

# LOK SABHA DEBATES

Friday, September 13, 1957

## SECOND SERIES

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NEW DELHI.

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# LOK SABHA DEBATES

13679

13680

## LOK SABHA

Friday, 13th September, 1957

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

## ORAL ANSWERS TO QUESTIONS

### Export of Cycles

**\*1778. Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that the Government of Burma has imposed any restrictions on the import of Indian cycles into Burma?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** The Government of Burma have not issued any licences for the import of cycles from Sterling area countries including India since January 1957. It is understood that such licences are not being issued because Burma is at present getting its total requirements of cycles from Japan against "Reparations" and from East European countries under "barter arrangements".

**श्री रघुनाथ सिंह :** इस बात को देखते हुए कि बर्मा से हम चावल और चाय इम्पोर्ट करते हैं, क्या आप इस बात को आवश्यक नहीं समझते हैं कि आप बर्मा सरकार से कहे कि वह हमारी साइकिले ले ?

**श्री सतीश चन्द्र :** बर्मा सरकार का एक डेसीगेनरेशन पिछले साल यहां प्राया था और बातचीत में एक ट्रूसरे ने बतलाया कि क्या जीज वह हमसे ले सकते हैं। उसमें साइकिलों की भी बात थी लेकिन जैसा कि

मैंने आपने जवाब में आर्ज़ किया जापान से "रेपरेज़" में १६, २० हजार साइकिलें पिछले साल बर्मा में आ गई और इसलिये वह हमसे साइकिले नहीं ले रहे हैं।

**Shri V. P. Nayar:** Even supposing there were no restrictions in Burma on the import of cycles made in India, do I take it that Government had known the restrictive conditions imposed on Indian manufacturers by their foreign collaborators not to sell cycles made in India except in Pakistan, Afghanistan and Nepal?

**The Minister of Industry (Shri Manubhai Shah):** It appears, as I said in my reply to an earlier question from the hon Member himself, that only two schemes are there with such a restriction. There are 21 schemes with no such restriction.

**Shri V. P. Nayar:** It is true but they are the only cycles made in India with some sort of an international market—Raleigh and Hercules.

**Shri Manubhai Shah:** That is not correct, Sir. Other cycles are also very popular.

**Shri Heda:** Do not the Government feel any apprehension that this total ban of cycles for whatever reasons it may be, may result in the closure of the market for us in the course of the next two or three years?

**Shri Manubhai Shah:** If I may correct that impression, there is no total ban on Indian cycles in Burma. As a matter of fact, only last fortnight, a very leading manufacturer of India went to Burma at the invitation of the Burmese Government and a proposal is under consideration whereby a sizable quantity of CKD Indian cycles would be permitted by them.

**Shri Dasappa:** What is the total output of these two firms which are not allowed to export—Raleigh and Hercules compared to the total output of all the firms in India?

**Shri Manubhai Shah:** As compared to 1.6 million numbers which is the rated capacity so far, the licensed capacity of these firms will be about four lakhs.

**Pandit D. N. Tiwary:** What is the difference in the rates of cycles—Indian-made and Japan-made? Is this one of the causes preventing the import of cycles into Burma?

**Shri Manubhai Shah:** As my hon colleague has already mentioned, the price factor does not really come into consideration as far as Burma is concerned. They are getting as reparations several commodities including cycles. As a result of our approach, it is quite possible that quite a number of cycles may be sent there. Price is not the only consideration and the price also varies from quality to quality.

#### Training of Technicians

**1779. Shri S. C. Samanta:** Will the Minister of Commerce and Industry be pleased to state whether any steps have been taken to ensure proper training of Indian technicians required for the proposed Heavy Machine Building Plant to be set up by the National Industrial Development Corporation?

**The Minister of Industry (Shri Manubhai Shah):** The preliminary report for the project contains certain recommendations with regard to the training of technicians. Negotiations with the U.S.S.R. are in progress with regard to the implementation of this and other projects also and, when the details of the Heavy Machine Building Plant are finalised in consultation with Soviet experts, the matter will be examined further and adequate provision will be made.

**Shri S. C. Samanta:** May I know whether any action will be taken because of the delay we have seen in the Hindustan Machine Tool factory where the production has fallen for want of Indian technicians?

**Shri Manubhai Shah:** The assumption is not correct. It is true that HMT was slightly delayed but it was due not to lack of Indian technicians. As far as this complaint is concerned, we have taken every precaution to see that the Indian technicians required for this plant will be trained in advance.

**Shri S. C. Samanta:** How many engineers are going to be sent abroad for this purpose?

**Shri Manubhai Shah:** Till the plant and the project are complete, it will be too early to estimate the number of technicians, either skilled workers or engineering graduates.

**Shri Gajendra Prasad Sinha:** A few days before, the hon Minister has stated that instructions had been sent to employ as much as possible class III and IV Indian officers in the Orissa steel plant. May I know whether similar instructions will be sent to this factory as this is in the public sector?

**Shri Manubhai Shah:** This is the general policy of the Government of India and also the policy with regard to private industries. We always advise and recommend the employment of as many Indian technicians as possible.

**Shri Thimmaiah:** May I know whether these technicians are being trained only in Russia and not in other countries?

**Shri Manubhai Shah:** It depends upon with which country we are in collaboration or tie-up. To that extent some technicians will be trained in that country. Or, if the advisers think of other countries also, we send them there.

### Wage Board for Cement Industry

**\*1780. Shri Tangamani:** Will the Minister of Labour and Employment be pleased to refer to the reply given to a supplementary raised on Starred Question No 251 on the 23rd July, 1957 and state the probable time it would take for the appointment and constitution of the proposed Wage Board for cement industry?

**The Deputy Minister of Labour (Shri Abid Ali):** The question of setting up a Wage Board for the Cement industry will be considered after the report of the Central Wages (Standardisation) Board for the Cement industry is received.

**Shri Tangamani:** Eight weeks ago when the question of the wage board was raised, we were told on the floor of the House that the constitution constituting the wage board for cement and cement industries was under consideration. May I know how long it will take?

**Shri Abid Ali:** I have said that after the report of this committee is received, this question will be considered.

**Shri Tangamani:** But this committee has been in existence for several months. So, may I know at least the approximate time by which wage board will be constituted?

**Shri Abid Ali:** We expect to receive the report of this committee before the end of the year.

**Shri Tangamani:** In the textile wage board certain central trade union organisations were left out in view of the fact that the majority of the workers in the 28 cement factories are organised under the AITUC, may I know whether, when this wage board is constituted, representation will be given to the AITUC?

**Shri Abid Ali:** Only the organisations which deserved to be given representation on the textile wage board were given representation, the others who did not deserve were not

given. With regard to the question as to who will be represented on the wage board for cement, it will be considered when the board is constituted.

**Shri T. B. Venkata Rao:** May I know if the representation is given on the basis of the membership of these various central trade union organisations or otherwise?

**Shri Abid Ali:** Certainly on the basis of the membership and also the central organisation to which they are affiliated and the status of the central organisation in the country.

**Shri Tangamani:** One more question, Sir

**Mr. Speaker:** How many questions am I to allow? I have allowed five.

**Shri Tangamani:** Only one more. This is the fifth question I am asking.

In view of the fact that most of the textile workers in South India are organised under the AITUC and the HMS, may I know why no representation was given to them in the textile wage board?

**Shri Abid Ali:** I have already said that those who did not deserve representation on the basis of membership in the industry did not get the representation in the wage board.

### Rehabilitation of Displaced Persons in Koraput (Orissa)

**\*1781 Shri Sanganna:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state

(a) whether any pilot scheme for 500 displaced persons has been sanctioned in the Koraput taluk (Orissa), and

(b) if so, what is the progress made?

**The Parliamentary Secretary to the Minister of Rehabilitation and Minority Affairs (Shri P. S. Naskar):** (a) Pilot scheme for survey of 31,800 acres of land in the Balumela block

of Koraput district has been sanctioned for rehabilitation of 8,000 displaced families from East Pakistan. It is proposed to employ 500 displaced persons who could be engaged on reclamation work when it is taken in hand after the monsoons are over.

(b) The alignment of an approach road to the area has been finalized. Tenders for its construction have been invited. The area was inaccessible during the rains and work there will be resumed after the rains are over.

**Shri Sanganna:** On this subject previously the hon. Minister had said that effort would be made to develop the communications in that area. May I know what steps have been taken by Government in that respect?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** This is a part of a big integrated scheme. The Dandakaranya scheme has been the subject of questions and answers in this House, at least half a dozen times. I have nothing further to add.

**Shri Panigrahi:** It is proposed that an autonomous central authority, should take up this project of Dandakaranya. May I know whether there is any proposal to constitute the Dandakaranya area into a centrally administered territory?

**Shri Mehr Chand Khanna:** As I stated in the House the other day, we are appointing a chief executive officer, and a team is being collected. After the monsoons are over he will go there along with the team and look into the various aspects of the scheme. After that the question of a central authority or a provincial authority can arise.

**Shri Sanganna:** May I know whether the special officer appointed for the scheme has already moved to the area concerned?

**Shri Mehr Chand Khanna:** For the chief executive officer we have in mind, I have approached the State Government concerned, and we have got the consent. We are moving formally in the matter and I feel he should be in position by the end of this month. After that we will proceed with the scheme.

**Shri Bangshi Thakur:** May I know how many pilot schemes have been successful in Tripura?

**Shri Mehr Chand Khanna:** When a question about Tripura is tabled, I shall certainly answer.

उत्तर कातने के चर्चे

\*१७८२. श्री भक्त दश्मेश : क्या बाणिज्य तथा गद्दोग मंत्री ६ अगस्त, १९५६ के तारांकित प्रश्न संख्या ६२६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि उन कातने के लिये इंगलैंड, इटली और जापान में बनाये गये उत्तर ढंग के कातने के चर्चे के बारे में उन देशों से जानकारी प्राप्त करके भारत में प्रयोग करने के सम्बन्ध में इस बीच क्या प्रगति हुई है और इस विषय में क्या परिणाम प्राप्त हुए हैं ?

**बाणिज्य मंत्री (श्री कानूनगो) :** इटली और जापान में इस्तेमाल किये जाने वाले चर्चे के बारे में जानकारी अभी तक प्राप्त नहीं हुई है। सादी तथा ग्रामोद्योग कमीशन का प्रस्ताव यह है कि वर्धा स्थित अपनी गवेषणा शाला में ही उन कातने के चर्चे के बारे में स्वतन्त्र रूप से गवेषणा कराई जाये।

**Some Hon. Members:** In English also.

**Mr. Speaker:** Yes.

**Shri Kanungo:** Information about the spinning wheels in use in Italy and Japan has not been received so far. The Khadi and Village Industries Commission proposes to conduct research on wool-spinning equipment independently in its own research institute at Wardha.

**श्री भवत दर्शन :** क्या माननीय मंत्री भी के व्यापार में यह बात आई है कि इस देश में भी कुछ व्यक्तियों ने ऊन कातने के नये ऊन इंजाव किये हैं ? ऐसे व्यक्तियों को प्रोत्साहन देने के लिये और इस स्थान पर बुला कर उनकी राय लेने के बारे में क्या कोई उपाय किया जायेगा ?

**श्री काशूनगो :** हाँ, एक भूजन के बनाये हुये चर्बे की आनंदीन की गई थी और जो सोग इस बारे में दिलचस्पी रखते हैं, जावी कमीशन उनके साथ सलाह मिलवाकर रहा है।

**श्री भवत दर्शन :** क्या गवर्नमेंट के व्यापार में यह बात आई है कि ऊन के कारोबार में हजारों व्यक्ति धीरे धीरे इसलिये देरोज़गार होते जा रहे हैं कि पुराने दग में ही करताई का सिस्टम चल रहा है और उनको पूरी मजदूरी नहीं मिलती है ? इसलिये क्या इस काम में कुछ शीघ्रता की जायेगी ?

**श्री काशूनगो :** इसीलिये नई नई तर-कीवे निकालने के लिये कमीशन अपने गवेषणात्मक में विचार कर रहा है।

**श्री भवत दर्शन :** कमीशन की वृद्धि में इस कार्य के सम्पन्न होने में देर से देर कितना समय लगने की भवा की जाती है ?

**श्री काशूनगो :** यह घभी नहीं कहा जा सकता है।

### संभव का भण्डार

**\*१७६३ डा० राम सुग तिह :** क्या बाबिल्यन ने ऊनों मध्ये यह बताने की रूपा करेगे कि :

**(क)** क्या यह सच है कि देश में सीमेण्ट के कुछ कारखानों में सीमेण्ट का भारी भण्डार जमा हो गया है;

**(ल)** यदि हाँ, तो इसका क्या कारण है;

**(ग)** किन-किन सीमेण्ट कारखानों में सामान्य भण्डार से अधिक जमा हो गया है;

**(घ)** क्या भण्डार के जमा हो जाने से सीमेण्ट के उत्पादन पर कोई असर पड़ा है, और

**(इ)** जमा हुये भण्डार को देश के उन धोयों में, जहा सीमेण्ट की कमी है, पहुचाने के लिये क्या कायंदाही की जा रही है ?

**The Minister of Industry (Shri Manubhai Shah):** (a) and (b) No, Sir A Statement showing the stocks of cement as on 31st July 1956, 31st December 1956 and 31st July 1957 is laid on the Table of the House [See Appendix V, annexure No 73]

**(c)** The stocks are more or less normal except in the factories at Dalmianagar, Sevalia and Sindri because of the movement of food-stuffs in those regions

**(d)** No, Sir, so far as Government are aware production has not been affected

**(e)** Steps are being taken, wherever necessary, for the movement of surplus stocks to deficit areas

**Dr. Ram Subhag Singh:** The hon. Minister said that there has been large accumulation of cement stocks in Dalmianagar and in some other factories, and he stated this was because of the movement of foodgrains in those areas. May I know whether the Government can distribute the cement of Dalmianagar factory in that particular area because there is much scarcity of cement there?

**Shri Manubhai Shah:** Regarding the first part of the question I can only draw the attention of the hon Member to the fact that I have only said that it is slightly more, not that it is very much larger. As against a stock of 4,500 tons on 31-12-56 in one factory, it was 4,686 tons on 31-7-57 and in another factory it was 6,584 tons

on 13-7-57 as against 3,792 on 31-12-56. I am drawing his attention to these figures only to show that there is not unnecessarily too large a stock, but it is true that because of this reason we are trying to distribute the cement of these factories in the local areas.

**Dr. Ram Subhag Singh:** But then how can it be said that there is accumulation because of the movement of foodgrains? And here again he says that there has not been large accumulation, but in 1956 the cement stock at Dalmianagar was 4,572 tons whereas at present it is 12,420 tons which is virtually 300 per cent higher than the last year's figure. May I know whether they will issue any definite directions to distribute that cement in that particular area because lots of complaints are coming from there?

**Shri Manubhai Shah:** Even in the matter of the internal movement of food, really speaking the railways have been preoccupied for the last three months, and they have found it difficult to deal with the internal movement of cement. As far as the 12,420 tons which the hon. Member mentioned are concerned, the fact is that this factory has doubled its production in the last few months and that also has to be taken into consideration. But in spite of that, as soon as the food position becomes slightly easier, this also will be moved. Anyway, it is not more than a week or nine days production of the factory.

**Shri C. D. Pande:** In view of the fact that at the beginning of the year the Government proposed to import one million tons of cement and they have not succeeded in importing even 200,000 tons, may I know the reason for this shortage in the envisaged import and whether the cement price having been raised has led to lesser consumption of cement?

**Shri Manubhai Shah:** This question has been often discussed on the floor of the House and several questions have been answered. We had programmed for the import of 600,000 tons of cement, but due to the Suez

crisis and several of the contracts not coming through, only about 2½ lakh tons have been so far imported, but the total production in the country has gone up very much. Last year it was about 5 million tons, this year the rate of production is about 6·3 million tons. So, the net effect on the consumer is not of a very high order. As far as the price is concerned, equalisation did not come only because of the imported cement but because we wanted to take over this very important and scarce commodity for nation-building into the hands of Government, and on the whole, the consumers, particularly the essential consumers, have been greatly benefited due to that scheme.

**Shri Feroze Gandhi:** May I know whether the attention of the Government has been drawn to a continuous advertisement in the Press by the Forum of Free Enterprise that the price of cement has been fixed high by Government and Government are making huge profits on that?

**Shri Manubhai Shah:** This question also came up in the Rajya Sabha the other day, and I submitted that the State Trading Corporation is a commercial organisation. It deals in several items. We try to fix a price which is more or less on the reasonable side. It is only the annual accounts which can show that no excessive profits have been really made. Also, we have been several times issuing contradictions to such insidious propaganda going round that the State Trading Corporation is making unnecessary or excessive profits. Beyond that, it is very difficult to answer all types of things that are put out from time to time.

**Shri Feroze Gandhi:** Has a contradiction been issued to this particular advertisement?

**Shri Manubhai Shah:** We do not propose to issue contradictions to everything. But it has several times been stated on the floor of the House that the State Trading Corporation is not making excessive profits.

**Pandit D. N. Tiwary:** May I know whether Government are aware that there is great scarcity of cement in North Bihar, and cement can be taken from Dalmianagar in boats and carts? If so, will Government allow cement to be taken to North Bihar from Dalmianagar in boats and carts?

**Shri Manubhai Shah:** We are at present also doing the same thing. But before the cement from the factory, reaches destination, railway transport is a 'must' and a very great necessity. But if there is any place, of which the hon Member is aware, where railway transport will not be required for this carriage, as for instance, if there is any river transport and so on, we shall certainly look into the matter.

**Dr. Ram Subhag Singh:** The railways always come into the picture I pointed out a specific area where it could be easily distributed and where there is scarcity of cement. In that particular area, previously there was a system of factory gate sale. That has been stopped. Now nobody is able to purchase anything. Can the hon Minister do anything to remove this difficulty?

**Shri Manubhai Shah:** This is another question. From transport, it has moved to gate sale. There seems to be a misunderstanding. At no time since cement control came into force were gate sales permitted for anything but a very nominal use by the factory for allocation to charitable institutions like temples or building dharmshalas etc. That was an infinitesimal percentage of the total production. No gate sales of the type mentioned by the hon Member can be permitted as that will mean the end of the whole control in respect of a scarce commodity like this.

#### **Award of Labour Appellate Tribunal (Colliery Disputes)**

\*1784. **Shri T. B. Vittal Rao:** Will the Minister of Labour and Employment be pleased to state

(a) whether Government propose to undertake legislation for imple-

menting the tripartite agreement arrived at in June, 1957 in connection with the award of the Labour Appellate Tribunal (colliery disputes); and

(b) if not, the steps Government propose to take for the effective implementation of the award?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) Yes, if considered necessary

(b) The employers concerned are implementing the provisions of the Award. Moreover an Implementation Committee has also been appointed to solve any difficulty which may be experienced in that connection.

**Shri T. B. Vittal Rao:** May I know what percentage of the coal mine owners has implemented this award?

**Shri Abid Ali:** Almost all.

**Shri T. B. Vittal Rao:** So far the appeal has not been withdrawn by the coal mine owners as agreed to at the tripartite conference. If they do not implement this agreement, what action will be taken by Government?

**Shri Abid Ali:** So far such a difficulty has not arisen. As I have said, a Committee has already been appointed. Any difficulty experienced with regard to the implementation will be brought before it, and it will be against the decision of the tripartite committee which met in Delhi if any coal mine owner does not follow that decision and implement the award in full.

**Shri T. B. Vittal Rao:** If some coal mine owners are not members of the Indian Mining Association, the Indian Mining Federation or the Indian Colliery Owners' Association, and if they do not implement it, what is the position?

**Shri Abid Ali:** The fact is that they are implementing the provisions of the award.

**Indian Officials held in Pakistan**

\*1785. **Shri Supakar:** Will the Prime Minister be pleased to refer to the answer given to Starred Question No. 151 on the 18th July, 1957 and state:

(a) whether Government have since received the report of the judicial enquiry into the treatment meted out to the two Indian officials by Pakistan Police in Lahore on the 7th May, 1957; and

(b) if so, the details of the report?

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

(a) and (b). No Sir. The Pakistan Government have, however, replied to our official protest.

**Shri Supakar:** May I know if our Deputy High Commissioner in Lahore has sent any detailed report regarding this judicial inquiry to the Government of India?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** The Deputy High Commissioner for India is constantly, almost daily or every other day, writing letters to us. But he does not write a report on other people's reports which are supposed to be confidential.

**Shri Supakar:** What steps have Government taken to see that such violation of absolute immunity from local criminal jurisdiction is adequately dealt with by our Government?

**Shri Jawaharlal Nehru:** The first question that arises is what are the facts? Hon. Members presume a certain set of facts. If a certain set of fact is accepted, then the only steps that the Government takes against another are diplomatic steps or in the ultimate analysis, withdrawal of our diplomatic representative. There is no other step that one can take. In the present case, although in our opinion the facts were fairly clear—we have not received a copy of the report of the officer—the letter that the Pakistan Government addressed

us broadly states that the conclusion arrived by the officer in his report is that it is a very regrettable incident, and the fault apparently lay on both sides. It says that the Indian officers did not disclose their identity and hence they were treated in this way. If they had disclosed their identity, the incident would not have happened; that is what the Pakistan Government says. Apparently, it comes out in the report. We have not seen the report. It must be very curious. We were under the impression that they had said who they were right at the beginning.

**Pakistan Military Post**

\*1786. **Shri Harish Chandra Mathur:** Will the Prime Minister be pleased to state:

(a) whether Pakistan Military Post at Ferozpur Head Works, on the otherside of the bridge, is within Indian Territory; and

(b) if so, what are the reasons for permitting Pakistan Military Post to stay within Indian Territory?

**The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan):** (a) Yes Sir. It is within territory awarded to India under the Radcliffe Award.

(b) Pakistan encroachment in the area occurred immediately after Partition. Demarcation of the boundary in this area, in accordance with the Radcliffe Award, has commenced since 1st October 1956 and meanwhile we have agreed, between the two Prime Ministers, that the existing status quo on the western border should not be disturbed pending demarcation of boundary between India and West Pakistan.

**Shri Harish Chandra Mathur:** May I know whether at the initial stage, the military post was established at the international boundary? If so, how was it that it came to be pushed into Indian territory?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I do not think that is correct. Right from the beginning certain parts there have been occupied either by Pakistan or by India, as the case may be, not wholly in conformity with the Radcliffe Award, partly because of geographical continuity, and stretches of land on the other side of the river. This has happened, and although it has not been in conformity with that Award, pending a settlement of these problems, we have accepted this position.

**Shri Harish Chandra Mathur:** Is the hon. Prime Minister aware that at the earlier stage when the recovery of abducted persons was taking place, it was more than a mile away from the present situation, that both the military posts were there and exchange used to take place more than a mile away, and that it has subsequently come a mile within Indian territory?

**Shri Jawaharlal Nehru:** I cannot say from personal knowledge what the position was then, as the hon. Member refers to. But, we are now trying to demarcate the boundary and I hope the correct boundary would be decided.

**Dr. Ram Subhag Singh:** May I know whether Indian military personnel patrol the Indian territory which has been awarded to India according to the Radcliffe Award or not?

**Shri Jawaharlal Nehru:** I do not know what the hon. Member wants to know. In the Indian territory, naturally, we have pickets and patrols as Pakistan has its pickets and patrols. But, if, let us say, a mile or two of territory which, according to the Radcliffe Award ought to have been with India is at present in Pakistan, obviously, we do not patrol it. Or, vice versa if some territory which, according to the Radcliffe Award should be with Pakistan but is under our control, obviously Pakistan does not patrol it. It is obvious, the very fact of occupation being with somebody else; you

cannot have Pakistan occupation and Indian control and vice versa.

**Shri Gajendra Prasad Sinha:** By what time will the demarcation of Indo-Pakistan border be complete?

**Shri Jawaharlal Nehru:** I do not know. It has been proceeding both in the eastern section and the western section and it takes a very long time. But, I believe, we have been making some progress.

**Shri Achar:** Is not the Radcliffe Award final and is there anything formally to be done to settle the boundary?

**Shri Jawaharlal Nehru:** It is final in the sense that most things are final which are not quite final.

#### Import Licences

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\*1787. { **Shri V. P. Nayar:**  
**Shri H. N. Mukerjee:**

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

(a) whether the attention of Government has been drawn to the Editorial comments in the Economic Weekly of Bombay dated the 27th July, 1957 under the caption "Expertise of Import—Control";

(b) whether the import licences for pressure cookers in C.K.D. condition alleged therein to have been issued contrary to rules in force, have been given for any special reasons; and

(c) if so, what are the special reasons?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):**  
(a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

**Shri V. P. Nayar:** May I know whether the licence, the number of which is given in this article, has been given to the firm in question on the basis of any special consideration of being actual users or on other considerations?

**Shri Satish Chandra:** They have a manufacturing programme and they will utilise the components for the manufacture of the cooker on the pattern to be supplied by the foreign technical consultant.

**Shri V. P. Nayar:** Do we take it that there is an undertaking that these imported pressure cookers or parts thereof will be used only in the manufacturing programme and, if so, where is the factory situated?

**Shri Satish Chandra:** It is only a question of making a beginning; gradually they will be manufactured in India.

**Shri V. P. Nayar:** Without a factory?

**Shri Satish Chandra:** The import of Capital equipment has also been licenced for the purpose.

**Shri H. N. Mukerjee:** May I know if Government has considered the allegation contained in the editorial mentioned here to the effect that licences have been issued to certain persons in a manner which suggests nepotism and if so, will Government take steps to see that responsible journals do not have any warrant for making such editorial observations?

**Shri Satish Chandra:** All points have been examined. And, my answer is based on the result of the examination of the editorial published in that paper.

**Shri V. P. Nayar:** The hon. Minister said that the licence has been given for a factory and the capital equipment has been ordered. Do we take it that even before the capital machinery is installed, spare parts have been allowed to be imported?

**The Minister of Industry (Shri Manubhai Shah):** As the hon. House is aware, all manufacturing licences are given, particularly for machinery, on a phased programme. This particular firm came with a proposal to manufacture pressure cookers in collaboration with a very well-known firm of very high quality. There pro-

gramme was checked; for one year, one-sixth of the requirements of CKD was allowed to be imported. Immediately one year is over, the entire pressure cookers, almost 24,000 in number will be manufactured indigenously in the country.

**Shri Khadilkar:** From the information given in the same weekly it is seen that still there are outstanding import licences worth Rs. 420 crores. Is it a fact.....

**Shri Manubhai Shah:** I do not quite follow what the hon. Member says.

**Shri Khadilkar:** It is stated that outstanding import licences worth Rs. 420 crores are still there and they have been permitted to bring goods even after O.G.L. is cancelled.

**Shri Manubhai Shah:** It does not arise out of this question. It is not known whether it is consumer goods, or capital goods or CKD goods which the hon. Member refers to

#### Grants to States

**\*1788. Shri Lilladhar Kotokl:** Will the Minister of Planning be pleased to state:

(a) the basis of allocation of Central grants to the various States under different heads.

(b) the amounts allotted in 1956-57 and proposed for 1957-58;

(c) whether any weightage has been given on the principle of removing regional disparities; and

(d) if so, to which States and in what proportion?

**The Parliamentary Secretary to the Minister of Labour and Employment and Planning (Shri L. N. Mishra):** (a) Central grants to States for development schemes included in the annual plans of States are made from year to year. The grants follow the patterns of Central assistance which have been approved by the Ministry of Finance. These patterns provide for varying matching contributions by State Governments.

(b) A statement is laid on the Table of the House. (See Appendix V, annexure No. 74)

(c) and (d). While formulating State plans for the five year period, regional considerations were taken into account. The annual plans follow these five year plans.

**Shri Liladhar Kotoki:** May I know whether it is given on the basis of the removal of regional disparity?

**Shri L. N. Mishra:** No kind of weightage was given on the basis of regional disparity. But the question of regional disparity was also taken into account at the time of allocation, at the formulation stage.

**Shri Liladhar Kotoki:** May I know what was the amount allotted on that basis to the State of Assam?

**Shri L. N. Mishra:** I can give the allotment to Assam but not on that basis.

**Mr. Speaker:** It is in the statement to answer (b). The hon. Member may look into that statement.

**Shri Liladhar Kotoki:** It is not there in the statement.

**Shri L. N. Mishra:** I can read it out.

**Mr. Speaker:** The statement is already given.

**Shri Liladhar Kotoki:** The statement refers to part (b) of my question. But there are parts (c) and (d): 'if so, to which States and in what proportion'

**Mr. Speaker:** The hon. Minister says no weightage has been given. That is the answer.

**Shri L. N. Mishra:** No separate allotment for weightage has been given. Only the question of regional disparity was taken into consideration. Let me also say that only a few days back when a resolution was discussed in this House, the hon. Minister of Planning

gave a complete picture of the situation.

**Shri Rami Reddy:** Is it not the policy of Government to allow for regional disparities in regard to industrial development and other development?

**Shri L. N. Mishra:** That has been the policy of Government and it has been laid in the Second Five Year Plan and the Minister of Planning very clearly stated the Government's policy about the question of regional disparity.

**Shri Harish Chandra Mathur:** May I know whether even at the stage of formulation of the Plan consideration was given to this regional disparity? It is said that it has not been given from year to year. From year to year it is according to the Plan. May I know whether even at the formulation of the plan consideration was given to the backward areas?

**Shri L. N. Mishra:** The question of backward areas has been more or less abstract. Many of the States have advanced claims to be considered backward. The Planning Commission took this point into consideration while making the allotment to various States and they provided these grants more or less on the basis of those considerations also, the annual plans also.

**Shri Wodeyar:** May I know the total amount lapsed out of the sanctioned amounts in the various States according to various categories and will the Minister lay on the Table of the House a statement Statewise under different heads?

**Shri L. N. Mishra:** I could not follow.

**Mr. Speaker:** What are the amounts that have been allowed to lapse in the various States? Well, the hon. Member will put down a question for the next session.

**Shri Thimmaiah:** May I know when funds are given to a particular State to tide over a crisis or catastrophe

whether the total amount is reduced to that extent?

**Shri L. N. Mishra:** Anything given on account of an emergency is not taken into consideration, Sir.

**Shri Mahanty:** Will the hon. Minister kindly itemize the various considerations which are taken into account while making allocations to the various States?

**Shri L. N. Mishra:** I may say, Sir, that Central grants are made available to the State Governments on the basis of the expenditure to be incurred, the population, the area etc. and these are taken into account by the Planning Commission and the various Ministries of the Government of India.

**Mr. Speaker:** The general policy cannot be discussed here.

**Shri Mahanty:** I am not asking for the general policy here.

**Mr. Speaker:** He wants to know the principles on which the allocations are made.

**Shri Mahanty:** The hon. Minister has stated that regional disparity is not the only consideration. I ask him to categorize the other considerations which are taken into account before making the allocations.

**The Deputy Minister of Planning (Shri S. N. Mishra):** I have mentioned so many times in this House the governing considerations determining the quantum of a particular plan, and to state them again I would enumerate a few. One is population. Then there are the extent of backwardness, the resources to be raised by a particular State, the implementation capacity of the State and things of this kind.

**Shri Liladhar Kotoki rose:**

**Mr. Speaker:** I have already allowed enough supplementaries. We will go to the next question.

**Shri Liladhar Kotoki:** My question has not been answered.

**Mr. Speaker:** If it has not been answered, hon. Member must wait for some other occasion.

#### Export of Iron and Manganese Ores

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\*1789. { Shri Goray:  
                  { Shri Nath Pai:  
                  { Shri Jadhav:

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

(a) the quantity of iron ore and manganese ore yearly exported from the districts of Ratnagari, Belgaum and Karwar during the years 1953 to 1956;

(b) whether Government have any plans to stop these exports and to process them internally; and

(c) the quantity of rare earth exported from Jaigad in the Ratnagiri district during the last three years?

**The Minister of Commerce (Shri Kanungo):** (a) and (c). District-wise export statistics are not available.

(b) No, Sir. Government are taking steps, on the other hand, to increase exports. Steps are also being taken simultaneously to process the ores internally.

**Shri Nath Pai:** May I know to what countries particularly, or principally, the iron ore and manganese ore from this district is exported?

**Shri Kanungo:** That is exactly what I said. We cannot give district-wise figures of export of ores from these districts.

**Shri Nath Pai:** I asked to what countries they are exported. It is very clear, because the State Trading Corporation gives the licences.

**Shri Kanungo:** The destinations outside India can be given.

**Mr. Speaker:** How does it arise out of this question? The objects of the question is not to allow export or something of that sort. The question is whether the Government have any

plan to stop these exports. The hon. Member does not want the export. Then what does it matter to which countries these ores go. The object is not to allow it to be exported.

**Shri Nath Pai:** I am sorry, Sir, the processed matter we want to be exported because that brings more foreign currency. It is in the raw form that we do not want it to be exported. That is the intention of the question.

**Mr. Speaker:** That may be true, but how does it arise?

**Shri Nath Pai:** It is perfectly legitimate to ask to what countries the exports are made.

**Shri Kanungo:** Export of iron ore is made to Germany, Belgium, Czechoslovakia, Japan and other countries. Manganese is exported to U.K., Sweden, Norway, Western Germany, France, Italy, Canada, USA and other countries.

**Shri Nath Pai:** Is it a fact....

**Mr. Speaker:** Does he have any particular country in view?

**Shri Nath Pai:** I am not putting another supplementary on that, this is a supplementary arising out of the main question. Is it a fact that a large number of applications for licences for prospecting manganese and iron ore in this district is lying pending disposal and, if so, what steps are being taken to expenditure the issue of the licences?

**Shri Kanungo:** Applications for licences are there, and they are disposed of according to the policy announced by the Government in July.

**Shri Thimmaiah:** May I know what available quantity of this manganese ore is allowed to be exported? May I also know whether any complaint has been received by the Government that stocks are held up for want of export facilities?

**Shri Kanungo:** There are no accumulation of stocks, particularly in Mysore.

**Shri Gajendra Prasad Singh:** May I know whether it is the policy of the Government to...

**Mr. Speaker:** Order, order, we will go to the next question.

**Tribhuvan Rajpath**

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\*1790. { **Shri Shree Narayan Das:**  
**Shri Radha Raman:**

Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Tribhuvan Rajpath connecting India and Kathmandu, recently completed and formally handed over to the Government of Nepal by the Indian Military Mission has been blocked and breached by land slides at several places;

(b) if so, the nature and extent of damage caused; and

(c) whether it is a fact that the Mission which has left Kathmandu has been asked to go back to repair the Rajpath?

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

(a) to (c). No, Sir.

No serious land slides have taken place on Tribhuvan Rajpath and it has throughout been open to vehicular traffic. The road was constructed by Indian Army Engineers who have returned to India in July this year after handing over the road to the Government of Nepal. They have not been asked to go back to repair the road. The Central P.W.D. of the Government of India will maintain the road for another two years.

The Indian Military Mission, which is still at Kathmandu was not, in any way, connected with the construction of the road.

**Shri Radha Raman:** May I know whether the military personnel who constructed this road at Nepal are in any way expected to attend to any breach if it occurs in the future?

**Shrimati Lakshmi Menon:** It has already been stated in the answer that the Central P.W.D. will look after the road for the next two years.

**Shri Shree Narayan Das:** May I know whether the expenditure incurred for the maintenance and repair of this road will be borne by the Government of India or by the Government of Nepal?

**Shrimati Lakshmi Menon:** It is a part of the Government of India's responsibility under the Colombo Plan to construct this road and maintain it for two years.

**श्री गंगानगर जिले में विस्थापित व्यक्तियों का पुनर्बास**

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०१७६१. श्री पहाड़िया :  
श्री ५० सा० बाह्याल :

क्या पुनर्बास तथा अस्पृ-संस्थक कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) श्री गंगानगर जिले के भूमिहीन हरिजन और गैर-हरिजन विस्थापित व्यक्तियों को स्थेती के लिये जमीन देकर बसाने के लिये सरकार ने क्या कार्यवाही की है,

(ख) क्या सरकार को विदित है कि श्री गंगानगर में अनेक विस्थापित व्यक्ति बिना किसी सरकारी सहायता के पड़े हुये हैं ; और

(ग) यदि ना, तो क्या इन विस्थापित व्यक्तियों को सहायता देने के लिये कार्यवाही करने का सरकार का विचार है ?

**पुनर्बास तथा अस्पृ-संस्थक कार्य मंत्री (श्री भेहर चन्द्र जल्ना) :** जिला गंगानगर में दोनों, दावेदार और गैर दावेदार शारणाधियों को, जिन में हरिजन भी शामिल हैं, निकासी कृषि जमीनें दी गई हैं।

(ल) और (ग) मन १९५५ के आसिर में लोक सभा के एक सदस्य ने मंत्रालय को एक सूची भेजी थी जिन में उन व्यक्तियों

के नाम थे जिन्हें कोई जमीन नहीं दी गई । पड़ताल करने पर यह सूची अधूरी पाई गई, क्योंकि इसमें रजिस्ट्रेशन, दावेदार, गैर-दावेदार और पता आदि जैसी जरूरी बातों की तफसील नहीं दी गयी थी । हमें मालूम हुआ है कि जांच कराने के लिये राज्य सरकार अधूरी तफसीलों को पूरा करने के लिये माननीय सदस्य के साथ पत्र व्यवहार कर रहो हैं ।

**श्री पहाड़िया :** मैं जानना चाहता हूँ कि गंगानगर जिले में अब तक ऐसे कितने भूमिहीन हरिजन और गैर-हरिजन शारणाधियों हैं जिन्हें जमीन दी गई है और कितनों को जमीन तक नहीं दी गई है ?

**श्री भेहर चन्द्र जल्ना :** हमने गंगानगर में इस वक्त तक १७,६७७ फैमिलीज को जमीन दी है और उसमें कितने हरिजन हैं और कितने गैर-हरिजन, यह हम नहीं जानते क्योंकि हमने रिहेबिलिटेशन के मामले में हरिजनों और गैर-हरिजनों में कोई जास्ती जमीज नहीं की है :

**श्री ५० सा० बाह्याल :** जो अधूरी सूची मैंने दी है, उसको मैं पूरा करने के लिए तैयार हूँ और एक पूरी सूची भेजने को तैयार हूँ । मैं जानना चाहता हूँ कि उनको बसाने के लिये सरकार की ओर से क्या प्रबन्ध किया जाएगा ?

