Bolani in Orissa. The Government goes on to observe that these areas are already held on lease by companies and private parties most of whom have an option to have the leases renewed under the Mineral Concession Rules. Therefore, it is not possible to terminate the licences and therefore an arrangement

has been made under which a joint enterprise has been evolved and a new company has been formed, Government holding 50.5 per cent. of the shares and the rest of them holding 49.5 per cent. of the shares. The new company will be paid all the expenditure which is incurred in exploring, proving, developing and maintaining the areas. The directorate will be nominated on the basis of two each, with a fifth director of the joint choice between the Government and the other parties.

The point that I want to raise is this. Why is it that the mining leases of companies held by private parties cannot be terminated? How can the Government bring any question of the right of renewal of lease when it is within the discretion of the Government to terminate the licences? What was the difficulty in terminating those leases by payment of compensation? We have already passed an Act on that. Why is the Government not applying that? It seems to me that the private enterprise is being smuggled by the back-door into the public sector. We have got larger capital but in the composition of the directorate, there are two on each side. One director will be taken up by the Government in consultation with the other side. I am afraid that the policy of the company will rest with the other side.

It is conceivable that both the Government and the private sectors will look at the target of six million tons for steel production from different points of view. The private sector may insist on restricting production and creating artificial scarcity and putting up the prices. We are not interested in that. When we are asked to vote Rs. 10 lakhs, why is it that the leases are not terminated by payment of necessary compensation? Why is it necessary for the private enterprise to be taken in?

There is a second point in respect of which I have given a cut motion—the Naga-Tuensang area. We are allotting certain specific amounts. It is not that I am against that allotment. I say a

bigger allotment should have been made. Starting from page 4 it goes up to page 11 and the Demand is for Rs. 107 lakhs. If we turn to Police Administration, Rs. 54 lakhs are devoted to this expenditure out of this total. When we take over a new administrative unit, and when it is the declared policy of the Government, as soon as possible, consistent with the maintenance of law and order in this newly created area, to reconcile the Nagas, I expect that good deal would be spent on education, medical relief, development of projects, agriculture and other subjects. But, what do we find? Practically half is being taken up by police administration alone. I think this is excessive allotment to police administration.

If it is the contention of the Government that this much expenditure is immediately required for the maintenance of law and order in that troubled area, I suggest that the Government should increase the grant that has been allotted for other purposes. I think it is glaringly small compared to the expenditure on police. It would seem that instead of creating a normal administrative unit, we are establishing a police unit.

The last point over which, I shall take only two minutes, is this. In Demand No. 93, the Government is asking for an amount of more than Rs. 6,18,000. Government sold food-stuffs to somebody, and it was not fit for human consumption. A suit was filed for the recovery of damages to the tune of Rs. 6 lakhs. This is an old 1947-story; I know. But I find that storage of foodstuffs even now has not improved. We were told in Bombay state that one percentage is wastage in storage. One per cent. is a big thing, especially when we find that we have to pay for every hundred thousand tons. I would like to know whether the Government have learnt any lesson from this bitter experience.

Mr. Deputy-Speaker: This discussion will continue tomorrow.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

ELEVENTH REPORT

Shri Pramathanath Banerjee (Contai): Sir, I beg to move:

"That this House agrees with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th December, 1957."

Mr. Deputy-Speaker: I shall put this motion to the vote of the House.

Shri S. M. Banerjee (Kanpur): Sir, I want to make one submission.

Mr. Deputy-Speaker: At this stage, when I am putting the motion to vote?

Shri S. M. Banerjee: I got up earlier Sir, but could not catch your eye.

Mr. Deputy-Speaker: You have caught me by the ear now.

Shri S. M. Banerjee: Sir, my submission is that the time allotted for Shrimati Renu Chakravartty's resolution is too short. My submission is that the time should be extended at least by 30 minutes.

Mr. Deputy-Speaker: The time was allotted last time and it has been approved by the House.

Shri Bimal Ghose (Barrackpore): We shall now ask you, Sir, to consider that and extend the time.

Mr. Deputy-Speaker: That would be a different thing altogether, and that would be for the House again.

The question is:

"That this House agrees with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th December, 1957."

The motion was adopted.

RESOLUTION RE: SECOND FIVE YEAR PLAN

Mr. Deputy-Speaker: The House will now resume further discussion on the resolution moved by Shrimati Renu Chakravartty on the 29th November, 1957, regarding the Second Five Year Plan. Out of one hour allowed for the discussion on the resolution one minute has already been taken up and 59 minutes are left for its further discussion today. Shrimati Renu Chakravartty may continue her speech.

Shri Bimal Ghose (Barrackpore): Is it in order, Sir, now to make my submission about the extension of the time for discussion?

Mr. Deputy-Speaker: Surely, but I may submit here that the Committee had taken into account the debate that we have had only the other day. This subject had been discussed and the Committee was of the opinion that this ought to have been put in there as an amendment or something of that sort, and that it ought not be allowed separate time for discussion here as a separate resolution so soon after we had that debate here in the House. It was, therefore, that we allowed only one hour and that was approved here.

Hon. Members would agree that when we have discussed that subject threadbare here only recently, it is no use repeating the same arguments. Of course, that subject is so vast that even if we now consume another two or three days it would not be finished. It is a continuing business. We can continue that debate sometime afterwards. But this resolution was purposely limited to one hour on that account.

15.34 hrs.

Shrimati Renu Chakravartty (Basirhat): **Mr. Deputy-Speaker,** Sir, I submit that this resolution of mine has attained importance in view of the disquieting disclosures that have taken place during the last debate on the Five Year Plan as well as the debate on the Finance Minister's tour abroad and his statements there.

The necessity to discuss at top level with all the major political parties the relevant policies and matters guiding the Plan has become a matter of great urgency. The need to review how within one and half years of the Plan the entire balance which was set out in the Plan has been upset to such an extent that today there is a growingly insistent demand to change the Plan has become all important, and that is why I submit that it is important to discuss this resolution.

Furthermore, if one has to save the Plan as well as rouse the enthusiasm of the people, both of which are today unfortunately in jeopardy, one has to think not only of the overwhelming and steam road roller majority of the Congress in this House, but one has also to take a wider vision, a vision which envisages the acceptance of the collective wisdom of all major political parties and their co-operation. And, I must make the statement here that certain very unfortunate statements have been made by the Home Minister, Pandit G. B. Pant, regarding certain documents which the Communist Party is supposed to have made—which he seems to have manufactured from some place—where he says that the Communist Party is trying to actually sabotage the Plan. I think, Sir, that these are examples of short-sightedness of trying to make political capital out of a very grave national crisis.

I should also like to state that except once when we debated the Five Year Plan prior to its being introduced in this House, and once before when the major political parties were asked to submit their memoranda to the Planning Commission, there has been hardly any discussion with the political parties regarding the difficulties which are facing the Plan. Although in the course of the various debates various suggestions have been made, no such discussion has taken place at any time.

Then, there have been certain stages in the evolution of the Plan. First there was the Plan-frame, then there was a memorandum which was presented to all Members of Parliament at a big meeting with the Planning Commission prior to its introduction in this House and, finally, the Five Year Plan. If we follow this fully we will see how cleverly certain balances indicated clearly in the Plan-frame, and which we regard as essential in the planned development of huge under-developed countries like India, were subverted step by step till we have reached a stage of crisis, when they have come to make the country believe the inevitability of changing this Plan. It is against this erosion of this Plan that my resolution seeks to cry a halt.

We have to review how all this has come about, and we have to take effective steps to check effectively the man-made factors which have brought out this state of affairs, and also find out ways and means how to circumvent those factors which are not man-made and which are not within our control.

A concerted cacophony has been raised that the targets of the Second Plan cannot be fulfilled and the main concern seems to be to create an impression that it is all due to wrong financial planning. Here I should like the House to remember that there were certain important balances which were actually inherent in the Plan. One such thing was the question of the rapid industrialisation by particularly laying stress on the development of heavy and basic industries.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

15.37 hrs.

I remember very clearly the speech which was made by the Prime Minister on the occasion when we met in that big meeting of all the parties with the Planning Commission prior to the introduction of the Plan outline to this House. He made certain significant remarks there. One particular remark that he made was that physical targets

[Shrimati Renu Chakravarty]

were essentially the main feature of the Plan. He said that although financial resources are very important physical targets, that is the resources—natural, potential, trained personnel etc.—have also to be taken into account. He also said that we have to keep in mind the assumptions of the objective of a socialist pattern of society which meant the addition of wealth, and which also meant providing an equitable distribution aiming at progressive equality of opportunity.

He then said a very interesting thing and that was about the method to be followed in the production of wealth. How are we to control it? Is it going to bring about growth of monopolies or will it bring about lessening of disparities and gaps in our societies? And he said, that the emphasis has to be on heavy industries. I should like to quote his words because I took it down at that time

"Some demand the growth of consumer goods and they argue that this will lead to capital formation. This is a long drawn-out process. The growth of heavy industry is essential. That is why we have laid such emphasis on iron and steel. The most basic is the machine building industry. This will enable us not to go abroad so much for our machines and capital goods. Lastly, I say that although heavy industry has a very small employment potential we have to make up the lack of consumer goods by balancing it with the development of small scale industries and cottage industries."

What has actually happened today. We find that actually we are in the situation where the public sector which was given the job of development of these basic industries has been left far behind. In the Plan-frame 50 per cent of allocation on industries was on iron and steel, synthetic petrol, heavy machinery to fabricate plants for steel and producer goods and heavy electri-

cal equipment. Synthetic petrol was given up earlier. Although it was said that heavy industries must be developed,—without that we will not be economically independent, however much political independence we may have, unless we produce the machines we will not be actually independent, and we will always be under pressure from other more developed countries who will try to bargain with us politically in order to give us those goods,—when actually the targets came forward we found that even in those big-scale industries a very much greater allocation had been made for the private sector than was actually intended. Finally, we find that the question of forge shops and other heavy industry structural was considered, but the NIDC allocation for the public sector was much smaller. Almost it was 50-50 distribution between the private and the public sector.

I may quote from what the Finance Minister said at the last meeting of the National Development Council. He said:

"Of the million tons of fabricated produce that we expect to produce, expansion in the private sector accounts for 4,50,000 to 5,00,000 tons, and we—

"we" meaning Government—

"shall be doing somewhere between 5,00,000 to 5,50,000 tons".

This is what he said although in the Industrial Policy Resolution it was pointed out that these items were in Schedule A and that the growth of these industries or any further plants for these industries or industrial units will be exclusively for the public sector.

This, I think, was the ideal, and yet we find that even when the Plan has been rephased from what it was originally—it has been watered down from what it was in the blue-print, in the memorandum and in the revised plan—and when it was discussed here and passed, even there, there is a back-sliding. Why? We find that today, whilst the heavy electrical manu-

facturing industry and heavy machinery still remain with the public sector, the private sector is running away with the bulk of the target for the entire period. I need not quote what Shri Nanda, the Minister of Planning said, I think, in September last, regarding the progress of investment. He said:

"Progress of investment in organised industrial sector—

They do not like to call it the 'private sector'—

"on the basis of foreign exchange released and committed so far, that with further allotment of 40 crores or so about 2/3rds of the industrial plan in the private sector will have been implemented".

So, I feel that unless the targets in the public sector are fulfilled,—those that are there at least in the Plan as it is—the balance of the Plan cannot be tackled and fulfilled. A balance cannot be maintained, and that is why it is so essential that we put our heads together to see that these physical targets at least for the public sector in respect of the heavy machine building industry are adhered to. That is why I regard my resolution as being very important.

The funny thing is, today nobody seems to be responsible for this state of affairs, and for this reckless disregard of phasing. Anything that is introduced or imported into our country is important and good, because we are such an underdeveloped country, but the point is that the phasing was of essential importance as it has been pointed out by various economists that the heavy industries machinery for which had to be imported had a very big foreign exchange component in them. It could have been brought in during the first three years of the Plan, and by the end of the fourth or the fifth year, those components could have been reduced. And by that time, we would have been in a position to produce steel, to produce machines which again would have

brought us more foreign exchange in the way of exports. At the same time, we would have not had to cry about for this foreign exchange. That is why I think it is very important to consider this aspect of the problem.

As a matter of fact, it was very interesting to listen to an answer to a question today. The question was about the import of capital goods and heavy electrical equipment plant. I looked into the answer. Unfortunately, it did not come up for supplementaries. There was nothing there about the heavy electrical equipment plant. I suppose it has already been given up or it is in a state of flux or it may be that the Finance Minister or the Planning Minister will get up and tell us one day that "we are in fact trying and trying hard". Maybe that at the last year of the Plan we may start it and after all, we can always think of a third Five Year Plan. "Why should we take it over in the second Plan?" They may say like that.

The interesting thing is this. A sum of Rs. 107.67 crores has been given as the value of imports of plant and machinery whether on deferred payment or otherwise, during January-July, 1957. In that, the number of items that have been sanctioned comes to 85 or something like that. Among them, are sugar, textiles, chemicals and pharmaceuticals, paper, engineering, electrical industries, etc. Also, units of cement 3, automobile industries 3, refractories 2, the sum total being about 86. All these come under Schedule B, and the rest of the items like the heavy machine building plants, etc., are not found anywhere in the papers. Therefore, this is a very important indication of the way we are proceeding with the Plan.

Mr. Chairman: I find that only 59 minutes are now available for this resolution. Out of that, 15 minutes have already been taken by the hon. Member. I understand that the hon. Minister is also likely to take about 20 or 25 minutes. So, practically noth-

[Mr. Chairman]

mg is left for the house to discuss. Therefore, I would request the hon. Member kindly to finish her speech so that there may be discussion on it within the time available.

