

# LOK SABHA DEBATES

**(Tenth Session)**



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LOK SABHA SECRETARIAT  
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\*The sign + marked above the name of a Member indicates that the question was actually asked on the floor of the House by that Member.



LOK SABHA

Thursday, December 3, 1964/Agrahayana 12, 1886 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

**Mr. Speaker:** Secretary may call out the name of the Member who has come to make and subscribe the oath or affirmation under the Constitution.

**Secretary:** Shri Madhu Ramchandra Limaye.

**The Minister of Finance (Shri T. T. Krishnamachari):** Sir, I have great pleasure in introducing to you and through you to the House, Shri Madhu Ramchandra Limaye who has been declared elected to Lok Sabha from Monghyr constituency of Bihar in the vacancy caused by the death of Shri Banarsi Prasad Sinha.

Shri Madhu Ramchandra Limaye (Monghyr)

ORAL ANSWERS TO QUESTIONS

Revolving Fund for Development of Land

- +
- Shri D. C. Sharma:
  - Shri Bibhuti Mishra:
  - Shri K. N. Tiwary:
  - Shri Surendra Pal Singh:
  - Shri Rameshwar Tantia:
  - Shri Vishram Prasad:
  - Shri Bagri:
  - Shri Shree Narayan Das:
  - \*326. Shri Daljit Singh:

1710 (Ai) LSD—1.

- Shri P. R. Chakraverti:
- Shri P. C. Borooah:
- Shri Oza:
- Shri Vishwa Nath Pandey:
- Shri Sivamurthi Swamy:
- Shri P. Venkatasubbaiah:
- Shri Yashpal Singh:
- Shri Ram Harkh Yadav:

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

(a) whether it has been decided to create a revolving fund for bulk acquisition and development of land in and around growing towns, where land prices are rising rapidly; and

(b) if so, the particulars thereof?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) and (b). Yes. The State Governments have been advised that the loans made available to them, both from the Life Insurance Corporation and the Government of India, should be pooled to serve as a revolving fund for bulk acquisition and development of land in and around growing towns. The Working Group on Housing and Urban and Rural Planning in the Fourth Plan has also recommended that 20 per cent of the funds earmarked for Housing in the Fourth Plan should be utilised for large scale acquisition and development of land.

**Shri D. C. Sharma:** May I know if it has been specified as to how much of this fund will be contributed by LIC and how much will be contributed by the State Governments?

**Shri Mehr Chand Khanna:** There is a total allocation of Rs. 180 crores for housing under the Third Plan. Out of this Rs. 60 crores is to come from the LIC and the remaining from the

Central Government under planned allocations.

**Shri D. C. Sharma:** May I know if this Revolving Fund which we are going to have for development of land near the towns will not be at the expense of rural housing; if so, may I know what steps Government are taking to see that the rural housing schemes succeed as before and that this scheme does not infringe upon the possibility of those schemes being successful?

**Shri Mehr Chand Khanna:** I do not think there should be any apprehension on that ground. We have different types of schemes, rural and urban, and allocation for rural housing is quite distinct from urban housing.

**Shri D. N. Tiwary:** May I know whether the State Governments have geared up their administrative machinery and are coming up to execute this scheme?

**Shri Mehr Chand Khanna:** I have recently taken up this matter with the State Governments. I have written to the Chief Ministers myself. I have told them that it would be very desirable that housing is under one minister. At the moment I find that in certain States housing is being handled by more than one minister. I have also suggested to the Chief Ministers that they should set up Housing Boards in their States because we are contemplating to set up a Central Housing Board at the Centre so that there is proper co-ordination.

**श्री काशीराम गुप्त :** क्या राज्य सरकारों को इस प्रकार के सभी आदेश दिए गए हैं कि इस फंड से जो जमीन खरीदी जाए उसमें प्राथमिकता उन योजनाओं को दी जाए जिनमें 200 रुपये से कम आय वाले लोगों को मकान बनाने के लिए जमीन मुहय्या करने की बात है ?

**श्री मेहर चन्द खन्ना :** यह तो नहीं है । जो हम ने राज्य सरकारों से प्रार्थना की है वह यह है कि चूंकि जमीन का भाव बढ़ रहा है, इसलिए जितनी भी जमीन वह खरीद सकें खरीदें ताकि हमको अपने मकान बनाने में सुभीता हो और तकलीफ न पड़े । आज तक हमने इस काम के लिए राज्य सरकारों को 15 करोड़ रुपया दिया है और मेरा ख्याल है उन्होंने 11 या 12 हजार एकड़ के करीब जमीन एक्वायर की है ।

**Shrimati Savitri Nigam:** What is the shortfall in rural housing during the Third Plan? Is it a fact that rural housing programmes are going very slow?