**श्री भेहर चन्द्र जल्ना :** आज इस वक्त तो इसका जवाब देना मुश्किल है । १७,००० के करीब परिवारों को जिला गंगानगर में बसाया जा चुका है और जो क्लेमेंट्स हैं उनको देने के लिए भी हमारे पास जमीन नहीं है । ऐसी सूरत में गैर-क्लेमेंट्स की तो बारी भेरे रखाल में बहुत मुश्किल से ही आने वाली है ।

**Sardar Iqbal Singh:** May I know whether the Government has any figures of the evacuee land which is in the possession of local persons in Rajasthan?

**Shri Mehr Chand Khanna:** I have not got the figures at the moment, but it is a fact that a big area of evacuee land is in the possession of local persons in Rajasthan.

**Sardar Iqbal Singh:** May I know whether any steps have been taken to take back that area and given it to the displaced persons?

**Shri Mehr Chand Khanna:** I have been in correspondence with the State Government for the last two years or so. I have not met with any success so far.

**Shri B. K. Gaikwad:** What is the number of Harijan refugees and non-Harijan refugees? May I know how the land has been distributed among them; what land has been allotted to Harijan refugees and what land has been allotted to non-Harijan refugees?

**Shri Mehr Chand Khanna:** My Ministry deals only with displaced persons, and we make no distinction between Harijans and non-Harijans.

**श्री प० ला० बाबुपाल :** मैं माननीय मंत्री जी से यह पूछता चाहता हूँ कि गोदी मूरत में क्या हम यह मान कर चलें कि जो १०,००० के करीब वहा शरणार्थी पढ़े हुए हैं, सरकार की ओर से उनको कोई सहायता नहीं मिलेगी ?

**श्री मेरुर चन्द खन्ना :** जनाब, मैं इसका अबाद दे चका हूँ ।

#### O. phangunj Market, Calcutta

\*1791-A. **Shri Biren Roy:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the total amount of taxes and rates, if any, paid by the Government of India to the Corporation of Calcutta in the shape of taxes for conservancy and water supply of Orphangunj Market at Calcutta during the last three years;

(b) whether there have been representations by the Shopkeepers' Association

against the administration of this market; and

(c) if so, the nature of the representations and steps that Government have taken or intend to take to remedy the state of affairs?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) The total amount of taxes paid by the Government of India to the Corporation of Calcutta in the shape of taxes for conservancy and water supply for the last three years, viz., 1954-55, 1955-56 and 1956-57, are Rs. 7104, Rs. 7704, and Rs. 8130 respectively.

(b) Yes, Sir.

(c) The allegations related to both insanitary conditions and mal-administration. The charge regarding mal-administration was not proved. To meet the criticism, regarding insanitary conditions, such additions, alterations and repairs as were considered essential were carried out.

**Shri Biren Roy:** Is it a fact that the shopkeepers and big wholesalers who are in that area, whenever they apply for partnership business to take new partners, experience delay and these are not disposed of even within six months or one year by the administrator in that area?

**Shri Anil K. Chanda:** I have no information.

**Shri Biren Roy:** Is it a fact that when the West Bengal Government are willing to take over the administration of this market when it is transferred, and in view of the reply given on the 24th August in this House that the matter is being gone into and it will shortly be transferred, would the hon. Minister see that the transfer is effected very soon?

**Shri Anil K. Chanda:** It is not a question of transfer. It is a question of sale, because the property belongs to the Government of India. We are in the final stages of negotiation with

the West Bengal Government over the sale of this market.

**Shri Birendra Roy:** Is the Government aware, or, are they going to completely abolish the market and have buildings therefor offices which should not be done, because, this is the only market for wholesalers and retailers in the south-west of Calcutta?

**Shri Anil K. Chanda:** Since we expect to sell out this market to the West Bengal Government very soon, this question may be addressed to the West Bengal Government.

**Fertilizer and Heavy Water Projects at Bhakra-Nangal**

\*1792. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether recently an enquiry was instituted into the economic soundness of the Bhakra-Nangal fertilizer factory and Heavy Water Project; and

(b) if so, the results of the enquiry?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** (a) and (b). No formal enquiry was instituted; but certain doubts raised about the economic soundness of the project were examined and found to be baseless.

**Shri D. C. Sharma:** May I know what those doubts were and by whom they were examined?

**Shri Satish Chandra:** A letter was received raising certain doubts about the Bhakra-Nangal project. It was said that the project is economically unsound that it will take long to execute and it involves an inferior utilisation of available electrical energy. All these points were examined by the Nangal Board and the Government. On the basis of the facts and figures, we have come to the conclusion that these doubts are baseless.

**Shri D. C. Sharma:** Who raised these doubts as to the economic soundness of this project?

**Shri Satish Chandra:** A letter was received from somebody in the Prime Minister's Secretariat and we examined all these points.

**National Small Industries Corporation (Private) Limited**

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\*1794. { **Shri S. M. Banerjee:**  
**Shri Prabhat Kar:**

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

(a) whether it is a fact that a large sum of money has been sanctioned by the National Small Industries Corporation (Private) Limited to some firms for publicity purposes; and

(b) if so, what steps are being taken to have a check on expenditure by the Corporation on publicity?

**The Minister of Industry (Shri Manubhai Shah):** (a) The National Small Industries Corporation have spent on publicity only Rs. 96,080 up to 31st August 1957. Taking into account the nature of the work done, the sum spent is not at all large, as a good deal of publicity is required in the initial stages for the small-scale industries.

(b) The proposal for grant of funds, for establishment expenses including publicity, when received from the Corporation is duly scrutinised by Government and funds sanctioned only if considered necessary.

**Shri S. M. Banerjee:** May I know the name of this firm and may I know whether it is a fact that this firm was given this contract for publicity without any proper tender?

**Shri Manubhai Shah:** No, Sir. It is not a fact. As a matter of fact, it was not done only through one publicity firm but through different agencies and no sort of monopoly contract was given to anybody.

**Shri S. M. Banerjee:** May I know whether, for lack of proper publicity, nearly 52,714 pairs of shoes were rejected by the Russians and whether this bulk is rotting in the godowns because of the abnormal size of the shoes, and whether this would mean a loss of Rs. 10 lakhs to the exchequer?

**Shri Manubhai Shah:** The question and the inference are rather, I should say, joined in a wrong way. Firstly, this Small Industries Corporation does not only handle one single transaction of shoes either with Russia or with any other country but it has today a very wide range of work throughout the country. To give only one instance, the hire purchase work being done by this particular Corporation in the field of small industries runs into Rs. 1,79,00,000. Then, it is coordinating its activities with several types of regional institutes. It runs estates and has organised for the purpose of both internal market and external market. Looking into all this, one cannot surmise that the sum that has been spent is rather high or that the complaint about the shoes is due to any defective publicity.

**Shri Mahanty:** In view of the fact that an advertisement unit is functioning in the Ministry of Information and Broadcasting, may I know why this advertising campaign was not given to that unit and why was it given to a private firm?

**Shri Manubhai Shah:** This Corporation is a private limited company registered under the Companies Act Over and above the Information Ministry's agency, we have got to utilise in all these public sectors and corporations, the normal trade agencies to let the small man in the village know that here is a Corporation which is going to come to his aid and the terms and conditions of the loan and hire purchase have to be given and several cases advertised. Normally, newspapers would not take all these terms and give them as great a publicity as we desire.

### Khadi Production

\*1795. **Shri Sugandhi:** Will the Minister of Commerce and Industry be pleased to refer to reply given to Unstarred Question No. 781 on the 21st August, 1957 and state:

(a) whether it is a fact that the subsidy benefit to the spinners on the traditional charkha works out at 40 per cent to spinners for Vastraswasthamban and less than 19% to spinners of wage earning class;

(b) if so, whether there is any proposal to remove this disparity; and

(c) what percentage of managerial expenditure is included while fixing the sale prices of traditional Khadi and its ready made apparels?

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

(b) Does not arise.

(c) 18½ per cent for both traditional khadi and ready-made apparel. Since the latter are prepared under the same management, there is no additional charge for managerial expenditure.

### तिवारी के साथ व्यापार

\*1796. श्री पद्म बेदः क्या बालिष्ठ तथा उद्योग मंत्री २२ मई, १९५७ के तारीकित प्रश्न संख्या २४३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि हिमाचल प्रदेश, कागड़ा और गढ़वाल के भारतीय व्यापारियों का, जो चीन के निवारीय भाग की सीमा पर व्यापार करते हैं, कठिनाइयों को दूर करने के लिये ग्रन्थ तक क्या कदम उठाये गये हैं?

- बालिष्ठ मंत्री (श्री कानूनी) : इस प्रश्न पर चीनी लोक गण राज्य की सरकार से ग्रन्थ भी पत्र-व्यवहार हो रहा है।

Now I shall read it in English also.

The matter is still under correspondence with the Government of the People's Republic of China.

**श्री पदम देव :** क्या मैं जान सकता हूँ कि भूतपूर्व लासकों में बुशहर रियासत में जो सहृदयियतें वहाँ के ताजिरों को दी हुई थीं, क्या वह अब भी दी जा रही हैं क्योंकि उन और पश्चम का लारोमदार सारे का सारा तिब्बत पर निर्भर रहता है और तिब्बत की तिजारत काफी खतरनाक है तो सरकार की ओर से पहले जो लोन मिलता था और सुरक्षा का प्रबन्ध होता था तो क्या यह दोनों सुविधाएं बर्तमान सरकार भी उनको दे रही हैं ?

**श्री कानूनगो :** यह तो आयात ही आयात का सवाल है । यहाँ जो थोड़ी सी दिक्कतें हैं वह तिब्बतन डालसर्ट मिलने को हैं और उस पर चीनी सरकार ने कुछ रुकावटें डाली हैं और जो छोटे गयापारी होते हैं उनको रूपी ड्राफ्ट हिन्दुस्तान में कैश करने में तकलीफ होती है । इस बारे में हम लोगों की चीन सरकार के पाथ बातचीत हो रही है और उस पर व्याप दिया गया है ।

**श्री भक्त दशन :** इस प्रश्न के बारे में पिछले दो साल से चीन सरकार से बातचीत चल रही है और अब इस साल व्यापार का जो सीजन है वह समात होने वाला है तो मैं जानना चाहता हूँ कि वह क्या लास अडवनें पढ़ रही हैं । जिनकी कि बजह से इतनी देरी हो रही है और कोई समझौता हमारे और उनके बीच में अभी तक क्यों नहीं सका है ?

**श्री कानूनगो :** बातचीत अभी हो रही है हम सोग उनको इजाजत देने के लिए कह रहे हैं, अभी तक उनकी मंजूरी नहीं मिली है ।

**श्री भक्त दशन :** क्या गवर्नरमेंट के ध्यान में यह बात आई है कि पिछले तीन या चार वर्षों से प्रतिवर्ष हमारे देश में तिब्बत से जो उन आती है उसका परिमाण बढ़ता जा रहा है और क्या चीन सरकार के साथ बातचीत करने में इस बात पर भी जोर दिया जा रहा है कि वहाँ से पूरे परिमाण में हमारे यहाँ उन आती रहे ?

**श्री कानूनगो :** तिब्बत से हमारा व्यापार कम नहीं हुआ है वैसे ही बढ़ रहा है और उसी के सम्बन्ध में हमारी बातचीत भी चल रही है ।

**Shri Panigrahi:** May I know whether the Indo-Tibetan trade is increasing or decreasing?

**Shri Kanungo:** Well, it is not increasing.

#### Information Centre

\*1787. **Shri P. K. Deo:** Will the Minister of Information and Broadcasting be pleased to state the progress made in the proposal to set up an information Centre in Bhubaneshwar?

**The Minister of Information and Broadcasting (Dr. Keskar):** Arrangements are practically complete and the State Government are taking steps to open the Centre on 2nd October, 1957.

#### Lajpat Nagar Colony

\*1799. **Shrimati Sucheta Kripalani:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state:

(a) whether it is a fact that the land on which Lajpat Nagar Colony is built was a Nazul Land;

(b) whether it is a fact that the cost of development of this land is approximately Rs. 7 per sq. yard;

(c) whether it is a fact that the displaced persons are being charged at the rate of Rs. 15 to 20 per sq. yard for this land;

(d) whether it is the policy of Government to sell this land to the displaced persons on no profit no loss basis i.e. charge them the actual cost of acquisition plus the cost of development; and

(e) if so, the reasons for charging higher rates from these displaced persons?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** (a) Yes.

(b) Yes.

(c) Yes—Generally.

(d) and (e). So far as the superstructures on the lands are concerned, they are sold at a 'No profit no loss' basis. The land in each colony is however sold on the basis of the market price in each locality. This was the only way by which anomalies in the value of land between localities where Nazul land was utilised and those where land had to be acquired, could be avoided. Charging nothing for the cost of Nazul land would have amounted to giving to the settlers in those areas a concealed subsidy which would neither have been fair to the exchequer nor to the residents of the other areas where land had to be acquired at considerable cost.

**Shrimati Sucheta Kripalani:** May I know if it is a fact that when the Lajpat Nagar Colony was established in 1950-51, at that time the market rate of the land in the adjoining areas fully developed was Rs. 5 or Rs. 6 per square yard?

**Shri Mehr Chand Khanna:** We have sold big plots and small plots in Lajpat Nagar. The value of the big plots ranged between Rs. 30 to Rs. 50 and that of the small plots between Rs. 50 to Rs. 100. All these plots have been sold to displaced persons alone.

**Shrimati Sucheta Kripalani:** My question was different. I wanted to know whether the market rate of the land in the adjoining area at that time was Rs. 5 or Rs. 6 per square yard and if so why the displaced persons are being charged at the rate of Rs. 15 to Rs. 20 per square yard?

**Shri Mehr Chand Khanna:** We take two things into consideration. One is the cost of development and the other is the cost of the land. Where there is Nazul land, we generally take the prices prevailing in the areas under consideration. What we have charged is a very fair price, because I have just put before you that the plots that have been sold in this colony have been sold at least three to four times

the price and only to displaced persons.

**Dr. Sushila Nayar:** The question is that in 1950-51 when this colony was started and developed, the market price of the land was very much lower. The settlement is being carried out now after six years and four times the price are being charged from the displaced persons. May I know whether this is right and what is the reason for it?

**Shri Mehr Chand Khanna:** I have said that the thing I am doing is perfectly right, and I have also advanced cogent reasons for the steps taken by the Government.

**Shrimati Sucheta Kripalani:** Is it a fact that in reply to a question addressed by Sardar Hukam Singh in 1953—Question No. 916—the then Rehabilitation Minister said that the residences would be sold to the refugees at a "No profit no loss" basis and may I know how far this assurance given on the floor of the House has been implemented?

**Shri Mehr Chand Khanna:** I have no idea of the question and the answer given by my predecessor. I have stated that in evaluating a particular house, we take three factors into consideration. One is the cost of the land, the other is the cost of development and the third is the cost of the superstructure. As far as the last two factors are concerned, we charge on a "No profit no loss" basis. As regards the first, supposing the land is Nazul, I cannot give it free.

**Shri C. K. Nair:** May I know what price is charged for the lands in South Patel Nagar? The prices of the land have gone up beyond Rs. 10,000; has the matter been referred to the Minister, and what steps are being taken to redress their grievances?

**Shri Mehr Chand Khanna:** This question has nothing to do with the Patel Nagar plots. But I can assure you, Sir, and through you the hon. Member that his presumption is not correct.

**Shri S. C. Samanta:** Is it a fact that many plots were sold in open auction to displaced persons only and if so, at what price?

**Shri Mehr Chand Khanna:** That is correct; plots have been sold only to displaced persons. They have purchased these plots at much higher prices.

**Shri C. K. Nair:** May I know if the plots in Patel Nagar are also sold by auction?

**Shri Mehr Chand Khanna:** I have repeatedly stated that under the rules, if the property is allotable, it will be allotted. And if the value of the house is above Rs. 10,000, it will be auctioned under the rules passed by this House to which the hon. Member himself is a party.

#### SHORT NOTICE QUESTIONS AND ANSWERS

##### Export of Low grade Manganese Ore

**S. N. Q. No. 31. Shri Keshava:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that large stocks of unsold manganese low grade ore are lying at the Railway Stations in the State of Mysore; and

(b) if so, the reasons for not permitting the mine-owners to effect the sale of these low grade ores and thereby earn foreign exchanges even if the State Trading Corporation was not able to find a sale for them?

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

(b) The State Trading Corporation has already entered into contracts with mine-owners in Mysore for the supply of 65,000 tons of manganese ore and is presently negotiating for the sale of these tonnages to overseas buyers.

**Shri Keshava:** May I know if any attempt is being made by Government to convert these low-grade ores into high-grade ores?

**Shri Kanungo:** Yes; licences have been given for five ferro manganese plants and for beneficiation plants also.

**Shri P. C. Bose:** May I know whether there is any policy to regulate the export of this valuable raw material?

**Shri Kanungo:** Yes; the policy has been announced in July.

**Shri Thimmaiah:** Previously the hon. Minister said that there is no stock of manganese ore in Mysore. Now he says there is some stock at some railway station.

**Shri Kanungo:** The hon. Member did not listen to the answer.

##### Textile Mills in Bombay City

**S. N. Q. No. 32. Shri Naushir Bharucha:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a move is set afoot by the mill owners of Bombay city to close down one shift in all or most of the cotton textile mills in Bombay city, on the ground of accumulated stocks of cloth;

(b) whether any representation has been made by the mill owners to Government to this effect; and

(c) the steps Government propose to take to prevent sudden large scale unemployment in Bombay city?

**The Minister of Commerce (Shri Kanungo):** (a) Enquiries made of the Mill Owners' Association show that there is no such move.

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

—

#### WRITTEN ANSWERS TO QUESTIONS

##### Cycle Tyres

**\*1793. Shri Warior:** Will the Minister of Commerce and Industry be pleased to state:

(a) the price at which M/s Dunlop Rubber Co. (India) Ltd. supply cycle

tyres to dealers and the price the dealers charge from the public; and

(b) whether Government have got any control in the fixing of supply of quotas by the Dunlops to dealers?

**The Minister of Industry (Shri Manubhai Shah):** (a) M/s Dunlop Tyre & Rubber Co. (India) Ltd. supply cycle tyres to dealers at Rs. 3.93 per tyre ex-factory, and the dealers are expected to charge Rs. 4.62 per tyre from the consumers.

(b) No, Sir

#### Export of Guar Products

\*1788. **Pandit Thakur Das Bhargava:** Will the Minister of Commerce and Industry be pleased to lay a statement on the Table showing:

(a) the quantity and value of *Guar*, *Guar dal* and *Guar green* exported between the 1st January, 1957 to the 31st August, 1957;

(b) the name of the country to which these were exported and the quantity exported;

(c) whether any *Guar*, *Guar dal* and *Guar green* have been exported after the 13th February, 1957 in respect of any contract entered into after the said date; and

(d) if so, the quantity and value of the exported stuff and the names of firms to whom permission of such export has been given?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** (a) and (b), Exports of *Guar* and *Guar dal* have not been allowed in the last 8 years. As regards *Guar green*, the Honourable Member is presumably referring to *Guar* husk or hull, the export of which was allowed freely up to 13-2-57. The information about exports during the particular period and the name of the importing countries are not available as these are not recorded in the Monthly Statistics of the Foreign Trade of India.

(c) No.

(d) Does not arise.

#### Closure of Textile Mills in Marathwada

\*1800. **Shri Khadilkar:**  
**Shri Goray:**

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

(a) whether it is a fact that textile mills at Chalisgaon, Jalgaon, Aurangabad and Bhor in Marathwada have been closed down;

(b) whether Government have investigated the causes for closure of these mills;

(c) if so, the efforts being made to reopen the mills; and

(d) whether Government have made any attempt to provide alternative employment or relief to the workers?

**The Minister of Commerce (Shri Kanungo):** (a) Two mills, one at Jalgaon and the other at Bhor have closed down since 1954 and 1952, respectively.

(b) No special investigation was carried out. The mills closed down due to uneconomic working on account of old and dilapidated machinery. The Mill at Jalgaon is under voluntary liquidation and the other at Bhor was wound up in 1953 under orders issued by the Court.

(c) Does not arise.

(d) The mills have been closed for 3 to 5 years. It is presumed that the workers have been able to get all alternative employment as they have not made any representations.

#### Textile Mills in Madras

\*1801. **Shri S. R. Arumugham:** Will the Minister of Commerce and Industry be pleased to state:

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

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

**The Minister of Commerce (Shri Kanungo):** (a) 283 (Two hundred and eighty-three).

(b) 119 (One hundred and nineteen).

#### Housing Ministers' Meeting

\*1802. *{ Shrimati Parvathi Krishnan:  
Shri S. M. Banerjee:*

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

(a) whether a meeting of Housing Ministers is to be held in the near future;

(b) if so, the proposed date and venue of the same; and

(c) the agenda that will be taken up at the meeting?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) and (b). It is proposed to hold the Second Conference of Housing Ministers at Mysore city from 31st October to 2nd November, 1957.

(c) A copy of the provisional agenda has been laid on the Table of the House. [See Appendix V, annexure No. 75].

#### Malaya

\*1802-A. *{ Sardar A. S. Salgal:  
Shri Shree Narayan Das:*

Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Malayan Government have applied for the membership of the United Nations; and

(b) if so, what attitude Government will have in this matter?

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

(b) Admission of the Federation of Malaya to the United Nations will be warmly supported and welcomed by India.

#### भारत की उत्तरी सीमा

\*1803. जी भक्त दर्शन : क्या प्रभानं बंधुः ५ दिसम्बर, १९५६ के तारांकित प्रदर्शनस्था ८४३ के उत्तर के सम्बन्ध में यह भत्ताने की कृपा करेगे कि :

(क) भारत की उत्तरी सीमा के समानान्तर सीमी गई संशोधित आन्तरिक रेखा का जो प्रश्न सरकार के विचाराधीन था, क्या उसके ब्योरे का विवरण सभा-पटल पर रखा जायेगा ; और

(ल) यदि नहीं, तो इस कार्य में विलम्ब के क्या कारण हैं ?

वैदेशिक कार्य उभयन्द्रो (श्रीमती सामली बैंसल) : (क) और (ल). इस मामले को आखिरी शब्द नहीं दी जा सकी है ब्योरोंकि नैनीताल सम्मेलन की सिफारिशों को स्वीकार करने के लिये तफसील से विचार किया जाना है और पेखादा मामलों पर फैसले करने हैं। इस मामले को जल्दी से जल्दी प्राप्तिरी शब्द देने की कोशिशें की जा रही हैं। जब आखिरी फैसला हो जायेगा तो 'आन्तरिक रेखा' (इनर लाइन) का ब्योरा सरकारी गजट में प्रकाशित कर दिया जायेगा और अधिसूचना (नोटिफिकेशन) की एक नकल सदन की बेज पर रख दी जायेगी।

#### Handloom Industry in Orissa

\*1804. Shri Sanganna: Will the Minister of Commerce and Industry be pleased to state:

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

(b) if so, what?

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

(b) Rs. 115.8 lakhs was tentatively allotted to Orissa but consequent on the reorganisation of States, allotments are under consideration.

### Commercial Services of Radio Ceylon

\*1804-A { Shri Raghunath Singh:  
Shri R. S. Lal:  
Shri Shree Narayan Das:

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

(a) whether the Government of Ceylon have replied to the protest lodged by India in connection with the commercial broadcasting by the Radio Ceylon; and

(b) whether it is a fact that as reported in newspapers the Minister of Broadcasting, Ceylon has protested against his comments on the commercial service of Radio Ceylon?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) and (b). It would not be correct to say that a 'protest' was lodged by India with the Government of Ceylon. All that has been done is that the views of the Government of India on Radio Ceylon directing commercial services towards this country by special beam have been brought to the notice of Government of Ceylon. I had occasion to express these views at some length before the House during the debate on demand for grants of the Ministry of Information & Broadcasting.

### Construction of Quarters by Coal Mines Labour Welfare Fund Organisation

\*1805. Shri T. B. Vittal Rao: Will the Minister of Labour and Employment be pleased to state:

(a) the total number of quarters proposed to be constructed by the Coal Mines Labour Welfare Fund Organisation during 1957-58 out of the 30,000 to be constructed during the Second Plan period; and

(b) how many will be in the public and private sectors?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) The programme is to start the construction of 10,000 houses during 1957-58.

(b) It is not possible to say at this stage how many houses will be constructed in the public and the private sectors. Out of the 5613 houses so far allotted, 972 are in the public sector and 4641 in the private sector.

### National Small Industries Corporation

\*1806. Shri Harish Chandra Mathur: Will the Minister of Commerce and Industry be pleased to state:

(a) which of the large concerns (i) in public sector (ii) in private sector have agreed to place orders on small scale units through the National Small Industries Corporation; and

(b) the value of orders placed by each concern and the number of small units which effected supplies?

**The Minister of Industry (Shri Manubhai Shah):** (a) and (b). A statement is laid on the Table of the House. [See Appendix V, annexure No. 76]

### निकान्त सम्पत्ति

\*1807. { श्री पहाड़िया :

श्री प० ला० बाकपाल :

क्या पूर्वासि तथा अल्प-संस्थाक-कार्य मन्त्री यह बताने की कृपा करेंगे कि :

(क) श्री गंगानगर जिले में किसने मुस्लिम परिवारों की भूमि निकान्त सम्पत्ति घोषित कर दी गई थी, किन्तु उनके ग्रामीण करने पर उन्हें लोटा दी गई; और

(ल) यह भूमि पहले किस भाषार निकान्त सम्पत्ति घोषित की गई थी?

**पूर्वासि तथा अल्प-संस्थाक कार्य मंत्री (श्री मोहर चाहू जाना) :** (क) श्रीर (ल). इवेकी प्राप्तों ला में की गई व्यवस्था के अधीन ग्रामीण करने पा. जिन मुकदमों में जायदादें वापिस की गई हैं, उनकी संक्षय बहुत बड़ी है। यह कानून लगभग प्राठ साल तक सामू रहा। जिसावार आकड़े नहीं रखे गये हैं। यदि किसी विशेष मामले के बारे में सूचना मांगी जाये, तो उसके लिये जानकारी एकत्रित की जा सकती है।

### Copra and Betel-nuts

**\*1888. Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 1149 on 24th August, 1957 and state:

(a) the price prescribed for purchasing copra and betel-nuts in Car Nicobar and other Nicobar Islands respectively;

(b) the basis of fixation of these prices by the Local Administration;

(c) the wholesale price of copra and betel-nuts prevailing presently in Calcutta and Madras Markets; and

(d) the approximate annual gross profits earned by the monopolist traders on the basis of the annual exports of copra and betel-nuts after allowing freight to Calcutta or Madras and also royalty payable to Government?

**The Minister of Commerce (Shri Kanungo):** (a) **Copra:** Annas two per lb. plus a royalty of Rs. 3-8 per 100 lbs. payable to Government.

**Betel-nuts:** Annas eight per lb. plus a royalty of Rs. 8-11 per 100 lbs. payable to Government.

(b) and (d). The information is being collected and will be laid on the Table of the House in due course.

(c) A statement is placed on the Table. [See Appendix V, annexure No. 77]

### "Pilgrimage to Freedom" Documentary Film

**\*1889. Shri Tangamani:** Will the Minister of Information and Broadcasting be pleased to lay a statement on the Table containing the various events and characters depicted in the documentary film "Pilgrimage to Freedom" and state the basis on which the documentary was prepared?

**The Minister of Information and Broadcasting (Dr. Keskar):** Attention is invited to the answer given to un-

starred Question No. 1302 dated the 5th of September, 1957, which deals with the same question. The documentary "Pilgrimage to Freedom" was prepared under the guidance of the Centenary Celebration Committee presided over by the Vice-President, Dr. S. Radhakrishnan. The main theme of the picture is based on the standard book on '1857' recently published by Dr. S. N. Sen. The subsequent narration which gives a link of 1857 with the present day is generally meant to give occasional glimpses of some important events of these 100 years without trying to be completely representative of either the entire period or the whole country.

The film had to be prepared in a hurry in order to be ready on the day of celebration and though the Centenary Committee representatives had occasion to review it, it cannot be considered complete and all-round. In view of the drawbacks that have been pointed out in the film efforts are being made to make it more representative and thorough. For the time being its circulation has been stopped.

### Rationalisation in Textile and Jute Mills

**\*1810. Shri S. M. Banerjee:** Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that rationalisation will not be introduced in any Textile or Jute Mills unless all the conditions agreed upon in the 15th Labour Conference are fulfilled; and

(b) if so, whether the mill-owners have accepted this policy for implementation?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) and (b). Since Mill-owners are represented on the Indian Labour Conference through the All-India Organisation of employers, and the recommendations of the Conference on rationalisation were unanimous, it may be assumed that Mill-owners have accepted the

policy. It is expected that rationalisation will not be introduced except according to conditions agreed to by the Conference.

**Indian Assistant Commissioner in Rhodesia and Nyasaland**

\*1811. { Shri Shree Narayan Das:  
{ Shri Radha Raman:

Will the Prime Minister be pleased to state whether it is a fact that the Raja of Alhajpur who is now Assistant Commissioner for India in the Capital of the Federation of Rhodesia and Nyasaland was refused haircut in some European barber shop?

**The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):** Government have no official information but have seen press reports to this effect. In the racial atmosphere prevailing in the Federation of Rhodesia and Nyasaland, such an incident is however not unusual.

**Import of Ammonium Sulphate**

\*1812. Shri D. C. Sharma: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have entered into an agreement with the East German Government with regard to the import of ammonium sulphate;

(b) if so, the quantity to be imported; and

(c) the amount of foreign exchange involved?

**The Minister of Commerce (Shri Kanungo):** (a) to (c). The State Trading Corporation has entered into a contract with an East German Export organization for the import of 15,000 tons of ammonium sulphate on f.o.b. terms. Payment will be made in rupees. Freight will be arranged by the State Trading Corporation. The exact amount of foreign exchange expenditure that might have to be incurred is not yet known.

**Pondicherry**

\*1813. Shri Tangamani: Will the Prime Minister be pleased to state:

(a) whether exterrnent order against persons residing in Pondicherry has been revoked; and

(b) the steps Government have taken to cancel such orders?

**The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):** (a) No.

(b) Short of amending the relevant law the Pondicherry Administration cannot take any steps to cancel the exterrnent orders. No measure to amend the law is under consideration

**Collection of Betterment Levy in Kerala**

\*1814. Dr. Ram Subhag Singh: Will the Minister of Planning be pleased to state:

(a) whether the Kerala Government have rejected the recommendation of the National Development Council for collection of betterment levy in advance while projects are under execution; and

(b) if so, what reasons they have given for rejecting that recommendation?

**The Deputy Minister of Planning (Shri S. N. Mishra):** (a) and (b). According to the Travancore-Cochin Irrigation Act, 1956 (No. VII of 1956) and the Madras Irrigation (Levy of Betterment Contribution) Act, 1955 (Act No. III of 1955) which applies to the Malabar area now in Kerala, the payment of Betterment levy becomes due two years after the provision of irrigation facilities in Travancore-Cochin area and two years after the date of completion of the projects in the Malabar area respectively. Any amount accepted by the Government from any person are to be credited towards betterment levy. The collection of betterment levy in advance

therefore, can only be voluntary and not compulsory. The Government of Kerala agree to make efforts to obtain voluntary contributions from the beneficiaries while launching on new irrigation projects.

#### Manganese Mines, Mysore

\*1614.A Shri T. B. Vittal Rao: Will the Minister of Labour and Employment be pleased to state:

(a) whether any instructions have recently been issued exempting the Manganese Mines in Mysore State in respect of minimum qualifications required for Mine Managers under the Indian Metalliferous Mines Regulations;

(b) if so, the considerations that weighed with Government for granting such exemption;

(c) the number of accidents that occurred in the above mines up-to-date during the calendar year;

(d) the number of workers killed in these accidents; and

(e) whether the accidents are on the increase?

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

(b) Does not arise.

(c) 5.

(d) 9.

(e) As against nine accidents during 1956 there has so far been only five accidents during 1957.

#### State Insurance Scheme

1645. Shri Gangamani: Will the Minister of Labour and Employment be pleased to lay a statement on the Table showing the amount contributed by the workers and employers separately unit-wise and industry-wise in the three areas in Madras State namely Coimbatore, Madras and Madurai ever since the Employees' State Insurance Scheme came into operation in the respective areas?

The Deputy Minister of Labour (Shri Abid Ali): The accounts of the Employees' State Insurance Corporation are compiled region-wise and not unit-wise or industry-wise. The workers and the employers in the Madras region as a whole (which comprised Madras, Kerala and Andhra Pradesh States before July, 1957) contributed Rs. 48,99,093 and Rs. 80,36,482 respectively during the years 1954-55, 1955-56 and 1956-57.

#### Per capita National Income

1646. Shri Nagi Reddy: Will the Prime Minister be pleased to state:

(a) the per capita national income during the First Five Year Plan period year by year with the break-up of figures, income and occupation-wise for land owners, agricultural labourer, industrial workers, middle class employees, business sections, and industrialists; and

(b) the source of information?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) A statement giving estimates of per capita income of India during the First Five Year Plan period, year by year is placed on the Table [See Appendix V, annexure No 78] Occupation-wise break-up of these estimates is not available:

(b) 'Estimates of National income, 1948-49 to 1955-56' issued by the Central Statistical Organisation.

#### Handloom Cess Fund

1647. Shri M. V. Krishna Rao: Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have stopped giving working capital loans to the weavers' co-operatives from the Handloom Cess Fund since the 31st March, 1957; and

(b) if so, what are the alternative arrangements made to make available working capital loans and also the total amount of working capital advanced to weavers' co-operatives in

Andhra through the alternative source since the 1st April, 1957?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):**  
(a) Yes, Sir.

(b) The weavers' Cooperatives are to obtain their working capital requirements from the Reserve Bank of India. As far as Government are aware no working capital loans have been advanced by the Reserve Bank to such Cooperatives in Andhra since 1-4-57.

#### Cess on Tea

**1648. Shri A. C. Guha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the rate of cess collected on the exported tea and the total collection in each of the last three financial years as also the estimated amount during this year;

(b) what amount has been spent in each of the last three financial years on "promotional activities" with the break-up of the amount spent for external publicity;

(c) the nature and method of the "promotional activities" undertaken in the last three years with particular reference to external publicity; and

(d) whether there is any amount in balance and if so, how that is being utilised?

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

(a) Rate—1st April 1954 to 24th November 1954 Rs. 2 per 100 lbs.

25th November 1954 to 31st March 1957—Rs. 4 per 100 lbs.

#### Amount collected—

1954-55 Rs. 1,28,52,579-10-9

1955-56—Rs. 1,58,75,976-3-8

1956-57—Rs. 2,01,59,996-6-6.

Estimated amount for 1957-58—Rs 1,80,00,000.

(b) 1954-55—Rs. 52,09,105-7-3

1955-56—Rs. 75,27,186-2-2

1956-57—Rs. 69,67,641-15-7

A statement showing the break-up of the amount spent for external publicity during the last three financial years is placed on the Table [See Appendix V, annexure No. 79]

(c) A statement is placed on the Table [See Appendix V, annexure No. 79]

(d) The amount of unspent cess collections in the Consolidated Fund of India on 1st April 1957 was Rs. 3,38,88,000. This will be utilised for carrying out the purposes of the Tea Act, 1953 during future years.

#### Karnatak Khadi and Village Industries Board

**1649. Shri Sugandhi:** Will the Minister of Commerce and Industry be pleased to state:

(a) the personnel of the Zonal office of Karnatak Khadi and Village Industries Board now situated at Dharwar;

(b) the annual expenditure incurred on pay and travelling expenses of the Office Establishment for the years 1955-56 and 1956-57;

(c) whether any honorary workers are there on the Board; and

(d) if so, their number and honorarium paid for the above years?

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

(a) There is no Karnatak Khadi and Village Industries Board as such situated at Dharwar. The All-India Khadi and Village Industries Board (now the Khadi and Village Industries Commission) has a Zonal Office at Dharwar. The personnel of that office is as under:—

S. No. Designation of Posts. Number.

1. Deputy Zonal Director .. 1
2. Assistant Director .. 1
3. Production Organiser .. 1
4. Sales Organiser .. 1

S. No.	Designation of Posts.	Number.
5.	Textile Improvement Officer	1
6.	Cotton Expert Officer	1
7.	Khadi Stook Officer	1
8.	Statistician	1
9.	Accountant	1
10.	Auditors	2
11.	Inspectors	2
12.	Assistant Accountant	1
13.	Assistant Inspectors	2
14.	Head Clerk	1
15.	Steno-typist	1
16.	Clerks	2
17.	Peons	3
18.	Chowkidar	1

1955-56 1957-58  
Rs. Rs.

(b) (i) on establishment salary ..... 10,414-7-0 25,933-14-0  
(ii) expenditure on T.A. ..... 4,105-0-0 6,504-13-0

(c) and (d). Yes. one of the members of the Khadi and Village Industries Board (Shri R. S. Hukkariker) is in charge of the Zonal Office. No honorarium was paid to him during the two years.

#### Rehabilitation of Displaced Persons in Assam

1650. **Shri Hynniewta:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state whether Government propose a settle a number of displaced persons in any of the autonomous hill districts of Assam?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** Allotment and settlement of land in Autonomous hill districts of Assam is governed by the provisions of the Sixth Schedule of the Constitution of India, according to which the powers to make laws in respect of allotment etc. of lands

vest in the District Councils. Some displaced persons have been settled in these areas.

#### A.I.R. Station, Gauhati

1651. **Shri Hynniewta:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the daily number of hours the All India Radio Station, Gauhati is on the air; and

(b) the daily number of hours devoted to tribal programmes?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) Normally 15 hours and 30 minutes.

(b) 3 hours and fifteen minutes.