Shrimati Renu Chakravartty: I always feel very hesitant to press for more time. But my feeling is that in an important subject like this, there must be more time. If the Chair wants I can stop just now.

Mr. Chairman: It is not my desire. Ordinarily, half an hour is given to the mover of the resolution. So, I am not restricting the time of the hon. Member. But the difficulty here is that if I give more time for the hon. Member, then there would be no discussion on the resolution. The matter will end as between the hon. Member and the hon. Minister without any more discussion. She could speak for sometime more, and I have no objection. But even then, the House will be deprived of the right of discussion, and there will be no decision by the House. There will be only two speeches. So, I request the hon. Member to finish at least within 20 minutes.

Shrimati Renu Chakravartty: That is why I thought that the allocation of time was very ridiculous. What am I to do?

Mr. Chairman: It is not a matter for me to decide. After all, the House has already accepted the allocation of time.

Shrimati Renu Chakravartty: That is why nobody wanted to discuss it.

Shri D. C. Sharma (Gurdaspur): I suggest that the time may be extended to discuss this resolution.

Mr. Chairman: The point was raised with the hon. Deputy-Speaker while he was here and he did not say that he was going to extend the time. So, I do not think that it will be proper for me to extend the time after the expression of opinion made by him.

Shrimati Renu Chakravartty: A hue and cry has been raised after the private sector has already established its supremacy. And in fact we find that the foreign exchange difficulties are now facing us, and even foreign governments are now dictating to us as to the type of loan which they can give to us. It has now been made very clear that it is the private sector that is going to get the bulk of the loan and that is also quite clear from the answer which was given to us by the Deputy Minister of Finance, Shri B. J. Bhagat, when he said that even in the matter of loans which we have asked for, 50 per cent will be for the private sector and only 50 per cent for the public sector.

I am just skipping through my points owing to want of time. In the Birla report, they have made it very clear that the private sector will get as much loan as they want provided they can raise internal resources. They have made it clear that for the industrial sector, the foreign Governments are not going to finance the public sector.

In the Reserve Bank figures also, we find today that the money supply has increased since a large amount is being given to the private sector by the Government. So, from all these points of view, I feel that it is necessary that we should go into the entire policy that is being pursued in this regard. That is why I have now brought forward this resolution.

Even on the question of State trading, one finds that although State trading is by and large working successfully in the small sphere in which it is functioning, there is a sort of attempt to try and undermine the very idea of having State trading. Even the Export Promotion Committee has accepted the appeal of the private sector that only when the private sector cannot take up the trade, should the public sector enter into the trade. I have no doubt about it that the State Trading Corporation must ex-

pand its trade and take over foreign trade. If it does so much internal resource will come to the States. Today a panic is sought to be created. There is no need to be panicky. That is my opinion.

Regarding foreign exchange, we are in a tight position. There is no doubt about it. Even the gap of Rs. 800 crores which was there earlier has now sprung up to Rs. 1,400 crores and with the implication of the food shortage, it will be even higher. But if we see, our foreign aid has also been higher. I cannot give all the figures, but much if it was not there when we actually planned. There is the unutilised exchange of the first Plan—Rs. 100 crores; there is the International Monetary Fund—Rs. 65 crores and the Export Promotion Committee's recommendations are there. They say that it is quite possible to bring about an increase of about Rs. 100 crores a year, which would come to Rs. 400 crores in four years. They have gone into industry by industry and they have shown how it can be done, if we can really take up State-trading on a proper scale in a proper method. We can also screen the outstanding licences issued and ban all production goods for consumer industries and non-essentials. So, I am sure the uncovered gap is not as widely uncoverable as one makes it out to be.

As for our own internal resources, there is the question of income-tax arrears. I have found from an answer to a question that it amounts to Rs. 209.7 crores. Even if we say that the bad debts come to about Rs. 20 crores, even then it is a very big amount. As far as evasion goes, Kaldor estimated it at Rs. 200 crores and odd. Even if we halve it or even quarter it, we should be able to get something.

Then, there is the question of withdrawals against sterling balances against gold reserve. That has to be explained at greater length and that

will take much time. Lastly, on the question of food, it is absolutely essential for the purpose to discuss the matter. The Foodgrains Inquiry Committee has stated that we have to import two to three million tons of food. Whether bad weather, bad monsoon and drought which has accompanied us this year will prevail again next year is a matter to be seen. It is quite true that we have not carried out the basic land improvements or land reforms. Still, I am sure that if we think about this in greater detail at the level of all the major political parties—this question of procurement whether at the marketing stage or the question of voluntary buying by the Government or the question of price control—we can find some solution. I am sure that this national crisis has to be discussed not with the idea that we have got so many hundred votes in excess of the Opposition, but with the idea that a national crisis and national emergency require a national attitude and that is why I urge for the consideration of this House my resolution, which calls upon the Government to call all the major political parties for a thorough discussion and before a thorough discussion takes place, no such statements, as have been flung across the country and abroad, should be allowed to be made. That is my submission.

Mr. Chairman: Resolution moved:

"This House is of opinion that notwithstanding the difficulties facing the Second Five Year Plan its physical targets can be fulfilled within the Plan period without any curtailment or pruning.

This House is further of opinion,

(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and

[Mr. Chairman]

(ii) that pending the convening of such an all-party conference all unilateral declarations by the Government in favour of rephrasing and pruning the Plan be stopped in public interest."

There are five substitute motions and two amendments. I would like to know if the hon. Members are moving them. No. 1—Shri Naldurgker; he is not here. No. 2—Shri V. D. Tripathi; he is also not here. The other amendments No. 3 by Shri Bibhuti Mishra, No. 4 by Shri Keshava, No. 5 by Shri Panigrahi, No. 6 by Shri S. M. Banerjee and No. 7 by Shri Bimal Ghose may be moved.

Shri Bibhuti Mishra: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"Where it is expedient that in view of financial stringency especially of foreign exchange, this House is of opinion, that after reassessment of available resources Government may prune the physical targets of the Second Five Year Plan."

Shri Keshava: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that the Second Five Year Plan be not curtailed or pruned in any manner unless it is inevitable to do so on account of the difficulties facing us and all persons in the country including every political party shall do everything in its power to act in co-operation with the Government and help in every way, particularly in action to implement the plan and achieve the physical targets fixed."

Shri S. M. Banerjee: I beg to move:

"That in the resolution,

for "(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and", the following be substituted, namely:—

"(i) that in order to ensure successful implementation of the Plan, a conference of all major All India Political Parties and All India Trade Union Organisations be convened by the Central Government and the Planning Commission latest by the 31st January 1958 to discuss the policies and methods guiding the Plan and to devise ways and means as to how internal resources can be mobilised and the masses of people enthused to rally round the Plan."

Shri Bimal Ghose: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that a committee consisting of representatives of the Planning Commission, the Finance Ministry, economists and Members of Parliament be appointed to

(a) estimate the resources, internal and external, that may be available for financing the Second Plan during the plan period;

(b) suggest measures for augmenting these resources; and

(c) recommend such modifications, if any, in the Plan as may be considered necessary."

Shri Panigrahi: I beg to move:

"That in the Resolution,—

add at the end:

"(iii) that a committee of the members of Lok Sabha, representing all shades of opinion, be formed for setting up of a broadbased Youth Co-ordinating Council in order to inspire and mobilise the vast sections of youth in India and harness their energy towards implementing the targets of the Second Five Year Plan."

Mr. Chairman: All these substitute motions and amendments are before the House.

There are only 35 minutes left and out of that, the mover must get a chance to reply also. Otherwise, the whole purpose of the resolution will be gone. So, I would call upon the hon. Minister to reply.

Shri Bimal Ghose (Barrackpore): We may be given 5 or 10 minutes.

Mr. Chairman: I enquired from the hon. Minister and he says he will require 25 minutes and then according to the rules, I must allow the hon. mover also some time to reply. Therefore, there is no time left. Even if I give 5 minutes to a Member, at least two members I must call.

Shrimati Renu Chakravarty: I beg of you; let us extend the time. Otherwise, we shall make ourselves a laughing stock.

Mr. Chairman: Since my predecessor who was in the Chair did not extend the time when the Members brought it to his notice, I find myself in difficulty. There is no other course open to me.

Shri Khadilkar (Ahmednagar): The basis of the resolution is that at this critical juncture, all parties should be invited for co-operation. Even if all parties are not invited for co-operation, at least they must be allowed to express themselves.

Mr. Chairman: The hon. Member wants to convert me; I stand converted. I feel full time has not been allowed. At the same time, there is a demand from this part of the House and there is a reply from that part of the House. What more is required? If Government accepts the demand that all the parties will be called, then there will be discussion.

Shri Bimal Ghose: We have moved the amendments; let us explain them.

Mr. Chairman: I am sorry I cannot extend the time. Otherwise, it means that I will not allow Government full time to reply. Then, I must allow the mover to reply to what the Government says. It is more proper that the others who have moved amendments may not be allowed to speak, but these two parties must be allowed to speak if there has to be a real discussion at all. I am very sorry.

Shri Khadilkar: There is one more difficulty. By implication, you admit that only two major parties exist in this House—the Congress and the Communist. It is said that "Barkis is willing"; but here Peggoty is willing, I do not know whether Barkis is willing or not.

Mr. Chairman: There are really two parties; Government and the opposition. I have called the hon. Minister now.

Shri T. T. Krishnamachari: Mr. Chairman, as the Deputy-Speaker pointed out, we had a very full discussion beginning with the last session and ending with this session, when I had the privilege of speaking on the floor of this House. Again, as the Deputy-Speaker has pointed out, this is a subject which we can discuss for many days. We can take up particular aspects of this subject of the Plan and discuss it, I have no doubt, usefully. But at the present moment, I am afraid that my hon. friend opposite is rather cramped in her style, so that she could not do full justice...

Shrimati Renu Chakravartty: That is quite so . .

Shri T. T. Krishnamachari: . . either to the motion that she had with her or to the subject and therefore, had necessarily to branch off into politics.

I remember once when my late lamented friend, Mr. Liaquat Ali Khan was here in this House, he asked me to discuss the budget with him. That was the budget of the British days. I went and spoke to him for about an hour and a half. Quite a competent person, as everybody knew, but at the end of it, he said, "I think I had better not go ahead. I do not think these problems are things which I understand. Let me go back to my subject of partition of India, which would be a good thing to discuss. I do not want to go into all these intricacies of economics and budget." So my hon. friend, Shrimati Renuka—I am sorry, Shrimati Renu Chakravartty—there are too many Renukas in this House—finally decided to cut the Gordian knot and make a direct straight political attack on the party here, rather than dealing with a humdrum matter like the Plan, the Planning Commission, its woes and worries, the need to cut or prune or rephrase the Plan, to find resources for it and so on. These are all things which are somewhat of a terrestrial variety, which I do not think any person who occupies the position of one of the leading figures of the Communist Party need worry herself about. Therefore, the attack started off with a compliment to my senior colleague, the Home Minister of a certain amount of prevarication that he indulged in, when accusing the communist party, by reason of the fact that some records have come into his possession, of playing against the Plan. Well, I am glad that she, out of chivalry, spared the harassed Finance Minister, who could also be bracketted. I suppose for my benefit, if not for my colleague the Home Minister. Well, that is an accusation against Government, which we are quite familiar with and always ready to receive. But that does not

help in furthering the Plan, as they want to further it.

16 hrs.

Then the next attack came from another angle, an angle with which we are quite familiar. Because, the origin of all evil, the origin of the evils in regard to this Plan was the plan frame. What the plan frame was, nobody knows. Apparently, hon. Members opposite know more about it than we do. And the plan frame was an imperfect essay of an imaginative person in projecting his ideas into the future, without being bound by mundane considerations such as finance or shortage of equipment or manpower or resources. The net result was that we had certain very valuable ideas, for which we had to provide a further frame so that it could be contained in something in which it will be visible and tangible. The plan frame was an ethereal thing, and my hon. friend likes to hug to that very ethereal thing called the Plan frame. Again, if we are wrong, you quote the plan frame and say that we have dropped the plan frame.

What did the plan frame do? That is a book undoubtedly. But I would like hon. members, who are very diligent, who have got an economic section, who have a research section, to sit down and put down the cost of various ideas mentioned in the plan frame, and also the cost of other things which the plan frame has not mentioned. The plan frame mentions only one side of the medal. It does not mention the other side. Secondly, the plan frame has to be implemented, for which you must find resources and money. Thirdly, you must implement it in a democratic setting.

There is no use of my saying that people shall not have cloth, they need not have houses, they need not have any of the necessities, but I shall build big machines. Even building big machines takes time. I am very glad, at any rate, that sometimes my hon. friends opposite are a little more

charitable to us than some of our other friends. At any rate, with regard to the public sector, they are prepared to ignore our mistakes.

Shrimati Renu Chakravartty: Not ignore, but forgive.

Shri T. T. Krishnamachari: They are prepared to put up with it. If it is forgiving, that is better. Forgiveness is a very divine quality and I am glad that my hon. friend, at any rate has it, unlike my hon. friend, Mr. Bharucha, who thinks that I must do everything myself; because I have started the public sector, I must carry the load myself. I cannot even make a contract with somebody for selling my iron ore. I have to remind the members that even in the public sector we are not very proficient. We have not been the managers of so many big factories or undertakings. We make mistakes. Sometimes we make contracts which are wrong. Sometimes ships are delayed. Sometimes ships are kept delayed in the Vizag port. Sometimes we have to keep them waiting for three weeks or so. These mistakes are pointed out to us by some of our other friends. I am grateful, at any rate, that so far as our action in regard to the public sector is concerned, my hon. friends opposite are a little more charitable; or, as they say, forgiving.