**Shri Mehr Chand Khanna:** That has nothing to do with this question.

**Shri S. N. Chaturvedi:** May I know whether this fund will revolve clockwise or anti-clockwise i.e., from bigger towns to smaller towns or from smaller towns to bigger towns?

**Shri Mehr Chand Khanna:** I have not been able to follow the implication of clockwise and anti-clockwise.

**Mr. Speaker:** The clock moves towards the right. Perhaps he wants to know whether it will move to the left.

**Shri P. C. Borooah:** May I know how this fund will be administered in order to prevent misappropriation or misuse?

**Shri Mehr Chand Khanna:** I do not think there is any misappropriation or misuse.

**Mr. Speaker:** Should we start thinking of misappropriation even before the fund comes into existence?

**श्री बड़े :** अभी मंत्री जी ने कहा कि उन्होंने राज्यों को पैसा दिया है। मैं जानना चाहता हूँ कि मध्य प्रदेश सरकार को उन्होंने कितना पैसा दिया है और उस सरकार ने इम्प्रूवमेंट ट्रस्ट को कितना पैसा दिया है ?

**श्री मेहर चन्द खन्ना :** जहाँ तक मध्य प्रदेश सरकार का ताल्लुक है, मध्य प्रदेश गवर्नमेंट ने टोटल 41 लाख 66 हजार रुपया लिया है और उन्होंने तकरीबन 524 एकड़ जमीन एक्वायर की है।

**श्री बागड़ी :** यह जो शहरों के नजदीक की जमीन की कीमत बढ़ रही है उसके लिए यह फंड कायम किया गया है। सरकार और निगम ने गाजियाबाद वगैरह के किसानों की जमीनें थोड़ी कीमतों में ले ली हैं और उन को कई गुना कीमतों पर बेच रही है जिससे कि बाजार में फर्क पड़ता है। मैं जानना चाहता हूँ कि क्या सरकार और निगम कीमतों के बढ़ने पर रोक लगाने की सोच रहे हैं जिससे कि यह समस्या हल हो ?

**श्री मेहर चन्द खन्ना :** शहरों की आबादी कुछ तो जाती तौर पर बढ़ रही है और कुछ बाहर से लोग वहाँ आ रहे हैं, इसलिए उन के लिए मकान बनाने जरूरी हैं। उसके लिए चाहे गाजियाबाद हो, चाहे फरीदाबाद हो या गुड़गाँवाँ हो, वहाँ की जमीन लेनी पड़ती है। बाकी जो हम मुआवजा देते हैं वह कवायद के मुताबिक देते हैं और जिस कीमत पर हम बेचते हैं वह भी कवायद के मुताबिक होती है।

**अध्यक्ष महोदय :** उन का कहना है कि आप जो ज्यादा कीमत लेते हैं वह न लें ताकि कीमतें न बढ़ें।

**श्री बागड़ी :** क्या सरकार यह सोच रही है कि जो कीमत निगम और सरकार इन जमीनों की लेती है उस को कम करे....

**अध्यक्ष महोदय :** यही तो मैं ने कहा।

**श्री बागड़ी :** उसका उत्तर नहीं आया।

**अध्यक्ष महोदय :** यही उत्तर है कि सरकार सोच रही है।

**श्री यशपाल सिंह :** सरकार ने जो जमीन किसान से ली 6 रुपए गज पर उसको कम्पनी और सोसाइटी बना कर 250 रुपए गज पर बेचा है। क्या यह समाजवादी सरकार यह सोच रही है कि उस जमीन के नीलाम से जो ज्यादा कीमत आयी है उसमें किसान को भी उसका हिस्सा दिलवाया जाए ?

**श्री मेहर चन्द खन्ना :** मैं ने कहा कि उस जमीन का कम्पेन्सेशन देने के बाद हम उस को डेवेलप करते हैं, उसके लिए बिजली लाते हैं, पानी लाते हैं, वहाँ सड़कें बनाते हैं। और फिर यह तो है नहीं कि एक गज जमीन ली है तो उस सारी जमीन पर मकान बना दिया जाएगा। उसमें से 30, 40 या 50 पर सेंट जमीन छोड़नी पड़ती है। इन तमाम चीजों को खयाल में रख कर कीमत मुकर्रर की जाती है। सरकार कोई मुनाफा नहीं कर रही है।

**भारतीय मुद्रा की कीमत**

327. { **श्री बागड़ी :**  
**श्री विश्राम प्रसाद :**

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि गत 17 वर्षों से भारतीय मुद्रा की कीमत गिर रही है ;

(ख) क्या यह भी सच है कि मुद्रा की कीमत कम हो जाने के कारण वस्तुओं के भाव बढ़ गये हैं ; और

(ग) यदि हां, तो मुद्रा की कीमत स्थिर करने के लिये सरकार ने क्या कदम उठाये हैं ?