#### A.I.R. Stations, Gauhati

1652. **Shri Hynniewta:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the reasons as to why the All India Radio Station for Assam was removed from Shillong, the Capital of the State, to Gauhati;

(b) whether Government have received any representations from tribal organisations protesting against such removal; and

(c) if so, the action taken thereon?

**The Minister of Information and Broadcasting (Dr. Keskar):** (a) to (c). Upon the inauguration of the 10 KW medium-wave transmitter at Gauhati, the low-power (0.10 KW) transmitter at Shillong was closed down, although the Studios still continue to function there. Gauhati was considered to be a more convenient centre for giving coverage to Assam and the neighbouring areas. Points raised in the representations received at that time were given careful consideration in deciding upon the location of the new transmitter.

#### Groundnut-Oil Factories in Marathwada

1653. **Shri Pangarkar:** Will the Minister of Commerce and Industry be pleased to state the number of

groundnut-oil factories in the five districts of Marathwada (Bombay)?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** There are two groundnut-oil factories in the five districts of Marathwada registered under the Industries (Development and Regulation) Act, 1951. Information regarding mills not coming within the purview of the Industries Act is not available.

**Displaced Persons settled in Marathwada**

**1654. Shri Pangarkar:** Will the Minister of Rehabilitation and Minority Affairs be pleased to state the number of displaced persons settled in Marathwada region of Bombay since 1948?

**The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna):** Statistics have been kept only on State-wise basis. The break-up of the population of displaced persons in each State is given at page 52 of the Ministry of Rehabilitation's Annual Report for the year 1956-57 which has already been circulated to the Members of Parliament.

**Production of Vitamin 'A'**

**1655. Pandit Thakur Das Bhargava:** Will the Minister of Commerce and Industry be pleased to state:

(a) what are the oils and substances in which Vitamin 'A' is found in sufficient quantity;

(b) whether it is a fact that Vitamin 'A' extracted from Shark Liver Oil and other marine oils is being used in vanaspati factories;

(c) if so, in what quantity and the value of Vitamin 'A' being admixed in a gallon of vanaspati oil;

(d) how much Lemon Grass Oil is used for extracting Vitamin 'A' and where it is extracted in India; and

(e) the quantity of Vitamin 'A', extracted from Lemon Grass Oil which is being used by vanaspati factories at present?

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

(a) Fish liver oils.

(b) No extract from fish liver oil is used for vitaminising vanaspati. Only synthetic Vitamin 'A' is used for the purpose.

(c) Vanaspati is being vitaminised with synthetic Vitamin 'A' to the extent of 700 I.U. per ounce. The value of 700 I.U. of Vitamin 'A' is about 0.035.

(d) Vitamin 'A' is not extracted from lemon grass oil but synthesised from one of the constituents of lemon grass oil viz. citral. There is no factory set up yet in India for the synthesis of Vitamin 'A' from citral.

(e) The total quantity of imported synthetic Vitamin 'A' that is being used for vitaminising vanaspati is about 6.5 million M.U. per year.

**Shark Liver and Marine Oils**

**1656. Pandit Thakur Das Bhargava:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Shark Liver Oil and other marine oils are being imported at present;

(b) if so, the quantity imported during 1956-57 country-wise and the value thereof; and

(c) what are the components of marine oils and from which materials these are extracted?

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

(a) No, Sir.

(b) A statement is placed on the Table. [See Appendix V, annexure No. 80.]

(c) Shark Liver Oil is rich in Vitamin A and is obtained from the liver of sharks.

### Plumbing System of Ashoka Hotel

**1657. Shri Jadhav:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether it is a fact that there is extensive leakage in the plumbing system of the Ashoka Hotel; and

(b) if so, what steps have been taken to set it right?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) There is no leakage in the plumbing system of the Hotel. Condensation on the chilled water pipes of the air-conditioning system had however been noticed which is being remedied.

(b) The defect referred to above in four floors has already been set right and the work on the other two floors is expected to be completed by the end of this month. The work is being done by the air-conditioning contractors at their own cost and the Hotel will not have to incur any expenditure therefor.

### Foreign Exchange

**1658. Shrimati Tarkeshwari Sinha:** Will the Minister of Commerce and Industry be pleased to state the amount of foreign exchange spent during the last four years under 'Open General Licences' (year-wise)?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** Statistics of imports effected under Open General Licences were not being maintained prior to October 1953. The amount of foreign exchange spent during the last four years under Open General Licences was as follows:—

1953-54	Rs. 22 Crores
(October 1953 to March 1954)	
1954	Rs. 86 crores
1955-56	Rs. 86 crores
1956-57	Rs. 98 crores

### सरकारी विज्ञापन

**१६५६. श्री भवत द्वारा :** क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि १६५६-५७ में अंग्रेजी, हिन्दी और अन्य भारतीय भाषाओं के समाचार-पत्रों को अलग-अलग कितने कितने मूल्य सरकारी विज्ञापन दिये गये?

**सूचना और प्रसारण मंत्री (डा०. केस-कर) :** विज्ञापन तथा दृश्य प्रचार निदेशालय (Directorate of Advertising and visual publicity) द्वारा वित्तीय वर्ष १६५६-५७ में अंग्रेजी, हिन्दी और अन्य देशी भाषाओं के समाचार पत्रों को दिये गये सरकारी विज्ञापनों का मूल्य इस प्रकार है :—

	८०
अंग्रेजी	२१,३५,२४६
हिन्दी	३,०१,२६५
दूसरी देशी भाषायें	६,६३,५१६

### Plantation Labour

**1660. Shri Sanganna:** Will the Minister of Labour and Employment be pleased to state:

(a) whether recruitment of labour is going on in the Tribal Areas of Assam for tea and coffee plantations; and

(b) if so, the number of labourers recruited in that State during the last three years i.e., 1954, 1955 and 1956?

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

(a) No.

(b) Does not arise.

### काटने का छोटा संयंत्र

**१६६१. श्री राम शंकर लाल :** क्या बांग्लादेश तथा उज्जोग मंत्री यह बताने की कृपा करेंगे कि श्री बी० बी० गुप्त द्वारा काटने का छोटा संयंत्र के बारे में जो परीक्षा किये जा रहे थे उनमें कहाँ तक सफलता मिली है?

**बांग्लादेश तथा उज्जोग उपमंत्री (श्री लतीफ चड्ढ़ा) :** इंडियन सेन्ट्रल काटन कलेटी,

भाटुंगा, बम्बई की टेक्नालाजिकल लेबरेटरी 'श्री बी० बी० गुप्ते ने सब से पहले ३२ तकुमों के एक कताई संयंत्र की डिजाइन बनाई थी। जिन दिनों वह अखिल भारतीय चरखा संघर्ष मिलकर काम कर रहे थे, उन्होंने घोटी हुई कच्ची रुई काटने के लिये हाथ से चलने वाला एक चरखा बनाया था। परीक्षण जारी रखने की दृष्टि से श्री गुप्ते से अपनी योजना पेश करने के लिये कहा गया। उन्होंने नीचे लिखे एक बनाने के लिये एक योजना बनाई :—

- (१) हाथ से चलने वाली एक धुनाई मशीन
- (२) हाथ से चलने वाला एक ड्राइंग फ्रेम
- (३) हाथ से चलने वाला चार तकुमों का चरखा।

ये परीक्षण करने के लिये भूतपूर्व अ० भा० खादी तथा ग्रामोद्योग बोर्ड ने १६५५-५६ में उनके खंच के लिये १४,५०० रु० रखे थे।

श्री गुप्ते द्वारा प्राविष्ट ४ तकुमों के चरखे की जाच पड़ताल भूतपूर्व बोर्ड ने की थी। बोर्ड का यह मत था कि जैकियह चरखा लोहे का बना हुआ है, इसलिये इसकी कीमत अधिक पड़ने की संभावना है और दूसर, इसमें पूनियां बनाने का पर्याप्त सामान नहीं है। बोर्ड ने यह महसूस किया कि यदि और समय दिया जाये तो श्री गुप्ते और अन्ये किस्म का चरखा बना सकेंगे। अब खादी तथा ग्रामोद्योग कमीशन ने श्री गुप्ते से उनके नवीनतम परीक्षणों की व्योरेवार रिपोर्ट मांगी है। इस रिपोर्ट की प्रतीक्षा है।

#### Vigilance Case in C.P.W.D.

1662. Shri R. S. Lal: Will the Minister of Works, Housing and Supply be pleased to state the number of vigilance cases chased up in the

C.P.W.D. by the Superintending Engineer (Vigilance) who was appointed in February, 1957?

The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda): 161 complaints have been investigated and 29 vigilance cases have been finalised since the Officer was appointed in February 1957.

#### Prosecution of Manager, Amlabad Collieries

1663. Shri T. B. Vittal Rao: Will the Minister of Labour and Employment be pleased to refer to the reply given to Starred Question No. 265 on the 22nd May, 1957 and state at what stage is the prosecution launched against the Manager, Amlabad Collieries for the violation of the provisions of the Indian Mines Act, 1952 and Mines Regulation, 1926?

The Deputy Minister of Labour (Shri Abid Ali): The matter is still pending in the High Court, Patna.

#### Extension Centres for Small Scale Industries

1664. Shri Siddananjappa: Will the Minister of Commerce and Industry be pleased to state the number of Extension Centres for Small Scale Industries set up so far, their location and the industries to which each of them is meant to render technical assistance?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): A statement is laid on the Table of the House. [See Appendix V, annexure No. 81.]

#### Sen-Raleigh and T. I. Cycles

1665. Shri V. P. Nayar: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the agreements of foreign collaboration of M/s Sen-Raleigh Industries of India Ltd. and M/s T. I. Cycles of

India Ltd. stipulate restrictions on the export of cycles manufactured by them outside Pakistan, Afghanistan and Nepal; and

(b) the total number of Indian made cycles bought by these countries in 1954-55, 1955-56 and 1956-57?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):** (a) Yes, Sir. But that is not considered a major handicap looking to all the aspects of these schemes of collaboration. Government always tries to help in getting the best possible terms of collaboration and approve them if they are in the interest of national development.

(b) These countries have not imported Indian cycles in any sizeable numbers upto now.

#### Central Government Schemes in Andhra Pradesh

**1666. Shri M. V. Krishna Rao:** Will the Minister of Planning be pleased to state:

(a) how many Central Government Schemes are progressing in Andhra Pradesh;

(b) the details of the schemes; and

(c) the total amount entirely financed by the Centre for each scheme in Andhra Pradesh?

**The Deputy Minister of Planning (Shri S. N. Mishra):** (a) to (c). Information is being collected from the various Ministries and a statement will be laid on the Table of the House in due course.

नार्थ एवेन्यू में स्थित संसद्-दर्दस्यों का बलव

**1667. { श्री पहाड़िया :**  
**श्री प० ला० बाबूपाल :**

क्या निर्माण, आवास और सभरण मंत्री यह बताने को कृपा करेंगे कि :

(क) क्या यह सच है कि नई दिल्ली नार्थ एवेन्यू में स्थित संसद्-दर्दस्यों के बलव की दीक्षारों में दरारे पड़ गई हैं; और

(ख) क्या यह सच है कि बरसात ये उसकी दूत चूली हैं?

**निर्माण, आवास और सभरण कम्पनी (श्री अग्निन क० चत्वा) :** (क) इसकी पहली मंजिल में दो दरारे पड़ गई हैं। यह दरारे ताप के कारण हैं और इमारत की मजबूती पर इन से कुछ असर नहीं पड़ता।

(ख) टरेस पर बनी हुई फूल की क्षारियों को जहां से इमारत के अन्दर कुछ नहीं रहती है। कलब की मूल्य इमारत के साथ के बिलियर्ड (Billiard) कमरे से जहां मिलती है उस जगह दरारों में से हो कर योड़ा पानी भी अन्दर आ गया है। इन की जाति हो रही है और इन्हें ठोक किया जा रहा है।

परमाणु विज्ञान सम्बन्धी गवर्नरण

**1668. श्री यादव :** क्या प्रबाल मंत्री यह बताने को कृपा करेंगे कि :

(क) परमाणु विज्ञान में मौलिक गवेषणा करने के लिये उत्तर प्रदेश के विभिन्न विश्वविद्यालयों में तथा गवेषणा संस्थाओं को प्रब तक किननी राशि सहायता के रूप में दी जा चुकी है; और

(ख) इन विश्वविद्यालयों में इस सम्बन्ध में प्रब तक क्या प्रगति हुई है?

**प्रबाल मंत्री तथा वैदेशिक कार्य मंत्री (श्री जगहरसाल नेहरू) :** (क) और (ख) एक विवरण सभा के पटल पर रख दिया गया है जिसमें आवश्यक सूचना दी गई है। [दस्तावेज़ परिशिष्ट ५, अनुबन्ध संख्या ८२]

#### Arbitration Cases

**1669. Shri Biren Roy:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the number of arbitration cases arising (i) out of dispute over rent compensation payable for the houses and flats requisitioned for the Central Government and (ii) over the

amount of non-recurring compensation payable for damage done to properties requisitioned for Central Government that still remain undisposed of in Alipore and other courts at Calcutta for over five years; and

(b) whether effective steps will be taken for appointment of a permanent arbitrator in order to dispose of cases accumulated for the last 10 years?

**The Deputy Minister of Works, Housing and Supply (Shri Anil K. Chanda):** (a) (i) and (ii). So far as the Ministry of Works, Housing and Supply is concerned, there are two such arbitration cases, one arising out of a dispute over rent compensation and the other over the amount of non-recurring compensation for damage to the requisitioned properties. Enquiries are being made from other Ministries of the Government of India to ascertain how many such cases are pending which concern them.

(b) The question will be fully examined by Government on completion of the enquiries mentioned above

#### Employees State Insurance

**1670. Shri D. C. Sharma:** Will the Minister of Labour and Employment be pleased to state.

(a) whether it is a fact that no photo identity cards have been issued to the insured persons under the Employees State Insurance Act, 1948;

(b) if so, whether it is also a fact that a number of cases of impersonation have occurred in the Employees State Insurance Dispensaries; and

(c) if so, the steps taken or proposed to be taken to check such irregularities?

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

(b) Only a very few cases of impersonation have been reported.

(c) A large number of insured persons have been provided with identity cards containing identification

marks. The Employees State Insurance Corporation is encouraging employers to provide photographs on identity cards. The Corporation is also affixing photographs on identity cards as an experimental measure at Amritsar. Instructions have been issued by the Corporation for display of notices in dispensaries to the effect that persons found using fraudulent cards will be prosecuted.

#### Cement Allotment to U.P.

**1671. Shri Radhamohan Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there was any cut in the quota of cement supplied to U.P. during 1956-57;

(b) the actual supply of cement to U.P. during the last three years; and

(c) whether the U.P. Government has requested any increase in their quota of cement during this year?

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

(a) There was no cut in the cement quota allotted to U.P. during 1956-57, the allotment being 576,080 tons as against 357,000 tons during the year 1955-56.

(b) Information about actual supplies is being collected.

(c) Yes, Sir. The monthly quota for period IV/57, is being raised by 3,000 tons.

#### Pakistan Encroachments in Khasi-Jaintia Hills

**1672. Shri Hynniewta:** Will the Prime Minister be pleased to state:

(a) whether Government are aware of constant encroachments by Pakistan into the Khasi-Jaintia Hills District of Assam and harassment of cultivators by the Pakistan Police Force in that area; and

(b) if so, the steps Government propose to take to stop those encroachments?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) Government are not aware of any recent attempts by Pakistanis to encroach on Indian territory in the Khasi & Jaintia Hills district.

(b) Does not arise.

चतुर्थ श्रेणी कर्मचारियों के लिये बाटांडे

१६७३. { श्री पद्म देव :  
श्री दलभीत सिंह :

क्या रिमारण, आवास और समरण मंत्री यह बताने की इच्छा करेंगे कि

(क) नई दिल्ली में पंचहृष्टयां रोड के निम्नटर्फी चतुर्थ श्रेणी के कर्मचारियों के क्वार्टरों का जीर्णोद्धार कर किया जायेगा;

(ख) क्या यह मत है कि वहां बिजली, पानी तथा सकाई को व्यवस्था असन्तोषजनक है; प्रौर

(ग) यदि हाँ, तो वर्तमान स्थिति में सुधार करने के लिये सरकार का क्या कार्यवाही करने का विचार है?

रिमारण, आवास और समरण उपमंत्री (श्री अनिल क० चन्द्रा) : (क) इन मकानों को ऊंच करने के सुलाबों पर अभी विचार हो रहा है।

(ख) पानी का प्रबन्ध काफी अच्छा है। सकाई और बिजली के प्रबन्धों में कुछ सुधार की आवश्यकता है।

(ग) सकाई का अभी जो प्रबन्ध है उसे बढ़ान और इन मकानों में बिजली लगाने के सुलाबों पर विचार हो रहा है।

#### Delegations Abroad

1674. **Shri B. C. Prodhan:** Will the Minister of Parliamentary Affairs be pleased to lay a statement showing the number of Members of Parliament belonging to Scheduled Tribes who were included in the delegations of the Government of India which went abroad from 1947 to 1957?

**The Minister of Parliamentary Affairs (Shri Satyanarayan Sinha):** As members of Parliament are not nominated on delegations on the basis of class, caste, creed or sex, and no record of information of the type asked for is maintained, it is regretted that information asked for is not available with Government.

#### Nangal Fertilizer Factory

1675. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the various posts under the Fertilizer Factory at Nangal (Punjab) are being filled through the local Employment Exchange; and

(b) if not, the sources from which recruitment is made at present?

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

(a) and (b). All posts, except the lowest categories like peons, chowkidars and sweepers, are advertised in the press and copies of the advertisements sent to the Employment Exchange and the Army Head-Quarters for suggesting suitable candidates. Candidates nominated by these agencies are considered on merits along with other candidates.

The lowest categories of staff are recruited direct mostly from among the villagers who have been displaced by the acquisition of lands for the factory.

#### Central Industrial Relations Machinery and welfare Organisations

1676. **Shri D. C. Sharma:** Will the Minister of Labour and Employment be pleased to state:

(a) the total number of Officers of the Central Industrial Relations Machinery and the Welfare Organisations;

(b) whether it is a fact that a number of officers are temporary despite their long service; and

(c) if so, what steps are being taken to make their appointments permanent in the light of Government of India's declared policy according to which 80 per cent of the temporary posts which are in existence for more than 3 years and are required for the work of permanent nature can be converted into permanent ones?

**The Deputy Minister of Labour (Shri Abid Ali):** (a) 308.

(b) Yes.

(c) Orders regarding confirmation of 38 officers are under issue. Necessary steps are being taken to convert 80 of temporary posts into permanent ones according to the Government policy, in cases where it has not been done so far.

#### Employees' State Insurance Corporation

**1677. Shri Tangamani:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the Annual Reports of the Employees' State Insurance Corporation for the years 1955-56 and 1956-57 have been published; and

(b) if not, when the reports are likely to be published and laid on the Table?

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

(b) The Annual Report for 1955-56 is being published and will be laid on the Table soon. The Report for 1956-57 will be published and placed before Parliament after it has been adopted by the Corporation.

#### Burmese Trade Delegation

**1678. Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state what is the conclusion of the recent talks between the Government of India and a Burmese trade delegation in connection with the promotion of trade between the two countries?

**The Deputy Minister of Commerce and Industry (Shri Statish Chandra):** A number of ideas for augmenting the purchases of Indian goods by the Burmese Joint Venture Corporations and by the Burma Purchase Board were exchanged at the talks. The Burmese trading organisations concerned are expected to take decisions on those on the delegation's return to Burma.

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#### DEATH OF SHRI CHOITHRAM PARTABRAI GIDWANI

**Mr. Speaker:** I have to inform the House of the sad demise of Shri Choithram Partabrai Gidwani who was a member of the First Lok Sabha. Shri Gidwani was connected with the freedom movement since 1907 and was jailed several times. He was also associated with various social and educational activities. He was about 68 years old.

We mourn the loss of Shri Gidwani and I am sure the House will join me in conveying our condolences to his relatives.

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

*The Members then stood in silence for a minute.*

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#### PAPERS LAID ON THE TABLE

#### REPLIES TO MEMORANDA ON DEMANDS FOR GRANTS (RAILWAYS)

**The Minister of Railway (Shri Jagjivan Ram):** I beg to lay on the Table a copy of the statement containing replies to certain memoranda received from Members in connection with Demands for Grants (Railways) for 1957-58. [Placed in Library. See No. S-291/57].

APPROPRIATION ACCOUNTS AND AUDIT  
REPORT RAILWAY

**Shri B. N. Bhagat:** I beg to lay on the Table a copy of each of the following papers under Article 151(1) of the Constitution:

- (1) Appropriation Accounts of Railways in India for 1955-56, Part I—Review;
- (2) Appropriation Accounts of Railways in India for 1955-56, Part II—Detailed Appropriation Accounts. [Placed in Library. See No. S-290/57]
- (3) Block Accounts (including Capital Statements comprising the loan Accounts), Balance Sheets and Profit and Loss Accounts of Indian Government Railways, 1955-56 [Placed in Library. See No. S-291/57]
- (4) Audit Report, Railways, 1957. [Placed in Library. See No. S-292/57]

FINANCE ACCOUNTS AND AUDIT REPORT-HIMACHAL PRADESH

**Shri B. R. Bhagat:** I beg to lay on the Table, under Article 151(1) of the Constitution, a copy of the Finance Accounts of the Government of Himachal Pradesh, 1955-56 and Audit Report, 1956. [Placed in Library. See No. S-289/57].

AMENDMENTS TO INSURANCE RULES

**Shri B. R. Bhagat:** I beg to lay on the Table, under sub-section (3) of Section 114 of the Insurance Act, 1938, a copy of the Notification No. S.R.O. 2631, dated the 15th August, 1957, making certain further amendments to the Insurance Rules, 1939. [Placed in Library. See No. S-294/57].

AMENDMENTS TO RUBBER RULES

**Shri Kanungo:** I beg to lay on the Table under sub-section (3) of Section 25 of the Rubber Act, 1947, a copy of the Notification No. S.R.O. 2824, dated the 7th September, 1957, making certain amendments to the Rubber Rules, 1955. [Placed in Library. See No. S-280/57].

AMENDMENTS TO COTTON TEXTILES (PRODUCTION BY HANDLOOM) CONTROL ORDER

**Shri Kanungo:** I beg to lay on the Table, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, a copy of the Notification No. S.R.O. 2420, dated the 17th July, 1957, making certain further amendments to the Cotton Textiles (Production by Handloom) Control Order, 1956. [Placed in Library. See No. S-295/57].

BUDGET ESTIMATES OF AIR CORPORATIONS

**The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir):** I beg to lay on the Table a copy of each of the following papers under sub-rule (5) of Rule 3 of the Air Corporations Rules, 1954:

- (1) Summary of the budget estimates of revenue and expenditure for 1957-58 and summary of actuals for the years 1953-54 to 1955-56 and budget for the year 1957-58 under capital of the Air India International Corporation. [Placed in Library. See No. S-296/57].
- (2) Summary of budget estimates of revenue and expenditure for 1957-58 and summary of actuals for the years 1953-54 to 1955-56

and budget for the year 1957-58  
under capital of the Indian Air-  
lines Corporation. [Placed in  
Library. See No. S-298/57].

**ANNUAL REPORT OF EMPLOYEES' STATE  
INSURANCE CORPORATION**

**The Deputy Minister of Labour** (Shri Abid Ali): I beg to lay on the Table, under Section 36 of the Employees' State Insurance Act, 1948, a copy of the Annual Report of the Employees' State Insurance Corporation for the year 1955-56. [Placed in Library. See No. S-298/57].

**Shrimati Parvati Krishnan** (Coimbatore): With regard to this insurance scheme, the estimates of the scheme were laid on the Table by the hon. Minister yesterday for 1957-58 and we have had no opportunity to discuss this report. In view of the fact that there are a large number of complaints from many centres with regard to the working of this scheme, I would request that you would allow us to have a discussion on the scheme on the very opening day of the next session.

**Mr. Speaker:** The Member may renew the request during the next session.

**DIRECTIONS ISSUED BY THE  
SPEAKER UNDER THE RULES OF  
PROCEDURE**

**Sardar Hukam Singh** (Bhatinda): I beg to lay on the Table a copy each of Directions Nos. 9A, 19A, 19B, 115A and 124 issued by the Speaker under the Rules of Procedure and Conduct of Business in Lok Sabha

**REGULATIONS FOR HOLDING OF  
ELECTIONS BY MEANS OF SINGLE  
TRANSFERABLE VOTE**

**Sardar Hukam Singh** (Bhatinda): I beg to lay on the Table a copy of the Regulations made by the Speaker for holding of Elections to Committees by means of the Single Transferable Vote.

**MINUTES OF RULES COMMITTEE**

**Sardar Hukam Singh** (Bhatinda): I beg to lay on the Table a copy of the Minutes of the sitting of the Rules Committee held on the 10th September, 1957 [Placed in Library. See No. S-301/57]

**MESSAGES FROM RAJYA SABHA**

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

(i) 'In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Cotton Fabrics (Additional Excise Duty) Bill, 1957, which was passed by the Lok Sabha at its sitting held on the 7th September, 1957, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.'

(ii) 'In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Dhooties (Additional Excise Duty).

Amendment Bill, 1957, which was passed by the Lok Sabha at its sitting held on the 7th September, 1957, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.'

(iii) 'In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return here-with the Expenditure-tax Bill, 1957, which was passed by the Lok Sabha at its sitting held on the 4th September, 1957, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.'

#### CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

**Mr. Speaker:** We will now take up Calling Attention notices.

**Pandit D. N. Tiwary (Kesaria):** On a point of order. Under rule 197 of the Rules of Procedure relating to Calling Attention notices, only one notice can be taken on a single sitting. But now there are as many as nine notices. I think, under the rule, even the Speaker has no power to allow more than one notice.

**Mr. Speaker:** We have not yet come to the second notice. Why is he in a hurry?

**Pandit D. N. Tiwary:** They are in the Order Paper.

**Mr. Speaker:** There may be a number of things in the Order Paper. He can raise it when I come to the second notice.

**Pandit D. N. Tiwary:** The rule is that he should allow any one of them.

**Mr. Speaker:** Therefore, I will call one.

#### EXPLOSIONS IN KASHMIR

**Shri Tangamani (Madurai):** Under rule 197, I beg to call the attention of the Prime Minister to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The recent explosions in Kashmir".

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** The recent series of explosions in Jammu and Kashmir State started in mid-June 1957. Previously in 1956 there had been two explosions.

In June 1957 there were five explosions, three in Jammu and two in Srinagar. As a result, one person was killed and four injured.

In July 1957 there were four explosions, two in Jammu and two in Kashmir. Three persons were killed and two injured.

In August 1957 there were five explosions, two in Jammu and three in Kashmir. One person was injured.

Up to the 8th September there have been two explosions, both in Kashmir. Two persons were killed and three wounded.

Thus from the 18th June 1957 to the 8th September, there have been sixteen explosions in Jammu and Kashmir. These have resulted in damage to property and six persons being killed and ten injured. The explosive devices employed are of various kinds. Some of these are complicated and intricate and have Army markings. It is clear that they cannot be locally made and they can only come out of the stocks of some organised army.

From other information gathered by us from various sources, including the statements of people arrested in this connection, it appears that these explosive devices have come from Pakistani sources across the ceasefire line. In addition to these explosive devices, considerable sums of money are known to have come from Pakistan as well as notices, posters, etc. It also appears that the persons sending this material from Pakistan were maintaining contacts with an organisation in the Jammu and Kashmir State. The purpose apparently is to have a campaign of sabotage and violence in order to create panic and confusion. Indeed this objective has sometimes been publicly stated.

A deliberate attempt appears also to have been made to create communal trouble as some of these explosive devices have been placed in a mosque and some in a temple.

A number of persons engaged in this traffic have been arrested and are being prosecuted by the State Government. Their cases will come up for hearing before the courts of law at an early date.

**Mr. Speaker:** Regarding the other Calling Attention Notices, this is the last day of the session and, as the hon. Members are aware, they cover a large number of important subjects and the general public and the House would like to have some information on those subjects from the Ministers. Therefore, I tried to establish a convention last year—of course, I am aware of rule 197—that in regard to Calling Attention notices submitted to the House and which are admitted for the last day, the first one may be answered in the House and the other answers or statements may be laid on the Table for the information of all. Now there are as many as eight more notices, which I have allowed. Many of them relate to the food situation in the country and so on. Therefore, I suggested that these statements may be laid on the Table of the House for the information of all.

**Shri S. M. Banerji:** (Kanpur): On the question of food situation two hours were allotted for discussion. But, unfortunately, the eastern U.P. hours were allotted for discussion yesterday.

**Mr. Speaker:** He is only strengthening the argument.

**Shri Punnose:** (Ambalapuzha): It would be better if all the statements are read here.

**Mr. Speaker:** The rule is that not more than one Calling Attention notice shall be allowed during any sitting. We were not even admitting them for a long time. Now I have allowed them as an exception. Today is the last day and we have so many Calling Attention notices. If all of them are to be read, it will take a long time when we are eager to discuss the Plan. Therefore, let the other statements be laid on the Table for the information of the House.

#### RETRENCHMENT OF CPWD STAFF AT AJMER

**Shri H. C. Sharma:** (Jaipur): Under rule 197, I beg to call the attention of the Minister of Home Affairs to the following matter of urgent public importance and request that he may make a statement thereon:

"The notices of retrenchment served on the C.P.W.D. workers at Ajmer and the situation arising therefrom."

**The Minister of Home Affairs (Pandit G. B. Pant):** Sir, I lay a statement on the Table. [Placed in Library. See No. S-304/57].

#### IMPOSITION OF CURFEW IN DELHI

**Shri U. L. Patil:** (Dhulia): Under rule 197, I beg to call the attention of the Minister of Home Affairs to the following matter of urgent public importance and I request that he may make a statement thereon:—

"Situation created in Jangpura and Bhogal Bazar of Delhi on the 8th September, 1957 and the imposition of curfew in those places."

**Pandit G. B. Pant:** Sir, I lay a statement on the Table. [Placed in Library. See No. S-303/57].

#### SUPPLY OF RAILWAY WAGONS IN ORISSA

**Shri Sanganna** (Koraput-Reserved-Sch. Tribes): Under rule 197, I beg to call the attention of the Minister of Railways to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The supply of railway wagons in Orissa for the export of Iron and Manganese ores.”

**The Minister of Railways** (Shri Jagjivan Ram): Sir, I lay a statement on the Table. [Placed in Library. See No. S-304/57].

#### FOOD SITUATION IN KERALA

**Shri Maniyangadan** (Kottayam): Under rule 197, I beg to call the attention of the Minister of Food and Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon:—

#### “FOOD SITUATION IN KERALA”

**The Minister of Food and Agriculture** (Shri A. P. Jain): Sir, I lay a statement on the Table. [Placed in Library. See No. S-305/57].

#### SUPPLY OF IMPORTED RICE IN MADRAS STATE

**Shri Tangamani:** Under rule 197 I beg to call the attention of the Minister of Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon:

“The position regarding supply of imported rice to fair price shops in Madras State.”

**Shri A. P. Jain:** Sir, I lay a statement on the Table. [Placed in Library. See No. S-308/57].

#### FOOD SITUATION IN U. P.

**Shri S. M. Banerjee:** Under rule 197, I beg to call the attention of the Minister of Food and Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon:—

“Food situation in certain districts of Eastern U. P.”

**Shri A. P. Jain:** Sir, I beg to lay a statement on the Table. [Placed in Library. See No. S-307/57].

#### FAILURE OF ELECTRIC SUPPLY IN DELHI

**Shrimati Ila Palchoudhuri** (Nabdwip): Under rule 197, I beg to call the attention of the Minister of Irrigation and Power to the following matter of urgent public importance and I request that he may make a statement thereon:—

“Failure of electric supply in Delhi on the 5th September 1957 and the situation arising therefrom.”

**The Minister of Irrigation and Power** (Shri S. K. Patil): Sir, I lay a statement on the Table. [Placed in Library. See No. S-307/57].

#### DEATH OF MONKEYS IN MYSORE STATE

**Shri Keshava** (Bangalore City): Under rule 197, I beg to call the attention of the Minister of Health to the following matter of urgent public importance and I request that he may make a statement thereon:—

“Death of monkeys in the Mysore State on account of a new type of disease and the effect thereof on human life.”

**The Minister of Health** (Shri Karmarkar): Sir, I lay a statement on the Table. [Placed in Library. See No. S-309/57].

### CORRECTION OF ANSWER TO STARRED QUESTION NO. 161

**The Minister of Commerce and Industry (Shri Morarji Desai):** In the supplementaries to Starred Question No. 161, answered in the Lok Sabha on the 19th July, 1957, regarding the procurement of steel, the following question was put by the Speaker:

"The question is whether this arrangement that the Railways have made to purchase all its steel applies to other requirements also or only a few items specially needed."

My answer to the question has been recorded as follows in the proceedings:

"It applies to iron and steel. Now, it is no longer a question of Commerce and Industry Ministry because the Iron and Steel Controller is under the Steel Ministry. That is different."

2. The correct position is that the Ministry of Railways is responsible for work relating to the procurement, by imports, of only certain specified items, viz. Rails (Track quality), Rails for points and crossings, Steel Sleepers including those for crossings, Fishplates and Bearing plates. The work relating to other items is now being dealt with in the Ministry of Steel, Mines and Fuel.

### STATEMENT REGARDING SINKING OF 'WORLD SPLENDOUR'

**The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur):** I regret to inform the Sabha that fourteen Indian Seamen have perished as a result of explosion on Board the Tanker s.s. "World Splendour" of Liberian Registry, owned by Messrs. Niarchos (London) Ltd. The accident took place on the 20th August some 80 miles east of Gibralter when there were a number of serious explosions on board the ship. There were 56 Indian Seamen

serving on the board at the time, of which 14 lost their lives; 3 others who sustained injuries were hospitalised in Gibralter. One of the injured seamen has since been discharged from the hospital and repatriated, along with the rest of the survivors, to Bombay, from which port they were all recruited.

The dependents of the deceased seamen, as well as the injured and the other repatriated survivors will be entitled to compensation according to rules.

No information as to the cause of the explosion is available so far except what has been stated by the survivors who have arrived in India, namely, that there were three explosions on board the ship one after the other when a tank was opened for cleaning purposes. It is said that there was heavy wind at that time. The Shipping Master is in contact with the owners Agents in this connection

### COMMITTEE OF PRIVILEGES

#### FIRST REPORT

**Sardar Hukam Singh (Bhatinda):** I beg to move:

"That this House agrees with the First Report of the Committee of Privileges laid on the Table on the 12th September, 1957."

**Shri Sadhan Gupta (Calcutta-East):** I, of course, support the motion. I want to call the attention of the House and the country to the summons which has been issued to you by the Additional District Magistrate of Tiruchirapalli. It has been recommended in the report that when some documents in the custody of the House is to be called for in court, it should be by way of petitioning the House. That is a reasonable and proper proposition. What I wish to call the attention of the country, and particularly of judicial officer, is the language of authority in which the summons has been addressed, as set out in Appendix A, which should not be issued to any

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officer of this House for production of documents, and particularly to the Speaker of the House. If you look at Appendix A, the summons starts with the usual "Whereas" and ends with "hereafter fail not". I think this kind of language should not be used and every judicial officer should be careful that when a summons is issued, although it may be in the prescribed form and it may be a routine matter, especially when it is addressed to a legislature, whether this Parliament or the State Legislatures, that the language is such as not to offend the dignity of that Legislature.

So, I suggest we should draw the particular attention of all concerned to the recommendations of the Committee. There is no time to suggest any modifications, but I would suggest that the recommendations of the Committee, together with the motion accepting this recommendation, should be sent to every High Court in the State and to every District Judge and every District Magistrate for their information, so that they may know the procedure in respect of calling documents from the custody of this House.

**The Minister of Law (Shri A. K. Sen):** Sir, I have no objection against the procedure suggested by the hon. Member, Shri Sadhan Gupta if it finds favour with you

**Mr. Speaker:** Summons sent to ordinary individuals are different from summons to produce documents sent to collectors and other public officers. They are sent in the form of letters. The same procedure may be adopted here.

**Shri A. K. Sen:** It may be treated on the same footing.

**Shri Sadhan Gupta:** As a matter of fact, the Bombay City Civil Court actually sent a request.

**Shri A. K. Sen:** It appears it is more due to ignorance about the position of Parliament as such, rather

than due to any deliberate act on the part of the courts in the districts. They just issue the ordinary form of summons. In the Presidency towns the courts are more cautious in issuing summons to Assemblies or Parliament. I suppose in future it may be necessary to publicise the privileges which are prevalent in England and which automatically apply so far as we are concerned in the matter of production of documents or giving evidence regarding documents under the custody of Parliament, which may be sought to be used in courts either criminal or civil. It is more due to want of publicity and ignorance on the part of these courts that such preemptory summons are issued. I do not think there is anything deliberate.

**Mr. Speaker:** No complaint is made. What Mr. Sadhan Gupta suggests is that Government may circularise all their offices.

**Shri A. K. Sen:** I should imagine the Home Ministry may be requested to publicise the privileges enjoyed by this House in the matter of production of documents to all the State Ministries of Law so that they may be distributed to different courts for their knowledge.

**Sardar Hukam Singh:** This is exactly what I wanted to submit to you. The Committee of Privileges had taken notice of this particular point. We were of the opinion that if any document was required the House should be petitioned, a motion moved to that effect, the pleasure of the House ascertained and then only the document given. The remedy that was suggested was exactly the one pointed out by the Law Minister. We had decided that after this motion was adopted we should request the Home Ministry that they should issue circulars, informing the courts and all concerned of this procedure. Perhaps it might be desirable to give them specific forms so that in future such things may not occur.

The Committee of Privileges did not think that it was any deliberate attempt on the part of the Ministry. They thought that perhaps these summonses were issued in a routine manner without taking care to see to whom these were addressed. Perhaps the forms were there and the summonses server issued the notice on the same form. Perhaps there was no other form available under the Criminal Procedure Code; so he did not think anything special was required. The Committee of Privileges has decided that we may address the Home Ministry to take proper action so that such things may not occur again.