But then the real fact about the public sector is this. What is it in the public sector that we have not come up to? After all, there is no point in making an attack of the plan. This House did expect a plan frame and we gave it a plan. May I ask my hon. friend whether in the plan she has found that there is any substantial allocation in regard to heavy machine building, excepting through the NIDC.

Shrimati Renu Chakravartty: Even then you are not allocating anything.

Shri T. T. Krishnamachari: For any specific purpose? I can quite understand that they are being rather angry with me personally.

Shrimati Renu Chakravartty: Not personally.

Shri T. T. Krishnamachari: Let me proceed. But I would like them to do me justice anyway. After all, I do not want to make any claims, so far as heavy machine building is concerned. In fact, it is I that pleaded with the Planning Commission to put it under the NIDC, which is a creation of ours, for the purpose of implementing the public sector projects.

Then there is the question of heavy machine plants. So far as the plant was concerned, even at that time it was expected to come into the third plan period. And what is the time that has been lost in regard to the heavy machine building plant in spite of our own shortcomings? The picture is being sorted out and we do not propose to give up the heavy machine plant. We would like, if possible, to build some of our blast furnaces or coke oven factories for the development of India. I don't think we will be able to build up either the Open-hearth or the rolling mills. That will take a long time. But we do expect to do it in India.

So, my hon. friend was less than charitable in saying that we have given up something. Of course, she asked a question about heavy electricals. About the heavy electrical programme, the question she asked, is not fully answered. Well, it is under way. The question of negotiations in regard to the final stage of payments is there. But, in the mean time, all the work that is necessary for the heavy electrical plant is being done in Bhopal. Even the training of people has been undertaken and we are going ahead with it. We might say that we are not fast enough. But there is one thing which we have to remember. It is easy to speak of heavy machine building, heavy plants and steel factories. But you have actually to be engaged in it to see how difficult it is. And if you let slip one small opportunity somewhere, well, you find yourself slipping back

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one month or 1½ months or two months.

An hon. friend here asks about the foundation of a kutchha shed coming down. That is the trouble; the trouble in regard to Government functioning in the public sector is that if a kutchha shed comes down, it is taken as a matter of serious consequence, instead of treating it as a small matter so long as it does not hit anybody. If a kutchha shed coming in is a matter of parliamentary enquiry, then no kutchha shed should be put up really. All sheds should be pucca sheds. Then we have to find money for it, and money is scarce.

Therefore, I think my hon. friend is doing less than justice to the Planning Commission and to the Government when she says that we have given up all public sector projects. We have not.

There are projects in the public sector that we are carrying on with. There are the three steel plants that are going on. I think they are the largest contribution that Government can make to the public sector. Their costs are going to be somewhere of the order of Rs. 500 crores. Then there are the Sindri Fertilizer expansion, the Nangal Fertilizer Factory and the heavy water plant. The DDT new plant is under expansion. Then there is the Hindustan Cables and expansion of the Penicillin Factory. Then the lignite scheme, barring fertilizer, the heavy machine building project, and the mining machinery project, for which we are very nearly placing orders.

Regarding the question of heavy machinery we are still in the process of thinking before any foundry is being established. A heavy machine tool plant is being discussed. A plate and vessel factory is also under negotiation. Then there is a heavy structural plant.

Even here, the objection is not so much against what we are doing but

what the private sector is doing, because the private sector has run away with it. Well, they have probably completed their targets or are nearly completing their programme in terms of the target.

But I do think my hon. friend was wrong even when she quoted the Prime Minister. She was not right when she deduced from what the Prime Minister had said that the private sector was to be completely eschewed. That has not been our intention. If she approximated our policy, merely because of the plan frame, as being something which is in tune with the ideas of her party, then I have to tell my hon. friend you are not right. We do want a public sector. We do want a growing public sector. We propose that the public sector should go on growing. But at the same time, we do expect that some of the processing industries will still be in the private sector. We are not thinking in terms of giant corporations. Even when we speak of small-scale industries and medium-sized industries, we speak of the private sector. The processing industries will still be in the hands of the private sector. Nowhere, either in the Plan report or in any of the statements that the Government has made or in the industrial policy statement have we excluded or completely abrogated the private sector. It may be that she does not agree with us, in which case, she has the right not to agree with us. It may be that the private sector is something not worthwhile encouraging. If she says so, I will say, the matter has to be examined. But, to say that we have ever said that the private sector would not be allowed to develop, it would not be allowed to grow in the field set apart for it or in the twilight zone, I am afraid she is wrong. There is no use trying to make political objective that the Finance Minister who today is now the target of all attack and he is therefore a person who is out here to develop the private sector, (Interrop-

(Now), because he is there, the private sector is developed. I do not want to ask for the shelter of the Communist party.

So far as I am concerned, I have the privilege being attacked on both fronts. It may be a little amusing and at my age, I can afford to be a little amused.

An Hon. Member: We are paying great compliments.

Shri T. T. Krishnamachari: The point really happens to be, when she says that the private sector has developed. She has not said that the private sector has developed beyond what we have envisaged in the Plan. Nothing seriously wrong has been done. It is a thing which is integrated in the plan of development because in this country, private sector will exist. The point is really in the major industries, the basic industries, the Government will go on expanding very fast. The strategic points in regard to industry and economy, the Government will take over charge, no matter whether people like it or not, not even to please my friends opposite or displease my friends behind. We shall go on because that is the path we have chalked for ourselves for the future.

Then, the hon. Member said, that Finance Minister has said—I do not know where I have said it. In fact, I have learnt one thing as a result of going abroad. I suppose going westward is a little better than going northward. You probably learn the value of reticence. I have not said very much. Whatever I have said has been put down in print. I have not said that the private sector is going to get such a lot of money. It might. It is possible it might get some help. But, the help that the private sector will get will be utilised in this country in so far as it fits in with our plan. Today, what do we say to the private sector? If you want to start a new industry, we cannot afford to pay anything, even an advance until 1961; you have got to

get deferred payment. I do not propose, nor does my colleague the Commerce and Industry Minister, to allow the manufacture of something which will not displace so far as imports are concerned or which will not fill a necessity in 1961. Anything for which we undertake future liability must be something which would relieve us of a current liability at that time. Otherwise, we are not allowing that to enter into that agreement, because we have to look to the future that this country cannot bear a burden beyond a particular point. Even if you allow the private sector to get their capital goods on credit, it will have to be something which will save us foreign exchange or earn us foreign exchange by exports. If my hon. friend had asked whether there is any policy, I would have expanded that policy. Even the private sector has got to fulfil those conditions, if it gets any aid at all.

I have not said anywhere that the public sector will get half and the private sector, half. So far as I am concerned, my difficulties and the difficulties of the Planning Commission will only be solved to the extent that we get some direct assistance in regard to the dues that the public sector has. It will help the economy, perhaps, if the private sector gets some assistance and new industries are built. There is no denying that. So far as my troubles are concerned, it will have to be some help directly to me. So, the mere fact that the private sector gets half and the public sector gets half, does not solve my problems. It will solve half of my problems.

If my hon. friend understood me properly, I am primarily concerned in regard to the carrying out of the Plan and seeing the economy out of its present difficulties and therefore, whatever is available, whatever I could get is something which I have to get for the public sector, for the Government, or for sustaining the economy from my point of view, by

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allowing imports and other things which are necessary to come in. So far as the private sector is concerned, it can make its own arrangements subject to this condition that no liability will rest on the economy.

Shri Panigrahi: Will you give an assurance that the public sector will not be starved?

Shri T. T. Krishnamachari: No liability will rest on the economy in regard to any matter where there will be no foreign exchange saving or where there will be no question of earning foreign exchange.

Let me come to some other questions of the Plan. The other matter mentioned was the State Trading Corporation. My hon. friend Shri B. C. Ghose wants a discussion on the State Trading Corporation. Though it is really not my subject, I would like to be present in the House at that time. I would like to see how hon. Members treat this State Trading Corporation, which, in my view, has done extraordinarily well. For a new organisation, for people who are handling a subject about which they are not familiar, they have done extraordinarily well. I do tell the House that a State Trading Corporation will not always earn profits. In certain sections they might lose. You have to judge the State Trading Corporation from the total effect of its activities rather than from individual activities. It is in this setting that the State Trading Corporation is functioning. It is doing very well. It has saved us a lot of foreign exchange. It has found new markets. It is still being used as an agency in furthering the economy of this country. I am proud of that organisation. If the hon. Member is not satisfied with it, I can't help it. Apparently, she sets a much higher value on the work that the State Trading Corporation could possibly do than we do.

Now, the question of food. The Foodgrains Committee was presided

over by a person who would be one of the eminent Members of this House very soon.

An. Hon. Member: He is already.

Shri T. T. Krishnamachari: I think he has put out an excellent report. I have never seen a more practical report being put out on such a difficult problem. It faces realities with a courage which is certainly exemplary. What is my hon. friend saying about it?

An. Hon. Member: The problem is solved.

Shri T. T. Krishnamachari: Can we solve the food problem by merely sitting across and talking to people. We can actually talk at each other: not talk on a common subject.

Shrimati Renu Chakravartty: Come to it. You are not prepared to talk.

Shri T. T. Krishnamachari: I am quite prepared to talk. As a matter of fact, I enjoy talking to my hon. friend.

An. Hon. Member: What is the common ground?

Shri T. T. Krishnamachari: My hon. friend minus communism is an excellent person. The trouble is when communism is injected, my hon. friend probably uses some of her extremely human and humane qualities. (*Interruption*). That is my trouble. What can we talk? We can't. There is no common ground on which we may talk. I am here all the time where something is being put underneath to be sabotaged. Still, the old game goes on. The Prime Minister said so and so; he is our friend. The Home Minister, the Finance Minister, somebody else who is not their friend. I am afraid only the Prime Minister can talk to these people. I do not think he will either. The Prime Minister is far too loyal to his colleagues to leave them alone. What is it that we can talk about? There is no use of

moving a resolution. Let us see, on this food problem, will the hon. Members give a guarantee that they are going to stop this newfangled Kisan Movement? (Interruption) We are all keen in giving land to the tiller. There is nobody here in this House who does not want to give land to the tiller.

An Hon. Member: How much have you given?

Shri T. T. Krishnamachari: It is not going to be done overnight. Oftentimes you have to give land to the landless also and the landless do not happen to be tillers. The trouble about it is that there is no common ground between the Opposition and ourselves. The Opposition chases the plan frame today, something else tomorrow, any floatsam any jetsam, just because it is handy to throw it at the Government's head. I can tell the House, in all humility, this Plan because of its magnitude, because of the targets which it has, has created problems which nobody can envisage. In other countries, where they make plans, they do not have to envisage trouble, because they can get over the troubles as and when they arise; we cannot. We cannot get over troubles by ruthlessly dealing with the trouble-makers. We have no trouble-shooters really; we cannot shoot trouble-makers; we have to deal with trouble-makers by persuasion.

Shri Narayanankutty Menon: You tried all these things.

Shri T. T. Krishnamachari: We have to meet their wishes up to a point and if necessary, therefore, since we have to carry them with us, sometimes we have to change our tactics, change our targets.

The Plan, God willing, provided the Communist Party do not gain any more ascendancy in this economy than they have done today, will be achieved, and the target of Rs. 4,800 crores will be achieved. I am not convinced yet that a discussion with my hon. friend will perhaps progress that

achievement or make it exceed the financial targets or reach even the physical targets which, I admit, we would like to have. Nobody wants this Plan to be a small Plan. I would like this Plan to be a bigger Plan. I would like this Plan within its time to give better benefits, to increase the standard of living, to increase the per capita income, to increase the national product not merely to Rs. 13,000 crores but to something more, but I am afraid I want a little more convincing than a speech by my fair friend opposite has done that the Communist Party will co-operate in achieving that very desirable end.

I am afraid I will have to oppose the Resolution. You cannot amend something which is unamendable. It is something like making bricks out of nothing, not even straw, not even sand, but out of nothing. You cannot make a negative resolution a positive one. Therefore, I would suggest to the movers to drop their amendments. I oppose the resolution.

Mr. Chairman: Now there are about 8 to 10 minutes left. The hon. Mover of the Resolution can take five minutes so that I can call some other speaker also. I would like to call one or two others who are very anxious to speak.

Shrimati Renu Chakravartty: Let them speak.

Mr. Chairman: Shri Ghose.

Shri Bimal Ghose: I wish I had spoken, if I had spoken at all, before the hon. Minister had spoken.

Shrimati Renu Chakravartty: So that he may throw a bouquet at you?

Shri Bimal Ghose: He might have also attacked me. When he speaks of the Opposition, I believe he looks only at one spot as the Opposition.

I cannot support the resolution that was moved because it is so contradictory. It says that notwithstanding the difficulties, the physical targets can be fulfilled, but how can they be fulfilled if there are difficulties and we

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do not know what the difficulties are. Then it goes on to say: "such modifications and changes as are called for". That is again contrary to the main resolution.

I felt that apart from the resolution here, the main question is that of resources. There is the question also of development with stability, of prices—that means inflation—and of food, i.e., the core of the Plan, but I want to say only a few things about the resources, internal and external.