**Mr. Speaker:** I shall now put the motion to the vote of the House.

The question is

"That this House agrees with the First Report of the Committee of Privileges laid on the Table on the 12th September, 1957."

The motion was adopted.

INSURANCE (AMENDMENT)  
BILL

**The Deputy Minister of Finance (Shri B. R. Bhagat):** Sir, I beg to move:

"That the following amendment made by Rajya Sabha in the Insurance (Amendment) Bill, 1957, be taken into consideration.

'Clause 1

That at page 1, line 5, for the words and figures "It shall come into force on the 1st day of September, 1957" the words and figures "It shall be deemed to have come into force on the 1st day of September, 1957" be substituted."

As the House is aware, the principal agency system came to an end on the 31st August 1957 and this particular Bill was intended to enable the firms and companies who were acting as principal agents in the past to continue business as ordinary insurance agents. It was therefore desirable that there should be no interval

between the date when the principal agent should cease to exist and the date they became eligible to be granted licence for acting as ordinary insurance agents.

The Bill, however, could not be passed by both Houses of Parliament and receive the assent of the President before the 1st September 1957 which was the crucial date. It became necessary, therefore, to amend clause 1(2) of the Bill to read "It shall be deemed to have come into force on the 1st day of September, 1957". This is the amendment that was adopted by the Rajya Sabha. I move that this may be agreed to.

**Shri Sadhan Gupta (Calcutta-East):** Mr. Speaker, Sir, I cannot say that we are too happy with this amendment because we have not yet understood why we should be so anxious to continue the system of principal agents and therefore bring back the date of enforcement to 1st September. We are not keeping up the system of principal agents as such, but what we are seeking to do is to continue the principal agents that have functioned so long.

The ground given is that the general insurance companies have decided that their services should continue. As far as I am aware, many of these principal agents are none but creations of the very authorities who control the insurance companies.

**Mr. Speaker:** Is that not a principal that has already been accepted. When we passed the Bill we accepted it. The only point here is whether retrospective effect ought to be given to it or not. We should not go once again into the question whether this system should be allowed to continue or not.

That has been accepted by the House already.

**Shri Sadhan Gupta:** I am contending that we should not give retrospective effect. We have a right to throw away this amendment. If we have a right to vote against this

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amendment, perhaps, I may say why we should vote against this amendment. Now that the time has passed when the system of principal agents could be enforced, I would argue that it should not be enforced retrospectively once it has expired. I would say that these principal agents are really controlled by the same authorities as those which control the insurance companies, in most cases. For example, in Ruby General, the principal agent is Birla Brothers. It is the same family which controls both. What happens in such cases is that there is considerable scope for rebating however much we want to avoid, because the agent enjoys a certain amount of commission out of the premium. Now, you can rebate at least to the extent of that commission and that is not a very inconsiderable sum. Therefore, to stop these evils, I think, once the right of the principal agents to function has expired, we should not continue this and we should not retrospectively enforce this law and enable this malpractice to continue when, as a principle, we have not accepted the necessity of having principal agents in future.

**Shri B. R. Bhagat:** The hon. Member is a seasoned lawyer. But, I could not understand his logic here. The principle has been agreed to. Through this amendment.....

**Mr. Speaker:** He was not successful then. He wants to succeed so far as this interim period is concerned.

**Shri B. R. Bhagat:** Even without this amendment, this would come into operation from the day it gets assent. The only thing is that we wanted that this period should not be there. That is the only point. It is not a substantive amendment. It is a grammatical error.

**Mr. Speaker:** That was passed only on the 4th of September. We could have made the amendment here. That does not matter.

I shall now put the motion to the House.

The question is:

"That the following amendment made by Rajya Sabha in the Insurance (Amendment) Bill, 1957, be taken into consideration.

'Clause 1

That at page 1, line 5, for the words and figures "It shall come into force on the 1st day of September, 1957" the words and figures "It shall be deemed to have come into force on the 1st day of September, 1957" be substituted."

The motion was adopted.

**Shri B. R. Bhagat:** I beg to move :

"That the amendment made by Rajya Sabha in the Bill be agreed to."

**Mr. Speaker:** I shall now put the motion to the House.

The question is:

"That the amendment made by Rajya Sabha in the Bill be agreed to."

The motion was adopted.

MOTION RE: SECOND FIVE YEAR PLAN IN RELATION TO CURRENT ECONOMIC SITUATION

**The Minister of Labour and Employment and Planning (Shri Nanda):** Sir, I beg to move:

"That the Second Five Year Plan in relation to the current economic situation be taken into consideration."

There is a general feeling that owing to certain unfavourable developments in the economic situation in the country, the Second Five Year Plan has come up against certain difficulties and is not running a smooth course. This feeling has been

voiced frequently in this House and is shared by many outside. Questions have been repeatedly asked in this House as to what are the implications of this unfavourable turn in the economic situation for the Plan; how is the Plan faring; is there going to be any curtailment of the Plan; what will be the consequences of such a step; what are we doing about this?

Any precise answer to these questions is not impossible. When the economy of a whole country, a huge country is concerned, it is not easy to state in accurate terms how a changing situation would affect the Plan. In quantitative terms, if an answer is to be attempted, a vast amount of data is to be assembled and serious tasks of interpretation and analysis are involved. But, the Planning Commission has been engaged in such a study. It has been making efforts to secure some kind of an objective appraisal of the situation. Although I cannot say that we have a complete picture, today—in fact, this business has to be continuous—there is a kind of a rough picture available and I shall place it before the House, the picture as we in the Planning Commission see it.

It has been said that this Plan is over-ambitious. I am referring to the persistent criticism in some quarters that the Plan is over-ambitious, that it ignores the realities of the situation, particularly in certain directions, for example, in heavy industry, it has laid excessive emphasis. Let us have a look at the Plan again. If we were to frame it now, given the conditions and the circumstances in which the Plan was formulated in the first instance, I believe, it is not going to be very very different. The basic goals, the objectives, we all agree, are quite sound. The directions in which the Plan seeks to channel the endeavours of the people are accepted as right. I do not think there is much of a quarrel about the priorities and structure of the Plan.

But, the question is, what about the size? Are we sure about that aspect?

Is the Plan not over-ambitious there? I admit that the Plan is ambitious in a sense. It is ambitious in this sense that it seeks to increase the scale of outlay by a fairly large proportion from just over Rs. 2,000 crores to Rs. 4,800 crores in the course of a five year period, 138 per cent. increase. Investment will increase from Rs. 3,100 crores to Rs. 6,200 crores, double; similarly, the rate of investment from 7.3 per cent to 10.7 per cent of the national income in the first Plan and the second.

There is one particular feature of the Plan about which all of us are very much pleased—steel. It is symbolic of industrial development. We hope to raise our output of steel from 1.3 to 4.6 million tons. That is a 261 per cent increase. That is one side of the picture.

There is another side of the picture. What are we attempting to do. Our scheme of development aims at increasing or doubling the per capita income of the country by 1973-74—17 years from now. Now, let us compare the national income of some other countries. India's per capita income is half of Egypt and Ceylon; one-third of Japan, one-fourth of Brazil. When we compare ourselves with western countries the position is this. West Germany's is 8 times that of India, 12—14 times in France and U.K. 30 times in U.S.A.

Similarly, there are figures of the UNO statistical year-book for 1951: showing steel production:

India	1.7 million metric tons.
USA	108.0 "
USSR	45.3 "

It goes on like that. In China it was 2.9 million tons but we know that by now it is nearly five million tons.

We have also to be conscious of this fact that when we are trying to step-up our investment and raise the tempo of development in the countries which I have mentioned, they would

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not be standing still. They are advancing at a considerably higher rate than we have set before ourselves.

In recent years, what has been the experience? The gap between developed and undeveloped countries has tended steadily to become larger and larger instead of diminishing. That is the other side of the picture. In this country, we also attach a great deal of importance to the aspect of employment. With all the proposed investment and our idea to absorb the new entrants into the labour force, out of about ten million, specific provision is made only for eight million.

I must humbly point out in this connection, that Parliament accepted the Plan and the country welcomed it. It was widely agreed that any smaller effort than this will not make any appreciable impact on our important problems of poverty, unemployment and under-employment. We have before us certain aims. We are not content with the status of under-development. We want to introduce into our economy a measure of dynamism and that minimum measure of dynamism will require certain level or rate of investment in order that we may ensure some kind of a self-sustaining process of growth. I do not think that we are doing anything more than that minimum.

When we have done that and thus increased our investment in steel and other basic industries, we have to increase the production of food and raw materials and that entails larger investments in agriculture and so on. Thus one gets linked up with another and we have to maintain a certain kind of balance. The scale of outlay therefore, considering that basic thing to which I have referred, is about the minimum.

I also recall the fact that when this Plan was being discussed in this House, one hon. Member after another stood up and pointed out that it was deficient in one respect or another. They all wanted to enlarge it and in

several directions. That is the measure of our need.

But the Planning Commission has another function. It is to assess our capacity, resources and means and possibilities. The Second Plan was formulated in a certain economic climate. It was based on certain assumptions and certain forecasts as any other Plan. It is true that the economic climate has changed considerably; it has changed to the disadvantage of the Plan. Any forecast of economic events is a difficult matter. It is not easy particularly in the conditions of this country because of so many uncertainties—our dependence on seasons and monsoons and also the fact that a considerable part of our resources has to come from outside, regarding which there is no kind of assurance as to the time and the rate of flow. Then there is the international situation which affects us as much as it does others. We are, because of the struggle through which we are passing, exposed to the effects more.

Again, we are attempting all this in democratic conditions, in a free society. I do not want to say that it is in any way inferior to any other kind of regime. Over a long period, if the latent powers of democracy are roused and developed, it will excel in performance any other kind of regime. But, in a democratic society, there are limits to the economic actions. When the State can undertake to secure certain things and regulate the economy, we have to operate within these limits.

It was also recognised at that time when the Plan was formulated that it involved such a large stepping up of investment and that its fulfilment was not going to be easy. It was also clear that in view of the special pattern of investment, the call for external resources was going to be very much heavier. It is on account of this awareness of the magnitude of the difficulties that there was a greatly increased emphasis on agricultural production. At the final stages of the formulation of the Plan, the targets of agricultural and food production were

very much stepped up. An important assumption of the Plan was, and is, that production and consumption would grow at a certain rate, that resources for investment will be gathered at a certain rate and that investment will gather momentum at a certain rate. These are certain assumptions, and it was also at that time when the calculations were made for the Plan, assumed that the expenditure, non-Plan expenditure, expenditure outside the Plan would stay at a certain level. It was then recognised that the realisation of this achievement, of these aims that we have before us, was going to mean special efforts and we are open to be judged, but we still maintain that the expectations that we had then entertained were by no means excessive or unreasonable.

The call for external resources, as I have said, is somewhat large, but this country has tried its utmost on its side, has not spared any efforts. At any rate, we know that recently in this session a very big effort has been made on our side. We are trying to build up the economy of the country from its foundations. Therefore, is it unreasonable for us to expect that we shall have the necessary accommodation from the large surpluses of the world? It is no unreasonable expectation.

There was another factor which we had always in mind. There has been insistence on the aspect of flexibility in the Plan, because we were aware of the inherent uncertainties. Then it was visualised that adjustments and readjustments would be made in course of time in terms of annual plans, and we would, therefore, be able to keep a certain kind of balance between the growth of demand and of supplies in the various sectors.

There is one feeling in my mind. I am thinking of the time when we sat down and worked out the basis of the Plan, its various estimates. We were doing it in the background of the experience of the First Plan. That experience encouraged us somewhat to venture forth with greater courage,

greater confidence. It is quite possible that we were disposed to apply that experience to the problems of the Second Plan without making certain essential reservations. We find now, looking back, that the First Plan gave us an increase in output rather large in relation to the investment, and there were certain very favourable circumstances on which we cannot count from year to year. The utilisation of idle capacity is one factor which had its own contribution, but the major factor was a large increase in agricultural production because of good seasons, and it is also true that during period consumption did not increase relatively on a very large scale.

I have stated the position so far as relates to the basis of the Plan, to the size as it was then accepted, and the reasons and the conditions in which it was done. This resolution aims at an examination of the current economic situation in relation to the Plan. The Finance Minister has during recent days here dealt at great length with various aspects of the situation, the internal aspect and the external aspect. One thing is very plain. We see all around us the emergence of inflationary pressures. We are also painfully aware of the fact that our balance of payments position has become difficult. It is not simply difficult, I think the position is more serious than that, and there has been, during recent weeks and months, some kind of an adverse, seriously adverse, turn in connection with the balance of payments situation. The bare facts of the situation are that prices have risen by some twelve per cent. since April 1956 and we have used up about Rs. 460 crores of foreign exchange.

We have taken various corrective measures with which the House is already quite familiar. The country has been called upon to shoulder new and heavy tax burdens. The credit policy has been tightened up. Imports have been cut drastically and fresh commitments, even for capital goods and equipment, are being cut to the minimum. The economic policy in all its facets is thus being

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reorientated towards control of inflationary pressures and a correction of the balance of payments situation.

We may be, of course, familiar already with what is behind and beneath this change in the trend. Partly it is due to factors which lie outside our economy, which operate from outside. We know about the Suez crisis, the rise in freights on that account etc., but the major explanation is not that. It is what we have done ourselves. It is the steadily gathering momentum of the Plan and something for which we were not quite prepared. I do not know whether we should have been or we should not have been prepared. It is the increased burden of defence expenditure which we have to take to reluctantly but inescapably.

On the other side, there has not been a corresponding increase in domestic output. Industrial production has been going up steadily, approximately at the rate of eight per cent. Agricultural production also has increased, though so far as food is concerned the overall production has not kept pace with the requirements. In 1954-55 and 1955-56 it was lower than in 1953-54 and it barely reached the 1953-54 level again in 1956-57. But, on the other side, between 1953-54 and the current year, Plan expenditure has risen to about 2½ times, and in the private sector, investment in the organised industries which was Rs. 44 crores in 1953-54 is estimated to have gone up to Rs. 100 crores in 1956-57. These increases in investment and the further increases which are required for implementing the Plan call for a much higher rate of productivity and savings than we have now.

The situation ultimately is summed up in the fact that there is a rise in prices, there is a rising trend in prices, and there is only one meaning of both the rise in prices and the deterioration in the balance of pay-

ments position. It is that domestic savings are insufficient in relation to the scale of investment. Investment is increasing, but resources are lagging behind. Such a situation cannot last long without having very undesirable consequences, consequences which have been described as disturbing the economy of the country, disrupting it, causing economic instability etc., whatever you may call it.

We want this investment, all of us want it, because all of us want the Plan to succeed, but this increased investment that we need has to be matched by our own resources. It will be a very temporary satisfaction if we on investing without doing the other part, because at the next step our efforts will be neutralised by a rise in prices. We are not thinking only of this year and the next year, we are thinking of the end of this Plan and the end of the Third Plan. It is a continuous process.

13 hrs.

We have to do nothing which will queer the pitch for subsequent phases of development. I am saying all this in view of certain warnings which are being given to us. We are well aware of the problem we are facing. We are aware of the urgency of resurveying our resources, of redoubling our efforts and to an extent, the need to readjust our Plan. I am saying this to convey to the House that this overriding importance of keeping inflationary pressures under control is very fully present before our minds, and we are attempting a rephasing of the Plan in the light of these considerations.

While these steps are being taken, efforts are also being made to keep prices in check by overall fiscal and monetary policies. When this kind of overall control does not suffice, one thinks of direct restraints on consumption. There may be strategic controls; there may be other controls. We are quite familiar with the kind of vexatious controls which the country has had experience of for some years

in the past. My own feeling is that such controls will not function satisfactorily in the conditions of this country. But I would make it clear that whatever else we may think, we regard the maintenance of food prices and cost of living at a reasonable level as a necessary pre-condition of any approach to the rephasing of the Second Five Year Plan.

I have to give, as part of my duty, certain figures; I do not want to tire the House, but I hope that they want that information. I shall give information first about the cost of the Plan. A number of factors has combined to raise the cost of realising the physical targets set out in the Second Plan. It was necessary first of all to ensure that in a few instances in which the provisions made in the Plan fell short of the estimated requirements at the time of implementation, the amounts needed should be provided. The provisions needed for coal and oil exploration and development are instances in point. The rise in prices, both internal and external, has also increased the cost of the Plan. On the basis of licences approved by the Capital Goods Committee, increase in import prices is estimated at about 33 per cent. Our demands for equipment and machinery from abroad have been intensified at a time when in several of the supplying countries in the West there have been strong forces pressing towards higher price levels.

For the three steel plants, the provision made in the Plan of Rs. 350 crores was less by some Rs. 50 crores than the amount estimated at the time. Including the cost of townships and the provision for training schemes and on account of the higher cost of machinery and the increased cost of construction at site, the present estimate for the three steel plants is about Rs. 497 crores.

In a growing economy, the possibility of including additional items as the Plan proceeds cannot be ruled out, especially when these are essential and a measure of assistance is available. The urgency of transport programmes, for example, is widely recognised.

Foreign exchange plays a significant part in this field. Thus, with the rise in the cost of ships, for the outlays provided in the Plan barely one-half of the target can be achieved. The cost of carrying out the port development programme has also gone up substantially. In his speech on the Railway Budget, my colleague, the Minister of Railways, drew attention to the possible increase in the financial requirements of the Railways for enabling them to carry the full amount of traffic which is likely to develop by the end of the Plan. It will thus be clear that since the Plan was drawn up, there has been new factors in the situation which have added in a marked degree to our difficulties.

We have been asked again and again as to what it all adds up to. No prices figures can be given at this stage. Some rough estimates have been made in one sector or another. It may be that it may be Rs. 600 or Rs. 700 crores, a little more or a little less, as a result of all these things which I have mentioned. But let not the impression be created that this means that the Plan gains so much more. Even when we put out this Plan, there was implicit in it that some of the provisions had not been made on a full scale. What was the meaning of it? It was just this, that instead of increasing the financial scale of the Plan, we estimated that there would be certain shortfalls and there would be readjustments to accommodate all these things. So that it does not mean that if there are to be any increase in cost here or there in estimates etc. therefore to that extent the Plan stands at a higher level.

Now I go to the progress in the last year and the current year. I should like at this stage to review briefly the progress of the Plan in 1956-57 and 1957-58. In 1956-57, the Centre and the States had budgeted for a Plan outlay of over Rs. 800 crores; the revised estimates show an outlay of Rs. 760 crores. The anticipated actuals would be lower—perhaps about Rs. 720 crores. This level of outlay necessitated deficit financing of the order of Rs. 240 crores, which was

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Rs. 60 crores more than in 1955-56. For 1957-58, the budgets of the Centre and the States provide for play outlays totalling Rs. 965 crores and if these outlays were all to materialise, they would involve deficit financing approximating to Rs. 400 crores. We expect, however, that the outlay for 1957-58 would work out at Rs. 860 crores which on present calculations should, therefore, mean deficit financing of the order of Rs. 275 crores. The House is aware of the substantial tax effort being made at the Centre this year. This is estimated to bring in about Rs. 100 crores in a full year. Taking into account the tax measures adopted in 1956-57, the Centre will have raised tax resources amounting to some Rs. 800 crores over the plan period. Nevertheless, resources are short relatively to our growing needs.

The Planning Commission is studying the prospects for the remaining three years. But, broadly speaking, it would appear that taking into account the outlays for the first two years totalling, on the calculations just mentioned, Rs. 1,580 crores and the extent to which resources can be raised hereafter, the balance of outlays feasible for the remaining three years, should be around Rs. 3,300 crores. Over the five years, it should thus be possible to attain a level of outlay such as was originally envisaged. An outlay of this order in financial terms would, it must be added, be feasible again on certain assumptions. These assumptions are that the State will make a substantial tax effort; that the receipts from loans and small savings would, in spite of the present unfavourable trends, come up more or less to the initial expectations; that deficit financing of the order of Rs. 1,000 crores (as compared to Rs. 1,200 crores in the Plan) would be feasible and, finally that external assistance for the Plan in the public sector would be available to the extent of Rs. 1,000 crores (as compared to Rs. 800 crores in the Plan).

It is naturally difficult to say how far these assumptions will be borne out by subsequent events and by internal and external economic developments. As

the House is aware, one of the most important conditions for implementing the Plan is progressive increase in food production. To achieve an increase of about 24 per cent. in food production and 28 per cent. in agricultural production as a whole, calls for a massive effort to reach the agriculturist, to help him to produce more through the fuller utilisation of water supplies, the use of improved seed, conservations of local manorial resources and improvements in agricultural practices and techniques. Along with these, we have to implement fully the programme of land reforms and co-operative development. Another basic condition for the fulfilment of the Plan concerns the raising of internal resources.

While efforts are being made to raise taxation, I should point out that the response in the matter of loans and savings has, so far, been much behind schedule. For the two years 1956-57 and 1957-58, the total cash subscriptions from the public to the loans floated by the Centre and the States add up to about Rs. 160 crores only, as against the plan target averaging Rs. 140 crores a year. The stringency in the capital market is thus affecting the resources of the public sector adversely.

In regard to small savings, as against an average annual target of Rs. 100 crores indicated in the Plan, the net collections in 1956-57 were Rs. 65 crores and—what is more disturbing—they amount to Rs. 10.87 crores only for the period, April to July this year as compared to Rs. 23.55 crores in the corresponding period last year. Some steps have been taken to promote small savings and the States have been promised a share of two-thirds of whatever they collect. Small savings are, or at least ought to be the mainstay of our capital programmes and this is a field in which the State Governments have a special responsibility. They must give top priority to the small savings drive.

First and foremost, the Plan requires more effective mobilization of domestic resources, and it is little use talking of rephasing the Plan until we

have assessed fully our capacity to improve upon our internal resources. This operation of rephasing which is being talked about, it far more complex than it looks at first sight, and the foreign exchange bottleneck, to which I shall come presently, makes it extremely difficult to draw up anything like a definitive picture at the present moment. Beyond a point, the attempt to raise domestic resources also comes up against either the need for maintaining incentives or against the need for keeping prices in check. Nevertheless, there is, as I have indicated above, need and scope for raising more of domestic resources, especially if we wish to ensure that we maintain employment at a high level through increased domestic expenditure in substitution of some foreign exchange expenditure which may have to be cut.

I now turn to external resources. The Plan envisaged a balance of payments deficit of about Rs. 1,100 crores over the five years. In 1956-57, the very first year of the Plan, the deficit (net of official donations, i.e. foreign grants) was about Rs. 325 crores. For the first half of 1957-58, (upto Sept. 8, 1957), the draft on foreign exchange resources has been Rs. 184 crores. Altogether, even with a stringent import policy for the rest of the Plan period and some pruning down of foreign exchange outlays on the development programmes both in the public and in the private sectors, the likely deficit in the balance of payments over the Plan period, as a whole, will, on very rough estimates, be of the order of Rs. 1,600 crores. As against this, external assistance promised or committed since the Plan began works out at Rs. 450 crores. There is a carry-over of Rs. 135 crores of external assistance authorised in the First Plan period, and we may assume that there will be a carry-over of more or less the same order at the end of the Second Plan. We have already financed about Rs. 460 crores of our deficit from our sterling balances and the I.M.F. credit. It will be necessary to draw down sterling balances

further by how much it is not possible to judge precisely in advance. Part, at least, of the I.M.F. credit will have to be repaid before the end of the Plan period, and it would be desirable in the later stages of the Plan to rebuild at least part of the further drafts we may have to make on our sterling reserves in the coming months. On the whole, then, we have yet to find resources of the order of Rs. 700 crores from agencies like the World Bank and from friendly foreign countries.

Reference has been made in the course of discussions in Parliament to what has been called the core of the Plan. The term 'core' refers to a group of related projects—the iron and steel projects, mining, transport and ancillary power.

These programmes in the Plan are vital for meeting the immediate needs of the economy no less than for further development. Together they involve more than a third of the outlay under the Plan and more than two-thirds of its foreign exchange expenditure. They have to be seen through to the utmost of our capacity. In any rephasing of the Plan at a lower level of outlay, they have the first priority. Naturally, considerations relating to various balances in a Plan when it is formulated have also to be observed when, as far as possible, any rephasing is undertaken. Whether the period be five years or three or even one, it is always essential to try to preserve a degree of balance between different sectors. From the aspect of foreign exchange commitments and requirements for projects of key importance which have been taken in hand, the Planning Commission is at present engaged in re-examining the Plan. It is not possible yet to present a picture in any detail, but it is clear that the core of the Plan together with the other commitments already made and the minimum essential programmes to be carried through calls for substantial additional foreign exchange. While our minds are preoccupied with the problem of foreign exchange, we should recall the fact that the demand for more foreign exchange not for ob-

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taining consumer goods and luxury goods, but for buying machinery and industrial raw materials to build up the economy, is itself an important index of development. For many years to come, we shall not only use all the foreign exchange that we can earn, but shall need to supplement our own resources from other sources to the maximum extent possible.

The problem of foreign exchange should, therefore, be seen in perspective. The supreme need for the moment is, however, to conserve foreign exchange in every conceivable way, to earn more foreign exchange and to secure additional foreign loans and investment. In the matter of imports, a carefully framed restrictive policy will have to be maintained for almost the entire period of the Plan. On exports, it will be necessary to adopt definite targets and to accept the consequential cuts in domestic consumption. The Government are at present considering the recommendations of the Export Promotion Committee which reported recently and the intention is to spare no effort to raise exports and thereby enlarge foreign exchange earnings. The extent of adjustment required in Plan outlays and the degree of rephasing necessary will depend, obviously, on the success we achieve in these efforts.

Before I leave this question of resources and investment programmes, I should say a word about the progress of investment in the organised industrial sector. The Plan had proposed an outlay on industrial projects (including the N.I.D.C. projects) aggregating to Rs. 720 crores—Rs. 570 crores by way of new investment and Rs. 150 crores for replacement. The foreign exchange needed was estimated at Rs. 350 crores, Rs. 30 crores for N.I.D.C. projects, Rs. 250 crores for new investment in the private sector and Rs. 70 crores for replacement. For fulfilling these targets, a few of which have been revised, the overall investment required is now estimated at Rs.

825 to Rs. 850 crores and the foreign exchange requirements are placed higher by about Rs. 100 crores. Private industrial investment has been rising markedly over the last three years, and in 1956-57, it was of the order of Rs. 140 crores. Large commitments have also been made for the next one or two years, and it is estimated on the basis of foreign exchange released and committed so far, that with further allotment of Rs. 40 crores or so, about two-thirds of the industrial plan in the private sector would have been implemented. The needs of the private sector will decline thereafter, and it may be expected that the investments already undertaken will bear fruit earlier than was expected initially. While this is satisfactory, these developments in the private sector highlight the need for careful phasing of investment programmes in that sector equally with those in the public sector.

There is another aspect of the problem of rephasing the Plan to which I should like to refer at this stage—the impact of such rephasing on employment. The employment target in the Plan, as I said earlier, aims at providing employment opportunities just sufficient to absorb the new additions to the labour force. It would be most undesirable to reduce this target. To the extent that investment in the economy has to be curtailed in view of the paucity of foreign exchange, there is bound to be some adverse effect on the employment potential of the Plan. It will be necessary to examine to what extent additional labour intensive and quick yielding schemes can be taken in hand to make good the short-fall in employment opportunities as a result of the readjustments of the Plan. This, again, depends upon more effective mobilization of domestic resources.

Sir, I have stated the position. As I said, the rough picture which we have with us is now placed before the House. In conclusion I have only to

say just one or two words. There are many aspects of the Plan, besides resources and investment, which are important and which need to be discussed. But at present our attention is concentrated on crucial problems of the moment, about which I have said all the significant things that we have in our possession, all the facts and figures.

We are passing through a difficult phase, that is true. It is an anxious situation. But we are not facing any kind of calamity, we are marching forward. We may, in the course of our progress, come up against difficulties and obstacles, and we may have to slow down. But all the time we are moving forward. I am sure that at the end of the Second Five Year Plan we will find that we have gone ahead, considerably ahead, of where we stand now. At the end of the Second Plan period we will find ourselves in a much stronger position to push forward our progress in the later stages.

I have just to make one observation before I conclude. One of the strongest features, one of the most helpful features of the First Five Year Plan was that it reflected the common mind of the people of the country and of Parliament. We, all of us, fully shared in the making of it and in its adoption. Now that the Plan has come up against difficulties and a challenge is being made, it is a challenge for us all. Let us all face it together. Let any change that has to be made in the Plan, if at all any change has to be made, be again passed by common consent. The greatest strength of the Plan lay in the fact that it had the backing of the whole nation. Therefore, any change that has to be made in the Plan should also have the backing of the nation. Then, Sir, this difficult period can be tided over with confidence and courage.

**Mr. Speaker:** The motion is now before the House. A number of amendments have been tabled to this motion. I will admit all the amendments except one portion—I have no objection to admit that also—of Shri S. L. Saksena's amendment suggesting: "If ultimately the resources are found

insufficient, some of the projects in the Plan may be extended to be completed in six years instead of five." Very well, let all that stand. I shall treat all the amendments as moved.

Now, the time will be 20 to 30 minutes for leaders of groups and 15 minutes for others.

I will find out whether the hon. Members who have tabled amendments are present here. I will score off those amendments where the hon. Members in whose names they stand are not present in the House. I shall only treat those amendments as having been moved where the hon. Members in whose names they stand are present in the House at this moment.

**Shri S. A. Dange (Bombay City-Central):** Mr. Speaker, Sir, the Plan is again under discussion, but this time the discussion cannot go into the basic features of the Plan for the simple reason that the Plan has been accepted by the House, and the core of the Plan has got to be fulfilled. The difficulties that the Plan is facing have got to be met and, as I said, the core of the Plan has got to be fulfilled. But that does not mean that we accept all the features of the Plan as correct, whether in the matter of execution of policies or their details.

13 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I will turn to one aspect of criticism of the Plan. For example, there is the criticism that comes from the 'Right', as I call it, without adding the word 'reactionaries'. I simply say 'criticism from the right'. That criticism says that the Plan itself was wrongly conceived, it is over-ambitious and that it should be revised and pruned in almost such a way that the Plan does not remain a Plan. I do not agree with that kind of criticism. I do not agree with the criticism from the 'Right'. The Plan, as the hon. Minister has said, is over-ambitious. Well, let it be. I agree with him that the Plan should be ambitious, and that ambition should be fulfilled.

It was correctly said by some of the leaders in the country, parti-

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cularly the Prime Minister when he said, we are carrying out a silent revolution. The only criticism now is that that silent revolution is now facing a condition of things in which it will be completely silenced, or it will become a dead silence. We ought to avoid that. Therefore, I would not give any quarter to a criticism that would fundamentally alter the Plan, or almost destroy its whole basis.

I agree with the structure, and I think the structure should be maintained. If that structure is given up we shall have a national calamity. If the Plan as such fails due to the crisis in the economy in the capitalist world and in our world here, then in that case everybody is going to suffer. Some people may have the pleasure later on of saying: "Did not we warn you that you are going to fail and that you are trying too much?" Such a pleasure would only be a malicious pleasure at the expense of a national calamity. For example, the other day I heard somebody saying that the economists who dissented from the panel of economists have been proved correct prophets. If the dissenting economists proved correct prophets, there is then the greater need for national development as we have conceived in the Plan and, therefore, again I say that I do not approve of the criticisms from the 'right'.

Then I have a criticism from the 'left', and that criticism is of policies and concrete deeds of the Party in power which carried out the Plan in the first phase and is now carrying it out in the second phase.

What is my criticism? I am taking the criticism only on some points. Balance of payment difficulties are facing the Plan. Let us be concrete on the whole question. Yes, balance of payment difficulties are facing us. Whom shall we hang for this? Well, in the balance of payment difficulties, I should say, the criminals are two. The main criminal is the imperialist economy, which does not like underdeveloped countries to carry out in-

dustrial development. To a backward economy this is the central feature of the difficulty in the balance of payments. It is not due to merely a jugglery of export-import figures. Of course, for that certain Ministries are responsible, the private sector is responsible and certain speculative interests are responsible. But the main difficulty in balance of payments arises from the desire of the monopolists of England, monopolists of America, monopolists of France and partly of West Germany and Italy. They do not want to provide capital goods at stable prices to a backward economy, because they do not like it to be industrialised. A vast chunk of the under-developed areas have fallen off from their orbit of political slavery and, therefore, they want them to be brought back under the economic slavery. That is what they are trying in South-East Asia, that is what they are trying in India, they have been trying that in the Middle East and we find that they want to force it on Arab nationalism. As we know very well, that attack on Egypt, for example the attack on the Arabian countries, the attack on Viet Nam, the attack on Indonesia, all these are indices to show that the monopolists of those countries, whose economy rests on capitalism which exploits backward economy and gets cheap raw materials, do not want to develop heavy industries, machine goods industries and others in the backward countries. They want these countries not to go out of their orbit, but we are going out of their orbit. Politically, we are out of their orbit. Already, the Arabian countries,—Egypt, for example,—have fallen out of the orbit. The Africans are falling out of it. The Latin Americans are going out. But when they want to try to develop their national economy on an independent basis, naturally they are faced with the problem, where to get the capital goods. The capital goods are with those countries. Though you politically run away from their orbit, they say "economically we will dictate our terms and see that you remain as

under-developed countries as before though nominally you may be a sovereign country". This is the real source of the trouble of the balance of payments and foreign exchange. They would not supply steel plants; they would not supply heavy machinery plants at stable prices, at normal prices, and they would rather provide the private speculating interests rather than the State sector which develops national economy in a given direction. Therefore, as I was saying, the question of balance of payments is a political question. Of course, the balance of payment question is certainly a money question and a question of imports and exports and the structure of the Plan and all that kind of thing, but essentially, at the base, the balance of payment position, in so far as it depends on the supplies of capital goods to an under-developed country in the form of heavy machinery goods, steel plants, electrical goods and so on, becomes a political question of monopolist imperialist powers who would not build an Aswan dam in Egypt—who would rather invade it—and would try to seize Suez, try to seize the oil resources in Arabia and Persia and who would want the oil resources in Assam and Bengal and Pakistan and everywhere. Therefore, they are creating these, what are called, balance of payment and foreign exchange difficulties, by refusing to supply capital goods to develop an under-developed economy of colonial peoples, so to say, who were formerly their slaves and are now independent.

When they fail to influence this country to join their ranks, what happens? We have maintained a policy of neutrality; we have maintained a policy of peace. We refuse to align ourselves with their manoeuvres, but when the monopolists are more powerful than we are, what do they do? They create pockets of war. For example, they created a pocket of war in Korea. Some of our people at that time perhaps liked the Korean war. There was an American lobby somewhere here, as it was reported in the Press, which wanted India to side itself with the American in order to

get capital investment and capital goods. Fortunately, we did not fall into the trap of the American lobbies and the Washington patriots here, but they were thinking that India would like to join them, for getting help. Yes, help was given in the first Five Year Plan period from the Reconstruction Bank and so on. But we remained neutral. We refused to give in, but we agreed to trade with both the blocs, with the American bloc or any bloc, anybody who gave us goods for development and we were going to pay them for it, at stable prices. If it was stable prices, it was so much the better. If it was in rupee terms, it was still better. But of this policy of neutralism, they were rather afraid and rather displeased and their policy changed in the second Plan. In the first Plan, they tried to utilise the neutrality in order to draw us into their orbit. When they failed, they said, "Then we freeze the aid. We give aid by disturbing the price market. We will give aid only on certain conditions". So, the balance of payment difficulties have come about and these monopolists, by trying to create war pockets around us, are trying to beat down our economic development as you already know and as everybody sees.

The other day, the Prime Minister said that from one hand they give us economic aid, but that whole aid is washed out because they arm some neighbour of ours and we have to sink our money in defence. The economic aid for development is lost in defence purposes and defence efforts. What is this policy, if it is not a political policy of an imperialist group in order to suppress the economic development of a backward economy?

Therefore, I was saying that the balance of payments difficulty should not only be attributed to the Minister in charge or to the Congress Party in charge or to any particular group, but that difficulty is fundamentally and essentially a difficulty created by the imperiated powers who would not allow Asia, Africa, Arabia, etc., to develop.

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But that does not absolve the Ministry from all blame. No. They ought to have managed the export-import trade properly, and therein lies a solution for the balance of payment difficulty. Therein, the second criminal comes. It is a minor criminal. (*Laughter*). I am sorry; no personal reference was meant. It is what, in a Sanskrit drama is called *Patakanthan*, where some party enters and a sort of coincidence takes place. This is just like that. However, as I was saying, the export-import question certainly has been badly handled. What can I say on that? The difficulties are there. The imports were just carried out without any foresight. Just because you had some balances you spent them I do not want to go into the details Gramaphone records, refrigerators and a thousand luxury goods, this and that, —all these were imported and these have disturbed our balance of payments quite a good deal. I am not going into the figures, because the hon. Minister has given enough figures and it has been admitted here in the previous debates that the export-import trade has not been handled properly. So, the second criminal, as I would say, is certainly the policy of export-imports as was carried out in the last two years in which we did not pay attention properly to the perspectives of the Plan. We just imported goods which should not have been imported. Anybody could have seen that.

The other day, I mentioned the export scandal and the trade in export licences. Here now I have got from the *Times of India* dated the 14th August, an extract about import licences. It says:

"Applications are being made in hundreds for the conversion of the "established importers' licences" into such items as will bring the licence-holders the maximum premium. And generally the desired items are those about which the applicants have no trade knowledge whatsoever. The "licence exchange" seems to be exceptionally active and fat pre-

miums are being paid and realised. For instance, is there any justification for a conversion application from woollen hosiery to ferro-vanadium unless the applicant has a past record in the latter."

The complaint is that licences for conversion are now becoming a speculative trade in the markets. Export and import has been a subject of the very vicious influence of the speculative world. What has to be done? What is the remedy? As I have mentioned the criticism and the evil, I want to suggest the remedy. The remedy is very simple. I do repeat that the remedy lies in the fact that the State should take over, into the sector of state trading, the export and import trade completely. If, to begin with, they cannot do it completely, let them take it bit by bit, but not at the rate at which they are doing and which is very slow.