Internally it seems that our calculations are going awry with regard to small savings and also loans. So far as the taxation portion is concerned, I think the Finance Minister is not doing very badly in raising the resources that were expected to be raised in the Plan, but so far as the Rs. 1,200 crores by way of loans and small savings are concerned, I do not think he will realise those targets.

Coming to the external resources, we find that we have gone wrong in that respect but there is one thing that I want to bring to your notice, and that is a very unfortunate statement which I find was made by the Governor of the Reserve Bank in one of his speeches in Washington, where he said that however inpeceable the plans are, they cannot be implemented without massive support from the West. Two things I take objection to. The Prime Minister here said that even though we may not receive any support, we shall go ahead with the Plan; of course we may not achieve so much; but the impression given there was that nothing could be accomplished unless we receive not only support, but massive support. I also take objection to the second part that that massive support must be from the West. That was a very undesirable thing to say.

AN HON. MEMBER: He follows his master.

Shri Bimal Ghose: There is another point which I want to bring to your notice about deferred payment. The Finance Minister said that he is not going to prune the Plan, nor phase the Plan, but what does deferred payment mean? We are doing things to-day and transferring the responsibilities to a future period. We are mortgaging the future to the present and really the Plan is not in that sense a Five Year Plan, but at least so far as the foreign exchange component is concerned, a six, seven or eight year plan. So my suggestion, therefore, is that it is time now to take stock of our position. Let us have a Five Year Plan again from now on or if necessary have a six or seven-year plan from to-day. Let us re-examine our resources both internal and external, and see how far we can proceed; because we are now deceiving ourselves by trying to say that we are doing something within the Five Year Plan while actually transferring the responsibilities and obligations to the Third Plan. We are mortgaging our Third Plan to the Second Plan. By a Plan I mean something that we can achieve within a certain period. If we do not have the external resources during the Second Plan and we are taking into account external resources that may arise during the Third Plan to implement something during the Second Plan, then it is not honest to say that we are completing the Second Plan as a Plan within the resources that are available to us.

Therefore, I suggest we should have a committee consisting of representatives of the Planning Commission, the Finance Minister, economist and Members of Parliament to examine this question of our available resources, both internal and external, how we expand them, and then suggest such modifications as may be necessary, and if necessary, we may have the Plan extended from now on to five, six or seven years. Russia, I understand, has given up its Five Year Plan and has a Seven Year Plan. There is no

sanctity in the figure "five". Let us have a Plan which can achieve the object within the Plan period.

Shri Ranga (Tenali): May I put a question? Is it not a fact that just at the time the Plan-frame was being discussed, Government was able to call a number of Members of Parliament into a conference with the Prime Minister and the Planning Minister and others in order to express their views so that they could exchange their views? Would it not be possible for them some time to call a similar meeting of the same group of people so that they can gain the views of all our friends on the opposite side?

Shri T. T. Krishnamachari: As a matter of fact, any time when it is suitable for hon. Members, my colleague and myself would certainly like to meet them and discuss anything across the table.

The Minister of Labour and Employment and Planning (Shri Nanda): We have a consultative committee, and it is meeting very shortly on the 16th and its precise purpose is to discuss all these things. That committee is composed of members of all parties, and if there are others who do not find their names on the list of the committee but are keenly interested, they are invited and they can come and take part.

Shri Mahanty (Dhenkanal): I had attended one consultative committee on planning. May I know from the hon. Minister if the discussions in the consultative committees have any impact on the Government's decision?

Mr. Chairman: Shrimati Renu Chakravarty.

Shri S. M. Banerjee (Kanpur) rose—

Mr. Chairman: I have called the hon. Member to reply.

Shrimati Renu Chakravarty: I am sorry the hon. Finance Minister has become quite so sensitive. I think he is being rubbed on his weak spots too often, and that is why maybe he is kicking his wounds.

I would rather that he had attacked the whole question on a political and economic level. I am also grateful to this debate for having shown exactly the value of the professions of Government regarding a national approach. Whether the Finance Minister likes it or not, the Communist Party is not dead; the Communist Party remains. It is more popular than ever before; it controls a Government in this country, and therefore, whether he likes it or not, we are part of the nation, an important part of the nation, may be in a humble way, but still we do enjoy popularity among large sections of the people. We had thought that, may be, let us take them at their word that they would like to have a discussion at a political level. But we are now clear that as far as the Finance Minister goes, and he is very sure that the Prime Minister is going to stick by what his colleague said, there is no common ground of talk between us, and, therefore, we know that by the majority of this House, this resolution is going to be defeated. I am only sorry for the country because we know that the crisis which is facing our country requires a national approach and not the party approach of the Congress.

Unfortunately, he has not actually answered many of the points which I made. He, of course, had his dig at his personal enemy, I should almost say, namely Professor Mahalanobis. I suppose it is a sort of personal enmity between them. I have nothing to say in favour of him, whether he is an imaginative essay-writer or not. That is for them to decide. But this much is true that the basic fact stares us in the face that unless we know how to build machines, we will be always at the mercy of the foreigners, and that is why the main emphasis of the Plan has to be, whether he likes it or not, on developing the machine-building industries. Otherwise, we shall be in the same predicament in which we are today.

The question of foreign exchange component is also there. The prices

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of heavy machinery, mining machinery and heavy electrical machine-building plant etc. are going up. If that is so, I would like to know how we are going to manage this foreign exchange question. In fact, nobody would be happier than myself if the problem could be met. If the Minister could assure us that these targets are going to remain, then I think, a part of our resolution is being accepted by the Finance Minister, though he would not like to admit it.

Then, the question of our demanding the private sector being eschewed was raised by him. I do not think that point has ever been raised. We know exactly what the role of the private sector is. We know that the private sector has a part to play for a long time to come. That is an admitted fact. It was a fact admitted in the Plan itself. Of course, within twenty minutes, I could not explain all that. The point was about the decentralised sector. That is where the consumer goods should have come from. Then, there should have been utilisation of the full capacity of the factories making consumer goods. Therefore, my point was not the eschewing of the private sector, but of putting it in its own place.

I am afraid that the decentralised sector has not been as effectively dealt with as it should have been. The massive organisation which is required for this cannot be achieved without the help of all parties. This massive structure required for a decentralised sector has in itself been neglected, neglected by Government, and neglected even in our debate itself.

I would say, therefore, that there is no question of eschewing the private sector. The whole emphasis has to be on heavy industry. After all, our foreign exchange component is very limited. In that context, it is the heavy industries which should have been given the main emphasis.

Of course, we have the right to disagree. Nobody can take it away from

us. We have disagreed in the past. We still disagree on many points. But there are certain points which we had agreed to, about the objectives of the Plan and about certain targets in the Plan. But we also believe that the phasing is very important, and the phasing is linked with policies; it is linked with the balance of the Plan, and it is linked with political questions and also the economic independence of our country. That is why essentially it is a political question plus an economic question.

Then, if he would have liked, I could have shown him that in spite of the private sector not being eschewed, such things as rayon, for example, have been allowed to grow. That was in the Plan itself. But as I was reading through the *Programme of Industrial Development* produced by the Minister's secretariat itself and the Planning Commission, I found that it was clearly stated that rayon was such a substance that when there was a foreign exchange component...

Mr. Chairman: The hon. Member is making new points.

Shrimati Renu Chakravartty: I am only answering the points made.

Mr. Chairman: Now, practically, the time for reply is over.

Shrimati Renu Chakravartty: Then, I will not say anything further.

Mr. Chairman: So far as the amendments are concerned, I would like hon. Members to tell me whether they are desirous that any of their amendments should be put to vote separately.

Shrimati Renu Chakravartty: I do not accept any amendment.

Mr. Chairman: Then, I shall put the amendments to vote. The question is:

"That for the original Resolution, the following be substituted, namely:—

"Whereas it is expedient that in view of financial stringency

especially of foreign exchange, this House is of opinion, that after reassessment of available resources Government may prune the physical targets of the Second Five Year Plan."

The motion was negatived.

Mr. Chairman: The question is:

That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that the Second Five Year Plan be not curtailed or pruned in any manner unless it is inevitable to do so on account of the difficulties facing us and all persons in the country including every political party shall do everything in its power to act in co-operation with the Government and help in every way, particularly in action to implement the plan and achieve the physical targets fixed."

The motion was negatived.

Mr. Chairman: The question is:

That in the resolution,—

for "(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and", the following be substituted namely:—

"(i) that in order to ensure successful implementation of the Plan, a conference of all major All India Political Parties and All India Trade Union Organisations be convened by the Central Government and the Planning Commission latest by the 31st January, 1958 to discuss the policies and methods guiding the Plan and to devise ways and means as to how internal resources can be mobilised and the masses of people enthused to rally round the Plan."

The motion was negatived.

Mr. Chairman: The question is:

That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that a Committee consisting of representatives of the Planning Commission, the Finance Ministry, economists and Members of Parliament be appointed to

(a) estimate the resources, internal and external that may be available for financing the Second Plan during the plan period;

(b) suggest measures for augmenting these resources; and

(c) recommend such modifications, if any, in the Plan as may be considered necessary."

The motion was negatived.

Mr. Chairman: The question is:

That in the Resolution,—

add at the end—

"(iii) that a Committee of the members of Lok Sabha, representing all shades of opinion, be formed for setting up of a broad-based Youth Co-ordinating Council in order to inspire and mobilise the vast sections of Youth in India and harness their energy towards implementing the targets of the Second Five Year Plan."

The motion was negatived.

Mr. Chairman: I shall now put the Resolution to vote.

The question is:

"This House is of opinion that notwithstanding their difficulties facing the Second Five Year Plan its physical targets can be fulfilled within the Plan period without any curtailment or pruning.

This House is further of opinion

(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Cent-

[Mr. Chairman]

ral Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and

(ii) that pending the convening of such an all-party conference all unilateral declarations by the Government in favour of rephrasing and pruning the Plan be stopped in public interest."

The motion was negatived.

RESOLUTION RE: PROVISION FOR MAJOR PORT AT PARADIP

Shri Supakar (Sambalpur): I beg to move:

"This House recommends that Government should provide a major port at Paradip on the Orissa Coast in the Second Five Year Plan period."

The Second Five Year Plan has provided a sum of Rs. 100 crores for improvement and establishment of ports. But, unfortunately, so far as the minor ports are concerned, I am sorry to say that practically only Rs. 64 lakhs have been provided; this sum is meant for investigation in connection with the provision of all-weather harbours at Paradip, Mangalore and Malpy, and of the preliminaries connected with the processing of Sethusamudram schemes, including the development of Tuticorin. I think that for so many projects, the provision of a sum of Rs. 64 lakhs is quite inadequate. Having regard to the requirements of our country in regard to the development of ports and the establishment of new major ports, it is quite inadequate. Especially, having regard to the claims for having a major port at Paradip, the money that is likely to be allotted for Paradip is most disappointing.

In this connection, I shall try to show that the Government of India, in their own interest, should take up

the Paradip project without any further loss of time and convert it into a major port during the tenure of the Second Plan period. I shall also show that the amount of money needed for establishing a major port at Paradip is not only a reasonably small amount but it will also pay a very rich dividend in the shape of a substantial quantity of foreign exchange earning, thereby paying back the investment of Government in a very short period of time. I shall try to prove also that notwithstanding the fact that the Calcutta port on the one side and the Visakhapatnam port on the other are there, still there is enough scope for developing the Paradip port into a major one.

At the outset, I must say that in 1947, when India was partitioned, and Pakistan was separated from India, we lost a very big port, namely the port of Chittagong on the east coast. Since then, the need for a major port, both for development of trade and for the purpose of meeting our national defence needs was felt. Therefore, in 1948, almost immediately after partition, the technical Port Committee recommended that the Government of India should investigate the possibilities of establishing a sheltered deep-sea port between Visakhapatnam and Calcutta. You know that Paradip is at a distance of about 230 miles from Calcutta and 280 miles from Visakhapatnam and is at the mouth of the Mahanadi. Therefore, its location is very good. On the advice of this Committee, the Central Water, Irrigation, Power and Navigation Commission took up survey, investigation and collection of data and opinions of experts. Opinions of experts like Mr. Solno of Societe General D'enterprise of Paris were obtained.

All these experts advised that Paradip at the mouth of Mahanadi is the only suitable site for location of a major port between Calcutta and Visakhapatnam. The Commission recommended that an expert committee be appointed to investigate the possibilities of this port. Accordingly, a

French expert mission consisting of very eminent personalities having sufficient experience in port matters was appointed. This mission examined the different sites in the coastal regions of Orissa and submitted a voluminous report. I would like to quote certain extracts from their report. On page 131, they have the following opinion to offer:

"We consider that there is no question whatever that a great port can develop and thrive at the mouth of Mahanadi and play a considerable economic part in the State of Orissa. It should be noted that to the advantages derived from cheaper inland transport brought about by the new port would be added the lower working and maintenance costs of such a port in comparison to those of neighbouring ports. Indeed, the cost of dredging and maintenance of the works would be much less than is the case at Calcutta, for instance, where expenditure on dredging and upkeep is very high".

Subsequently, at a meeting of the National Harbour Board held in 1954 under the chairmanship of the present Minister of Transport, it was decided to carry on model study and find out the nature and type of most suitable protective works required for a proper harbour at Paradip. I am told that the research carried on in Poona has shown very encouraging results.

It was stated in reply to starred question No. 162 on 20th May 1957 in this House that model study, survey and investigation in connection with the development of an all-weather port at Paradip were still in progress then. I understand that these investigations are likely to be completed by the end of this year or at the latest, by the beginning of the next.