A few years ago, the panel of economists discussed the Plan and the principles of the Plan. I would mention that later on some of the difficulties are due to the fact that the principles laid down by the panel of economists have been blown up. The fundamentals which they laid down are not being followed. Only the figures and the structure are being accepted in some essential parts and the rest of the principles are kept down. About imports and exports, the panel of economists said that jute trade should be taken over by the State. They do not want to take it over. Of jute, they are afraid. I know why they are afraid. Similarly, imports and exports, heavy machinery and capital goods required in the private sector have gone beyond the Plan as is already admitted. Why is it that this has taken place? It is because of the fact that the import-export trade cannot be simply governed by licences. The import-export trade must be taken over solely by the state sector as part of state trading. In how many stages you take it is another matter. But no socialist economy in any part of the world was ever built with export-

import trade being left in private hands. There is no such example in history, and India cannot be an exception to that, because the laws are inevitable here. Export-import trade is another vicious sector wherein we have been ditched by the speculator, and the wrong policy of the Minister in charge. How to correct it? Criticisms have been there and I do not want to go into its details. So, the balance of payments, the imperialist policy and the question of export-import—these are the three things to which the planners should pay attention in greater detail. If they do it, then something could be done about foreign exchange.

I now come to some internal factors. I am not giving very detailed solutions. Of course, they will not be accepted and so I will not take the trouble of doing it. But if they are going to be heard, certainly we can sit round again in a committee of possible to consider the difficulties of the Plan.

Coming to internal sources, the difficulties are inflation and prices running high. The question would be, what is your solution to that? We have already said that in the internal situation, to find out the remedy we must first find out where are the sources of evil. I will put down the main sources of evil. The whole food policy has gone wrong. There has been some increase in food production and it is admitted. But that increase is sometimes not really increase in food production but it is increase in food statistics which is not actually food. For example, in the first Plan, it was said that there was a terrific increase in food production in Rajasthan. What was the reason? Formerly there were no returns from Rajasthan. The Plan asked for the returns and the returns came and suddenly food production went up. Rajasthan did produce food even before. It did not appear in the statistics before, now it appears in the statistics. That cannot be called increase. Therefore, food production and its increase is the main core of inflation.

The question is, how are you going to get that food production increased. The panel of economists laid down a simple proposition: Land reforms must be essentially carried out. That is exactly what has not been done. Therefore no solution of the food problem is possible so far as that thing does not take place. I read in the Press that the All-India Congress Committee, the A.I.C.C., discussed this problem and criticisms came from the Congress benches also about ceiling, redistribution of land to landless labourers, the question of landlords still taking rent by dubious means, etc. It is not being resolved and food production is still in a crisis. The food production will remain in a crisis as long as land reforms are not carried out. Land reforms by the slow pace of *gram dan* are very difficult, because the whole State machinery, when it is influenced by landlords in various sectors, stands against translating these reforms into law. What can the moral approach of *gram danis* and *seva gramis* do? Nothing can be done?

Of course, some results might come out of the new Mysore conference which is being proposed, all parties agreeing to discuss this problem. But I think this cannot be cured unless and until the landlord influence is dissolved and dislocated from the State machinery. Till then land reforms will not be carried out. Otherwise, the peasantry will have to act. If it acts, certain things will move, but the suffering also will be more than if the Ministry were to introduce the land reforms. If the food crisis is resolved, the inflation crisis gets resolved to a large extent. Inflation can be traced back to the question of consumer goods, 50 to 60 per cent of which is food. Therefore, to resolve it, land problem is the main problem and land reforms become the central slogan in order to overcome the dangers of inflation.

Secondly, there are monopoly profits. What can I say on this? They are all there. You know that tax evasion, high prices and monopoly profits are the slogan of the private sector in this

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country, sailing under the name of Plan. They all say that they want to develop the country and the Plan. They want to develop it for their own pockets. Where their pockets are not filled by the Plan, then they blow up the Plan, as far as they can. Therefore, investment of private capital is not planned in such a way that essentials are first fulfilled. As I was saying, there are many lines in which no private capital should have been sunk. I do not want to go into many details. I do not understand why plastics and rayons of every variety should be so encouraged as to endanger a section of our foreign balances. There are many other goods whose names I can put down later on if necessary, but everybody knows that unreasonable and unplanned investment in the private sector is also one of the causes of disturbing the allocation of funds in our economy. How to cure that? That is another question.

For example, it has been admitted here that food has been the subject of hoarding and hoarding was possible because the banks made advances. Unplanned investment in private sector does take place, because the banks spend their funds as they like without much reference to the central structure of the Plan or the objectives of the Plan. Rs. 700 to Rs. 1,000 crores of money in the hands of the private banks are being utilised at the pleasure of the bank directors, who are not interested in the national development or the Plan, or anything of the kind. They are interested in their 30, 40, 50 or 100 per cent dividend. For the purposes of morality, they say it is only 5 or 6 per cent. Everybody knows that it is never 6 per cent. Everybody knows that what they show in the balance sheet is never correct. Over and above that, they evade the taxes and carry out corruption in private industries.

We had a wonderful debate three days back, when the State, the Railway Board and many amiable gentlemen were shown to be party to giving prices for locomotives for the State

sector, which were not commensurate with the labour cost or anything of the kind. It was just sheer robbery of the State funds for the profits of a company or individual. When that individual does it in this way with the State support, he gets the certificate of being the most efficient manager in the whole country, most efficient manager managing his own profits through the Tariff Commission and the Ministers concerned. There was that "straight forward" TELCO case to show how the private sector expropriates State finances for private gain.

There is another case of the Vizag-Harbour. The whole scandal was there for ten years and it was so slowly corrected, so that even the ship-owners protested. Secondly, there is the case of the Hume Pipe Company in Bombay, where they get allocations of steel at control prices and sell it in the black market, swallow the wages of the workers and do all sorts of things, which have been enquired into at the order of the Bombay Government. But the Bombay Government dare not act against the Hume Pipe Company Limited and its corruption methods. Any number of examples like that can be found. Of course, not all of the enterprises are corrupt. There are certain exceptions, no doubt. But when you find the most renowned company getting into the channels of what I may call moral swindling translated into terms of money for locomotives, then what can you say of others? Because of the monopoly profits putting up high prices, because of the higher margins that they want, because of the corruption that they carry out, all these endanger the internal resources of the Plan. The question of money supply, the question of finding capital for the Plan in the State sector, becomes endangered because of these monopolists.

What should be the corrective for that? My proposal is that the big banks should be taken over by the State. Without that, you cannot check hoarding, speculation and unplanned investment of funds. Unless this is done, there will be no improvement

and you will not be able to solve the crisis. Of course, the Ministry may say: that is as usual our pet slogan. That is not as usual. You have to do it. Five or six years ago when we called on them to take over the Imperial Bank, they would not take it over. Afterwards, they found it necessary to take over and make it the State Bank. They said that they would not take over insurance. Then they took over insurance. Not only have they taken over insurance in the State Sector, but they have utilized the small savings of the innumerable people in the private sector; sometimes for speculative purposes. I certainly object to the insurance sector going into speculative transactions—buying and selling on the stock exchange. Within one year they have invested rupees ten crores in the private sector in under-writing scrips, which is not proper. When the State sector is itself running short of funds, is it correct to take the money of the insured people lying in your hands, and invest it in the stock exchange for buying securities, preference shares and debentures? Is that correct morality? Is that correct politics? Is that correct economics? On the one hand you say: give us your bonus, invest it in small savings and life insurance and, on the other hand, you hand it over to the speculators in the stock exchange. What kind of morality is it? What kind of economics is it? Is this planned economy? This is planned speculation and not planned economy.

Therefore, in the monopoly sector, in the sector of finance, the first thing that should be done is that State sector ought to be enlarged. The criticism from the right—my hon. friend from the right is not present here today; it is his favourite criticism—is: contract the State sector and let the private expand. That is just the line of the Anglo-Americans also.

When our Finance Minister visits America, most probably he will be confronted with such proposals as that the State sector should contract, the oil-bearing areas should be hand-

ed over to them, that some of the industries which cannot be properly managed should be handed over to them in return for which 500 millions dollars will be given. Now that he is going there, let him make up his mind that he does not enter into such agreements, getting 500 million dollars, by mortgaging 5,000 million of our own. It would be a very bad exchange and the balance would be disaster for us. It would be a balance, not for us, but against us.

After landlordism and food problem, comes the question of monopoly profits and private sector. Therefore, my proposal is that banks should be taken over—big banks—credit be controlled, investments be controlled and internal resources be controlled. Then tax evasion will become impossible because it is through the banks that a large part of tax evasion is carried on. If that is taken over, there will be no private bank capital and you can give them compensation in 50 year bonds. They will get a living wage of Rs. 450 plus D.A. without any difficulty and we can manage the finances very well.

Coming to some of the major industries well, I am not just now discussing that problem. But there is another thing which I want to suggest so far as savings are concerned—pruning of the savings. The correct word is pruning. Where should the plan be pruned? Not in iron and steel; not, certainly, in irrigation. But it can be pruned in the sector of power houses. There is no necessity just now to electrify all the villages. Let us first feed the public sector and plan for the necessities and then, later on, talk about electrification of villages. Even America has not got electrification in the villages. Then, why should we electrify our villages when we have no machinery of our own and when we have to import thermal engines and hydro-engines to supply electricity to the villages? Build irrigation and hold over the question of electrification to a later day. We propose postponement of

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certain schemes for a period of two years only. By then the international capitalistic economy has either to do something "to save" itself or it is bound to crash. One of the "major savings" would lie in war troubles. Another is going towards a certain socialist order and rearranging their economy. If they do not do it, I do not know what will happen. In any case, until 1959 our plan is going to be in a difficult position, until the three plants go into production, out of which one is a heavy machinery plant. When the plants go into production, then we shall be a little bit free from the dictation of the imperialist capital.

Therefore, I would ask: could you not hold back for two years rehabilitation of the textile industry. The money to be spent on it in the Plan is Rs. 40 crores. What is the necessity? I don't think it is necessary. For our internal supplies and our exports it is not necessary. So, I would suggest that the Rs. 40 crores that you propose investing for cotton textile rehabilitation should be held over. You propose investing Rs. 30 crores for jute rehabilitation. I suggest that it should also be held over. You will say that it is necessary for exports. No Jute goods can be exported at competitive prices if monopoly margins of profits were cut down. The Jute Mill Owners Association must be taught a lesson that they must support the dictates of the plan and the needs of the country. There is a tremendous margin of profit. The prices can be brought down in the case of jute goods without any further investment. Then, you propose spending Rs. 24 crores on rayon. Please hold it over. It should be held over for a period of two years. I do not say for all time, but only for two years. You have to rephase them. If the expenditure on these several items could be held back for the time being, it will save us about Rs. 150 crores or so.

Then, there are several items on which I would propose a sort of

pruning. I am referring to certain internal schemes. I am sorry to say that some of the welfare schemes are just bogus schemes. There is no welfare to anybody except the organiser, who goes to the village and draws Rs. 200 from either the State sector or some other sector. Some of the N.E.S. development schemes are just bogus schemes. Some of them do good work, no doubt about it. But a major part is mere show. A major part of it is subsidising the Congress officials and others. Let us stop this subsidy. We are spending for the welfare schemes Rs. 149 crores. That should be pruned. For N.E.S. we are spending Rs. 200 crores. That can also be pruned. There are any number of village schemes going on. I think the leakage in the whole project will be about Rs 1000 crores—leakage through non-productive channels—those that are going to non-productive channels are leakage. It will be of the order of 30 to 40 per cent. So, I say that some of the projects can be cut down. I would even say that a 50 per cent cut would not harm anybody except the gentlemen who want to utilize these schemes for their own welfare. That will give you a saving of at least Rs. 600 or Rs. 700 crores.

If you do this, taxation on passenger fares and other taxes which we are imposing on essentials would not be necessary and you would not be disturbing the welfare schemes of the villages or village industries. If you just stop the leakage, you would save several hundreds of crores. Then the rephasing of rehabilitation of certain of these industries and rephasing of the lay-outs would give you about Rs. 600 crores and they will not cause any crisis in the economy. In fact they will solve the crisis.

Having said that, the third point I have to mention is the corruption that prevails in the State sector. I do not want to go into details. You know, everybody admits that. But how to curb it? If we are to set an example to the people, then let all the minis-

terial ranks in the State sector be above suspicion. I do not want to attack any person. If you find that a Minister who at the beginning had not perhaps more than Rs. 10,000 or Rs. 50,000 as his own property, has, at the end of five years as a Minister, property worth a crore of rupees, then how is it to be explained? In five years' time he has accumulated property worth a crore of rupees or Rs. 50 lakhs from Rs. 10,000 or Rs. 20,000/- certainly a big jump even for the speculators. Then, nothing is more patent. Is it not a subject matter of investigation? Is it not a subject-matter of investigation that the Burmah-Shell Company employ innumerable people connected with the Ministers with a car, Rs. 400/-, a house and all allowances paid in order that its rates of oil and such other things may be influenced in a better direction? Is it not a subject-matter of investigation? Why should it not be a subject-matter of investigation? For example, there are many 'amiable' gentlemen, about whom press reports appear, connecting their names with Ministers, not in any honest official way, but in some other way.

Can this corruption not be checked? What is the use of finding fault with Secretaries and Additional Secretaries, clerks and chaprasis and bringing them to book and having files and files of complaints about them when in the Bhakra-Nangal case the chief culprit gets away scot-free and other officers get an imprisonment of six months? This sort of running the State administration should not be allowed. Let us look into it. Certainly, with our moral philosophy which is good, we should be able to correct this aspect of the matter and improve the State sector and its functioning on the question of economy and personal behaviour.

So far as the people are concerned, peoples' sacrifices are well-known. I can give you one instance. Today our steel worker works so hard, but he is paid so less that Indian steel is sold about Rs. 200 to Rs. 300 lower than

the British or American steel. What better example do you want of my worker and his productivity? How are you able to sell steel Rs. 200 below the international market price, if it is not on the basis of the low wages that you pay and the high productivity that you get?

As far as sacrifices are concerned, do not mention that. The working classes and the peasantry are sacrificing continuously. But if their sacrifices are not rewarded in terms of wages in order to meet the high cost of living, then let me tell you in this year and the next year there is going to be a very strong pressure for strikes. You know it, but I can tell you from my own experience that there is tremendous pressure for strikes and strikes which are justified. But the working class today is willing to restrain itself in order to develop the economy on the understanding that it gets certain concessions and certain benefits when the cost of living is rising. Therefore, strikes can be held back, but not for all time. From our part, from the side of trade unions we will try to negotiate, we will try to settle as far as possible, but not at the cost of leaving everything that the worker has got. And if settlement is not done quickly, properly, and if agreements entered into are not translated into practice then there will be no other go expect to strike and strikes will take place. Therefore in order to save the Plan we are prepared to do our best, but we cannot agree to a wage freeze, or strike freeze. But the worker has no hope of getting anything for himself unless he moves into action. But that action will be preceded by negotiation, by attempts at settlement and so on.

I have no much time of suggest alternatives. There are many alternatives. But in regard to oil, let me make a suggestion for the Minister to work out. Why should there be a monopoly purchase from the Burmah Shell and the Standard Vacuum? In 1928 when a rate war started between two companies a third company

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brought in Soviet oil from Baku and the country gained Rs. 4 crores. Today in Bombay City two petrol pumps supply Soviet oil which is six annas cheaper than the Burmah Shell price, but when they want to increase the number of petrol pumps they do not get permission, they do not get land from the municipality. From the Government side petrol tanks are denied to them. If it is cheaper by six annas per gallon why should not Government import oil on their own account from alternative sources. Why should we pay the Mexican Gulf parity price which, the Prime Minister admitted, was a nonsensical basis. Why should we be afraid that they may go on strike and we may get no petrol? There is no reason for such fear. They too have to sell oil and make profits. Just as we have to buy they have also to sell.

When the Western nations were not prepared to come forward we did get an alternative steel plant from the Soviet Union. Then the other nations came forward with their offer. Why not use that? If you want to play between two policies and hold on to neutrality of a peculiar type, why not have it in oil also? But it is not being tried and we are losing heavily on that account, which is causing serious difficulty in our balance of payments. There are so many examples to cite for which I have no time.

I would again say that in regard to external balance of payment, the main culprit is the policy of the imperialist countries and their monopolies. The second is our export import policy being not a proper policy, which lacks the perspective of the Plan, which is vitiated by private profits which are alive in the Ministries in the States as well as in the Centre. The third are the landlords, the fourth the monopoly interests and the fifth the State machinery. All these combined together have put this Plan in a crisis.

My submission to them would be this. Follow some of the suggestions

which I have made. Let us sit down and try to save the core of the Plan upon which everybody is agreed except some people who want to see the private sector rampage for their own profits. Most of the people are agreed on this. If we sit down and try to revise and prune it in a proper way we shall find a solution. Some of the solutions may be to the dislike of many people, taking over the big banks, nationalising the jute trade and nationalising the minerals. For example the panel of economists suggested that nationalisation of minerals is a key to the fulfilment of the Plan. But it is not being done. We are now finding ourselves in difficulty with regard to coal production.

The whole thing amounts to this that the perspective is not being carried out with a view to enlarging the State sector and curtailing the activities of the private sector to the benefit of the people. On the other hand the private sector, the monopolists, are let loose. If this is stopped we shall save the Plan even now, and I do say we will cooperate in saving the Plan if it is in favour of the people, not in favour of the landlords and monopolists. If it is to be saved for them, then I shall be the last to save them.

**Mr. Deputy-Speaker:** Shri Tyabji. Those hon. Members who have sent chits or given their names must rise in their seats to give an indication that they are prepared to speak. I have called the hon Member and I shall not change my decision. The ultimate determining factor will be who catches the eye of the Chair.

**Shri Tyabji (Jalna):** Mr. Deputy-Speaker, Sir, the Second Plan accords high priority to industrialisation and especially to the development of basic and heavy industries. This is because the Plan assumes that a "sizeable" increase of income cannot be attained without "rapid industrialisation with particular emphasis on the development of basic and heavy industries."

The Planning Minister suggested that we are all agreed on this. But speaking for myself I submit that it is by no means clear that this assumption that rapid industrialisation is the only method of producing a sizeable increase in the national income, is well-founded

Mr. Deputy-Speaker, in our planning we have been largely dominated by the example of Russia, whether we permit such domination to take place consciously or not. It could not have been otherwise. In the first place, Russia is the birthplace and the home par excellence of five year planning. Now, in her planning, Russia gave pride of place to the development of heavy industry, and attained what is called a "balanced economy". With this balanced economy she fought and won the most terrible war that has yet been fought. However, a balanced economy is a relative term and what may be balance in one set of circumstances may not be so in another. But granting that anything different from what Russia has attained and China is said to be in the course of attaining, is an "unbalanced" economy, the question that we must ask ourselves is whether an unbalanced economy may not, in the circumstances of our country, be advantageously made our first and immediate objective, leaving the attainment of balance to some future more auspicious time, perhaps in the fourth or fifth year plan periods. We must remember that Russia's first objective was the attainment of self-sufficiency in defence, for there was nothing of which the Soviet leaders were more certain than of the impending onslaught on them by the capitalist countries. Our immediate objective is different. With all the balance that we may be able to attain in the foreseeable future, it is doubtful that we shall become such as to be able to defend ourselves unaided against an attack by a major world power. Our immediate objective is, or rather must be, to raise the standard of living of

our people and increasing the national income.

The question before us, therefore, is, can India become wealthy only by 'rapid industrialisation' to quote the words of the Plan, and the attainment of a 'balanced economy', or can our objective be reached through other ways, and perhaps, even better, through, for example, increase of agricultural production supplemented by such industries as lie clearly within our foreign exchange resources.

It can hardly be doubted that wealth can be created in considerable quantities through agriculture. If examples need be cited, we can remember Canada and Australia and Brazil. The cases of these three countries are not distinguishable from that of India on the ground that they had small populations and large open spaces. The question before us is whether sizeable quantities of wealth can be produced through agriculture.

Mr. Deputy-Speaker: The hon. Member is giving the impression that he is reading.

Shri Tyabji: not as to how many people will share the wealth when so produced.

Mr. Deputy-Speaker: More often he should look up.

Shri Tyabji: I apologise. If a certain amount of wealth is created through the processes of agriculture, say  $X$ , then, if the population of the land is large, this quantity of wealth will be shared by the population and the share of each member of the population will be small. But, the value of  $X$  itself will remain the same. In fact, there is reason to believe that in a thickly populated area,  $X$  will be larger, since agricultural processes are such that they respond best to manual treatment.

May I cite a passage from the World Bank's recent report?

"Proper application of known techniques, in conjunction with

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the possible expansion of irrigation and the cultivated area, could increase India's agricultural output four or five fold. By the time that has been achieved, new techniques will have been evolved and the way will be open for further progress. Results of the crop competitions organised for the Grow More Food campaign show yields about seven times higher than the local average. India's yields are at present among the lowest in the world; with the labour force available, they could be among the highest."

The whole matter may be approached from another point of view. If we settle our first objective is to raise the national income in a sizeable manner, logically, the next question is, how this is to be done and the logical answer must be, by utilising the natural resources that are most abundant in this country. The natural resources that are most abundant in the country are the sunlight which pours from the sky and the carbon-dioxide in the air, which with the help of the chlorophyl in the green leaves of the plants and trees, is turned by the sunlight into food and wood. Hence, it is clear that the principal means of creating wealth in India must be agriculture and forestry, not because India is in some sense a backward country, but because the principal natural wealth of India is sunlight and carbon dioxide as the principal natural wealth of England is coal.

The question of the production of food may be looked at from yet another point of view. According to the Second Five Year Plan, the present average consumption of food in India is 2,200 calories per day.

**Mr. Deputy-Speaker:** I have restrained myself very much, but I am compelled to make these remarks. The object of talking here is to have a real debate. When an hon. Member has a prepared speech and begins to read it, then, he does not care what has been spoken earlier. His speech

is not having any relation to what Shri S. A. Dange said. It would be better if he mentioned the points that have been made by Shri S. A. Dange, and in that way it can develop. I would make a request of the hon. Member. It is a debate that is intended here, not an oratory, nor anything else.

**Shri Tyabji:** The relevancy of the speech and the remarks that I wanted to make is that I think that the proposition put forward by Shri S. A. Dange that the structure of the Plan is correct is not so. The structure of the Plan should be fundamentally changed and emphasis should be placed on agriculture. The present emphasis on industry is wrong. The present emphasis on industry has led us into these difficulties of foreign exchange. We can create wealth through agriculture. We need not follow the example of Russia. The following of the example of Russia and trying to create some kind of a balanced economy has led us into a mess. We have to get out of this mess and increase agricultural production. I quoted from the World Bank statement saying that very vast increases in our agricultural production can be made.

I now want to go to my next point. Actually, it is wrong to say that increase in food production and increase in food consumption has some kind of lower priority than capital goods for this reason. The Second Five Year Plan says that the average consumption of food in India is 2,200 calories. The Second Five Year Plan also says that the minimum required for proper nourishment is 3000 calories. Therefore, an average Indian, today, is in a chronic state of hunger. This is not the only result. The productivity of an Indian is many times less than that of an European or an American even allowing for the implements which he has. Nor is this all. The average expectation of life in India is only 33 years whereas the average expectation of

life in England is 65. What is happening is this. Because of this lack of food, our human machine not only produces less, but it lasts only for one-third of the time that it ought to last. What would people say if an industrialist purchases an expensive machine, which is capable of 45 years' service, but then refuses to supply the necessary lubrication oil so that it is useless after 15 years? They would call such an industrialist insane. That is exactly what we are doing to our human machines. I leave entirely all questions of humanity out. Here is your greatest capital asset, your labour; you are starving this to death in 15 years when it is capable of 45 years of continuous production. Therefore, it is very wrong not to put the greatest emphasis on agriculture. This is the point that I want to make. I submit that these are very compelling reasons for recasting the Plan.

Agriculture. I say, further must include forestry. According to the National Forest Policy Resolution that has been passed by this House—after having been passed by this House, not much seems to have been done—33 per cent ought to be under forests. We have not only 22 per cent under forest. Even this 22 per cent that is said to be under forest in India is forest only in name as any one who has walked in the well kept and well tended forests of Germany and who has walked in our forests which are often more scrub than forest can see. Most of the trees in our forests are neither good for timber nor for fuel. But, even this 22 per cent is not there in all parts of the country. In Marathwada area, where I come from, where according to the Ramayana, Rama and Seeta walked through dense forests, you will find that there is only two per cent. And even this two per cent of forest land is just bare rock. Forestry is one of the most important things for our country. It must be remembered that the lack of forests is having very serious effect on our production also..

**The Minister of Co-operation (Dr. P. S. Deshmukh):** We are going to destroy Dandakaranya also.

**Shri Tyabji:** I welcome this interruption. I say it is one of the most serious things that is being done—destruction of forests for the sake alleged rehabilitation of refugees. We only destroy some of our most valuable assets.

Recently, the Vice Chairman of the Planning Commission has pointed out that the mere increase of chemical fertilisers is not of much use. What is essential is that this should be used along with organic manures. We cannot have them unless we have leaf-mould and compost. For this reason also, forests are necessary.

I have pointed out that the production and consumption of food is in a very real sense the accumulation of wealth since it prevents the rapid deterioration and depreciation of our principal capital goods; human labour. With forest also, it is the same. Not only is it necessary to save it. In forests also, the income investment ratio is almost hundred per cent, for until the tree matures, 20 or 30 years hence, all the increment goes into the tree itself.

For all these reasons, I say that the Plan should be recast. Great stress must be placed on agriculture and forestry. Although forests are so important for our country, only Rs. 47 crores out of Rs. 4,800 crores have been allotted to forests and even this sum is merely for increasing the salaries of some staff and for making a few forest roads. Practically no provision for afforestation has been made. I, therefore, submit that Rs. 500 crores be allotted for agriculture and afforestation, more than the present provisions. We are not going to spend all the Rs. 7,100 crores in both the private and public sectors. That is the way in which we can save the Plan; there is no other way.

**Mr. Deputy-Speaker:** The following are the amendments which have been indicated by the Members to be moved:

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12.
13. 14. 15. 16. 17. 18. 19. 20. 21.
22. 23. 24. 25. 26. 27.

**Shri Panigrahi (Puri):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that in view of the practical shortcomings experienced in carrying out the Plan programme as envisaged, priorities be fixed and agreed to."

**Shri Sanganna (Koraput—Reserved—Sch. Tribes):** I beg to move:

(1) That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, approves of its policy, programme and objectives in the larger interest of the country and the Nation."

(2) That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that special consideration may be given to the solution of the socio-economic problems of the Scheduled Tribes and the Scheduled Castes while implementing the Second Five Year Plan."

(3) That for the original motion, the following be substituted namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that every effort may be made to enable the Scheduled Tribes and

the Scheduled Castes to take part in the intellectual and understandable objective discussions of all the forums of the socio-economic plans and programmes of the country."

**Shri Jadhava (Malegaon):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that enough emphasis should be laid on agriculture so as to bring about a balanced development of industry and agriculture without which the successful implementation of the Plan may not be possible."

**Shri Mahanty (Dhenkanal):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, disapproves—

- (i) indiscriminate resort to deficit financing which has corroded the base of internal economy;
- (ii) functioning of the public sector in the heavy industries which has created new problems for the Second Plan;
- (iii) lack of co-ordination among the various departments and agencies of the Government in implementing the Plan;
- (iv) failure of the Government to correct the imbalance in the economy due to rising food prices; and
- (v) growing disparity among the various regions of the Union in regard to development and per capita income".

**Shri U. L. Patil (Dhulia):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the Government should review the fundamental postulates of the Second Five Year Plan and adjust it to our available resources. This House feels that to this end it is imperative that—

- (i) the Plan should be spread over a longer period;
- (ii) the projects that can be left to private enterprise such as those concerning production of cotton goods, silk, sugar and soap, but have been put in the public sector in the Second Plan, and have not been taken in hand so far, be dropped;
- (iii) top priority should be given to the production of foodgrains and other necessities of life;
- (iv) development of small and cottage industries should be made the basis of our industrial policy; and
- (v) intensive efforts should be made to revive the spirit of Swadeshi movement."

**Shri Bishwa Nath Roy (Salempur):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the inclusion of the Rihand Dam in the core of the Plan is absolutely necessary for the development of Eastern Uttar Pradesh, a very backward and scarcity area."

**Shri Yadav:** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that in the First Five Year Plan—

- (i) prices have risen disproportionately;
- (ii) the investment in the private sector has exceeded the entire plan target and flowed outside the plan;
- (iii) foreign exchange reserve have depleted without prospect of replacement;
- (iv) the Government has shown vacillation and lack of unity of purpose; and
- (v) the living standard of the people has already fallen beyond tolerable level.

In order to correct the situation and to correctly develop an economy, the House is of opinion that the Plan must be basically changed."

**Shri Raghunath Singh:** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the amount allotted to Shipping and shipyard is inadequate and that proper steps should be taken to help the industry so that the tonnage of Indian Shipping is increased".

**Shri Tyabji:** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that steps be taken to improve the

[Shri Tyabji]

position regarding foreign exchange and to avoid deficit financing".

**Pandit D. N. Tiwary (Kesaria):**  
I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that priorities should be given to such schemes which require no foreign exchange or very little of foreign exchange in execution."

**Shri Naushir Bharucha (East Khandesh):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the Plan should be re-phased in relation to the available resources within the country and to the extent it is feasible to raise credit abroad, and to this end, this House recommends to the Government—

(i) to make a clear-cut category-wise statement as to what projects in various fields are finally to be included in the re-phased Plan and what are to be postponed;

(ii) to announce by way of a policy statement that a two-year breathing time will be given at the end of the Second Plan to the nation to recover from the stresses and strains of the Two Five Year Plans;

(iii) to announce by way of a policy statement that deficit financing will not be permitted to exceed Rs. 800 crores and that even the core of the

Plan, if necessary, would be re-phased to keep within the limits of Rs. 800 crores of deficit finance;

(iv) to make strenuous efforts to prevent rise in food prices and articles of domestic consumption;

(v) to give all-out aid to hard-currency earning exports; control credit facilities; encourage flow of foreign investments; and

(vi) to assure the nation that during the remaining Plan period there will be no fresh major tax imposition on the middle and poor classes."

**Shri S. M. Banerjee (Kanpur):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that special consideration be given to the expansion of defence industry"

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that full co-operation of the political parties in particular and public in general be sought for the successful implementation of the Plan."

**Shri Manabendra Shah (Tehri Garhwal):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic

situation, is of the opinion that steps be taken—

- (i) to improve the position regarding foreign exchange; and
- (ii) to adjust, recast and rephase the available resources for the Second Five Year Plan in such a manner that an equitable development of all the regions of the Union takes place."

**Shri Surendranath Dwivedy (Kendrapara):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the failure of the Government to take prompt and adequate measures to check the deteriorating agrarian situation and its vacillating policy in regard to the foreign exchange reserve, has created difficulties for the successful implementation of the Plan."

**Shri Lladhar Kotoki (Nowgong):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the Second Five Year Plan be re-phased with a view to give top-most priority to increased production of food so as to make the country self-sufficient within the Second Five Year Plan period taking into account all factors of production of food and that re-allocation of funds on various schemes under the Second Five Year Plan be made accordingly."

**Shrimati Ilia Falchoudhuri (Nabdwip):** I beg to move—

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that the private enterprise and communications can play a vital role in the country and therefore sums allocated for these purposes should be reconsidered and more stress given to these two aspects of planning."

**Shri M. D. Mathur (Nagpur):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion, that while fixing the priorities of the programme due consideration and weightage be given to un-developed and under-developed States."

**Shri Rami Reddy (Cuddapah):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that top-most priority should be given to the agricultural development and that in regard to industries, steps should be taken to achieve balanced industrial development in different parts of the country."

**Shri T. Subramanyam (Bellary):** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in

[Shri T. Subramanyam]

relation to the current economic situation, is of the opinion that—

- (i) the production of foodgrains should be given top priority and be placed as on a war-footing, by the full utilisation of the facilities provided by the various major and minor irrigation schemes, and the use of improved agricultural devices; and
- (ii) steps should be taken to provide food and cloth at reasonable prices."

**Shri B. Dasgupta:** I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that—

- (i) more emphasis should be laid on agriculture,
- (ii) cottage industry should be given priority; and
- (iii) emphasis should be laid on organising Village Panchayats."

**Shri S. Ghose** (Burdwan): I beg to move:

(1) That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that priority should be given for reconstruction of Ahalya Bai Road connecting Calcutta to Madras for National interest."

(2) That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion, that priority should be given for construction of a railway line

from Santragachhi to Bishnupur via Radhanagore, Arambagh, Kamarpukur."

**Shri D. C. Sharma** (Gurdaspur): I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that while the underlying policy and objectives are very worthy and adequate, the programme of execution should be kept constantly under review so that the plan is fulfilled within the stipulated period."

**Shri S. L. Saksena** (Maharajganj): I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the Second Five Year Plan in relation to the current economic situation, is of the opinion that it is too early to declare that the Second Five Year Plan shall not be able to obtain the necessary foreign exchange and therefore no essential part of the Plan such as steel plants, the Rihand Dam, Jalkundi dam on river Rapti and other flood protecting measures etc should be dropped. If ultimately the resources are found insufficient, some of the projects in the Plan may be extended to be completed in six years instead of five. The dropping of projects already begun would mean the dead loss of all money spent so far which might run into several hundred crores."

**Mr. Deputy Speaker:** All these amendments are before the House.

**Dr. Melkote** (Raichur): Mr. Deputy-Speaker, one has to look at the Plan, especially in a country like India, from the employment aspect. We have a large population which today is subsisting on a sub-standard diet.

So, any Plan which we prepare for the people should ensure immediately if not in some long-drawn period certain things which would give them this necessary basic living condition.

What is the basic condition that we are asking for people living in our country? Many of them live in hutments which cannot be called a dwelling place. People could get on; they have lived like that for thousands of years and can very well get on like that for some time to come. That is not the essential factor.

If a man has to live, he necessarily needs three essential things: air, water and food. Nature has provided us with these three things. Air is absolutely necessary. It is there everywhere in the world. It is not a thing which one need to purchase.

Second in importance is water. If a man is deprived of air for two minutes or five minutes, he cannot survive. That is why it is very important. Equally, man cannot live without water. I do not know how many people understand this problem. One cannot live for more than five or six days if he is deprived of water. In India we find our womenfolk, sisters and mothers, going long distances in the village sector, miles sometimes, to get a bucketful of water. Water is needed not only for drinking purposes but for growing food. To the extent we provide people, particularly in the villages, which form the backbone of India, with this water for their consumption, for the cattle and for growing more food, to that extent you are raising them from the sub-standard condition. I will revert to the subject again at a later stage.

The third necessity is food. Man has lived on earth without any kind of food for nearly sixty or seventy days. That is the story of Potti Sriramulu in India. There is the story of Maxwini in Ireland, who lived without any food for 70 or 72 days. But, after all a man needs food. We have to look at the Plan

from this point of view so that man gets water, so that he may grow food, he depends upon them.

That should be the primary criterion. Any Plan which curtails this fundamental right of man to exist, to that extent we will be depriving that man from the necessities of life. That is why it has been said that the major irrigation schemes should in no sense be curtailed. That is what Shri Dange himself has said and I would like to modify it in this particular manner and say that we have in this country for the past five years major irrigation schemes whereby there is plenty of water. Water is so much that there are plenty of crocodiles so that we cannot swim in them. That water is not being utilised. Crores of money had been spent on major irrigation works but no grain is coming out of that. It is a very serious defect. Therefore, in the Plan, whatever money has to be spent in developing the land should be spent immediately; money should not be stinted there.

Shri Dange suggested that the power projects might be deferred for a little longer. I entirely disagree with him. It is very important not merely from the point of the growth of major industries. It can be given to minor and cottage industries as well. Water flows from a higher gradient into a lower gradient. But, power, wherever it is generated, can be made to flow up. Wherever we have these major projects, we have got to plan in such a manner that people living in the territory through which the river flows should get benefit thereby. Because water flows down, it should be given to the villages and people lower down the dam. But power which can be generated should be made to flow up to benefit the people living higher up. Because dams are constructed in particular places, those people are deprived of the benefits. It is, therefore, necessary that in the benefits that accrue by all these works, people in the lower areas

[Dr. Melkote]

should get water while people higher up should get power. The power that is given to them need not necessarily be utilised for burning lights in their houses but for lifting water from the sub-soil surface.

In India we get plentiful supply of water. There are good monsoons. Water not merely flows down into the river and then into the sea; it soaks into the sub-soil. If we can tap this water by cheap power, it could be used. There may be diesel engines for the development of agriculture. But diesel oil is not manufactured in our country and it is a costly process to do it. It is a very costly process. That is why, wherever agriculture is developed by means of diesel engine, it becomes costly, but if we give cheap hydro-electric power it can be utilised for lifting water from sub-soil, so that in every village we could have sufficiency of water. This water is important for a very simple reason. It is said that if we give manure to an ordinary dry land in sufficient quantity, food production increases by nearly 10 per cent. If we give better seeds, we increase the production by another 15 per cent, but I have seen it with my own eyes that wherever adequate water is given to the land, it gives us an additional yield of 200 or 300 per cent. Therefore water is very necessary.

Our ex-Finance Minister has said in one of his speeches in Madurai that our Plan has failed today because we have failed in the agricultural sector, because agricultural production has not kept pace with the Plan. If we have to do that, we have to have more irrigation sources, not necessarily by letting the water flow down alone, but also by taking up the power up. Hence power has to be developed wherever there are potentialities.

Of course, the core of the Plan has to be kept, but I feel that industries

which require raw materials from outside need not be encouraged. For instance, even if more spindles have been ordered, they need not be put into commission as they require raw material in the form of Egyptian cotton from outside which means foreign exchange. On the other hand, if we can use power for the development of not only the big industries but also cottage industries, it will give more employment, because, after all is said and done, the capacity of big industries to provide employment is very limited. Shri Dange was speaking of the imperialist countries. Whether the machinery for industries is imported from the imperialist countries or from behind the Iron Curtain, machinery is very costly. If we invest a crore of rupees in the construction of a factory, it is said it can give employment only to about 1,000 persons, that means we have to spend on an average Rs. 5,000 to Rs. 10,000 to give employment to one individual. But, if the same amount is invested in the agricultural sector, in the construction of medium-sized tanks, in the repair and construction of minor irrigation sources, many of which have still not been repaired after ten years of freedom, food production will greatly increase. If such facilities are offered, people would take to it immediately and there will be immediate results. The amount of money to be spent on these sources will not be more than Rs. 100 or 150 per head as compared to Rs. 5,000 or Rs. 10,000 in the case of big industries in order to give employment.