In May 1956, the Deputy Director of the C.W.P.C. Shri Kartar Singh, investigated the possibilities of this port and submitted another report from which I wish to give certain

quotations. On page 9 of the Report, published by the Government of Orissa, he says:

"We have everything that is required for the construction of a major port here. The depths, etc. as they exist today (with the exception of outer bar) are far better than Chittagong. There is a fine stretch of water 7 miles below Paradip on the right side of the river, within 200 feet off the bank, where any deep vessels drawing up to 40 feet can lay at safety without fear of grounding at any tide. Ten vessels of 800 ft. length and any draft up to 40 ft. can be accommodated within this stretch of 7,000 ft. deep water."

According to him, but for the existence of a bar, the possibilities of a port at Paradip are far better than at Chittagong. Even regarding this objection of an outer bar, he says:

"Although only two lines of sounding were taken on the outer bar, which does not indicate the proper depths but soundings of 12 feet at low water were found. This requires further survey for which we have not got the proper craft. Even admitting the existence of a bar at the mouth"—I wish to draw the attention of the hon. Minister to this aspect—"nothing can in any way discourage us for developing a port when everything else is favourable. Means were found to open up Visakhapatnam, Cochin and other harbours where the entrances were more complicated than at Mahanadi. I cannot see any reason why we should not overcome the difficulties and improve the bar. Take the example of any port, minor or major. They were started from the scrap. Chittagong, a major port in East Pakistan, does not offer the facilities for deep draft vessels even after spending crores of rupees on dredging and training works. Karachi, one of the finest ports among the Indian ports, was a fishermen's village with only a

[Shri Supakar]

few scattered huts. Today, it consists of 25 berths and 18 fixed and swimming moorings and offers facilities to the deepest draft ocean-going vessels".

What I want to submit is that there has been sufficient investigation into the possibilities of everything in regard to having a major port at Paradip. Not only our own specialists, but French, German and Japanese experts have given favourable findings regarding the desirability of having a major port at Paradip. Their opinions have been almost unanimous, and I do not see any reason why we should wait till the conclusion of the Second Plan to start improving this port. There is no reason why only a small amount should have been allotted for investigation and survey of this port.

Now, I have discussed the proposition from the point of technical objections. The experts have met all objections and most of them think that a port at Paradip can be as good as some of the biggest ports in India, if not somewhat better.

We may now discuss the problem from the economic point of view. At the outset, I may say that the congestion at our big harbours like Calcutta has attracted very considerable attention and caused great concern in recent times. Ships are held up for days and months together and cargoes are not unloaded in time and we have to incur heavy expenditure on account of freight etc. This is specially so regarding the Calcutta port. A port at Paradip would not only relieve excessive congestion and thereby save a good deal of money and time but also effect other economies as well.

You will see that the French experts who held detailed investigations about the port and submitted a detailed report, estimated that about Rs. 7 crores would be necessary for converting this port into a major one and for having the necessary constructions for the same.

Having regard to the fact that we have allotted a sum of Rs. 100 crores for the overall improvement of ports, especially of the major ports, it is not too much for us to expect that Rs. 7 crores for a major port at Paradip will be provided. In spite of our austerity drive and in spite of our having cut a good deal of our Second Plan Projects, I feel that an expenditure of Rs. 7 crores on this port will pay very rich dividends.

The French experts and also our Indian experts have examined the possibilities of exports from this port; and there are good reasons to expect that as soon as this port is established as a major port, at least 2 million tons of cargo are likely to be exported every year from this port. And that would effect a lot of saving to our national exchequer.

You know that the State of Orissa is very rich in minerals, specially iron ore, manganese ore and other minor metals. At present the ores that are sent to foreign countries from Orissa are either despatched to the Calcutta port or to the harbour at Visakhapatnam. The distances from the centres of Orissa to the ports are rather great. It has been said that Calcutta is at a distance of about 257 miles from Rourekela; and the distance of Visakhapatnam from Rourekela is 588 miles. If we take the distances from Cuttack, Calcutta is 295 miles and Visakhapatnam is also about the same distance. Instead of sending our goods through the circuitous route, if we can develop this port at Paradip a lot of savings by way of freight would be effected.

It has been calculated by the Government of Orissa that if instead of sending our raw minerals and manufactured goods either through Calcutta port or Visakhapatnam, which in themselves are very congested and create difficulties sometimes, we make an attempt to send them through this Paradip port, we can make a saving by way of transport charges at the rate of about Rs. 10 per ton.

Having regard to the fact that the likelihood of our exports from Paradip before long would reach a figure of 2 million tons per year, the saving on this score alone is to the tune of Rs. 2 crores a year. Therefore, if by investing a sum of Rs. 7 crores within the next 3 years, we can make a saving and a net gain of Rs. 2 crores per year. I think it is worth doing and this scheme, from the point of view of national economy, from the point of view of earning foreign exchange by way of sending our minerals abroad to different countries is a very paying proposition.

It may be urged that Orissa has to meet the needs of the steel factories that are located inside Orissa and in particular the Tata Iron and Steel Works and also the Rourekela plant. Even apart from feeding these factories at Rourekela and the Tatas for hundreds of years together, we still have rich deposits which we can send abroad and earn foreign exchange. I am referring here to our rich iron deposits in Sukinda which is at a distance either from Rourekela or Tata and which we can profitably export through this Paradip port to countries like Japan, Germany and others where they need our iron. Here, we have a deposit of not less than 80 million tons and they are of a very high grade and only a small fraction of this profit of our ores of the Cuttack district will meet all the expenses that we may incur on Paradip port within a short period of 3 to 5 years. Therefore, I urge upon the Minister to convert this port into a major one before the conclusion of the Second Five Year Plan.

[MR. SPEAKER in the Chair.]

16.59 hrs.

Finally I would submit that Orissa is a State which has always been neglected. Its mineral, forest and other natural resources can no longer be ignored by the Government of

India, if we are to make the country prosperous and fulfil our second, third and subsequent Five Year Plans. Therefore, it is in the interests of the Government of India and the nation as a whole to see that this project is not delayed beyond the Second Plan.

Mr. Speaker: Resolution moved:

"This House recommends that Government should provide a major port at Paradip on the Orissa Coast in the Second Five Year Plan period."

ADDITIONAL DUTIES OF EXCISE (GOODS OF SPECIAL IMPORTANCE) BILL*

Mr. Speaker: I will now interrupt the proceedings and call Shri T. T. Krishnamachari to speak.

The Minister of Finance (Shri T. T. Krishnamachari): Mr. Speaker, I beg to move for leave to introduce a Bill to provide for the levy and collection of additional duties of excise on certain goods and for the distribution of part of the net proceeds thereof among the States and to declare those goods to be of special importance in inter-State trade or commerce, and with your permission I would like to make a brief statement about this Bill.

The question of replacing sales taxes levied by States on certain goods of widespread consumption by an additional duty of excise the proceeds of which will be distributed among the States has been under consideration for some time in consultation with the State Governments. Last December, the National Development Council came to the unanimous decision that the sales tax on sugar, tobacco and mill-made textiles should be replaced by a surcharge on excise duties to be distributed on the basis of consumption, the present income of the States from this source being assured to them, the manner of distribution being left to the consideration of the Finance Commission. The detailed implementation of this decision has been the

[Shri T. T. Krishnamachari]

subject matter of consultation with the State Governments for some time. Meanwhile, last May, the Finance Commission was requested to make recommendations about the distribution of the additional duties if and when levied and the present income from sales taxes to be assured to the States and the recommendations of the Commission are contained in the report which the House has been considering. The present Bill seeks to implement the decision to levy the additional duties and distribute the proceeds among the States.

I am sure this measure would be widely welcomed. It replaces the widely varying sales tax on these commodities by a uniform levy. It secures for the Exchequer a larger revenue than is at present collected by the elimination of evasion and also by bringing in the entire production of these goods under taxation some of which used to escape sales taxes, particularly where the sales taxes were levied not on individual commodities but on the total turn over subject to a minimum exemption. From the point of view of trade also, this measure would be welcome as eliminating a considerable measure of inconvenience.

I shall now deal with the proposed rates of additional duty. On sugar, the rate proposed is Rs. 3.31 np. per cwt. or just about three naya paise per lb. It is expected that in a whole year the revenue to be derived from this proposal would amount to Rs. 12.18 crores.

On textiles, the rates proposed per sq. yard are 13 np. for the superfine, 8 np. for the fine, 4np. for the medium and 3 np. for the coarse varieties respectively. The rate proposed for the art silk cloth is 3 np. per sq. yard and for woollen cloth 5 per cent *ad valorem*. It has been estimated that in a whole year, this should bring in a gross revenue of Rs. 21.90 crores.

Under the heading tobacco and tobacco manufactures, there are a large number of specific rates covered

by the Schedule. is perhaps needless for me to go through the entire list individually but broadly speaking, the proposals can be summarised as follows:

On unmanufactured tobacco (a) those used mainly for the manufacture of hookah and chewing tobacco as also cigars—3 np. per lb. (b) those used mainly for the manufacture of biris—20 np. for lb. As bidis now pay a separate sales tax and there is no excise duty on biris as such, the duty on the tobacco has had to be pitched at this figure. And (c) those used for the manufacture of pipe tobacco and smoking mixtures—50 np. per lb.

Coming to tobacco manufactures, for the levy of central excise duty, cigarettes have been sub-divided into eight categories and the rates of duty vary from Re. 1/- per thousand in respect of the lowest category valued at less than Rs. 7.50 np. per thousand to Rs. 21.50 np. per thousand in respect of the highest category valued at more than Rs. 50 per thousand. The additional duties proposed follow the same pattern and have been pitched at 40 per cent of the Central excise rates for each category.

For cigars, as in the case of cigarettes, the additional excise duties proposed amount to 25 per cent of the basic rate for all the nine categories. As a result of the imposition of these additional excise duties, the yield from tobacco and tobacco manufactures in a whole year is estimated at Rs. 7.40 crores gross.

To sum up, the total expected yield as a result of these proposals is Rs. 41.48 crores out of which after allowing for the estimated cost of collection and refunds on account of exports and share retained for the Union Territories, the net revenue available for distribution is, on a very conservative estimate, expected to be Rs. 38 crores but may even touch Rs. 39 crores. This will be about Rs. 7 crores more than the amount of Rs. 32.50 crores

**Excise (Goods of
special Importance)
Bill**

guaranteed for distribution to the States by the Centre.

As the existing rates of sales tax are ad valorem and also differ from State to State, exact comparison of the proposed change with the existing position is not possible. Generally speaking, however, the incidence of duty at the rates proposed in the First Schedule to this Bill would be appreciably lower in almost every case than the existing incidence of the average sales tax levied on these commodities by the State Governments. As the Taxation Enquiry Commission had occasion to point out, a higher total yield with a generally lower incidence was likely to result from such a consolidation. As the Central excise duties are levied at source, the scope for evasion is substantially eliminated. That is why it has become possible to actually increase the yields without raising the average incidence of sales tax through the provisions made in this Bill.

By virtue of the declaration under the Provisional Collection of Taxes Act appended to the Bill, the rates proposed shall come into effect from the 14th December, 1957, that is, at midnight today. I will not now deal with the basis of the distribution which this Bill embodies but shall do so at the proper time when the Bill is taken up for consideration.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the levy and collection of additional duties of excise on certain goods and for the distribution of a part of the net proceeds thereof among the States and to declare those goods to be of special importance in inter-State trade or commerce"

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I introduce the Bill.*

**STATEMENT RE: REDUCTION OF
EXCISE DUTY ON COTTON FAB-
RICS AND WITHDRAWAL OF EX-
CESS PRODUCTION REBATE**

Shri T. T. Krishnamachari: Sir, I beg your leave to make a short statement. The Government of India have been maintaining a close watch on the production, clearances for internal consumption, stock position and price trends of cloth. The stock position undoubtedly merits this consideration. Although the price levels have not yet come down to those prevailing in December, 1955, the prices particularly of medium cloth have fallen by an appreciable extent. There has also been a worsening of the competitive position of 'medium' cloth vis-a-vis the 'coarse' varieties with the result that relatively larger stocks of medium cloth have accumulated with the mills. It is expected that the proposal for the integration of sales tax collected by the States on textiles with excise duties announced today just now would help considerably in the stocks of cloth being lifted from the mill godowns. Nevertheless, it may be necessary to provide some additional relief even if it be for a time. The Government of India have, therefore, decided, as a temporary measure, to reduce the excise duty on medium cotton fabrics from two annas per square yard to one anna and six pies per square yard with immediate effect. A notification giving effect to this decision would be issued immediately. This reduction would remain effective only up to the 31st March, 1958.

With this reduction in excise duty on medium cloth which normally accounts for almost three-quarters of the total production of cotton fabrics, it is no longer necessary to continue the rebate of six pies per square yard to mills which produce cotton fabrics in excess of their average or normal packed production. It has, therefore, been decided to withdraw this rebate with effect from the 1st January, 1958. A Notification giving effect to

*Introduced with the recommendation of the President.

[Shri T. T. Krishnamachari]

this decision would also be issued immediately.

**RESOLUTION RE: PROVISION FOR
A MAJOR PORT AT PARADIP—
contd.**

Mr. Speaker: We will now proceed with the resolution moved by Shri Supakar. What are the amendments that hon. Members would like to move to this resolution?

Shri Panigrahi (Puri): I beg to move:

That in the Resolution,—
add at the end—

“and necessary steps be taken by the Union Government for providing the area with preliminary facilities for the export of iron ores to Japan.”

Mr. Speaker: Amendment moved

That in the Resolution,—
add at the end—

“and necessary steps be taken by the Union Government for providing the area with preliminary facilities for the export of iron ores to Japan.”

Shri Surendranath Dwivedy (Kendrapara): Mr. Speaker, Sir, this question of declaring Paradip as a major port should not be considered only because with it the economic prosperity of Orissa is linked up, but it should be viewed from the larger aspect, from the point of view of our national defence and from the urgency of relieving heavy congestion at our ports at present.

The more I look into the question I fail to understand why after ten years the Government of India is taking such a lukewarm attitude to begin with and advising the State Government to declare this as a minor port. As has been pointed out, as early as 1947 the Technical Committee recommended the urgent need

of establishing a port in the east coast after we had lost Chittagong. We made some attempts and have established a port at Kandla when Karachi was lost, which took about eight years for us to build it up. Here in the east coast we have not made any attempts whatsoever.

As regards the technical aspects of the question, as many as eight investigations have taken place. The reports are there before the Government and the Orissa Government has published them in booklet forms. It satisfies all the requirements, both from the technical point of view and from the economic point of view, that are required for declaring this place as major port.

Although the need is there and even the Government of India's own representatives have established beyond doubt that all elements in this area are favourable for establishing a major port, the Government of India is sitting tight over it, keeping silent over it and is neglecting it. Probably, the department over which our hon. Lal Bahadur Shastri presides is still influenced by that Imperial attitude although the Imperialists have left us. The Britishers were developing our ports mainly concentrating their attention on major ports like Bombay, Calcutta and Madras. That attitude has not still changed, and that is why we have been neglecting this aspect.

My friend has pointed out that it is not only we people of Orissa who are very much anxious to see that this port is developed as a major port, but it will be seen that all persons interested in the development of ports as a whole are also anxious to see that Paradip is developed.

Not only that. Even missions from foreign countries which have visited this area and carried out investigations at their own cost have reached the conclusion, that if at all we have to establish a port we must take Paradip as the first point where this

can be successfully done. Why is it so? It is because, as you know, Orissa is very rich in mineral resources. Out of 80,000 square miles 23,000 square miles have mineral resources like iron ore etc. We have high grade iron ore which are an exportable commodity. We can get that in plenty in Orissa. The whole concern of these missions and the countries like Japan, Czechoslovakia and Germany who want iron ore from India is that this iron ore should be exported from a place which will be nearer to the place where the mines are there.

The Japanese Delegation which came very recently, I believe, is still in this country going into this question. But I am told a Japanese Team which visited before have offered not only to help in establishing the port but also in developing railways and mechanising the mine area for the purpose. When another Japanese Delegation which visited this country very recently had some conference and had come to some agreement with the Government of India, I am surprised to find that the question of Paradip was not taken as the first item but some agreement has been reached to develop Vishakhapatnam and take iron ore from Rourkela. I have no objection to that. Even if Vishakhapatnam is developed Orissa is going to benefit, I suppose, by having more railways. But at the same time, I would urge that in Rourkela, Mayurbhanj, Bonai and Sundergarh we have sufficient iron ores not only to feed the Rourkela steel factory but sufficient to export for a number of years which the Vishakhapatnam port itself will not be able to cope with.

Therefore, what they are interested in is this. There is another area called Sukinda where we have plenty of iron ores to the tune of 80 million tons and Paradip is only 110 miles from Sukinda mining area. Therefore, this Japanese Mission and others are interested to develop this port so

that these materials can be made available to them at a cheaper rate with cheaper transport facilities.

There is also another aspect. Paradip is also linked up with canal system. There are canals which can feed the Paradip port, and they can carry this iron ore from these mining areas. Those canals are going to be developed under the Delta Irrigation Scheme. That is another facility, and to have a new railway line of 110 miles is not a very great job.

It will be seen that Paradip offers us all favourable conditions in other respects too. The sea is 30 feet deep at a distance of half a mile from the shore. If only a stone wall of 3500 feet in length could be built into the sea even war ships could come inside Paradip Port, as water standing between the wall and shore would be 48 feet in depth. Regarding upkeep and maintenance, according to estimates the upkeep and maintenance of this port would be cheaper than Calcutta. In Calcutta we spend about Rs. 50 lakhs a year whereas it has been estimated for Paradip only Rs. 10 lakhs will be required.

A more important fact is this. In Kandla we have taken eight years to build up the port. But nearabout the area there is no drinking water facility. Water has to be carried from 19 miles away. But here, it is a very encouraging feature to find that in the port area itself, in a village, the drinking water sources have been found and the port town itself can develop the adjoining area around the sea.

I am told that the Japanese want to take from us about four million tons of iron. I want to say that the existing ports, even if Vishakhapatnam is developed, will not be able to cope with this export. At the same time, if we take into account the deposits that we have in Sukinda, and considering that iron is exported even at the rate of 4 million tons through

[Shri Surendranath Dwivedy]

Vishakhapatnam, Paradip will be supplying iron ore to the Japanese for about 2,000 years without affecting in any way our supply to the factories that we have in our own country. They are also very much anxious about it.

But I am surprised that although there is that offer from the Japanese and others to help us, the Government of India is sitting tight. I would not be wrong if I say that the impact on the Government itself of North India and other places is so great that they do not consider these areas which have great potentialities of development, seriously. Therefore, they have neglected this. This is what I want to point out. It will take a number of years for development, if, as we have begun now, we ask the Government of Orissa just to send some iron ores through Paradip at the rate of 50,000 tons or so annually. I am told they are even prepared at the present time, to export as much as one lakh tons. That will give us a good amount of foreign exchange to the tune of Rs. 1½ crores a year. But we are asking them now, after ten years, to declare it as a minor port and do things as has been suggested by the Transport Ministry.

Then there is the question of procedure, as the Minister himself said in reply to a question. First it will be a minor port; then it will become an intermediate port, and then a major port, and we would have to bring some machinery which, by the time it is declared a major port, will not be of any use. This procedure I think will be utter waste of time and money. At the same time, it will be a great setback to all our development programme.

Therefore, what I suggest is, since all the requirements and investigations that have been made so far satisfy the needs and the requirements for declaring it as a major port, it is high time that the Government of India declared here and now that within the second Five Year

Plan period this port would be developed as a major port so that will contribute towards the economic development of the country as a whole.

Therefore urgency of this resolution. I feel that the Government, if it does not want to follow the imperialistic attitude, if it does not want to neglect areas which are in need of urgent development, should have no hesitation in announcing today that they are going to make it a major port. If they do not do it, the country cannot be developed. Probably, it is being seen in many respects that the Government do not proceed on estimates or on reasonable facts placed before them. Some kind of political pressure is always brought upon them in great and major matters. Therefore, at the same time, I want to issue a warning. If, after all these things, our voice is not listened to, probably they will have to face an agitation, an agitation which we want to avoid.

As I said, it is not only economic aspect of it but it has also another psychological factor behind it, because Orissa wants to develop; Orissa wants to have economic prosperity. And that cannot be achieved by burdening the poor people of Orissa with more taxation or by any other measure. It can only be done by developing its resources, by developing its rich mineral resources which can bring in more money not only to Orissa's treasury but also to the national treasury as well.

Mr. Speaker: Shri Panigrahi Then I will call Shri Raghunath Singh.

Shri Panigrahi (Puri): At the outset, I would like to thank the Ministry of Transport and Communications for the interests that they have taken to carry on investigations at Paradip for building a new major port. But I sometimes feel and perhaps the House will bear with me, that the Government want to start a thing and when they want to start it, in the beginning they start right earnest, but unfortunately, they do

not carry the thing to a finish. That is where they lag.

I need not quote all the reports of the expert committee which were really appointed at the initiative or rather with the help of the Ministry of Transport and Communications. Therefore, whatever material we are getting today about Paradip is due to the encouragement given by the Minister of Transport and Communications so that we are in a position to argue the case before this House.

The French Expert Committee which was invited by the Government of India in January, 1951, to investigate into the possibility of building a new major port between Vishakhapatnam and Calcutta, said that a traffic of 4,50,000 tons a year at Paradip would be enough to justify the investment of Rs 7 crores including Rs 18 crores for a dredger to build this new port in Paradip. They considered this traffic not to be very much on the part of the State having a 15-million population and with mineral resources and abundant forest resources. I would like to press upon our hon Minister of Transport and Communications that really, the idea of Paradip port is not a new one. It is vitally linked up with the Hirakud dam construction project. It is really a matter of great pride for us that the Government of India agreed to spend Rs. 100 crores for financing the Hirakud dam construction project. It is really a wonder in Orissa and we are proud of it. When this dam project was initiated, the Government of India itself thought that the Hirakud dam was a multi-purpose one. It had four purposes. One was to provide irrigation. The second was to provide navigation from Sambalpur to the river Mahanadi, that is, to Paradip. It had also two more aims, including generation of electricity and flood control.

When we have almost completed the Hirakud dam project and when the State of Orissa is going to get the benefits out of this, it is really a matter of regret if our Government

does not come to feel that another Rs. 8 crores will really help in building up and fulfilling the overall aim of the Hirakud dam project. It is just like building a temple and not to finish it, as it stands at present. The Hirakud dam project will be really finished if Paradip port is developed as a major port.

I would like to quote only a proceeding from the second meeting of the National Harbour Board held at Bombay in November, 1951. They adopted a criterion for the development of a new major port in India. What was the criterion? They say:

"For the purpose of setting up a new major port, traffic survey should reveal the possibility of at least 3 lakh tons of new traffic, and a cargo tonnage of 5 minimum requisite trade for a major port at the outset, rising to 8 or 10 lakhs tons in 10 years."

Let us see how far Paradip satisfies these requirements. It is due to the increased benefits from the Hirakud dam construction, Orissa is expected to export 5 lakhs tons of rice every year as surplus. In 1950 Orissa produced 60,000 tons of jute. Jute is really a very important thing in our economic life today. In 1955-56, the jute production in Orissa increased to 2,45,000 tons. Most of this jute goes to the jute mills of West Bengal and if they go through the port of Paradip, their transport will be most economical. Besides, there are valuable forest resources in Orissa including bamboos, timber and many other forest products which need export.

The most important exports from Orissa are iron and manganese ores. Orissa exports 4,01,295 tons of manganese ore and 18,82,117 tons of iron ore. Most of these valuable ores are exported to foreign countries and are very valuable foreign exchange earners. Japan is ready to import 2 million tons of iron ore every year from Orissa and it has been calcula-

[Shri Panigrahi]

ted that the export of these two million tons of iron ore would bring to our exchequer Rs. 11 crores of foreign exchange every year.

Let us look to the mineral production of Orissa. The latest survey in the year 1956 shows that Orissa produced in 1956, 17,70,373 tons of iron ore, 4,33,811 tons of manganese, 6,03,000 tons of coal, 45,748 tons of chromite, 11,177 tons of China-clay, 4,68,21,000 tons of salt, and 1,49,663 tons of limestone. Orissa's reserves of iron ore are, actual 2,282 million tons and potential 4,000 million tons. Orissa's reserves of manganese ore estimated to be 14 million tons. Besides iron and manganese, there are other valuable mineral resources also in Orissa which await exploitation.

The first survey which was made showed that the deposit of iron ore at Sukinda near Paradip would be about 70 million tons, but a subsequent survey revealed that the deposits will be 80 million tons. Sukinda is very near to Jenapur railway station and the Mahanadi canal system connects Jenapur with Paradip. Through the inland transport system, it will be very cheap to carry ores from the mines to the port side.

We must look to another important question also. The standard of living in Orissa is very poor and mostly the people depend on agriculture. During the year 1955, more than 50,000 people were employed in the various mines throughout the State. Naturally, the mineral bearing areas provide a source of employment and subsidiary income to the people. If this port is developed, naturally the people of Orissa will get their subsidiary source of income and they will be getting more of employment.

Let us look to the condition of the ports in India. Some of my friends have discussed it at length. I would just like to point out that

five major ports including Cochin handled about 20 million tons of traffic a year at the beginning of the first Plan. In 1955-56, the six ports, including Kandla, handled about 24 million tons of traffic. In 1956-57, the quantity of cargo handled by all the six ports including Kandla went up to 28 million tons and it is hoped that in 1957-58, it will increase up to 30 million tons. In succeeding years, as our development project is going on in different parts of the country, naturally, the cargo will go on increasing. Naturally another port in the east coast at Paradip, just as it was decided to have a port at Kandla in the west coast, would be very suitable for exports.

While explaining causes of congestion in existing ports, the Chairman of the Bombay Port Trust said, "there is a physical limit to the cargo-handling capacity of the port". Even our hon. Minister, Shri Raj Bahadur, himself once said, "Calcutta has been asked to bite off more than she can chew." I am just quoting his observations. The existing ports have got their physical limitations. The Chief Engineer of the Madras Port Trust said cargo meant for Delhi and other distant places was landed in Madras and the growth of the ore traffic has created a new problem. Port of Madras Enquiry Committee under the Colombo Plan reports, "Within the last ten years, there has been a progressive and rapid increase in the export of ores, the tonnage for 1956-57 being 463,422 tons of which 313,986 was iron ore."

When we want to export more of mineral ores from our country, naturally Orissa is exporting more of iron ore and manganese ore and other ores. So, to relieve the congestion in the existing ports, in the interests of India, Orissa needs this major port at Paradip, which will really help build our economy in coming years. We have spent Rs. 15 crores in Kandla. Recently our Minister, Shri Raj Bahadur, mentio-

ned in the Rajya Sabha that at present there was very little traffic at Kandla. But if he looks at the reports and potentialities, he can find out that in Paradip, even at the beginning enough cargo is there for export. So, I will request our hon. Minister to kindly go through this matter.