If the Plan has to be changed, let it be changed in such a way that we become self-sufficient, and one of the main factors of self-sufficiency is adequate food production. If this has to be tackled and tackled immediately as it deserves to be, we have got to develop all these minor sources of irrigation, and also the small scale industries with the supply

of power, so that consumer goods may be manufactured in the village sector.

I must say that I do not like the pruning of the Plan. It was said that the felt needs of the people must be reflected in the Second Plan. The felt needs of the people were taken into account and it was found that the total sum required would be Rs. 13,000 crores which the country could not find. Hence it was cut down to Rs. 4,800 crores in the public sector and another Rs. 2,400 crores in the private sector making a total of Rs. 7,200 crores in the Second Plan. When it was thus cut down, people like Shri Dange went to the people and said: "Look here, here is the Government which asked for the felt needs of the people, and they have now curtailed it." Recently in some of their speeches they have criticised the proposed pruning of the Plan. Here they come forward and say it should be pruned in a manner which would affect the employment potential of the rural sector which sustains the economy of the country. I, therefore, feel that if the Plan is pruned to affect the agricultural sector and if the agricultural sector fails there will be more strikes. So, whatever is done, let it be understood that ours is a rural economy, and let not the pruning be done at the expense of the village sector, but at the expense of the industrial sector. If food production goes up, I am sure we will be able to find the resources to fill the present gap, the workers would co-operate with the Government, and the next three years would make the Plan a success.

I, however, personally feel that it is not possible to spend this Rs. 4,800 crores even if we get it within our own country for the simple reason that in the First Plan the shortfall in expenditure has been quite enormous due to the elections, the reorganisation of the States etc., and now in the second year of the Second Plan we are still considering what

to do. There is also acute shortage in essential materials like iron and steel, cement etc., which hamper us. We should, therefore, today assess the potentiality to which we can work up the Second Plan, and I am sure the pruning will not exceed the likely shortfall in expenditure due to the reasons I have already mentioned, and hence we can still make the Plan a success.

**Shri Sarendranath Dwivedy:** The Minister while making his motion tried to give us a picture about the pruning of the Plan, but he himself was not clear about it. Unfortunately an impression has been created as if the Plan is going to collapse because of this slogan of pruning the Plan in the highest circles.

The House may remember that when this Second Plan was discussed in this House, Members from our party criticised it and pointed out that the approach was unrealistic and that priorities had been fixed without taking into account their possible effect on the masses as a whole. But, since Parliament has given its approval, it is up to the Government to carry it out. But before the second year of the Plan is out, they themselves, become shaky and raise this slogan of pruning the Plan.

The basic assumptions of the Plan were wrong, still we want that this Plan should not fail because it will create a bad precedent. After all, this is the first democratic experiment in planning in the world. Therefore, we do not want to obstruct it, nor is it my intention today to say that we are going to oppose this Plan. Nor do I feel that the Plan is over-ambitious or that the question that we have to decide today is whether the people in our country are prepared to undergo sacrifices. I am certain the masses in our country want to be active partners in all national efforts.

But really the trouble is that our rulers today want to build up a structure over the dead bodies of the masses. Therefore, the present

[Shri Surndranath Dwivedy]  
difficulties have arisen. I hold that the present difficulties confronting us would not have arisen had the Government been alert and consistent in its actions.

With a little bit of foresight and thought, probably the present difficulties would have been minimised to a very great extent. Instead of shouting for the pruning of the Plan, I should have expected that at this stage the real slogan should have been 'pruning of all unnecessary expenditure'.

It is a fact that we are faced with a very grim economic situation. What is that situation before us? Difficulties are mounting up. There is rise in prices, there is inflation and there is foreign exchange shortage. This foreign exchange shortage is also of our own creation. I would not deal with this point elaborately as my hon. friend, Shri S. A. Dange, has given us a detailed picture of the whole thing. I will only mention to you what an eminent economist of our country, D. R. Gadgil, has said. He has said:

"During the last 18 months, foreign imports have been allowed at a rate almost double the average rate of such imports provided for in the Plan".

Even today, imports are of a higher order than exports. But it is expected that owing to the stringent import restrictions, probably the position may improve. But to the extent that the Plan was dependent on foreign aid, it has collapsed, it has failed, and we have to depend entirely on our domestic resources.

I do not know whether the Finance Minister would be able to negotiate a loan with the U.S. But let us take it for granted that if at all foreign aid comes, it will not be available to us in time or it will not be available to us in adequate quantity. So we have mainly to depend on our domestic resources, and it will not be true to accuse the

people, our countrymen, that they have not responded to our call.

What is the position? Between 1954 and 1957, there has been an increase of about 25 per cent in our Central revenues. Bank credit extension which was Rs. 8 crores in 1953-54 has now increased to Rs. 148 crores in 1955-56. Deficit financing also has been greater in 1956-57 than it was in the whole of the First Plan period. The position of money supply has been favourable. In March 1955, it was Rs. 1921 crores, while in April 1957, it is Rs. 2358 crores. That means an increase of 22 per cent. But as against this, our industrial production has certainly gone up, that is 24 per cent. But the fact remains that agricultural production has gone down by 3 per cent. The Minister was reluctant to admit it. He was always telling us that agricultural production did not reach to our expectations, but he did not want to admit that it has really gone down.

Before I come to agriculture, I want to ask this question: having this increase in Central revenues, how have we utilised these funds? It is already admitted in the budget discussions that a large portion of this amount that is available to us by extra taxation would go for the normal expenditure and then defence expenditure has also to be met. This is rather an unfortunate development. Still, in spite of all these difficulties, what concrete steps have Government taken to see that wasteful, unnecessary and unproductive expenditure is curtailed?

We hear the slogan 'voluntary cut'. The austerity drive has resulted in voluntary cuts by some Members of Parliament and some Ministers. The Home Minister was giving the figure the other day as some lakhs. That is the only thing that has been achieved, although Government want to rush through everything here. So far as these questions are concerned, they always invoke—I think perhaps they

do not really follow him—Gandhiji. They give a different picture by saying 'voluntary cuts'. They do not want to touch privy purses even at this time when they say there is an emergency. Still they carry on by saying that there are constitutional guarantees and promises which are to be honoured. They only appeal for voluntary cuts. What is the result of this austerity drive?

At the same time, I should have thought that if they had sincerely decided for a socialist pattern, they should also have decided on the ratio of income and wealth. That is an important aspect. The Taxation Inquiry Commission of course suggested 1:30. But to me that is also a very high figure. I want to put it at 1:10. I want to know whether any serious attempt has been made to take into account the recommendations of the Taxation Enquiry Commission. Government is very hesitant in these respects. But I would say that only if we take the positive step, will the capitalist in this country know that they can accumulate wealth to this extent and no further, and they will also act accordingly.

I do not want that the Government should scale down any of the productive projects. I would never agree to that. I would also not like that schemes already commenced or in which considerable amounts have already been invested should be withdrawn at this moment. But let us know where we are really going to cut. Various members of the Planning Commission are visiting different States. Probably, the obvious purpose is to discuss with State Governments how far the Plan should be cut down. I have come across a press report that Shri Neogy, a member of the Planning Commission, visited Orissa and there was a discussion with the State Government. And what was the result? Ultimately, it is reported, they have decided to cut down, not to proceed with, the Delta irrigation scheme! That is a scheme for which already money has been

invested, work has started, and that is a scheme which is going to give flood protection to people along with irrigation facilities. At the same time, as a result of this scheme, we would have more food production.

I think if we are cutting down the Plan in this way.....

**Shri B. S. Murthy** (Kakinada—Retired—Sch. Castes): Pruning. 'Cutting' and 'pruning' are two different things

**Shri Surendranath Dwivedy**: Pruning the Plan, as he says, in this way, it would create a bad precedent.

**Dr. P. S. Deshmukh**: Cutting the tail.

**Shri Surendranath Dwivedy**: Therefore, there will be a sense of frustration. Employment opportunities are available under this Plan more to our people in these small sectors than in the big sectors. Therefore, if you cut down schemes like this, it would necessarily mean a deterrent to employment.

I would suggest that Government stop investment in all non-productive projects. Stop wastage in expenditure and in development projects and introduce economy in administration. If you do that, then only you can really get through these difficulties.

In a recent study of the Reserve Bank of India, a report of which has appeared in the papers very recently, they clearly suggested that if the State Governments are to be saved from a crash, immediate steps should be taken to reduce public expenditure and people at all levels must feel that every rupee that they give is properly utilised. It is not the physical achievements that matter. The direction in which we are moving, that is important for the people. It does not matter whether the national income is double or treble after the end of the Second Five Year Plan. As Shri Vinoba Bhave would put it, how much money out of this enlarged national income would be available

[Shri Surendranath Dwivedy]

for the poor and the needy, is the test of the Plan. Have we been able to create such an atmosphere in the country in the way we are proceeding?

Then, I come to the question of agriculture which, I think, is a most important aspect.

**Dr. Ram Subagh Singh (Sasaram):** Impotent?

**Shri Surendranath Dwivedy:** You may mean impotent; I mean important. According to the Planners it may be impotent; for me it is important.

Agricultural products are also foreign exchange earners. According to our ex-Finance Minister, Shri Deshmukh, the agricultural commodities contribute nearly half of our national income. Any shortcoming in this is bound to make itself felt in the totality of our resources. And, when we are talking of the core of the Plan, we talk of steel, iron, this and that and no mention is made of this. I say that food is also the core of the Plan and that has to be maintained.

14.52 hrs.

[**SHRI C. R. PATTABHI RAMAN in the Chair:** ]

**Shri B. R. Bhagat:** It is the base of the core.

**Shri Sinhasan Singh (Gorakhpur):** It is the best of the core.

**Shri Surendranath Dwivedy:** The Planning Commission has given a very minor position to agriculture in the present Plan. The allotments made available for agricultural development is only Rs. 170 crores as compared to Rs. 195 crores in the First Five Year Plan. The Planning Commission originally expected that agricultural production in the Second Five Year Plan period would be about 15 per cent more. But, suddenly, our Prime Minister insisted that it must be 40 per cent. When this matter was discussed at Mussoorie, the State Ministers wanted more money if we really wanted to increase food production. But the Prime Minister

threw the suggestion out and said: No, within the limited resources you have to do it. I am surprised that the Planning Commission also agreed to it. I do not know whether their earlier estimates were based on economic factors or whether they really base any of their decisions on economic factors or they only rationalise the whims of politicians like the Prime Minister. But, they really agreed that 40 per cent increase would be there within the limited resources. But, what do we find today? We find there is a downward trend.

About this, even the First Five Year Plan had given us sufficient warning. I just mention this because although in the First Five Year Plan period agricultural production went high up because of good monsoons and other reasons. We always say it has taken a natural turn. That is how we calculated the entire thing. But, in this report it is said:—

"While the general trend of food production would appear to be upward, it must be admitted that favourable seasons have played a notable part and there are substantial elements of instability despite the evidence of growth of agricultural production during the first five year plan. The experience of the first five year plan suggests the need for each State to undertake a critical assessment of the various factors which have operated in relation to its agricultural production trends during the past few years. From the overall production trends of the country as a whole only cautious conclusions may be drawn."

Sufficient warning was given here. In spite of that we relegated agriculture to a very minor position. There is no stability in prices. My hon. friend, Shri Dange has already referred to the urgent need of land reforms. A Land Panel was appointed and they made some recommendations. The Planning Commission

changed them though it was unanimous. The Planners threw that out and made all sorts of pleas. Even the recommendations of the Planning Commission have not been implemented in any of the States and there is not going to be any ceiling. It is my belief. There is not going to be any ceiling on land so long as the Congress Governments are there in the States.

**Shri B. S. Murthy:** No, Sir.

**Shri Surendranath Dwivedy:** That has to be proved by deeds and not by words.

There is no stability in the agricultural prices. You want to earn foreign exchange. The Government is consistently refusing to give minimum prices to commercial crops like jute. The peasants are anxious to work and to grow more. But, unless they are given a minimum price level, how can you expect them to work?

I come to another factor. My hon. friend, Shri Dange suggested that the power projects should be cut down. I do not know whether he included in that irrigation also because our projects are multi-purpose projects including irrigation and power. Certainly, I would not agree to a proposal which would cut down irrigation facilities.

Several times in this House, this question of irrigation facilities has been raised. We have been pressing from all sides of the House that why is it in spite of the fact that irrigation facilities for more acres have been provided in the First Five Year Plan, the peasants are not utilising them. We must see whether the peasants are in a position to pay the water rates and the betterment charges at the prevailing levels. Nothing serious has been done in this respect. I will again refer to the Reserve Bank Bulletin which discussed this. They say that in view of the fact that an appreciable proportion of the newly created irrigation facilities is not being availed of by the cultivators, it would have been useful to know whether the prevailing level of water rates and bet-

terment levies in the various States is also one of the contributing factors preventing better utilisation of irrigated areas.

I would put it to the Planning Commission that if at all they are serious that the agricultural production should go up, to take up this question immediately and find out a practical solution so that the peasants who are anxious to get water are also able to utilise the water that is available to them. My definite charge is.....

I do not know for how many minutes I have spoken. I shou'd have 25 minutes I because I am the only Member to speak from my party.

**Mr. Chairman:** The hon. Member has gone up to 20 minutes. I know that he is the only Member from his group.

**Shri Surendranath Dwivedy:** Even with regard to the fertilizers, the report says we have provided fertilizers. But they have not reached the people. (Interruption). They might have increased production but the price is also increased and it does not go to the people. But nobody seriously looks into the matter to see why it is happening. We are really talking of big things but we do not really want to know what is happening.

My definite charge is that as a result of the new policy, the rural sector has become subservient to the urban sector and the per capita income of the people in the rural sector, during the last 10 years, has gone down considerably. Therefore, what I would suggest in concrete terms is that agrarian economy should be recognised on a par with industrial development. There should be parity of prices in agricultural and manufactured goods, land armies should be organised with a view to reclaim fallow lands and rehabilitate people on those lands, introduction of crop insurance schemes to provide safeguards to peasants against the hazards of occupation, rents should be on a uniform and equitable basis, ejection from land should be stopped and land should be

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distributed on some equitable basis. If all these steps are taken within a stipulated time—it is no good to go on proclaiming that we will do this and do that, a time limit must be there—then we are sure to meet with success. If we feel that there is an emergency, if we feel that the Plan is in great difficulty, let us treat it as an emergency, and let us do these things within a year. Then alone I feel that we would be able, probably, to tide over the difficulty to a great extent.

I will conclude my speech by referring only to one aspect of the question, and that is about the regional disparity. You will find, Sir, from the amendments that there are amendments which have raised this question of regional disparity. You know there is a feeling in the neglected areas—neglected not within the last ten years, but neglected even during the British times—that sufficient attention is not being paid to those areas, especially States like Orissa and Assam feel it very acutely. I know that this matter has been realised at very high quarters. The other day the Prime Minister expressed his full sympathy. But it has no meaning.

Just see the movement of oil refinery in Assam. It should not be treated as a regional movement. I should think it is an outward expression of a long suppressed feeling of neglect and injustice. In spite of the fact that we have mentioned these things in the Plan, a person like the Chief Minister of Assam stated sometime back, over a year ago, that no substantial development of industries has taken place there during the First Five Year Plan. Coming to the south, you hear the Chief Minister of Mysore saying that certain areas derive the double benefit of having hundreds and hundreds of miles of railways and also major industries. If these are the feelings of eminent persons and administrators, you can very well realise how the masses in those areas, the public at large would be feeling about this Plan.

Would they have any enthusiasm to give their support to a Plan like this? Therefore, when you are discussing the entire thing again, I would like you to take this matter also into consideration, re-shape it and remove those feelings, not by words alone but by deeds.

I only want to say, if we proceed on right lines, if we really move with a view to attain our objective of a socialist society, I have no doubt, whatever the difficulties and obstacles either from foreign quarters or from inside—let it be strikes, strike threats or anything of the kind—that the country would not fail to give you all support. But are you, I want to know, prepared to take that support? Are you prepared to take that bold line? Do you deserve it?

**Mr. Chairman:** Shri Rami Reddy.

**Shri Rami Reddy** rose—

**Mr. Chairman:** Just a minute. I am following a list already prepared. It has been recorded here as Shri Rami Reddy.

**Shri Rami Reddy:** I am Rami Reddy. There is no other Rami Reddy.

**Mr Chairman:** I think it is better to give two or three names on the list, because I find that two or three persons are missing. So I would request Shri P. V. Raju to be ready, as also Shri Wodeyar and Shri Manabendra Shah after that.

**Shri Jhunjhunwala (Bhagalpur):** Is it not necessary, Sir, that we should stand up? The hon. Member there stood up and you called him, and now you show a list.

**Mr. Chairman:** Order, order. I have been given a list by the Speaker and by the Deputy-Speaker written in their own hands. I came only later on and I am not aware of it. But most people will have a chance today. The list goes on. It has to be one or two from the Congress and one from the opposition. I am following the

list with me. I shall endeavour to keep other names also in mind.

**Pandit D. N. Tiwary:** Just now the Deputy-Speaker said that those who have sent their names must also stand up and catch his eye. Now it is said that a list has been prepared. May I know what is the correct procedure?

**Shri Radha Raman (Chandni Chowk):** If you read out the list, Sir, it will be convenient.

**Mr. Chairman:** Order, order. What actually happens is, Members are waiting for their names to be called. They go out and then their names are called. Like that two or three persons have gone out. I will bear them in mind.

**Shri S. L. Saksena:** Is there no need to stand up now?

**Mr. Chairman:** Shri Ramji Reddy may now proceed.

**Shri Ramji Reddy:** Mr Chairman, Sir, my amendment is No. 21 to the effect that steps should be taken in regard to industries by eliminating regional disparities, and that top priority should be given to agricultural development.

First of all I would like to deal with the question of regional disparities in regard to industrial development. That should be removed. My complaint against this Ministry is that there has been no proper allocation of funds. It has been admitted by all the persons concerned that there should be proper balanced regional developments in the different parts of the country. The Planning Commission and the National Development Council have laid down that there should be an even development of the country. The Industrial policy resolution also states that the pattern of investment shall be so devised as to lead to balanced regional development. I would also say that industrialisation has to benefit the economy of the country as a whole disparities in the

levels of development between different regions have to be eliminated and concentration of industries has to be avoided. The special needs of the less developed parts of the country should receive due attention.

I submit that unless you achieve regional development there could not be any national development. Therefore, my submission is that regional development shall form part of the national development.

Oftentimes the spokesmen of the Government, persons in authority, have all stated that they will take necessary steps by removing this regional imbalance in regard to the location of industries, in regard to allocation of funds etc. But the Government has miserably failed to observe this principle in practice. The planners have failed to do justice in the matter of elimination of disparities and developing a balanced economy for the various parts of the country.

Taking the instance of my State—I come from Andhra—I have got a bitter complaint. It is my painful duty to mention that a lot of injustice has been done to my State, Andhra Pradesh. The people of Andhra are very much discontented at the way the Centre is handling Andhra Pradesh. We strongly resent the way the Central Government is treating Andhra. Your treatment of Andhra is most unfair. The preamble to the Second Plan lays down that to the greatest extent feasible, balanced development of all parts of the country shall be secured. Andhra is industrially a very backward State. I shall give a few instances to show how callously the Central Government is neglecting Andhra.

Andhra Pradesh is the fourth biggest State in the country with a population of 33 million people which forms 9 per cent of the total population of India. But when it is a question of allocating industries, developing mines, location of technological institutes, setting up of industries or fertiliser factories or opening of

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medical colleges etc., or anything for that matter, Andhra State is totally neglected. Her share of the Plan, to give one instance, is Rs. 174.12 crores which works out to roughly 3.6 per cent of the total Plan outlay. I ask the Government whether it tends to remove the regional imbalance. Take the case of industries and mining. A sum of Rs. 2559 crores is reserved by the Centre to meet the States' Plans and to finance its own schemes and projects in the industrial sector. But only a meagre sum of Rs. 27 crores out of this amount of Rs. 2559 crores is proposed to be spent in Andhra. While, on the basis of population, at least Rs. 230 crores ought to be spent and allotted to Andhra. Is this the way to eliminate regional disparities?

Then, in regard to transport and communications, Andhra's share is only 6 per cent; it is not even one per cent of the total allocation for this item. Coming to the setting up of industries, can anyone say that there are no facilities in Andhra for starting any major industry there? No one can say that there are no facilities there. The raw materials such as coal which are necessary for industries are more readily available in Andhra than in many other parts of the country. The State is very rich in mineral resources, electrical energy, water, inland water transport, and in all the things necessary and essential for the development of major industries. They are all available in the State, but the Centre has not so far agreed to locate any industry there. The State Government has sent proposals for the setting up of a fertiliser factory and a low temperature carbonisation plant; also a heavy electrical equipment factory and a steel fabrication plant besides many other industries. When the question of setting up a fertiliser factory came up, the Central Government told the Andhra Government that the latter will have to choose as between Kothagudam and Bezwada for the location of the factory. They did decide, and said that Kothagudam was ideally

situated for the location of the factory. But what happened? It was removed to a distance of 500 miles away towards the south. The Andhra State is essentially an agricultural State. Fertilisers are in very large demand there. Coal is readily available there. At Kothagudam water supply is there. Rice-producing areas are all around Kothagudam. Then the Andhra Government stated that taking all these things into consideration Kothagudam is ideally situated for the location of the factory. But then the Central Government said that the experts have decided the other way. The Andhra Government also stated that long before the Neiveli project could go into production, if the factory is situated at Kothagudam the fertilisers could be produced and made readily available. But this request of Andhra Pradesh Government is denied. Does not Andhra deserve at least a fertiliser factory? Is this treatment of the Central Government fair?

In regard to the establishment of a heavy electrical manufacturing plant, we were told that it will be located in Vizagapatam, but the claims of Vizagapatam were ignored. It was removed far towards the north. The Fertiliser Factory was removed to the south and this heavy electrical equipment plant was removed towards the north.

With regard to the establishment of diesel engine factory at Vizag, we were told that the Planning Commission had agreed to set up the factory there, and Rs. 5 crores were allotted for it. In regard to the low temperature carbonisation plant, efforts were being made for setting up a factory at Kothagudam. It is also said that the Planning Commission has agreed to this principle, but a doubt is now lurking in the minds of the Andhra people, as to whether these two factories, diesel engine factory and the low temperature carbonisation plant—may go elsewhere, one eastward and the other westward.

for one has already been removed to the north and another to the south. So, these two things may go out, one to the east and the other to the west. That is the doubt which is lurking in the minds of the Andhra Pradesh people.

I come to education. A higher technological institute was allotted for the south. A committee was also set up for this purpose. The Andhra Pradesh Government offered Rs. 50 lakhs worth of buildings and 400 acres of land and an engineering college. The committee agreed that it was a fine thing that the Andhra Pradesh Government was offering so much. They said that they would see that the higher technological institute would be located in Hyderabad. But one fine morning they took it away towards the south, towards Neiveli.

In regard to secondary education, Rs 3½ crores were allotted in the second Plan. But what is the share of Andhra? It is only Rs 3,31,000, whereas Assam gets Rs. 8.73 lakhs, Madhya Pradesh gets Rs. 26.78 lakhs, Madras gets Rs. 10 lakhs—which is three times that of Andhra's share—Punjab gets Rs. 64 lakhs and West Bengal gets Rs. 57 lakhs. Where is the wrong? I am not able to understand why the Centre is showing a step-motherly attitude towards Andhra. Do they not recognise that a State like Andhra exists in this country? In the view of the Central Government and in the view of the Planning Commission, it does not look like belonging to the south, north, east or west. It must be in the—

An Hon. Member: Trishanku Swargam.

**Shri Rami Reddy:** Exactly; in the Trishanku Swargam. That is exactly what I mean to say. Do you want us to remain backward for ever? Are we not an integral part of India? I pose this question to the Central Government. There is a feeling gaining ground in Andhra that you do not

care for the importance of Andhra or improvement of Andhra. Such feelings are expressed throughout the State of Andhra. The press of Andhra also is very much agitated about this treatment of the Central Government towards Andhra.

I come to the next point. It has been said that agriculture shall be given top priority in the second Plan. True it is that agriculture is the backbone of our country. I would only mention two points here. 85 per cent of the people live in the villages and the rural population are dependent on agriculture, and nearly 80 per cent of our national income is derived from agriculture and like pursuits. Agriculture is the premier source of India's national wealth. India's biggest industries, sugar and textiles, are dependent upon agriculture for their raw materials. Therefore, if the production of food does not increase, if the production of agricultural raw materials does not increase, the whole Plan would be upset. My submission is that the Plan must be based on good and cheap raw materials. Forgetting this fact, and without realising that there is much strain that the country might have to undergo otherwise, an ambitious Plan has been doubled and now many difficulties have cropped up in the implementation of the Plan. The major difficulty is one of foreign exchange. Equally difficult and more important is the improvement in the production of food. The prime need today is food. In spite of the fact that there has been 20 per cent increase by the end of the first Plan in regard to food production, there is actually a shortage of food today. The need for increased production is all the more necessary when the population of our country is increasing at an alarming rate of five million people a year. I would, therefore, submit that topmost priority should be given to the development of agriculture and rural reconstruction in general.

In this connection, I would only mention that topmost priority should

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be given to minor irrigation works. For example, Andhra, in the backward areas of Telengana and Rayalaseema, there are thousands of tanks. If only about Rs. 10 crores were allotted for the minor irrigation works, they could be renovated in a year or two. That will result immediately in a great increase in production and welfare all round. Manual labour alone will be sufficient. No machinery is needed for improving the tanks, repairing the tanks or renovating them. Therefore, there can be absolutely no difficulty for the Central Government for allotting about Rs. 10 crores for the renovation of those tanks.

Again, I would also request the Central Government to bear in mind that if electrical power is supplied to the small landholder to lift water from the wells and irrigate the lands, then, there can be a greater production of food etc. In this connection, I would request the Government to take up the Sileru project in Andhra Pradesh. I am told that the cost of production per one kilowatt of energy would be about Rs. 600; so at a very cheap rate they could produce electricity there, whereas in other places it is costing the Central Government and other State Governments about Rs. 1,500 to Rs. 2,000. It will be a very cheap project. Electricity could be produced there at a very cheap rate. Therefore, I would request the Central Government to bear in mind the Sileru project in Andhra Pradesh.

**Mr. Chairman:** I will give the order of names: Shri Ajit Singh Sarhadi, Shri Vijayaram Raju, Shri Soman, Shri Shibanlal Saksena and Shri Wodeyar. I have given the names, so that they can be ready.

**Shri Ajit Singh Sarhadi (Ludhiana):** It is correct, no doubt, that the Plan under consideration is the outcome of prolonged and profound consideration and consultation of experts,

therefore, he feels very diffident to tread that arena, but when the Finance Minister said that the Plan is to be rephased, I feel that our suggestions are called for.

I will limit my discussion only to two things, firstly the disparity between the agricultural sector and the industrial sector and secondly the disparity in the location of different industries in the different regions. Taking the first, the disparity between the agricultural sector and the industrial sector, a few Hon'ble speakers preceding me have already partly dealt with it. There is no doubt that we are in a planning era and whatever be the human activities, whether of individuals, of society or of the State, they depend upon planning. But there is one aspect which we ought to take into consideration. The fundamental basis of every planning is that it should depend on the economy of the country. Our. is an undeveloped or I may say an underdeveloped country. Therefore, naturally, the fundamentals are two. Firstly, there should be increased production and secondly, there should be an equitable distribution.

While I say increased production, I am alive to the two features of production, agricultural and industrial. Considering our economy, we have got to apply the test whether in a country like ours, this Plan now under consideration deals with the two aspects equitably. My submission here in this connection is that there is disparity between the agricultural sector and the industrial sector inasmuch as not much attention has been paid to the agricultural sector. In the first Five Year Plan much emphasis was laid on agriculture. Late-ly, and correctly too, emphasis has been placed on the agricultural sector in this Plan also. We heard the speech of the Finance Minister who said the core of the Plan is the mines, steel, transport, etc. and the foundation of the Plan is food. When we

have a rephasing, or to take the words of the Finance Minister, a pruning of the Plan, of course, there can be no pruning in the matter of foundations, because the entire building has to rest on those foundations and that is food.

Today also, the Planning Minister was pleased to say that food is the most important basis of the planning. But we have got to see whether really that emphasis which has been put by the Finance Minister and which has been repeated by the Planning Minister today, has been incorporated in the second Five Year Plan or not. In that respect, we have to rephase the Plan and take the suggestions. Taking the first Plan, I would not indulge in a *post mortem* of the first Plan nor would I like to have any probe into it to a great extent. But I would certainly say that in the first Plan, much emphasis was laid on agriculture. The allocation of the amount was greatly towards agriculture; yet what is the result? You find that the disparity subsists. I would like to draw your attention to certain remarks in the review of the first Plan. There it is said that over the five years of the Plan, national income increased by about 17.5 per cent. The net output of agriculture and ancillary field showed an increase of 14.7 per cent; of mining, manufacture and small enterprises an increase of 18.2 per cent. The increase in commerce, transport and communications was 18.6 per cent and that in other services was 23.7 per cent. The net output of agriculture was highest in 1954-55, though the increase from the previous years was nominal; the other sectors on the other hand registered a steady increase.

So, you will find that in spite of the fact that much emphasis was laid on agricultural sector in the first Five Year Plan, yet the agricultural sector did not put up that much of output that was essential. It would be seen that agriculture has not benefited to the extent as other sectors despite the fact that as much as 43

per cent of the Plan outlay was devoted to agriculture and irrigation and power, which were the first priorities in the Plan. Transport and communications absorbed 26 per cent expense. Yet you find that whereas the emphasis was on agricultural sector, the disparity between the agriculturist and the Industrial wage-earner in the industry accelerates and does not decrease. This was, I submit, admitted by the Food Minister in one of the conferences of the Ministers in 1956. His words are very relevant:

"Agricultural income all over the world lags behind the urban and industrial incomes. In India, as against the average per capita income of about 297 of the factory workers in 1950, the income of the agricultural labourer in 1950-51 worked out to an average of about Rs. 200 only. The second Plan provides for an increase in national production of 25 per cent, whereas the increase in the agricultural sector is only 18 per cent. The disparity in the incomes of industrial sector and of the agricultural sector at the end of the second Five Year Plan will, therefore, if anything, be greater than at present. Seven out of every ten persons living in our country derive their livelihood from agriculture and at the end of the second Five Year Plan, the vast majority of the people living on agriculture will not have bettered their lot to the same extent as those dependent on industry and trade. This aspect of our planning cannot be overlooked lightly, and should legitimately be a cause for concern."

So, you will appreciate that even in the first Plan the disparity between the two sectors increased and this disparity accelerates in the second Plan. This aspect of the second Plan has to be kept in view when either rephasing or pruning has to be done, and more attention has to be paid to the agricultural sector.

[Shri Ajit Singh Sarhadi]

I find that while discussing the second Plan, the Planning Minister said in the Rajya Sabha as follows:

"If one considers the allocations of the second Plan, he will find that out of Rs. 4,800 crores, half of the outlay is for the programme in first group, i.e. those which are intended to develop the national economy as a whole. About Rs 1600 crores will be spent primarily on rural areas and one-sixth of the total amount that is, Rs. 800 crores, on subjects which mainly benefit the rural areas."

Now, in accordance with this division of allocation, he said, whereas Rs. 1600 crores will be spent for the benefit of the rural areas only, Rs. 800 crores will be spent for the benefit of the urban areas and that Rs. 2,240 crores is to be spent to develop the national economy as a whole. Industries and mining, transport and communication and miscellaneous, these three items constitute the development of the national economy. And they do not pertain to rural areas but benefit the urban areas mainly. My contention is that 81 per cent of the population lives in the villages. The backbone of the country is the peasant. The strength and stability of the country depends on the strength and stability of the villages. I say that you are paying very much less attention when out of the amount of Rs 4800 crores you are spending only Rs. 1600 crores on the development of rural areas only whereas you are spending Rs. 2400 crores on industries, transport and communications, the main benefit of which goes to the urban areas, and not to the rural areas, besides Rs. 800 crores on urban areas directly.

Here I might submit that it is not my intention to raise the question of *rural versus urban*, far from it. I feel that progress in industries is equally important. But yet I submit that enough attention is not being paid to rural areas. It pains me to say that the leader of a responsible

group, Mr. Dange, has suggested and pleaded before the House that the expenditure on rural areas and on the development of villages should be limited. That is most unfortunate. Our rural people have got only a little out of the plan. When more attention has to be paid on the community development schemes and national extension schemes, which benefit the rural areas, my hon. friend, leader of a very responsible group, comes forward and says that the community projects should be curtailed in the rural areas. I would say that this Rs 1600 crores allocated to the rural areas out of a total amount of Rs 4,800 crores is very much less. Mahatma Gandhiji and other leaders have always said that more attention should be paid to the villages and that groups of villages should be made self-sufficient. Therefore, I submit that while the Minister is rephrasing the plan, he should pay more attention to the village areas and the scope and ambit of the community development projects should be enlarged and they should be entrusted with the work of developing some small-scale industries so that these areas might become self-sufficient, and for the purpose further funds should be allotted to them.

As I said, I am not against industrial development. Industrial development is very essential for our Defence and for our strength and stability. But the main strength lies in the villages. We should make certain units of the villages absolutely self-sufficient for they are your backbone. This is my submission so far as the first aspect is concerned.

Now I would like to make another submission. The disparity between the agricultural sector and the industrial sector cannot be easily removed. There are certain inherent weaknesses in agriculture. However intensive cultivation you may have, the crop will be limited and land is not unlimited. So, a man who depends on land will have only limited resources.

Therefore, it is most essential that in the rural areas you should have certain occupation, certain employment, and that can only come when you decentralise industries, instal them in the village areas. I do not say that every industry can be decentralised I do not say that you can take away a steel plant from one place and instal it in another place. It all depends on the availability of raw material. But if you can get the raw materials in the rural area, there is no reason why you should not start industries in the rural area. That will give occupation to the rural people. If the Planning Minister ask experts men who are in the know of things, they would be able to tell him how occupation can be given to the rural people.

I have got one more point and that is about regional disparity in the matter of allocation of industries between States. In reply to one of the questions, the reply that was given was that whereas the per capita expenditure in the public sector in the different States in the first and second plans is Rs. 49.81 for Madhya Pradesh, Rs. 19.78 for Madras, 97.63 for Orissa, 48.67 for West Bengal, it is only 13.86 for Punjab. Now, Punjab is a State of peasant proprietors. Punjabis are going outside the State simply because they are small holders. Further, it is a frontier State. So, it must be given some resources. This must also be looked into. Now there is only one fertilizer factory. I would again submit that some attention should be paid to Punjab.

**Shri V. Raju** (Visakhapatnam): Today the planning debate has been instructive from the stand point that, with the exception of one persistent view that has been expressed, namely, that of increasing the scope of agriculture, members in this House have not been able to place in perspective the basic norms, understand its implications and consider how, if the Plan has failed, it can and should be adequately altered. The Minister in

his opening speech was vague in many of his formulations. He told us that because of the changed situation as far as foreign resources available to the State is concerned, because of the increased defence expenditure that we have to bear, the Plan has to be modified and, in due course these modifications would become apparent but he would not be able to estimate them right now. Further, he said that during the year under review the increase of about 12 per cent. in the general price level has led to change in the estimates and has brought about a diminishing return of the expenditure that has been incurred.

It is indeed surprising that such an important debate as planning has such a thin attendance on behalf of the treasury benches. It is not merely the Minister in charge of Planning, who is responsible for this portfolio, but also the Prime Minister, the Finance Minister and the various Ministers in the Government, who are responsible for each one of their departments, that should be present because large allocations are made from this Plan for those departments. Furthermore, the approach made, as far as this planning is concerned, has been one not merely of proving economically or statistically the soundness of the outlay that is proposed. Essentially the whole plan structure has been one which synchronises with the political view point, the political moves of the ruling party. It is not surprising to know that the first Five Year Plan synchronised with the elections of 1951; the second Five Year Plan synchronises with the elections of 1957 and the statements made on behalf of the ruling party just six months back were very optimistic. They informed the country that the Plan was going forward and that if the Congress was returned to power the people would be doing no wrong. Suddenly, surprisingly, within barely six months of the General Elections we are told that even within the first year the Plan estimates have

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been upset and it is likely that the Plan would have to be pruned and basic economies made in the Plan.

I am afraid sufficient explanation has not been given to the people regarding the change that has occurred during the last ten months. Who is guilty of these changed circumstances? What brought about these circumstances? Is it merely defence? If so, the increase has been about Rs. 50 crores from last year's estimate to this year. If it is a question of patriotism, I am sure the country can afford an increase of Rs. 50 crores on its defence expenditure. But this is not the only amount that has become the shortfall during the one year.

Again we are told that foreign exchange has been the villain in his instance. What is the problem? As far as I can understand between 1956 and 1957 a total of Rs. 480 crores has been spent on foreign exchange. This is the figure given by the Minister. Furthermore at the rate at which we are depleting the foreign exchange—about Rs. 7 crores to Rs. 8 crores per week—the remaining Rs. 300 crores or so—I do not know the exact figure, because every day it is depleting and the figures are not given to the public—it is likely that within ten months the foreign exchange resources would be completely depleted. During the year between Rs. 300 to Rs. 320 crores of foreign exchange is spent. This is estimated to be more than 50 per cent of the total expenditure that could have been put forward during the whole Plan period and if this is so how did this expenditure come about? I feel that much of this expenditure has been caused for political reasons.