I have also come to know that the State Government has gone and approached the Central Government to go through this matter. So, I think there need not be delay. Of course, the people of Assam agitated and got the second oil refinery. But if we agitate, we are advised not to agitate. When we appeal, our appeal is not listened to.

In the end, if there is no other way, I may appeal to the hon. Minister, if he is a pious man, to visit Puri. Lord Jagannath is there. Let Lord Jagannath prevail upon him to look into this case of Orissa and take the initiative in having this major port.

Shri Supakar (Sambalpur): May I know what time the Minister will take for reply?

Mr. Speaker: Immediately after Shri Raghunath Singh, I will call the Home Minister.

श्री रघुनाथ सिंह (वाराणसी) : अध्यक्ष महोदय, मैं अपने मित्र सुपाकर जी को हृदय से धन्यवाद देता हूँ कि शिपिंग के सवाल को उन्होंने एक बार फिर इस हाउस के सम्मुख उपस्थित किया है। उन्होंने तथा मेरे मित्र पाणिग्रही जी ने आंकड़े पेश करके यह सिद्ध करने की चेष्टा की है कि पैरादीप में एक अच्छी पोर्ट होनी चाहिये। यदि आप हिन्दुस्तान के मानचित्र को देखेंगे तो आपको पता चलेगा कि हिन्दुस्तान में जो १४ स्टेड्स हैं, उनमें से ७ स्टेड्स तो लैंड लॉग्ड स्टेड्स हैं और बाकी सात स्टेड्स ऐसी हैं जिनको सी कोस्ट स्टेड्स कहा जा सकता है। इन सात स्टेड्स में से छः स्टेड्स ऐसी हैं जिनके पास

अच्छी पोर्ट्स हैं, मेजर पोर्ट्स हैं और एक उड़ीसा ही ऐसी स्टेड्स है जिसके पास कोई मेजर पोर्ट नहीं है। इस वास्ते इस सदन की सद्भावना तथा सिम्पथी के साथ उड़ीसा के केस पर गौर करना चाहिये और कोशिश करनी चाहिये कि उसके पास भी एक अच्छी पोर्ट हो जाये।

लेकिन सवाल यह है कि यह प्रश्न किस तरह से हल हो सकता है। मेरे मित्र दिवेदी जी ने इम्पीरियलिस्ट शब्द का प्रयोग किया है। मैं उनको बतलाना चाहता हूँ कि जब जब भी इस सदन के सम्मुख पोर्ट्स का प्रश्न उठा है किसी ने भी इसको अपोज नहीं किया है और इस शिपिंग के मामले में कभी दो मत नहीं दिये हैं और अपोजिशन वाले तथा इस पार्टी वाले सभी मेम्बर इसके बारे में सहमत हुये हैं। शिपिंग के काज को सब लोगों ने एक मत से सपोर्ट किया है, इसका समर्थन किया है। मैं आपको यह भी बतलाना चाहता हूँ कि शिपिंग के मामले में भारतवर्ष में पिछले दो तीन वर्षों में जितना काम हुआ है उतना शायद संसार के किसी दूसरे मुल्क में नहीं हुआ और दूसरे किसी मुल्क ने इतनी तरक्की नहीं की है जितनी तरक्की भारत ने की है।

Shri Nath Pal: That is an exaggeration.

श्री रघुनाथ सिंह : मैं इसको प्रूव भी कर सकता हूँ। इसके साथ ही साथ आपको यह भी मालम होना चाहिये कि शास्त्री जी तथा राज बहादुर जी ने हमेशा ही इस प्रश्न पर बड़ी हमदर्दी के साथ, सज्जनता के साथ विचार किया है और इस काज को बहुत धागे बढ़ाया है। ऐसी सूरत में यदि हम उनकी तारीफ नहीं करेंगे तो हम उनके प्रति अन्याय ही करेंगे। यदि किसी सज्जन को हम सज्जन नहीं कहेंगे तो यह हमारे लिये,

[श्री रघुनाथ सिंह]

अनुचित ही होगा। इससे उसके हृदय को ठेस लगेगी। इस वास्ते हमें उन्हें उत्साहित करना चाहिये और उनसे कहना चाहिये कि ये पोर्ट्स के काज को और भी आगे बढ़ायें।

यहां पर आज इस हाउस में जो ध्यूरी एडवास की गई है और जो तर्क उपस्थित किये गये हैं कि उड़ीसा में जापान आयरन और खरीदेगा और उसको सहूलियतें पहुंचाने के लिये बड़ा एक पोर्ट का होना बहुत आवश्यक है। यही ध्यूरी है जो आपने एडवास की है।

श्री नाथ पाई (राजापुर) : तरक्की होगी। व्यापार बढ़ेगा, लोग खुशहाल होंगे और बड़े दूसरे काम होंगे।

श्री रघुनाथ सिंह : आपने यह कहा कि आपके पास कोई मेजर पोर्ट नहीं है। मैं चाहता हूँ कि आपके पास कोई पोर्ट हो और इसका मैं समर्थन करना हूँ। लेकिन आपको इस सवाल पर दूसरे ही एंगिल से गौर करना चाहिये। आज आपने इसको प्रान्तीयता के एंगल से देखा है। आपको इस प्रश्न पर प्रान्तीयता के एंगिल में न देख कर तमाम भारतवर्ष के एंगिल से देखना चाहिये। आज हमको इस प्रान्तीयता के एंगिल को त्यागना चाहिये और उदार दृष्टिकोण अपनाना चाहिये। जहां तक पैरादीप का सवाल है वहां पर मेजर पोर्ट अवश्य होना चाहिये। लेकिन साथ ही साथ आपने यह कहा कि कांडला में इतना खर्च किया गया है और उसमें कोई फायदा नहीं हुआ है। आपको मालूम होना चाहिये कि कांडला एक पोर्ट क्यों बना है। इसका जो बैक-ग्राउंड है वह मैं आपको बताना देना चाहता हूँ। जब हिन्दुस्तान का विभाजन हुआ उस वक्त हमारे पास कोई पोर्ट नहीं था। कराची की जो पोर्ट थी, यह हिन्दुस्तान के हाथ में निकल गई थी। ऐसी सूरत में यह हमारे लिये आवश्यक था कि हम कांडला की

पोर्ट को तरक्की दे और उसका विस्तार करें। हमारा जो इम्पोर्ट-एक्सपोर्ट होता है राजस्थान को, पंजाब को तथा काश्मीर इत्यादि को, वह इस कांडला पोर्ट के द्वारा करना हमारे लिये आवश्यक हो गया।

आपको यह भी मालूम होना चाहिये कि बम्बई में जो इतना कन्जेशन हो गया था उसका सब से बड़ा एक कारण यह भी था कि कांडला की पोर्ट अभी इस योग्य नहीं हुई थी कि वहां से हमारा इम्पोर्ट और एक्सपोर्ट अधिक मात्रा में हो सके। दूसरी बात यह भी है कि कांडला में रेलवे लाइन नहीं है और जब रेलवे लाइन ठीक हो जायेगी तो बम्बई का जो कन्जेशन है वह कम हो जायेगा और हमका एक नतीजा यह भी होगा कि जो ट्रांसपोर्टेशन का खर्चा है वह कम हो जायेगा, वह चीप हो जायेगा।

मैं कहना चाहता हूँ कि यदि मेजर पोर्ट के स्थान पर आपने यह कहा होता कि उड़ीसा में मैकिड शिपयार्ड बनें, विशाखापत्तनम की तरह में, तो आपकी जो समस्याएं हैं वह हल हो जाती। पैरादीप में कम में कम सौ मील के पास आपकी अगर माइंस हैं। वहां में अगर लोहा दूसरी जगह ले जाना होगा तो तीन सौ, चार सौ, छ सौ और आठ सौ मील दूर ले जाना होगा। आपका जो ट्रांसपोर्टेशन का खर्चा होगा वह बढ़ जायेगा। इस वास्ते आपको जो ध्यूरी एडवास करनी चाहिये थी वह थी कि आपके यहां मैकिड शिपयार्ड हो और जो मैकिड शिपयार्ड बनें वह उड़ीसा में बनें, पैरादीप में बनें। इसमें आपके पास एक पोर्ट भी हो जायेगी। लेकिन आपने तो यह कहा कि क्यों विशाखापत्तनम की तरक्की की गई है—

Shri Surendranath Dwivedy: He is misrepresenting the whole thing. I said that railways would be developed in Orissa. At the same time, I said that while some attention

was paid to West Coast and Kandla was developed, in the east coast attention has not been paid.

श्री रघुनाथ सिंह : आपकी मालूम होना चाहिये कि जहां पर पहला शिपयार्ड बना विशाखापत्तनम में, उसके लिये यह आवश्यक था कि वहां पर उस पोर्ट की हम तरक्की करें। इसका कारण यह है कि जहां पर शिपयार्ड बनाया जाता है वहां पर मेजर पोर्ट का होना, मेजर हावर् का होना आवश्यक होता है। यह बजह है कि उसकी तरक्की की गई है। इस वास्ते में कहना चाहता हूं कि अगर सैंकड़ शिपयार्ड के वास्ते हम सब लोग सहमत हो गये होते, और उसके वास्ते हम सब लोग जोर डालते और कहते कि वह महानदी के पास हो तो इससे सारे हिन्दुस्तान का उपकार करते में राज बहादुर साहब से कहूंगा कि वह इस प्रश्न पर सहानुभूति के साथ विचार करें। पैरादीप का जहां तक मवाल है वहां पर अच्छी पोर्ट होनी चाहिये, मेजर पोर्ट होनी चाहिये। हिन्दुस्तान में जितनी अधिक पोर्ट्स होंगी, उतना ही अच्छा होगा जितने अधिक शिपयार्ड हिन्दुस्तान में होंगे उतनी ज्यादा तरक्की हिन्दुस्तान की होगी।

अन्त में मैं इतनी ही प्रार्थना करना चाहता हूं कि मंत्री महोदय पैरादीप के प्रश्न को सद्भावना के साथ सोचें, उस पर गौर करें और शीघ्र से शीघ्र उसकी उन्नति करने की कोशिश करें।

Shri Raj Bahadur: I think that there was no occasion for any heat to be generated in the discussion of the question before us. Let us all be agreed that our country should have as many major ports as it requires. Let it be agreed that each one of the States and the regions of the country should be served by a good port.

The question before us is, taking first things first, keeping in view the requirements of the various regions, what priority shall we attach to the

development of the various ports, major or minor. We know that when the country was divided, we were left with but five major ports, three on the east coast and two on the west coast. As advised by a committee which was set up long ago, in about 1947-48, Kandla was proposed to be developed. And I can say without any fear of contradiction, and I believe I am voicing the feelings of this House when I say that the development of the port of Kandla and the beautiful township of Gandhigram has been a tribute to the sacrifice, labour and industry that has been put up in by those brethren of ours, who were displaced from Sind and on whom it fell to come any build Kandla. It is a tribute to free India and we should all feel proud of it. As far as other major ports are concerned, there is a plan of development for each one of them and we are developing those ports accordingly.

In regard to minor ports, as was decided by the Constituent Assembly, under the provisions of the Constitution minor ports are the concurrent responsibility of the State Governments and the Centre. Centre is essentially charged with the upkeep, maintenance and development of the major ports and the minor ports are essentially looked after by the State Governments.

An Hon. Member: What about intermediate ports?

Shri Raj Bahadur: Minor ports and intermediate ports are more or less on the same footing. So far as their development is concerned.

An Hon. Member: What is your definition of a minor port?

Shri Raj Bahadur: I think the definition depends on the volume of traffic, the cranes, equipments and so on. There are so many factors which come in.

So far as this question of the development of Paradip is concerned, it is not the first time that it has figured

[Shri Raj Bahadur]

before us. As early as 1950, the question was first raised and a committee was appointed. As has been pointed out, a team of French consultants went into the whole question and they gave their opinion.

I will just briefly recapitulate the history that is behind it. They examined the three estuaries named, namely, of the rivers Devi, Mahanadi and Chamra and they came to the conclusion that in view of the large iron ore deposits, the Mahanadi estuary may be developed as a port and so Paradip may be developed for the export of ore. During the course of the First Plan, this project could not be included in the plan mainly for three reasons. Firstly, model studies were being made at Poona and other places; secondly, because of paucity of funds and thirdly, because, it was considered that Vizagapatam next door with rail and road connections being quite adequate there, should be utilised for the export of iron ore.

The problem of development of Paradip into major port of the State of Orissa being provided with a major port, is essentially limited or governed by a factor, which is not in the control of anybody. It is that we have got on one side the port of Vizagapatam in the south and on the other the port of Calcutta in the North-east. These two ports being there, naturally, they serve the region. They have got a well developed hinterland. It can hardly be doubted that the hinterland behind the Paradip port is yet to be developed. Industries have to be developed. Transport and communications have to be developed. Before a requirement is actually felt for the development of a major port the question of developing Paradip as a major port or a full-fledged port hardly arises. That is the whole case. It is governed by certain economic considerations and factors over which nobody has got any control.

So far as we in the Ministry of Transport and Communications are concerned even in the First Plan, an allotment of Rs. 7.3 lakhs was made for this purpose to the State Government. In the Second Plan, as well, a provision has been made for Rs. 21 lakhs. Provision has been made for hydrographic survey as also for model experiments. Paradip has to be developed, to begin with, in two phases. Firstly, the essential facilities for minor ports, that is the facilities that are required for a minor port have to be provided there. Secondly, when the first phase is over, the stage will come when it may be considered for development as a major port. Before that, it is not possible.