The Open General Licence which is the method by which the private sector is to be regulated, the system whereby Government controls private spending, has completely collapsed during the period March 1956

and this year. The spree of foreign spending was so great that today it seems to be covered by the mere fact that the incumbent in one chair is now seated in another and there is little or no accusation that is being made. This is something that must be clearly understood.

Today is not the only day on which planning is being discussed in this House. During the Budget session on many occasions planning was being discussed. For instance, one suggestion was put forward that the capital outlay for the private sector which should have covered a five year period has been covered during the first one year itself and capital goods being what they are, the House need not be apprehensive of the fact that this is over-spending, these goods would be used by the private sector during the coming three years, and therefore, the country would essentially benefit. I am given to understand that steel to the extent of about 4,200,000 tons was imported from abroad on the basis of capital expenditure for the private sector. About 1,800,000 tons of steel were imported during the period and it is because of the Suez Canal crisis when we were unable to import into the country vast bulk of the orders still outstanding that the balance of payment is still in our favour. In other words, if all these goods had been imported into the country during the last six months or more we would have been in a financial crisis as far as our foreign resources are concerned. This is a very dangerous situation and I believe that we have to go into the question of the whole basis of the Plan, what exactly does the process of planning entail, as far as this country is concerned.

We are told very often that you cannot expect good results from the Plan because it is a democratic Plan. It is not totalitarian. By that of course we mean that the Plan can be discussed in public even though it cannot be administered by public

agencies for the benefit of the people. Because, when you use the word democratic in this country, you must not forget that you discuss merely the external forms. The bureaucracy that the Government utilises or employs for its administration is the most centralised bureaucracy in the whole world and I say, not even Soviet Russia developed such an efficient bureaucratic machine as that which has been functioning for the British imperialists during the last 150 or 200 years. Therefore, to say that our bureaucracy is not as ruthless, is not as efficient as any other bureaucracy under centralised planning is, I believe, to lessen the efficiency of the bureaucratic machine provided by the British ruler when he left this country. If it is today inefficient, it is due to the contradictions that have arisen within the ranks of the ruling party, it is because of the timidity of approach towards the problems that it has developed or this bureaucratic machine is not able to stand up to the strain of putting forward the Plan. I am sure, if it is a question of considering how ruthless this bureaucracy can be and is made to be, even yesterday, in our own Delhi State every taxi driver was asked to provide a list to the police every evening of how many trips he makes, whom he carries, from which house to which house, what was the extent and length of time and how long he remained at the place, etc. Every evening, every taxi should provide that. If that is not dictatorial bureaucracy, what else is that?

**Shri Mohiuddin** (Secunderabad): Did the taxi drivers ask and take down your names?

**Shri V. Raju:** After all, the Indian people have got some resilience against dictators. They have, after all, been fighting for their freedom for a long time. They had a strike and they have won a victory as far as this issue is concerned. They do not have to provide these lists any more.

**Shri Ferose Gandhi** (Rai Bareli): That is only the average distance that an M.P. travels daily.

**Shri V. Raju:** I am giving this as an example. When we are trying to plan democratically—I would accept it—if there is a genuine re-orientation of our attitude towards administration. What is the main problem? The main problem is that our efficiency has reached a point of no return. Our administrative set-up has become so top-heavy during the last ten years. About 5 lakhs, half a million new jobs have been provided to the ranks of bureaucracy alone. This may have been the cause for the dilution of the efficiency of this bureaucracy. Half a million new jobs only for quill drivers: that is the price that the country has paid during the last ten years.

**Mr. Chairman:** Are they not Indians?

**Shri V. Raju:** That is true. It is not a question of Indians or non-Indians. Even dictatorships are nations. There is no dispute of that. A point of no return has been arrived at. The chief method by which this Plan or country can go forward is to see that real and true democratic process come into operation.

When you are prepared to make vast outlays and spend huge amounts, they must be so spent that the people participate in the process of that expenditure. That is precisely what is not happening in this country today. With the pace of planning has got to be added the pace of decentralisation of the administrative machine. You have to distribute and divide the process of authority. All the strings of this puppet cannot lead to a single person in the country or a coterie of half a dozen people sitting in New Delhi, far from the centres of administration. This is a vital fact that must be considered by our Plan makers.

Furthermore, we have to go into the question of who, today, is sabotaging this Plan. If it is not the

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bureaucracy with its top heavy expenditure, if it is not the immature and inefficient ruling party, who the person?

**Shri M. P. Mishra** (Begusara): Is the Congress Party even more immature than the Party you represent?

**Shri V. Raju:** You can have your opinion about that. You can say the third villain of the piece seems to be the private sector. This private sector is a flexible entity. We see examples of the private sector quarrelling among themselves within the House. We had a command performance, an extremely well briefed command performance about ten days back between those who objected to certain groups of our capitalists obtaining benefits from the State. But, when it comes to an overall picture of the various conflicting interests in the private sector, they are one in obtaining benefits from the State. It is today this section which has the press under its command, which has all the media of propaganda at its beck and call, which has started tirades that the Plan must be pruned, that the Plan must be altered and unless the Plan is altered, it is not possible to go forward. This is a very flexible private sector. It operates in a very mercurial form. When plans are put forward, it kicks up a cry or raises a cry that sufficient funds are not provided for it and therefore an imbalance between the private sector and public sector would arise and there is danger to democracy, that totalitarian forms would be ushered into the country and therefore, there should be an increase of the quota for the private sector.

In the draft of the Second Five Year Plan, originally, not more than Rs. 300 and odd crores were provided as the basis for investment for the private sector. Later on, it was raised to Rs. 700 crores, overall over the five year period. Today, in the very first year of the Five Year Plan, the same sector has spent Rs. 750 crores, during the very first year. The

whole quota of investment under the whole Plan for five years that should be absorbed by this one sector has been completed in one year itself, this sector which has been benefiting against the 12 per cent. increase of prices. After all, what is this 12 per cent increase of prices? It represents both the increased cost abroad and also the increased cost at home. Therefore, we have a situation where we are financing industry and we are also paying profits to that industry against the financing that we do to the industrial set up. Of course, the ruling party gets its return in the form of election expenses. I mean, a company like the Tatas gave something like Rs. 70 lakhs last year. This same leading industrial firm is today one of the main advisers to our Government. Let us take the advice that this firm of steel producers Tatas has given to our Government. Today, we are very keen on steel; more steel; anything for steel; the watchword is steel; if we produce steel, India will go forward. Yet, the same industrialists, what did they do with the steel structure? A little reminding is good for this House. When the Government of India wanted to increase the steel potential of this country, Tatas suggested: "There is no use in your having a steel plant, why should you produce cheaper steel in the world; the world price of steel is Rs. 640 per ton; we are producing at Rs. 380—at that time Rs. 360 or 380 was the retention price of steel."

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Therefore, why do you go to the extent of putting up a new factory, to the extent of incurring all this heavy expenditure. Give us the chance, and we will produce steel cheaper than any State-owned factory can ever produce it." That was their plea. Later on, the Government decided to have a nationalised steel plant. Then, the same Tatas said: "The machinery that you are going to instal is so much more modern than ours, and therefore give us the

increase in our retention price. Otherwise, we will not be able to supply steel." This is the way in which the same body, the same industrial grouping changes its attitude towards the Plan. And in effect, what is the position? Tatas have been allowed to increase their steel quota, by double. Indian Irons have been allowed to increase their steel quota, and the World Bank has given Indian Irons a loan in this connection. And today, if there is any conflict on the question of steel, it is the fact that rival concerns are not given the right of manufacturing steel in the private sector.

In this context every one knows, or is aware of the crisis that at one time brewed up in the Cabinet over the case of giving one of our leading industrialists the right of producing steel privately which, of course, for some reason or other was not granted. Therefore, in the whole process of the advice that is being given by the private sector, it continuously shifts from one of depreciation of Government's activity to one of taking advantage of the situation and making vast profits.

So far as planning is concerned, so far as the whole structure of the administration is concerned, something very strange seems to be happening. There is a very fashionable theory, a political theory that is current in this country, that the Plan is being sabotaged, being made ineffective because of unfortunate external considerations, and that within the ruling party there are differences between the right wing which is die-hard, which is bureaucratic and which supports the private sector, and the Prime Minister who is totally keen on the Plan, aware of the situation and is prepared to take the country forward. This political theory comes in and out, and is continuously put forward in this country. I am sorry that such a theory is ever expressed. I am amazed that it can even be whispered that there is no homogeneity in the Government of this country and that one Ministry or section of the Govern-

ment works at cross-purposes. But one thing must be understood. The whole question of these conflicts is permitted, not merely permitted but is tolerated and is supported by the Prime Minister because that is the technique of his Government, that is the technique of the administration in the political field today. And who is paying the price? If we go into the whole question we find that the price has been a political subvention to interested circles in this country who are supporting the Government.

**Mr. Chairman:** He has had very nearly 25 minutes. He should conclude now.

**Shri V. Raju:** May I have a few minutes more?

**Mr. Chairman:** A minute more.

**Shri V. Raju:** Therefore it is that I feel that if this planning is to succeed the first and foremost requirement is that we learn to understand what is true planning, what is true democracy. Democracy does not mean merely the right of bad administration. It must mean the right of responsibility to the people, and the measure of success will be demonstrated only if due consideration is given to the requirements of the nation and people participate in the creation of wealth for the people.

**Mr. Chairman:** I am trying to keep this order, and I hope the House will co-operate with me. I have got a long list. Two speakers from the Congress and one from the Opposition have already been called. Now I shall give the list of the other names: Shri Wodeyar, Shri Somani and Shri Shah, and then Shri Saksena. Then I will come to the other names Shri Mahanti and Shri Panigrahi.

**Shri B. K. Galkwad (Nasik):** May I know if there is no name of a Member of the Scheduled Castes Federation? His name has been given.

**Mr. Chairman:** It is not as if I am drawing the list. The list has been drawn already.

**Shri B. K. Galkwad:** My name has been given in the beginning itself.

**Mr. Chairman:** I will make a note. I have no idea. I will check up.

**Shri B. K. Gaikwad:** Will you kindly look into the list?

**Shri B. S. Murthy:** There are nearly 100 people in this House consisting of Scheduled Castes and Scheduled Tribes, and not a single representative of their has been given a chance though nearly ten people have spoken so far. Is it because they do not count, their views do not count that they are relegated to the back? Even the Backward Classes Commission's Report has not been allowed to come before the House this session.

**Mr. Chairman:** Shri Murthy can rest assured that there will be no discrimination against the Scheduled Castes, certainly not in this House.

**An Hon. Member:** In practice it is so.

**Mr. Chairman:** I had been given the list when I took the Chair. I am following this as far as possible.

**Shri B. S. Murthy:** Please convey this to the Speaker or the Deputy-Speaker.

**Mr. Chairman:** Shri Wodeyar.

**Shri Wodeyar (Shimoga):** I will try to focus the attention of the House and the Government on certain problems in the country and on certain problems of an area which is very well known as Malnad in the South.

Though our country is mainly agricultural, the position of agriculture and the agriculturists is far inferior to that of the other sections of our community. Our leaders, politicians and economists wax eloquent on the role of the agriculturists in the life and economy of the country, but in actual life the position of the agriculturist in the social, political and economic life of the country is very pathetic indeed. Though they enrich the country, the agriculturists live a hard and austere life and live in filthy and dirty surroundings. They are illiterate and ignorant and are not

taken seriously by the planners. Industrialists get all the recognition by the Government and enjoy all modern amenities of life, but the real man behind the pomp and show of the city-dwellers is the poor agriculturist toiling hard in remote and outlying villages.

Government have got many schemes for the welfare of the industrial worker; even the lot of an industrial worker is much better than that of not only an agricultural labourer but also of an agriculturist. Unless our planners devote more attention to the problems of the agriculturists, who really constitute the backbone of the country, I am afraid that the Second Five Year Plan or even the Tenth Five Year Plan is not going to take us to our goal.

I congratulate the Government on undertaking and implementing certain schemes like Community Development and NES schemes for improving the lot of our villagers and agriculturists. But I am afraid that even these schemes benefit only the rich and well-to-do people in the villages where these schemes are in operation. The amount that is spent for the improvement of the villages very often does not reach the poorer section from where alone the impetus for greater production will have to come. The army of officers who are associated with the working of schemes should be made to approach the common man in the villages and study his problems and render all possible assistance instead of making superficial observations and writing long reports.

I request the Planning Minister to have a dynamic perspective and give place of pride to the reorientation of the agricultural industry. A sense of self-sufficiency should be planned through the moulding of our basic economy on agriculture. The second Plan is a bold venture in the onward march of India towards the goal of socialism. The ideals are attractive, but the tempo of action is slow. If we have to reap the fruits of this Plan, the efforts of the nation should

be manifested not in the moonshine but in the bright sunshine of the betterment of farmers' lot.

Coming to the problems of an area, that is, Malnad, which I have the honour to represent in this House, I wish to say a few words. Malnad is rich in natural resources and forest wealth and is a dollar earner. A particular region on the slopes of the Western Ghats is known by this name of Malnad in the south. Before re-organisation of the States, this area was under the jurisdiction of five States, but now happily after the re-organisation, the major part of this area has come to the Mysore State with the other portion going to Kerala.

Malnad is a very fertile area which, if properly developed, is capable of earning many dollars for our country which will go a long way for the all-round development of the land. The most distinguishing feature of Malnad is that major parts of it are covered by thick and rich forests. There are large areas of land which grow paddy, cashew nuts, coffee, tea, rubber, sandal wood, coconut, arecanut and many other commodities which are very essential to our life. These are grown in the several valleys and hill sides. The rainfall varies from 50 to 200. The total absence of railways and roads in most of the Malnad area is a contributing factor to its backwardness.

The crying need of the area in the matter of communications is a number of new railway lines. Under the First Plan Rs. 400 crores were allotted for the expansion and improvement of new lines in the country. Actual expenditure during the First Plan period amounted to Rs. 423.73 crores. Mysore was nowhere in the picture. Since independence, 19 new lines totalling 758.92 miles were opened but Mysore was totally neglected.

Railways, routes, bridges, highways and ports are of paramount importance to the progress of Malnad. I

request the Planning Minister to take up seriously the development of Malnad, which means an important step in the development of the whole country.

A tourist branch was set up under the Ministry of Transport in 1949 and a chain of tourist offices has since been established in important cities. But I am sorry to say that Malnad is completely neglected in this respect. Malnad, though blessed by nature for scenic beauty and salubrious climate, is neglected by the tourist branch. It could become a tourist's paradise; the magnificent Gersoppa Falls, the matchless art of culture at Halebidu, Keladhi and Ikkeri, the beautiful hill station at Kemmanagundi and the splendid sun-setting scenery at Agumbe will be places of great attraction.

Revenue from the tourist traffic during the first half of 1956 in India amounted to Rs. 7.4 crores. If tourist centres are started in Malnad, dollar earnings will add to the Indian exchequer.

Lastly, I would urge upon the Planning Minister to start a separate Malnad Unit and request the Union Government and its Finance Minister to take immediate steps to establish a statutory body for the development of Malnad.

**Shri Manabendra Shah:** I have heard a lot about rephasing today. Some say that due to targets having been ambitiously planned, rephasing is required; others say that due to the foreign exchange position, rephasing may be required; still others say that the Suez Canal crisis is the cause for the rephasing, because it has imbalanced the price structure and supply position.

What I would like to impress is that as there is a lot of controversy whether the Plan should be agricultural or industrial. I feel that even if the conditions prevailing above were not there, then also we would be required to rephase and improve the Plan, because there has been a

[Shri Manabendra Shah]

basic mistake in the structure of planning in this country right from the very beginning.

We seem to have forgotten the heterogeneous topography, varied cultural and social conditions that prevail here. We have in fact only made an uniform pattern of planning irrespective of whether it be an area traditionally backward like the hilly areas or comparatively better developed plains, and irrespective of the glaring disparity in per capita income. Therefore, I feel that if the Plan stands as it is, we will ultimately fail to achieve its fundamental aim. An equalitarian society, a Sarvodaya of the type we cherish.

I would like, as an example, to implement my contention by citing the condition prevailing in the hilly areas, specially Tehri-Garhwal. I hope other hon. Members of the Himalaya Prant, the Prant with its tentacles right from Kangra Hills to Darjeeling Hills, will support what I say what I say, I hope, will also be true in their areas. This is an area encompassing in its span 8 million people and has been an impregnable buttress and is still strategically important. What part this prant will play in the future history of India rests with us.

The First Five Year Plan was primarily an agricultural Plan and the Second Five Year Plan, though primarily an industrial plan, lays stress upon the continuous efforts for increased agricultural production. The Centre and the States exhort the farmers to increase their output. The same theme is applicable to hills. To think that it is the theme that can apply to the hills, is wrong. If you see the statistics, you will find that a very insignificant proportion of the land can come under cultivation in the hill areas. You will also find that a very insignificant proportion of the agricultural land can be irrigated. Though the rainfall is heavy, for example, in Tehri Garhwal it is 60 inches on an average no water catchments can

be there. Thus agriculture can hardly be the means of developing the economic conditions of the hill areas. Foodgrains will have to continue to be imported in the hill areas and, for quite a long time, subsidised.

The House might be wondering as to why more land is not reclaimed. My friend, Shri Tyabji has already harped on forests. If we take more land for agriculture, we have to encroach on our rich forests. The House is very well aware of the dangers appertaining to deforestation of forests. Therefore, I will not harp more on this issue.

We are also told that, perhaps, a slogan for the hills should be horticulture, not agriculture. How far the solution given to us is genuine is debatable. When a few nurseries have been opened, no proper encouragement, publicity, planning and cheap communications have been offered to the people. It will have to be borne in mind also that if horticulture is to be given preference, more foodgrains will have to be imported in the hills; otherwise there would be an encroachment on the forests. However, I accept this slogan of horticulture because, at least, the Government has conceded that agriculture cannot be the corner-stone of planning for the hills. Today we can even add sericulture, herbiculture and small industries like the wool industry.

Sericulture is suffering from the same trouble as horticulture. Herbiculture is an item which could very well be exploited. But I find that from the District Plan of U.P. No. 93 which refers to Tehri Garhwal no provision as been made for herbiculture. Yet I find that the Forest Research institute has informed me that 16 species of herbs could be commercially exploited.

We have a lot of rivulets which could be harnessed for small hydro-electric power scheme—I would again like to emphasise 'small'. It

will not only help small cottage industries but I feel that they could also be used to work water pumps to irrigate the unirrigated areas, whether they be agricultural, horticultural, horticultural or sericultural. Therefore, it is high time that we evolve an irrigation-cum-power-cum-water-pumps-cum-small-scale industries schemes for the hills.

I need not touch the heavy industries because planning of Tehri Garhwal has no provision for them, though if we see the list of industries in Schedule A and B, gypsum, electricity, drugs, anti-biotics and dye-stuffs would very well be used for heavy industries. However, I would like to go at once to one of the most important issues and that is communication.

No balanced planning would have ignored communications so disgracefully. Can any scheme be successful without cheap communications? As an example, I would like to quote the conditions in Tehri Garhwal. It has an area of 4,500 sq miles and only 142 miles of motor road. In the First Five Year Plan, 756 miles of roads were made in U.P. out of which only 39 miles fell to the lot of Tehri-Garhwal. If the hon. Minister of Communications was present here he would endorse that the road then made exists without any motor vehicle, public motor vehicle, plying over it. In the Second Five Year Plan there is a provision for 2128 miles of motor road in U.P. and our share is 93 miles only. One may say that Tehri-Garhwal could not expect more. But the protagonists of this view seem to forget that in the hills there are no railways. If you give us railways, we will not ask for motor roads.

The economic development of the hills requires a lot of roads. But these roads to be beneficial should co-ordinate with the Plan and the schemes that may be prepared for the hills.

I was very glad to read the report of the Backward Classes Commission and still more pleased to read the letter written by Kaka Kalekar to the President. He at least seems to have understood the meaning of backwardness. He has not fixed the criteria on caste but social and economic conditions which he has based on where the people live, what type of work they do, their capacity to earn, their financial resources and so on. Thus speaking the whole of the Himalayan pranths is backward area.

Unfortunately, the Government has created a ground for discontentment by artificially demarcating this hilly region into border areas and non-border areas. Am I to understand there is or will be no exchange of thought between the people living on one side of the demarcation line and the other? Are we not creating a fertile soil for subversive activity?

Before I give my suggestions, I would like, at least, endeavour to reply what I feel would be the reply that the hon. Minister may give to me. The Planning Minister may say that it is not their pigeon to work out a plan at the district level and that it is the job of the State Government to do so. Thus, I am afraid, would be shirking their responsibility.

**Mr Chairman:** He need not anticipate. The Minister will have the benefit of the hon. Member's remarks.

**Shri Manabendra Shah:** The States are also governed by the pattern prepared by the Centre. It is the Centre which is levying all these taxes. It is the Centre which is sending Ministers abroad for loans and it is this House which has sanctioned all these activities. Therefore, the responsibility rests here.

**Shri B. S. Murthy:** No Minister is so far sent abroad for loans.

**Shri Manabendra Shah:** The Finance Minister is going, I understand.

**Shri B. S. Murthy:** Not for loans, please.

**Shri Manabendra Shah:** For getting aid in any form.

To me, it appears there is only one solution. I have no two opinions about it. I suggest that a separate Hill Planning Committee—may be a part of the Planning Commission itself—be formed. This committee may comprise of Members of the Parliament from these hill areas plus the financial and planning experts. Their report should be an appendix of the Plan of the nation. This, I feel, is the only way and the only realistic way of approach to the hill conditions.

I do not propose to say any more and I hope I have been able to persuade the House that there are many cogent reasons for a separate plan, just because what is the Five Year Plan for the plains is a 7½ year Plan for the hills, due to the climatic conditions, if however, any hon. Member and hon. Minister is not satisfied they are welcome to go to Tehri Garhwal and I am prepared to satisfy them on the spot.

**Mr. Chairman:** Shri G. D. Somani. Then Shri S. L. Saksena and Shri Katti should be ready. I shall call Pandit Munishwar Dutt Upadhyay and Shri Radhamohan Singh after that.

**Shri Somani (Dausa):** Mr. Chairman, Sir, we are discussing the Second Five Year Plan today at a time when the country is faced with a very difficult economic situation, a situation which is totally different from the period when the Second Five Year Plan was originally formulated. It is very easy to criticise today about the over-ambitious nature of the Plan, and the difficulties with which the implementation of the Plan is faced today. But, if you will go into the background of the features of our economy at the time of the First Five Year Plan, then a proper assessment would be possible.

I would, Sir, in this connection like to submit that our First Five Year Plan had a remarkable success inasmuch as the total outlay under the First Five Year Plan in the public sector was of the order of about Rs. 2013 crores, that is, the outlay in the public sector was less by about 16 per cent. But, even then, certain figures of the achievements of the First Five Year Plan will show how our agricultural and industrial production increased.

The agricultural production rose during that period on an average of about 19 per cent and industrial production by 38 per cent. Indeed, the rise in the capital goods output was 70 per cent. The national income increased, at constant 1948-49 prices, from Rs 8870 crores in 1950-51 to Rs 10451 crores in 1955-56. Per capita income rose from Rs. 246 to Rs 272. What is more significant, and which I would like to emphasise, is this, that these achievements were made possible even without any strains on our economy. Against a targeted drawing down of our sterling balances by Rs 290 crores our actual drawings were only Rs. 138 crores and, secondly, the price level as between the beginning and the end of the period, the index of wholesale prices being 450 in March, 1951 and 387 in March, 1956.

My point in emphasising these figures is that the time when the Second Five Year Plan was formulated the country was fortunately enjoying the fruits of the achievements of the First Five Year Plan, both in the agricultural and industrial sectors. Naturally, the planners were confident that our economy would be able to take care of the size of the Plan that was formulated. But it will have to be admitted now that certain features have appeared on the horizon, which require really very hard re-thinking on the part of the planners. It is in that context, as to the nature in which this pruning, re-phasing or readjustment of the Plan

has to be attempted, that I would like to make a few observations.

I would like to make some reference to the various remarks that have been made by preceding speakers about the private sector. I feel that this controversy between the public and private sector should cease as they are both parts of the same national sector and are performing duties complementary to each other. At a time when we are faced with such a difficult situation, what is required is a spirit of understanding of the respective roles of each section of our economy. It does not serve any purpose to go on seeing one side of the picture and ignoring the other side.

My submission is that, while Members have been very forceful in pointing out the shortcoming, the defects and the deficiencies of the private sector, they have not a word to say about the very positive contribution, very remarkable contribution which has been made by the private sector to our national economy. Reference has been made to the sort of over-investment by the private sector. Here, again, it has been made out as if this rise in the cost of living is helping the industries to make higher profits. That, again, is a completely misleading picture. As a matter of fact, whatever rise of an inflationary character has occurred recently has hit the industries' profits. The rise is confined to the foodgrains or to other raw materials. To that extent the various industries have either to pay higher dearness allowances or pay much higher prices for their raw materials.

At the same time, it should be stressed that there has been practically no rise in the prices of manufactured goods. If anything, in certain important industries like textiles there has been a decline in the prices of manufactured goods. Indeed, the entire excise duty has been borne by the industry and the industry has not been able to pass even a slight proportion of that duty to the consumer.

My point in drawing attention to the remarks made is that, so far as the profits of various industries are concerned in many of the essential materials like cement or steel they are controlled, and whatever prices are paid are made after a proper review by the Tariff Commission. Therefore, it is not really fair to make any sort of allegations about any exorbitant prices being charged by the various industries.

I may mention here that the hon. Minister for Commerce and Industries recently had sought an assurance from the various industries and the Federation of Indian Chambers of Commerce and Industry, that all industries would co-operate in keeping the prices of manufactured goods under check. Active steps have been taken by the various organisations and various industries to ensure that no prices of manufactured goods will be allowed to rise without previous reference to the Ministry.

My point in making all these remarks is to say that, while various industries at present are struggling to keep both ends meet, due to the rise in the cost of living which has increased the cost of manufacturing, it is hardly correct to say as if this rise in the cost of living has in any way contributed to the increase in the profits of the various industries.

Coming to the point about the over-investment I may just illustrate a single instance. Look to the question of cement industry. We have had to import a lot of cement recently due to the shortage of that vital commodity, and we have to pay about Rs. 50 per ton more for all our imported cement. If we import about two lakh tons of cement in our country, that means we have to pay a crore of rupees more, the consumers will have to pay more to the extent of Rs. 1 crore for that commodity, over and above the total foreign exchange that is involved in importing the entire quantity. On the other hand, if we import capital goods, capital equipment for a cement plant with a total capacity of two lakh tons would cost about Rs. 24

[Shri Somanji]

crores Then you will get 2 lakh tons of cement every year. Thereby you not only save foreign exchange that is involved in importing cement, but you have a permanent advantage of having the capacity of the industry. From that point of view, this over-investment in the private sector will bring a substantial dividend to our national economy inasmuch as these capital goods will increase our production capacity all round. Therefore, to that extent, I do not think there is need for any worry about the import of capital goods, and about the drain on our foreign exchange resources which has been caused. So far as capital equipment is concerned, I think it will be in the long run very beneficial to our economy.

So far as the future rephrasing of the Plan is concerned, I would like to draw the attention of the Planning Minister to the United Nations Report about the measures for development of under-developed countries. That review, among other things, says that the following conditions for launching on a developmental programme in an under-developed country are essential, and among the various measures listed, I may just draw attention to four measures. Firstly, an atmosphere favourable for development must be present; secondly, willingness and enthusiasm of the people for development; thirdly, the proper allocation of the production units to the private and public sectors and fourthly, good and efficient administrative machinery, the members of which are sufficiently active and consider the promotion of general welfare as their duty. I think our Planning Commission is more or less following the conditions about which I have just made a reference. The only thing that I want to emphasise in this connection is that, instead of this controversy between the public and the private sectors being referred to at each and every stage, it is very desirable in our national interests that we should have a co-ordinated program-

me of development of both sectors, each sector being allowed to develop to its fullest extent and to contribute its capacity to the national welfare.

Coming to the question of foreign exchange, I want to make a submission. Even the fulfilment of the hard core of the Plan depends upon the availability, as indicated by the Planning Minister, of something about Rs 500 crores of foreign credits. That means, even the fulfilment of the core of the Plan will not be possible unless we are able to arrange this foreign credit for the second Plan. In this connection, the country is naturally looking forward to the visit of our Finance Minister to America where already a delegation of industrialists sponsored by the Federation of Indian Chambers of Commerce and Industry is on a goodwill visit. I hope, with the goodwill and understanding that will be created by these visits, it will be possible not only to get some sort of loan but also to attract a sizable amount of investment from the private industrialists of America. In that connection, it is necessary that the Planning Commission should take note of the report that has recently been submitted by the experts of the National Council of Applied Economic Research. They are reported to have made certain very valuable suggestions about the measures that are to be undertaken if really we are to attract foreign capital into this country. Certain steps have already been taken by the Finance Minister to attract foreign capital but the fact remains that the question of attracting foreign capital is linked with the taxation policy which is being followed. I am afraid that the policy that is being followed is hardly conducive to attracting foreign capital. Therefore, I would submit that if, as a result of the taxation policy, the Finance Minister—now that he is himself going abroad—is able to see the pulse of those who are in a position to invest and if he is convinced that there is anything further to be done not only to relax the various other

difficulties which have been pointed out in that report but also something more, by way of readjustment or revision of the taxation policy, it would be to the good of the country. I hope a realistic approach will be taken, because this is a question of getting Rs. 500 crores of foreign credit to cover the deficit. It is of such a vital importance to the successful implementation of our Plan that the Government and the Planning Commission should very closely watch the situation and should not allow things to drift where we are not in a position to attract this amount of foreign credit and where even the core of the Plan may not be fulfilled.

So far as the pruning or rephasing of the various projects are concerned, it would have been better if the Planning Minister was able to indicate the lines on which the Planning Commission is working. What is wanted is that so far as investment in the production equipment is concerned, everything possible should be done to ensure that this investment is not curtailed. What is necessary is that the expenditure involved in non-developmental purposes should be severally curtailed. In this connection, it is significant to note that the total additional taxes that have been raised during the last two years is something in the neighbourhood of Rs. 160 crores which came mostly in the non-developmental expenditure. Of course, defence expenditure is involved in this, and nobody can take objection to the increase in defence expenditure. But steps have to be taken to ensure that the additional resources that would be raised by these extraordinary tax efforts really go into the developmental and productive purposes and are not consumed by the other non-developmental leads.

Mr. Chairman: Shri S. L. Saksena. Shri Katti will be called after that.

Shri S. L. Saksena: I have very carefully listened to the speech of the hon. Minister, telling us of the difficulties into which our Plan has got entangled. He told us that the prices

of many things have risen and so the size of the Plan would be rising from Rs. 4,800 crores to about Rs. 5,300 crores. I wish to draw the attention of the Minister to the working of a similar plan in our neighbour country, China. It has been said many times that we should be always keeping ourselves abreast of China. In fact, the western nations are interested in our adventure precisely on this account and we should be conscious of the fact that the whole world is watching whether the democratic planning in India is more successful or the Communist planning in China is more successful. So, let us try to compare our Plan with the Plan of China.

Why does not the plan of China get into difficulties? I want to tell the House. I want to give the House some figures also about China. The Chinese first five year plan began in 1953 and it will be completed this year, in 1957. That means it began about one and a half years after our plan and it will be finished one and a half years after our first plan finished. But its size is almost stupendous. The total amount which will be spent these five years will be Rs. 16,286 crores. Our first Plan only spent Rs. 1,900 crores, which means less than Rs. 2,000 crores and our second Plan, if we go through the whole of it, will cost us about Rs. 5,000 crores. That means the cost of our first two plans, in all, will be about Rs. 7,000 crores. But China is spending Rs. 16,286 crores in the first plan. And yet, that plan has not bogged down into difficulties. Why is it? They also purchase machinery from Germany, Czechoslovakia and from other places. All these things have to be carefully considered. If we carefully consider them, we will find that there is something wrong with our economy which we have to rectify.

Let us see the achievements of China in the last five years. The agricultural production of China is today 186 million tons. Our production is only 85 million tons. So, their production is nearly three times our production. Their population is about

[Shri S. L. Saksena]

1½ times ours. They are about 60 crores and we are about 40 crores. That means, on that basis, their production should have been only about 93 million tons, but it is nearly double that figure. The area under foodgrains in China is 1½ times ours. So, one of the reasons for their success is that they have been able to increase their food production to 186 million tons by producing more grain on the average per acre. Thus their average yield of rice is thrice our average yield.

Regarding steel production, they have produced 5 million tons of steel this year, which will be our target in 1961. They began in 1949 and were producing less steel than us at that time; they were producing only 0.5 million tons of steel. We were producing about 0.9 million tons and in the last 10 years of our freedom, we have remained almost stationary, producing 1.4 million tons, now whereas China is producing 5 million tons. That shows that they have increased their steel production by ten times, whereas we have been able to increase it only by 1½ times.

Regarding coal production, they are producing 117 million tons of coal whereas we produce only 38 million tons. From 32 million tons, we have increased our coal production to 38 million tons, whereas China is producing three times our present production. Steel and coal are the main things on which the strength of a nation depends and in these things China has advanced so fast. What is the reason?

I have tried to compare the two countries, China and India, and study their plans. One important feature in China is the utter absence of corruption. Here we very well know that more than half the money invested in the Plan goes into the pockets of the officials who are corrupt. Not all officials are corrupt, but corrupt officials are found everywhere. I can tell you in my district, there was the village-raising scheme for about 400 villages. I personally visit-

ed many villages and I can tell you that out of Rs. 1 crore, not more than Rs. 20 lakhs have been spent on the scheme and the remaining portion has gone into the pockets of the officials, and contractors. Who does not know this?

Bridges are constructed and they are washed away the very next rainy season. Why does it happen? Instead of cement, they only put sand there. That is what they do. This is the condition and everybody knows it. Cement is scarce and it is difficult to get permit for cement. But you can go to the black market and get any amount of it. Who does not know it? Does not the Government know it? Does not the Prime Minister know it? Do not the Ministers know it? Everybody knows it, but nothing has been done about it. That is one reason why your Plan will always remain unfulfilled and the money will always go into the pockets of the corrupt officials and contractors. Your Plan will never succeed so long as this corruption persists.

If you want the Plan to succeed, the first thing is, stop corruption. China did it after great struggle. They raised a movement against it. There were two movements. They issued an order to every industrialist and to every Government servant to declare their 'crimes' or 'sins' as they called it by a particular date in 1951 under these two movements named the Wu Fan and San Fan Movements. In China, they said if you confess whatever taxes you have evaded or whatever thefts you have committed by the particular fixed date, you will be forgiven if you make a confession honestly and promise never to repeat the crimes again. But if you do not make a true confession and if the public finds out that you have made a false confession, you will receive severe punishment. This method was adopted and the result was that 99.5 per cent true confessions were made and they were forgiven. The remaining persons who made false

confessions were severely punished. The result is that today in China there is almost complete absence of corruption. Unless you take some suitable steps here, unless you say, "We shall hang by the lamp post such people"—that was the slogan given by our present Prime Minister during the freedom struggle—this Plan will never succeed. Corruption is the root cause of everything and until corruption is removed, your plans will not succeed.

The second reason why China has succeeded is their agricultural reform and forming of rural co-operatives. Land reforms and co-operatives are the main reason for their having increased their food production to 186 million tons. Today 85 per cent of the village families are members of the co-operatives. The result is that the entire countryside of China is ploughed on a large-scale basis and the production is much higher. The food production in China is three times ours. That is the reason why they can produce 186 million tons of foodgrains and we produce only 65 million tons, according to the statistics given here. So, unless we also lay stress on land reforms, put ceilings, and distribute excess lands to landless and introduce co-operative farming on a large scale, we can never solve the food problem, which China has been able to do.

16.55 hrs.

[MR. SPEAKER in the Chair].

In my district, for the last three years, scarcity conditions, floods, famine and drought have been prevailing one after another. We wired, to the Food Minister if the seeds were not supplied on credit for sowing the kharif crop, a large part of the land will remain unsown, but no heed was given. So 25 per cent of the land in the Gorakhpur district has been unsown. Prepared ploughed up paddy fields were not sown because there was no seed to sow there. I sent a wire to the Food Minister here saying that so many million tons of paddy were being lost to the nation merely because credit was not being given for

purchasing seed, but no action was taken. The result is that people are starving and famine conditions prevail, and we are importing foodgrains from outside at huge prices.

**Shri Feroze Gandhi (Rai Bareli):** Why didn't you send a wire to the Food Minister of U.P. also?

**Shri S. L. Saksena:** To him also I sent, a wire, but he also did not listen. The next thing China did was to give top priority to flood-control schemes. Huan and Yangtse-Kiang floods were controlled. But what happens here? The Planning Minister said that he would fight the floods on a war basis. But three years have passed since the promise was made and we do not see any evidence of it. Instead of that, we find that the funds allotted for flood-control measures, namely, Rs. 95 crores, have been cut down. We were told last week in Lucknow that the U.P. Government, which was to spend about Rs. 4 crores on flood-control schemes this year, has been asked to cut down the expenditure to Rs. 2 crores. In the core of the Plan, the flood-control measures should be given priority; but they are supposed to be secondary by the Government. These floods not only devastate the countryside, but they result in a loss of a hundred crores of rupees every year in eastern U.P.; for the whole country, it will be probably much more. If these floods are controlled and if there are multiple purpose River Valley schemes for controlling the Gaghra and Rapti and rivers like that, they will not only save the recurring loss of hundreds of crores of rupees, but they will save the misery of crores of people year after year and add crores of rupees to the national income. They will irrigate hundreds of thousands of acres of land and they will produce several million Kilowatts of electricity. The misery of 20 people of eastern U.P. will end forever. So, I can tell you that the money spent will be rewarded twenty times. But that is supposed to be not in the core of the Plan.

[Shri S. L. Saksena]

I am told that the Rihand dam is also being cut out. That was the one thing which we in East U.P. were looking up to with hope for some relief but even that is being cut. I do not know the meaning of the core of the Plan, if flood-control measures are not the core of the Plan. Now Sugar mills are being planted. There are already 150 sugar mills and I do not think we will die without more sugar. But we will die on account of floods and we will die for want of power from the Rihand Dam. For these sugar mills and other plants, foreign exchange has to be spent for purchasing machinery and so on. If flood-control measures do not form the core of the Plan, what is the core of the Plan.

17 hrs.

Then Rihand dam and flood control schemes must be carried out. Other schemes can wait for two years when our position would be better. There are enough sugar factories in our country and they can produce for our requirements. There is no need for putting 50 more sugar factories just now. Similarly, there is no need for textile mills just now. They can wait. They must wait. But floods cannot wait. Rihand dam cannot wait. So kindly consult the House before you prune the Plan. Don't prune it in this manner or that manner, as you have been doing.

Now I will refer to China. I have carefully studied their budget. I find that 70 per cent of the Chinese budget comes from their own national industry. What has our industry contributed to the Exchequer? You will find that it is not more than 10 per cent or so. That is the main reason why we have failed. We are not tapping the resources, which alone will see the Plan through. We are going with a begging bowl to America and United Kingdom and we are rebuffed. That is most humiliating and insulting. China has not gone anywhere. It secured all the money for the plan from the internal resources.

If we try to nationalise these industries, I think we could also depend upon our own resources. In regard to banking, we have nationalised the State Bank. But, still there are other banks—big banks—which are not nationalised. What do they care for the Plan? They will invest all the money to reap the highest profits. They do not care for the Plan. They think: let the Plan go to the dogs. We must lend money to the best customers who are the speculators. Therefore, unless you nationalise the banks as a first step, you cannot fulfil the targets of the Plan successfully. That is my first suggestion.

My second point is about import and export controls. If anybody can export and import anything he likes, then the Plan will not be successful. So, unless you do the export and import through the State Trading Corporation, your Plan will not succeed. These are the two most important things—export and import through the State Trading Corporation and nationalisation of the banks. Then only can you utilize the money in the proper manner.

These are some of the suggestions which should be taken into account. I hope the hon. Minister, before he prunes the Plan, will take the House into confidence and will circulate his proposals to prune the Plan, get our suggestions, discuss them with us and then come to a conclusion. Let him not say: I will cut out the Rihand dam, the Jamuna project and the Ram Ganga Scheme, and make the whole of UP a desert. Don't prune that way. Do it after consulting the House. I personally think that if you adopt the suggestions which I have made, you will have enough resources to implement the plan successfully, if you properly do it.

Mr. Speaker: How many hon. Members want to speak? I find that a large number of hon. Members want to speak. Is it possible to finish today?

**Shri Feroze Gandhi:** Instead of the Plan, let us prune the speakers.

**Mr. Speaker:** In view of the fact that so many hon. Members want to speak, I can allow only two more speeches today. Why should we sit beyond 5-30 on the last day? We can continue it in the next session.

**Shri Mahanty (Dhenkanal):** May I make a submission? The question is: if we had been intimated this earlier, then we could have utilized our time more profitably, instead of waiting here.

**Mr. Speaker:** The hon. Member thinks too much of outside work. Then he need not come to the House at all. All hon. Members cannot have an opportunity to take part in the debate. I am really surprised to hear this. Personally, I think, every minute that I spent here I am getting educated. Every hon. Member comes here and makes new points. So, it is rather strange to hear from this hon. Member that he would have used his time much better outside. Then he may give room to some other hon. Member, who may be willing to sit here

**Shri Mahanty:** May I give a personal explanation. I did not cast any aspersion on this hon. House. By saying that we could have utilized our time some other way, what I was trying to submit was that we were told the spokesmen of various groups will have a chance to speak and I was sitting here all the time without taking food. That is why I was saying that we should have been intimated earlier.

**Mr. Speaker:** That is strange. Hon. Members are at liberty to go away and have their food sumptuously and come and sit here. I am really surprised that they have not been able to follow how I divide the time. I divide the time between the Congress party and the Opposition in the proportion of 60:40, that is 40 per cent for the Opposition. Originally, I was giving them only 33-1/3 per cent. Now I have raised it to 40 per cent.

From the time allotted to the Congress party, I am deducting even the time taken by the Ministers. Previously I was deducting from the whole time, the time taken by the Ministers and then dividing the remaining portion in the ratio of 68 2/3: 33 1/3 for the Congress party and the Opposition. Now more time is given to the opposition. Names of various speakers are given to me by the various groups. The hon. Member belongs to a party, whose membership is only 8 in number. I was trying to give opportunity to others before coming to him. But the hon. Member wants preference. He says that he has been awaiting his turn all the day. But there are a number of hon. Members, who have not spoken at all since they were elected. From 1952 onwards they have not opened their mouths. Therefore, that has also to be taken into account. Now the opposition members are more in the lime-light than the members belonging to the Congress party. I must distribute time equally and justly. So, I will call two more members and the rest will continue in the next session. We should disperse at 5-30 p.m. I now call Shri Mahanty to speak.

**Shri Mahanty:** I am grateful to you for the consideration.....

बी गवर्नर राज (जीनपुर रजिस्टरिंग नं. 10000 से हाईकोर्ट समस्या पर भौर प्लैन में हाईकोर्टों के लिये क्या प्राविजन है इस पर कोई नहीं बोला है। जो दो सदस्य बोलने वाले हैं उनमें से कम से कम एक हाईकोर्ट सदस्य को बोलने का भीका दिया जाय, वह मेरा सुझाव है।

बन्धुवत भट्टेश्वर : ठीक है, काफी अधिकार मिलेगा।

I will adjourn the House after this speech is over.

**Shri Mahanty:** I was saying that I am much grateful to you for the consideration that you have shown to me. But the time being limited, I am afraid I cannot do full justice to the

[Shri Mahanty]

subject not because I am not prepared, but because of gastronomical reasons.

I would like to make a reference to what the hon. Professor Saksena has just said. It is not only unfortunate, but misleading, that he should have sought to make a comparison between the first five year plan of China and the First Five Year Plan of India. The first five year plan of China is as different from the First Five Year Plan of India as chalk is from cheese. It has to be borne in mind that the first five year plan of China is being executed today with the technical know-how and the financial resources of the USSR. Professor Saksena should have known better. In the first five year plan of China, all the industrial projects are divided into two categories—one is above "norm" and the other is below "norm". The projects above "norm" are those which entail expenditure above a certain "investment norm" and are usually executed by the financial aid of the USSR. For instance the Iron and Steel works at Anshan and the Truck Building Factory at Changehun etc. and many other huge industrial projects have been executed by the financial assistance and the technical know-how of the USSR. Unfortunately such friendly aids are not available to India.

During the first Five Year Plan, we received financial aid from friendly foreign countries to the extent of Rs. 296 crores. May I ask how much aid we have received from the USSR? We have not even received a single rouble. During the Second Five Year Plan a loan of Rs. 500 million roubles are available to us. I do not know since when in Communist countries loans of idle money are advanced over which interests accrue. We all know that under Marxian conditions idle money does not beget any money. But now we are given a loan of 500 million roubles over which interest will accrue. All the financial aid to China are mere aids for which no interests are charged. Therefore, I

venture to think it is unreal, it is misleading, to make a comparison between the first Five Year Plan of China and the first Five Year Plan of India. We have to consider this Plan on its own merits.

When we come to consider the Indian Plan on its own merits we are confronted with a phenomenon which we really cannot explain. It seems to me, Sir, the end of our Odyssey has resulted in a new nightmare. For all these six years we have been carrying this first Five Year Plan as an insufferable cross. We were told that at the end of the first Five Year Plan period, there will be plenty, there will be prosperity, there will be more employment. But what do we find today? We are confronted with a situation for which the Government can offer no rational explanation.

The hon. the Food Minister says the food production has increased and has even exceeded the peak that was attained in the year 1953-54. There has been increased production no doubt; but there is also increased hunger! When we come to unemployment we find in the beginning of the first Five Year Plan the total number of unemployed on the live registers of the employment exchanges were of the order of 3.75 lakhs, but today at the end of the first Five Year Plan we find that the number of unemployed has gone to 7.05 lakhs. The Planning Commission in their Review of the First Five Year Plan have said:

"The studies, undertaken in the Planning Commission indicate that the growth of employment opportunities in the Plan period tended on the whole to lag behind the increase in the labour force."

Therefore we find on the one side increased production and tempo and on the other we find increased hunger, unemployment and situations which the Government cannot control. I am led to infer all this happens because there is chaos in thinking and dichotomy in execution, which has resulted in confusion all round. The

major part of my observations will be devoted to deficit financing.

Now, as I was saying a little while ago, today we find, acute scarcity conditions, because people have not the means to buy the foodgrains which are being supplied in all the fair price shops opened by Government. There is a kind of controversy going on between the Finance Minister and the Minister of Food and Agriculture over this aspect. In a note which was circulated to the Members of the AICC recently, the Finance Minister under-estimated the impact of deficit financing on the growing food prices. He suggested that increasing food prices are due to less production. Even in the white paper on the Indian Budget which was circulated to us last March it was stated:

"The average increase of agricultural production declined by nearly 2·4 per cent from 116·4 in 1954-55 and 113·7 in 1955-56."

According to the Finance Minister in absolute terms production of foodgrains declined from 68·8 million tons in 1953-54 to 63·4 million tons in 1955-56. The hon. Finance Minister in the note that was circulated to the members of the AICC stated further that the decline in production of foodgrains has been to the extent, that even though we have imported three million tons of food grains it has all gone into the market without any appreciable decrease in the price of the foodgrains.

So the Finance Minister and the Planning Commission would ask the country to believe that the real devil of the drama is the agricultural sector where the production did not increase according to anticipations. Therefore, it has increased food prices which has corroded the base of our economy.

Now let us see what the Minister of Food and Agriculture says. The Minister of Food and Agriculture does not seem to agree with the findings of the Finance Minister. In another note which the Food Minister circu-

lated in the last AICC session he stated that the present rise in food grain prices is not an isolated phenomenon which can be tackled wholly by itself, but it is in a very large measure the result of various factors which have affected the general economy of the country. Hoarding of stocks by traders and big cultivators in the hope of obtaining higher prices later in the year may have played its part. Probably the more important reasons are the increasing development expenditure and the consequent increase in money circulation.

In parenthesis, I would like to add that such documents should not have been exclusively circulated to the members of the AICC. Planning is not the planning of the Congress Party alone. For the execution of the plan the Indian people are bearing the taxation beyond their taxable capacity. Therefore, in the fitness of things the Planning Minister should have seen that all such documents which were circulated to the members of the AICC were in our possession too, so that we could have offered our considered views thereon.

I hope that in future such documents will not be restricted to the members of the AICC alone, that the Members of Parliament who are asked to approve the Plan, who are asked to find out the financial resources for the execution of the Plan should also have the privilege of going through those documents which are circulated in the chambers of A.I.C.C. meetings.

Be that as it may, there is a kind of controversy going on between the Finance Minister and the Minister of Food. The Minister of Food says that these increasing food prices are due to deficit financing, due to increase in money circulation, but the Finance Minister says that it is due to less production.

When we come to the volume of production I believe the hon. Food Minister is right, because in 1955-56 the total food production is 68·6 million tons, as compared to 64·9 million tons in 1955-56. There has been

[Shri Mahanty]

increased production. There is no doubt about it. In fact the production of rice last year has been an all time record. But in the North Indian markets the rice price is still rising high. Only yesterday I saw a report that the rice price has only appreciated 25 naya paise per maund, in spite of all the efforts which have been made by the Government of India. So, here, I venture to think that this indiscriminate indulgence in deficit financing is the reason for this increasing spiral of prices.

I would like this House to remember that during the First Five Year Plan, what the Parliament approved was that, there should be no deficit financing beyond Rs. 290 crores. In the beginning, the total financial estimate of the first Five Year Plan was Rs. 2096 crores. It was estimated that the domestic resources would be of the order of Rs. 1285 crores and the balance of Rs. 811 crores had to be made up by loans, by external assistance, by small savings, and by deficit financing. But, at that time, only external assistance to the extent of Rs. 156 crores was in sight. Taking that fact into consideration, Parliament approved that there should be no deficit financing beyond Rs. 290 crores. I would like to have a categorical reply from the hon. Minister for Planning as to why during the First Plan, the total deficit financing was of the order of Rs. 531.9 crores. Did Parliament approve of it? Was Parliament ever kept informed of the situation that was brewing? No. Parliament was kept in the dark. Parliament approved of deficit financing during the First Plan of the order of Rs. 290 crores. Yet, the Government indulged in deficit financing which transcended all the stipulations that this Parliament or the Planning Commission had made earlier.

The next point that I would like to bring to the notice of the House is that this deficit financing of the order of Rs. 531.9 crores was largely unnecessary. I would substantiate it by quoting some figures. We understand

from the review of the First Plan that during the first four years of the First Plan, deficit financing amounted to Rs. 241 crores, but in the last year of the First Plan, deficit financing was of the order of Rs. 292.6 crores. Explanations are offered that the domestic resources in the disposal of the Government were Rs. 631 crores whereas the outlay requirement was Rs. 1115 crores therefore the Government had the only course to resort to deficit financing. But, that same report gives us to understand that actual deficit in the last year of the First Plan was only Rs. 180.4 crores. I would like to have a categorical reply from the hon. Finance Minister and the Minister for Planning as to why they resorted to deficit financing of the order of Rs. 290.4 crores when their actual necessity was only for Rs. 180.4 crores.

External assistance, as I have said earlier, during the First Plan was estimated to be of the order of Rs. 156 crores. But in the end, we received Rs. 296 crores. Out of this sum of Rs. 296 crores, Rs. 188 crores was utilised over the five years leaving a carry forward of Rs. 108 crores. Here, we have a carry forward of external assistance to the extent of Rs. 108 crores. Our actual necessity was of the order of Rs. 188 crores. Yet, we resorted to deficit financing of the total order of Rs. 533 crores which was not wholly warranted under the circumstances.

During the Second Plan, we are going to resort to deficit financing to the tune of Rs. 1000 crores. During the First Plan, our total deficit financing amounted to Rs. 533 crores. I would like this House to consider whether the Indian economy can bear this fantastic amount of deficit financing. During the First Plan, it was stated that deficit financing will be resorted to the extent of Rs. 290 crores, against the withdrawal of Rs. 200 crores of sterling balances. In the Second Plan, deficit financing of Rs. 1200 crores was stipulated against further withdrawal of Rs. 200 crores.

of sterling balances. I think the indiscriminate manner in which Government has indulged in deficit financing without rhyme or reason, as I have just pointed out with facts and figures, has resulted in the spiral of prices, which the Government are now unable to control.

In the beginning, I said, there is not only chaos in thinking, there has been a certain amount of dichotomy also in its execution. When I say this, I would like to bring to the notice of the House the failure in bringing down the food prices. The House knows that, the Government knows that, the Scheduled Banks were asked by the Reserve Bank of India not to advance loans to speculators, to those who deal in rice, beyond 66 and 2/3 per cent. Only the other day, we came to know from the statement which was issued by the Governor of the Reserve Bank that advances against rice have come down to 82 per cent. I do not know what was the extent of the advance to speculators in rice. Here is a serious situation. We go on talking all the time of planning and planning, talking through our hats. Here the Government says that advances to the speculators in rice should not extend beyond 66 and 2/3 per cent. But our Scheduled banks go on advancing them loans which help them to hold food stocks and keep the entire country, the consumers in starving, in a kind of ransom. I would like to know from the hon. Minister what steps have been taken or are going to be taken against the Scheduled banks who have advanced these sums to speculators against rice and other foodgrains beyond the limit which was fixed by the Reserve Bank of India.

Then, you have the Food Ministry and the Finance Ministry working at cross purposes against each other with the result, the poor taxpayers, the consumers of this country have to suffer and strave. I have no time. I am concluding. Otherwise, I would have also cited another instance of how the Ministries are working at cross pur-

poses. There is another kind of controversy going on—I do not know how many controversies are going on about the Plan—not in this House, but in the Ministerial level. The second controversy relates to the extent of foreign exchange that would be required for the execution of the Second Plan. The Controversy is again between the Planning Minister and the Finance Minister. No body can tell us....

Shri Nanda: No controversy.

Shri Mahanty: I am happy to learn that there is no controversy. But can you tell me what is the actual extent of foreign exchange you require which the Finance Minister concurs I am sure, you cannot give any figure. The Finance Minister can't also give the information. This is the real state of affairs. They cannot control figures. If they cannot plan financial resources, how can they think of planning for the whole country?

Before concluding, I will make a brief reference to the question of regional disparity which, I have the honour and privilege of raising in this House time and again. There is a kind of superstitious belief prevailing in the Planning Commission that the setting up of heavy industries in the different States will be able to remove regional disparity. With all due respect to the hon. Minister of Planning. I venture to submit that the setting up of a heavy industry in a particular State does not necessarily remove poverty and unemployment in that State. For instance, in Orissa, there is the Hindustan Steel Plant. But, the setting up of this plant has opened up employment opportunities and income opportunities in Punjab and in Delhi, but not so in Orissa. I have got figures with me. The other day, the Minister for Steel said that out of 800 and odd employees in Class III services, only 29 percent belonged to the State and the rest came from the other States. Similarly, Hirakud. The hon. Minister is very fond of Hirakud. He refers to Hirakud. He knows it much better than I do that Hirakud

[Shri Mahanty]

opened up employment opportunities in Punjab. It opened out income opportunities in Punjab and in Andhra. I would like to know from the Hon'ble Minister, if it opened up sizeable opportunities for the local people. No. These heavy industries and these hydroelectric projects are not going to remove regional disparities. In this matter we should follow the example of Japan. Heavy industries have not solved the problem of Japan. The problem has been solved by small industries there. More than 90 per cent of Japan's industries are in the small sector which do not employ more than 30 persons. I would have expected the Government to consider taking positive steps in that direction and on those lines. It is no good telling us that we have got the Hindustan Steel Factory or the Hirakud Project there. It is not going to solve the problem, particularly in an age when we are taking to more and more automation.

In conclusion I only appeal that the facts which I mentioned in my amendments should commend themselves to the Government and that they should take steps to see that all these shortcomings and pitfalls are removed.

**Mr. Speaker:** As there are a number of hon. Members who wish to take part in the debate, the discussion will stand over to the next session.

Shri Nanda to make a statement.

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**STATEMENT RE: IMPLEMENTATION OF DECISIONS OF WAGE BOARD FOR WORKING JOURNALISTS**

**The Minister of Labour and Employment and Planning (Shri Nanda):** A number of short notice questions regarding the implementation of the decisions of the wage board for working journalists and the termination of the services of some working journalists were received by the Ministry of Labour and Employ-

ment which show that there is a lot of anxiety prevailing among the working journalists on the subject.

It has not been possible to accept the short notice questions in view of the fact that the implementation of the Working Journalists Act is within the jurisdiction of the State Governments, and there was no time for ascertaining the position as prevailing in the various States before the Sabha adjourns. As this is a matter of public importance, I consider it necessary to make a statement regarding the legal position.

The legal position about the implementation of the decision of the wage board for working journalists is that the decision of the board is binding on all employers in relation to newspaper establishments and every working journalists is entitled to be paid wages at a rate which in no case shall be less than the rate of wages fixed by the board. The decision of the wage board was announced on 11th May 1957. All the employers were required to file with the appropriate authorities the returns for the years 1952, 1953 and 1954 within a period of one month from the date of the publication of the decision of the wage board.

A group of employers have filed a writ petition before the Supreme Court challenging the decision of the wage board as well as the validity of the Working Journalists Act itself. The Supreme Court passed an interim stay order on the 17th June, 1957 staying the implementation of the decision.

On the 26th August after hearing the parties, the Supreme Court directed that there would be no stay of the implementation of the decision in respect of current dues from the date of the publication of the decision, that is from the 11th May 1957.

The Supreme Court further directed that each employee, before receiving payment, should give an under-

taking in writing that in case the petitioners succeed in the petition, the excess payment made to such an employee be deducted from his future pay. In so far as the decision pertains to the question of arrears of pay, the Supreme Court stayed its implementation pending the disposal of the writ petition.

In July the State Governments were informed that the interim stay order issued by the Supreme Court was applicable only in the case of the petitioner newspaper establishments and not in the case of other newspaper establishments in the country. The State Governments have now been informed that the decision of the Supreme Court dated the 26th August 1957 is applicable only to the newspaper establishments which had filed petitions before the court.

The other newspaper establishments are bound by the decision of the Board in accordance with section 12 of the Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955. Failure to implement the decision would attract the provisions of section 17 of the said Act which provides that any money due to newspaper employees from an employer under any of the provisions of the Act may be recovered in the same manner as arrears of land revenue. Rules made under that Act also provide for the appointment of inspectors by State Governments. Action under the Working Journalists Act has to be taken by respective State Governments.

So far as Delhi is concerned, the Delhi Administration has been delegated the necessary authority in this matter. This applies to other Union Territories also.

Complaints have also been received that working journalists associated with the Wage Board and those engaged in legitimate trade union activities

have been victimised by their employers. The Industrial Disputes Act which has been made applicable to working journalists provides the machinery for dealing with such complaints. If a worker's services are terminated as a measure of retrenchment, section 25(g) of the Industrial Disputes Act provides that the employer shall ordinarily retrench a workman who was the last person to be employed in the category concerned, unless, for reasons to be recorded, the employer retrenches any other workman. This and other relevant provisions of the Act will come into consideration when the competent authorities deal with complaints of victimisation. As regards working journalists, the appropriate Governments under the Industrial Disputes Act are the State Governments.

**Dr. Ram Subhag Singh (Sasaram):** On a point of information. Is it true that a newspaper man, who is also a member of the Wage Board, has been served with a discharge notice? He is under the employment of a Bombay newspaper concern?

**Shri Nanda:** The question is covered by my speech.

**Shri Tangamani (Madurai):** I sent a short notice question about certain statements made by our Government representative who attended the Independence Day celebrations in Malaya. I have not received any advice.

**Mr. Speaker:** Short notice questions may be accepted or may not be accepted.

**Shri Tangamani:** I have not received even advice.

**Mr. Speaker:** Nothing can be given. He will receive advice that it has been rejected.

**Mr. Speaker:** It is time for us to adjourn. We started on the 15th July.

[Mr. Speaker]

We have done enormously good work. We have sat on almost all Saturdays and worked long hours each day and passed important pieces of legislation. The budgets have been sanctioned and passed.

We have referred some of the Bills to Select Committees. Both inside Parliament and outside in the Select Committees and other parliamentary Committees, enough good work has been done. It is now for us to have a short respite.

In consultation with the hon. the Leader of the House, 11th November, 1957, has been provisionally fixed for the next session of Parliament to begin. But it has to be recommended to the President who has to accept it finally. In the meanwhile, the House will stand adjourned *sine die*.

17-40 hrs.

The Lok Sabha then adjourned *sine die*.

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## DAILY DIGEST

[Friday, 13th September, 1957].

| S.O.<br>No.                     |                                      | COLUMNS       | Subject   | COLUMNS  |
|---------------------------------|--------------------------------------|---------------|---|----------|
| ORAL ANSWERS<br>QUESTIONS       | TO<br>Subject                        | 13679—13718   | 1800 Closure of Textile Mills<br>in Marathwada  | 13720    |
|                                 |                                      |               | 1801 Textile Mills in Madras  | 13720-21 |
|                                 |                                      |               | 1802 Housing Ministers'<br>Meeting  | 13721    |
|                                 |                                      |               | 1802-A Malaya   | 13721    |
|                                 |                                      |               | 1803 Northern Border of<br>India  | 13722    |
|                                 |                                      |               | 1804 Handloom Industry in<br>Orissa   | 13722    |
|                                 |                                      |               | 1804-A Commercial Services of<br>Radio Ceylon   | 13723    |
|                                 |                                      |               | 1805 Construction of Quarters<br>by Coal Mines Labour<br>Welfare Fund Orga-<br>nisation | 13723-24 |
|                                 |                                      |               | 1806 National Small Indus-<br>tries Corporation   | 13724    |
|                                 |                                      |               | 1807 Evacuee Property   | 13724    |
|                                 |                                      |               | 1808 Copra and Betel-nuts   | 13725    |
|                                 |                                      |               | 1809 "Pilgrimage to Freedom"<br>Documentary Film  | 13725-26 |
|                                 |                                      |               | 1810 Rationalisation in Textile<br>and Jute Mills                                       | 13726-27 |
|                                 |                                      |               | 1811 Indian Assistant Com-<br>missioner in Rhodesia<br>and Nyasaland                    | 13727    |
|                                 |                                      |               | 1812 Import of Ammonium<br>Sulphate   | 13727    |
|                                 |                                      |               | 1813 Pondicherry  | 13728    |
|                                 |                                      |               | 1814 Collection of Betterment<br>Levy in Kerala   | 13728-29 |
|                                 |                                      |               | 1814-A Manganese Mines,<br>Mysore   | 13729    |
| S. N. Q.<br>No.                 |                                      | U.S.O.<br>No. |   |          |
| 31                              | Export of Low grade<br>Manganese Ore | 13717-18      | 1645 State Insurance Scheme   | 13729-30 |
| 32                              | Textile Mills in Bombay<br>City      | 13718         | 1646 Per capita National<br>Income  | 13730    |
| WRITTEN ANSWERS TO<br>QUESTIONS |                                      | 13718-48      | 1647 Handloom Cess Fund   | 13730-31 |
| S.O.<br>No.                     |                                      |               | 1648 Cess on Tea  | 13731-32 |
| 1793                            | Cycle Tyres                          | 13718-19      | 1649 Karnatak Khadi and<br>Village Industries<br>Board                                  | 13732-33 |
| 1798                            | Export of Guar Pro-<br>ducts         | 13719         | 1650 Rehabilitation of Dis-<br>placed Persons in<br>Assam                               | 13733-34 |
|                                 |                                      |               | 1651 A.I.R. Station, Gauhati  | 13734    |
|                                 |                                      |               | 1652 A.I.R. Station, Gauhati  | 13734    |
|                                 |                                      |               | 1653 Groundnut-Oil Factories<br>in Marathwada   | 13734-35 |
|                                 |                                      |               | 1654 Displaced Persons set-<br>tled in Marathwada                                       | 13735    |
|                                 |                                      |               | 1655 Production of Vitamin<br>'A'   | 13735-36 |

WRITTEN ANSWERS TO  
QUESTIONS—Contd.

U.S.Q.

| No.                | Subject   | COLUMNS  |
|--------------------|---|----------|
| 1656               | Shark Liver and Marine Oils.                                      | 13736    |
| 1657               | Plumbing System of Ashoka Hotel                                   | 13737    |
| 1658               | Foreign Exchange  | 13737    |
| 1659               | Government Advertisements   | 13738    |
| 1660               | Plantation Labour.  | 13738    |
| 1661               | Small Spinning Plant  | 3738—39  |
| 1662               | Vigilance Cases in C.P.W.D.                                       | 13739-40 |
| 1663               | Prosecution of Manager, Amlabad Collieries.                       | 13740    |
| 1664               | Extension Centres for Small Scale Industries.                     | 13740    |
| 1665               | Sen-Raleigh and T. I. Cycles                                      | 13740-41 |
| 1666               | Central Government Schemes in Andhra Pradesh.                     | 13741    |
| 1667               | North Avenue M. Ps Club   | 13741-42 |
| 1668               | Research in Nuclear Science.                                      | 13742    |
| 1669               | Arbitration Cases.  | 13742-43 |
| 1670               | Employees State Insurance   | 13743-44 |
| 1671               | Cement Allotment to U.P.  | 13744    |
| 1672               | Pakistan Encroachments in Khasi-Jaintia Hills                     | 13744-45 |
| 1673               | Class IV Staff Quarters   | 13745    |
| 1674               | Delegations Abroad  | 13745-46 |
| 1675               | Nangal Fertilizer Factory   | 13746    |
| 1676               | Central Industrial Relations Machinery and Welfare organisations. | 13746-47 |
| 1677               | Employees' State Insurance Corporation                            | 13747    |
| 1678               | Burmese Trade Delegation.   | 13747-48 |
| OBITUARY REFERENCE |   | 13748    |

The Speaker made a reference to the passing away of Shri Choithram Partabrai Gidwani who was a member of the First Lok Sabha.

Thereafter Members stood in silence for a minute as a mark of respect.

PAPERS LAID ON THE  
TABLE

The following papers were laid on the Table :—

(i) A copy of the statement containing replies to certain

## Subject

## COLUMNS

memoranda received from Members in connection with Demands for Grants (Railways) for 1957-58.

- (2) A copy of each of the following papers, under Article 151(1) of the Constitution :—
  - (i) Appropriation Accounts of Railways in India for 1955-56, Part I—Review.
  - (ii) Appropriation Accounts of Railways in India for 1955-56, Part II—Detailed Appropriation Accounts.
  - (iii) Block Accounts (including Capital Statements comprising the loan Accounts), Balance Sheets and Profit and Loss Accounts of Indian Government Railways, 1955-56.
  - (iv) Audit Report, Railways, 1957.
- (3) A copy of the Finance Accounts of the Government of Himachal Pradesh 1955-56 and Audit Report 1956, under Article 151(1) of the Constitution.
- (4) A copy of the Notification No. S.R.O. 2631, dated the 15th August, 1957, under sub-section (3) of Section 114 of the Insurance Act, 1938, making certain further amendments to the Insurance Rules, 1939.
- (5) A copy of the Notification No. S.R.O. 2824, dated the 7th September, 1957, under sub-section (3) of Section 25 of the Rubber Act, 1957, making certain amendments to the Rubber Rules, 1955.
- (6) A copy of the Notification No. S. R. O. 2420, dated the 17th July, 1957, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955, making certain further amendments to the Cotton Textiles (Production by Handloom) Control Order, 1956.

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(7) A copy of each of the following papers under sub-rule (5) of Rules 3 of the Air Corporations Rules, 1954:-

(i) Summary of the budget estimates of revenue and expenditure for 1957-58 and Summary of actuals for the years 1953-54 to 1955-56 and budget for the year 1957-58 under capital of the Air India International Corporation.

(ii) Summary of budget estimates of revenue and expenditure for 1957-58 and Summary of actuals for the years 1953-54 to 1955-56 and budget for the year 1957-58 under capital of the Indian Airlines Corporation.

(8) A copy of the Annual Report of the Employees' State Insurance Corporation along with the Audited Accounts of the Corporation for the year 1955-56, under Section 36 of the year 1955-56, under Section 36 of the Employees' State Insurance Act, 1948.

DIRECTIONS ISSUED BY THE SPEAKER UNDER RULES OF PROCEDURE LAID ON THE TABLE

Directions Nos. 9A, 19A, 19B, 115A and 124 were laid on the table.

REGULATIONS FOR HOLDING OF ELECTIONS BY MEANS OF SINGLE TRANSFERABLE VOTE LAID ON THE TABLE

Regulations made by the Speaker for holding Elections to committees by means of the single Transferable Vote were laid on the Table.

MINUTES OF RULES COMMITTEE LAID ON THE TABLE

Minutes of sittings held on the 10th September, 1957 were laid on the Table.

MESSAGES FROM RAJYA SABHA

13753

Secretary reported three messages from Rajya Sabha that Rajya Sabha had no Recommendations to make to Lok Sabha in regard to the following Bills, passed, by Lok Sabha on the dates mentioned against each :—

- (1) The Cotton Fabrics (Additional Excise Duty) Bills, 1957, passed by Lok Sabha on the 7th September, 1957.
- (2) The Dhooties (Additional Excise Duty) Amendment Bill, 1957, passed by Lok Sabha on the 7th September, 1957.
- (3) The Expenditure-tax Bill, 1957, passed by Lok Sabha on the 4th September, 1957.

CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

13753-58

Shri K.T.K. Tangamani called the attention of the Prime Minister to the recent explosions in Kashmir.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) made a statement in regard thereto.

In response to the eight other calling attention notices mentioned below against the names of the members concerned, the Ministers concerned laid statements on the Table :—

(1) Shri Harish Chandra Sharma Notices of retrenchment served on the Central P.W.D. staff at Ajmer and the situation arising therefrom.

(2) Shri U.L. Patil . Situation created in Jangpura and Bhogal Bazar of Delhi on the 8th September, 1957 and the imposition of curfew in those places.

13751

13752

13752

| Subject                        | COLUMNS   | Subject   | COLUMNS     |
|--------------------------------|---|---|-------------|
| (3) Shri Sanganna              | Supply of railway wagons in Orissa for the export of Iron and Manganese ores.                               | (2) The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur) made a statement regarding the sinking of a Liberian Oil Tanker 'WORLD SPLENDOUR'. |             |
| (4) Sri Maniyangadan           | Food situation in Kerala.   | REPORT OF COMMITTEE OF PRIVILEGES ADOPTED.  | 13760—63    |
| (5) Shri Tangamani.            | Position regarding supply of imported rice to fair price shops in Madras State.                             | First Report was adopted.   |             |
| (6) Shri S.M. Banerjee         | Food situation in certain districts of Eastern U.P.   | AMENDMENT MADE BY RAJYA SABHA AGREED TO   | 13763—66    |
| (7) Shrimati Ila Pal-choudhuri | Failure of electric supply in Delhi on the 5th September, 1957 and the situation arising therefrom.         | The amendment made by Rajya Sabha to Insurance (Amendment) Bill, as passed by Lok Sabha, was taken into consideration and agreed to.  |             |
| (8) Shri N. Keshav             | Deaths of Monkeys in Mysore State on account of a new type of disease and the effect thereof on human life. | MOTION UNDER DISCUSSION   | 13766—13889 |

## STATEMENTS BY MINISTERS 13759-60

(1) The Minister of Commerce and Industry Shri (Morarji Desai) made a statement correcting the reply given to a supplementary on Starred Question No. 161 on the 19th July, 1957 regarding the Procurement of steel.

## STATEMENT BY MINISTER 13889—94

The Minister of Labour and Employment and Planning (Shri Nanda) made a statement regarding the legal position with regard to the implementation of the decisions of the Wage Board for Working Journalists and termination of services of some working journalists.

*Lok Sabha adjourned sine die.*

## RESUME

## OF THE SECOND SESSION OF SECOND LOK SABHA

|  |                                   |  |     |
|--|-----------------------------------|--|-----|
| 1. PERIOD OF THE SESSION   | 15th July to 13th September, 1957 | 7. GOVERNMENT RESOLUTIONS :—   |     |
| 2. NUMBER OF Sittings  | 47                                | (i) Moved . . .  | 3   |
| 3. TOTAL NUMBER OF SITTING HOURS.  | 322 hrs.<br>40 mts.               | (ii) Adopted . . .   | 3   |
| 4. NUMBER OF DIVISIONS HELD  | 40                                | 8. PRIVATE MEMBERS' RESOLUTIONS :—   |     |
| 5. GOVERNMENT BILLS :—   |                                   | (i) Received . . .   | 253 |
| (i) Pending at the commencement of the session. . .  | 5                                 | (ii) Admitted . . .  | 123 |
| (ii) Introduced . . .  | 17                                | (iii) Included in the list of Business . . .   | 15  |
| (iii) Laid on the Table as passed by Rajya Sabha . . .   | 5                                 | (iv) Withdrawn . . .   | 2   |
| (iv) Referred to Select Committees . . .   | 2                                 | (v) Negatived . . .  | 3   |
| (v) Referred to Joint Committees . . .   | 3                                 | 9. GOVERNMENT MOTIONS :—   |     |
| (vi) Reported by Select Committees . . .   | 2                                 | (i) Moved . . .  | 2   |
| (vii) Passed . . .   | 19                                | (ii) Adopted . . .   | 1   |
| (viii) Returned by Rajya Sabha without any amendment . . .   | 17                                | 10. PRIVATE MEMBERS' MOTIONS :—  |     |
| (ix) Returned by Rajya Sabha with amendment . . .  | 1                                 | (i) Received . . .   | 7   |
| (x) Pending at the end of the Session . . .  | 8                                 | (ii) Admitted . . .  | 5   |
| 6. PRIVATE MEMBERS BILLS :—  |                                   | (iii) Moved . . .  | 1   |
| (i) Pending at the commencement of the session.  | 4                                 | 11. MOTIONS RE. MODIFICATIONS TO STATUTORY RULES :—  |     |
| (ii) Introduced . . .  | 26                                | (i) Received . . .   | 4   |
| (iii) Withdrawn . . .  | 4                                 | (ii) Admitted . . .  | 4   |
| (iv) Pending at the end of the session . . .   | 26                                | (iii) Moved . . .  | 1   |
| 14. NUMBER OF MATTERS OF URGENT PUBLIC IMPORTANCE TO WHICH ATTENTION OF MINISTERS WAS CALLED AND STATEMENTS WERE MADE OR LAID BY MINISTERS |                                   | 12. DISCUSSION HELD ON MATTERS OF URGENT PUBLIC IMPORTANCE   | 6   |
|  |                                   | 13. HALF-AN-HOUR DISCUSSION HELD   | 8   |
|  |                                   | 14. NUMBER OF MATTERS OF URGENT PUBLIC IMPORTANCE TO WHICH ATTENTION OF MINISTERS WAS CALLED AND STATEMENTS WERE MADE OR LAID BY MINISTERS | 33  |

## 15. ADJOURNMENT MOTIONS :-

|   |    |
|---|----|
| (i) Received . . . .                      | 32 |
| (ii) Admitted . . . .                     | 1  |
| (iii) Consent withheld by Speaker . . . . | 31 |

## 16. QUESTIONS ASKED :-

|   |      |
|---|------|
| (i) Starred . . . .   | 1792 |
| (ii) Unstarred (Including starred Questions converted as Unstarred Questions) . . . . | 1647 |
| (iii) Short Notice Questions . . . .  | 31   |

## 17. REPORTS OF PARLIAMENTARY COMMITTEES PRESENTED :-

|   |   |
|---|---|
| (i) Business Advisory Committee . . . . | 7 |
|---|---|

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(ii) Committee of Privileges . . . . . 1

(iii) Committee on Absence of Members from the Sittings of the House. . . . . 2

(iv) Committee on Petitions . . . . . 1

(v) Committee on Private Members' Bills and Resolutions . . . . . 7

(vi) Committee on Subordinate Legislation . . . . . 2

(vii) Rules Committee . . . . . 2