For the purpose of development of this as a minor port, we require the following things which are included in the Plan: construction of jetties, Quay walls for the lighters, purchase of cranes, trolleys, water supply, electricity, navigational aids, road approaches to the port, etc. In addition, a provision of Rs. 1.2 lakhs which is carried over from the First Plan exists for the purchase of a survey vessel. These works have yet to be gone through before we come to a stage where we can assess the potentialities of the port of Paradip.

Shri Panigrahi: How much will these cost?

Shri Raj Bahadur: The total comes to Rs. 21.2 lakhs. The provision is already there. I should say, let us go ahead with this, let us find our feet, as to how much we should invest here. Because, the paramount consideration in such matters is always whether the required volume of traffic is emanating from the region or not. If the required volume of traffic is not emanating from the region, it will not be good economy to invest large sums of money to develop the port and then perhaps find that all that investment was not needed. It was just being observed by Shri Panigrahi on the other

side that we are not getting a good volume of traffic even for Kandla. To a certain extent, that is right.

Shri Surendranath Dwivedy: That difficulty will not arise in Orissa.

Shri Raj Bahadur: More was assessed or anticipated in respect of Kandla because all our imports from the west can very well come to Kandla. Our food ships can come to Kandla, but there is the question of ten per cent. surcharge on freight, and therefore, Kandla does not attract the volume of traffic it should normally do. The result has been that from 7th August—I may take the House into confidence—two berths have been vacant by and large on an average. So, that is how matters stood.

Supposing we rushed with our plans for the development of Paradip as a major port without caring for the volume of traffic that might ultimately emanate from this region, without waiting for its development as an industrial area, or without the proper harnessing of its resources, without proper development and transport and communications, the result might be more or less similar.

Then, there are some ports also on the same coast which are competing. I should say vitally, with Paradip. Kakinada, for example, offers, I think, quite good facilities as a minor port even now, because I know when Vizag was suffering from congestion, some ships had to be diverted not to Paradip but Kakinada, and it came in so handy for us that.....

Shri Surendranath Dwivedy: Because Paradip was not even developed as a minor port.

Shri Raj Bahadur: Therefore: I think I will do well to recapitulate the history, because that will show what we have done already, and what we propose to do. I am glad that my hon. friend Shri Panigrahi appreciated that the Central Government in the Ministry of Transport and Communications had done everything it

could to encourage the development of Paradip as a port for Orissa.

I will briefly recapitulate the steps taken so far. The Orissa Government was asked to arrange trial runs of lighters because the ships had to stay in stream far beyond the port, and therefore, the lighters have got to go and cross the various sandbars. That arrangement was made, and to make that arrangement also, the Government of India came forward with a loan assistance to the Government of India to the tune of Rs. 50,000 for the purchase of lighters. It was reported that these trial runs were successful.

Shri Panigrahi: Have the lighters been purchased by them?

Shri Raj Bahadur: We are told the trials have been successful. Our loan assistance is there. The Orissa Government were informed after the trials proved successful that we have no objection now to the extension of the application of the Indian Ports Act, 1908 to the port of Paradip, which will enable the Ministry of Finance to extend the application of the Sea Customs Act also. These are necessary stages and steps through which each one of the ports has got to go before it can come to full development.

As I said, we provided loan assistance of Rs. 7.3 lakhs on concessional terms to the Orissa Government during the First Plan for model studies at Poona. Another Rs. 2.46 lakhs have been agreed to be given for similar purposes for the year 1957-58. Apart from that, we also allowed the State Government to enter into some sort of contract with some Japanese firms for the purpose of survey and investigation of this port, which they did. My friends may be aware that with Messrs. Kanisata & Co., of Japan there has been an agreement entered into by the Orissa Government, and these people are now engaged in survey and investigation operations. This was in 1956.

[[Shri Raj Bahadur]

In July 1957 the State Government suggested a composite scheme by which they wanted us to allow them the exporting of the ores without the usual charge of 7½ per cent. on exports. This was considered, and I can only say that the result would be known in a short time.

On 26-8-57, very recently, a decision has been taken that because the trial runs of lighters are successful, the State Government might now be asked to prepare estimates for two schemes: one project under which the port capacity may be about 50,000 tons; the other for 3 lakh tons. These schemes are yet to be prepared and formulated in all their details, and they have got to be submitted and examined.

Let us, however, see what the Japanese team which is here has got to say for this port. The Japanese team have advocated the operation of this port only as a roadside minor port, and not as a major port. Even those who are vitally interested in the export of iron ore to their country from our country say that it should be developed only as a roadside minor port for the time being, and therefore, we cannot go much further than that. The scheme which they have submitted to us, also costs about Rs. 8.6 crores and is for a minor port only, and not a major port.

18 hours.

So, it is against the background of all these facts that we have got to consider the whole question. It is obvious that in these circumstances the resolution as it is worded can hardly be accepted by us. We are interested in the development of Paradip as a minor port, as an intermediate port, and as a good outlet for all that Orissa produces. We are sure that in course of time, like other minor ports, this will also grow, because the demand for the development of minor ports into

intermediate ports and of intermediate ports into major ports is growing from day to day. On the west coast, from the Gujarat-Kathiawar coast up to Bombay, and then south of Bombay, and then from Cape Comorin up the eastern coast, there are quite a number of ports which are lying with one another for development, if I may say so, for supremacy over one another in this race for development. In the north, we can think of Okha. Then, we can think of Seeka, Karwar, Bhatkal and Mangalore; we can think of Tuticorin; on the eastern coast, we can think of Kakinada; we can think of Paradip and Geonkhali. We have also to take note of the opinion that might be given in this behalf by the World Bank team that came recently. They have asked us to go cautiously, because they think that the Calcutta region is very well developed as a hinterland. They feel that the Calcutta region does require a deep sea port, which can hold ships with a draft of 38 feet.

The development of a Paradip here, or a Kakinada there, and Tuticorin in the far south, and then to develop a port for holding ships of that much draught in the Calcutta region—all these will have to be vetted by my hon. friend Shri B. R. Bhagat and by his senior colleague in the Ministry of Finance.

I have placed all my cards before the House, and I can assure my hon. friends as the side opposite that with all the sympathy and all the respect that we have got for this land of Jagannath, with all its beautiful forests, its art and culture, with its Konarak, Udaigiri, Lalitgiri and other places, and its people above all, we can have none of the imperialistic motives that our friend Shri Dwivedy attributes to us. I would not like to reply my hon. friend in the same terms in which he has spoken. He always thinks in terms of agitation.

Shri Surendranath Dwivedy: I wanted to avoid it.

Shri Raj Bahadur: I think what we need to avoid to-day in this country is this agitational approach to each and every question. What we need is a harmony of hearts, so that we can think together in a peaceful and calm manner about the problems which confront us. We may belong to the north, but we very well know that our destinies are linked up. In unity, and in harmony and unison of ideas and ideals alone lies the key to prosperity and plenty in our country.

Shri Rameshwar Tantia: May I now move my resolution. I beg to move....

Mr. Speaker: I thought the hon. Member wanted to speak on this. Now, I call upon Shri Supakar to reply. I shall come to the hon. Member's resolution later

Shri Supakar: Can Shri Mahanty reply?

Mr. Speaker: How can another hon. Member reply?

Shri Mahanty: I shall just speak on this resolution for a minute or two.

Shri Raghunath Singh: The time is up.

Mr. Speaker: I agree. Does Shri Supakar not want to reply?

Shri Mahanty: I want to speak for two or three minutes, and Shri Supakar can take the rest of the time

Mr. Speaker: All right. I shall allow three minutes for Shri Mahanty.

Shri Mahanty: I had no intention to speak at the far end of the day. But I have ventured to enter a caveat against what the Minister has just now stated, and against what an hon. Member from the Congress Benches has spoken, namely that we are confusing the issue, and we are importing the issue of provincialism into a

technical question, and secondly, regarding the assurance that the Minister has given about the future development of Paradip port.

I have not a shadow of doubt in my mind that what the Minister has just now said will release a wave of disappointment and disillusionment amongst fifteen million people. I need not go into the genesis of this question. The Minister has paid such high encomiums in lyrical terms to Kandla.

The House ought to know that we have spent Rs. 14 crores during the First Five Year Plan on Kandla port and yet today all the Ministries of the Government are combining together to keep that port alive. From January till April, we have only been able to manipulate a traffic of 2 lakh tons.

Mr. Speaker: Why should we deprecate Kandla port?

Shri Mahanty: That has been a misinterpretation of what I said. I the argument of the hon. Minister with regard to Paradip has been that in Paradip there is no developed hinterland, no cargo and no traffic. Therefore, he has advised caution. But may I ask him what has happened to Kandla?

Shri Raj Bahadur: I think that is a misinterpretation of what I said. I said that it had to be developed

Shri Mahanty: Since the time at my disposal is very short, I need not go into that. But I say here you have got a developed hinterland. It is going to be developed mainly as an iron ore port. We had asked for a major port and the hon. Minister says that they are going to give a grant of Rs. 21 lakhs. Is this going to satisfy the people? If this is not step-motherly attitude towards an under-developed area, I do not know what it is. I would better leave it to his own conscience than to anything else.

Mr. Speaker: Shall I put the amendment?—I understand he is not pressing it.

The amendment was, by leave withdrawn.

Mr. Speaker: Now I shall put the original Resolution to the vote of the House. The question is:

"This House recommends that Government should provide a major port at Paradip on the Orissa Coast in the Second Five Year Plan period."

The motion was negatived.

Shri Mahanty: On a point of order. We have not pressed for a division on this. We want to withdraw it.

Mr. Speaker: It is as good as lost. He is too late. Shri Supakar should have risen immediately and asked for permission to withdraw the Resolution.

RESOLUTION RE: COMMITTEE TO
REVIEW WORKING OF SCHEDULED
BANKS FOR PURPOSE
OF NATIONALISATION

Shri Rameshwar Tantia (Sikar):
I beg to move the following Resolution:

"This House is of opinion that a Committee consisting of Members of Lok Sabha assisted by financial experts be constituted to examine the working of Scheduled Banks in India for the purpose of nationalisation".

Mr. Speaker: The hon. Member may continue his speech next time.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, the 14th December, 1957.

DAILY DIGEST

[Friday, 13th December, 1957]

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1084 Manufacture of Newsprint from Bagasse	5105—07	1113 Cycle tyres and tubes	5139—40
1085 Manufacture of X-Ray equipments	5108—10	1114 C.P.W.D. Division in Orissa	5140
1086 Recovery of arrears of rents from displaced persons	5110—12	1115 Plantation enquiry commission's report	5140—41
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1103 Retrenchment of workers in Kanpur Cotton Mills	5123—24	1121 Portuguese troops in Daman	5143—44
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1110 Cement plant in Kashmir	5133	1606 Displaced persons in Shri Ganganagar	5145—46
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1095 Export of Graphite	5137	1616 Cotton Textile Export Promotion Council	5154—56
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1623 Central Hospital in Raniganj coalfields . . .	5161
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1626 T. B. Sanatoria and Central Hospitals . . .	5162—63
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STATEMENT BY MINISTERS 5188

(i) The Minister of Information and Broadcasting (Dr. Kesar) made a statement correcting the reply given on the 17th May, 1957 to Unstarred Question No. 56 regarding the number of community radio sets supplied to the Punjab State during the years 1955-56 and 1956-57.

(ii) The Minister of Finance (Shri T. T. Krishnamachari) made a statement regarding the reduction of excise duty on cotton fabric, "medium" as well as the withdrawal of the excess production rebate.

PAPERS LAID ON THE TABLE . . . 5188—89

The following papers were laid on the Table :—

(1) A copy of each of the three Notifications, making certain amend-

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ments to the Prevention of Food Adulteration Rules, 1955 :—	
(2) A copy of Notification No. S. R. O. 3867, dated the 7th December, 1957, making certain amendments to the Companies (Central Government's) General Rules and Forms, 1956 . . .	
BILLS INTRODUCED . . .	5189, 5318—21
The following Bills were introduced :—	
(1) Requisitioning and Acquisition of Immovable Property (Amendment) Bill . . .	
(2) Additional Duties of Excise (Goods of Special Importance) Bill . . .	
BILLS PASSED . . .	5189—5265
The following Bills were considered and Passed :—	
(1) Union Duties of Excise (Distribution) Bill . . .	
(2) Estate Duty and Tax on Railway Passenger Fares (Distribution) Bill. . .	
DEMANDS FOR SUPPLEMENTARY GRANTS (GENERAL) . . .	5265—71
Discussion on Demands for Supplementary Grants (General) for 1957-58, commenced, the discussion was not concluded. .	

Subject	COLUMNS
REPORT OF COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS ADOPTED . . .	5275
Eleventh Report was adopted.	
PRIVATE MEMBERS' RESOLUTIONS NEGATIVED . . .	5276—5318, 5323—47
The following Private Members' Resolutions were considered and negatived :—	
(1) Resolution regarding Second Five Year Plan by Shrimati Chakravarty.	
(2) Resolution regarding provision for Major Port at Paradip by Shri Supakar . . .	
PRIVATE MEMBERS' RESOLUTION UNDER CONSIDERATION . . .	5348
Shri Rameshwar Tantis moved the Resolution regarding Committee to review working of scheduled Banks for purpose of nationalisation. The discussion was not concluded.	
AGENDA FOR SATURDAY, 14TH DECEMBER, 1957—	
Further consideration of the Demands for Supplementary Grants (General).	