योजना मंत्री (श्री ब० रा० भगत) :

(क) से (ग). सभा की मेज पर एक विवरण रख दिया गया है, जिसमें यह जानकारी दी गयी है ।

### विवरण

(क) मुद्रा के मूल्य का कोई निश्चित या एकमात्र मापदंड नहीं है । मुद्रा की आन्तरिक क्रयशक्ति में होने वाले परिवर्तनों को मापने के लिए, मूल्यों में होने वाले उतार-चढ़ाव के विभिन्न सूचक-अंकों, जैसे थोक मूल्यों के सूचक-अंक या श्रमिक वर्ग उपभोक्ता मूल्य सूचक-अंक का उपयोग किया जाता है । थोक मूल्यों के सूचक-अंक में, जो इन मापदंडों में से एक है, पिछले सत्रह वर्षों में 100 प्रतिशत वृद्धि हुई है । इसमें से लगभग आधी वृद्धि, युद्ध और विभाजन के बाद की मुद्रा-स्फीति के दौर में हुई थी, जो 1951 तक रहा । 1951 और 1963 के बीच की अवधि में थोड़ी ही वृद्धि हुई । इस वर्ष, बढ़ती हुई मांग की तुलना में अनाज और दूसरी अत्यावश्यक वस्तुओं का उत्पादन पर्याप्त न होने के कारण मूल्यों में काफी वृद्धि हुई है । इस प्रकार, यद्यपि पिछले सत्रह वर्षों में मूल्यों में बहुत वृद्धि हुई है और इस कारण मुद्रा की आन्तरिक क्रयशक्ति कम हो गयी है, फिर भी यह प्रवृत्ति एकसी नहीं रही और अधिकतर परिवर्तन विशेष कारणों से होते रहे हैं । यह भी उल्लेखनीय है कि पिछले कुछ वर्षों में बहुत से अन्य देशों में मूल्यों में भारत की तुलना में अधिक वृद्धि हुई है ।

रुपये के बाह्य मूल्य में सितम्बर 1949 से कोई परिवर्तन नहीं हुआ ।

(ख) मूल्य वृद्धि स्वयं ही मुद्रा की आन्तरिक क्रयशक्ति के परिवर्तन का मापदण्ड है, इसलिए यह नहीं कहा जा सकता कि वर्तमान मूल्य-वृद्धि का कारण मुद्रा के मूल्य में होने वाला परिवर्तन है ।

(ग) मूल्यों के स्तर को बढ़ने से रोकने के लिये कई उपाय किये गये हैं । जैसा कि ऊपर बताया गया है, इस मूल्य-वृद्धि का कारण अनाज और अन्य अत्यावश्यक वस्तुओं के उत्पादन का उनकी बढ़ती हुई मांग से कम होना है । मोटे तौर पर सरकार (क) उद्गादन में, विशेषकर कृषि उत्पादन में, उल्लेखनीय और निरन्तर वृद्धि करने, (ख) विदेशी मुद्रा सम्बन्धी कठिन स्थिति के अनुरूप अनाज और अन्य अत्यावश्यक वस्तुओं का आयात करने, (ग) सरकारी खर्च को कम करके और बाणिज्यिक बैंकों द्वारा दिये जाने वाले ऋणों का नियमन कर के मांग के दबाव को कम करने और (घ) अत्यावश्यक वस्तुओं के मूल्यों और उनके वितरण का नियमन करने की कोशिश कर रही है ।

श्री बागड़ी : आज से 15-16 साल पहले इस देश में नोटों का संचालन साठ आठ अरब का था और इस वक्त यह तादाद करीब 24 या 25 अरब हो गयी है । उद्योग और व्यापार को छोड़ कर क्या सरकार अन्य फिजूल खर्ची पर रोक लगाने की सोच रही है जिससे नोटों में वृद्धि पर रोक लग सके ?

श्री ब० रा० भगत : इस पर तो हमेशा विचार किया जाता है ।

अध्यक्ष महोदय : स्टेटमेंट में भी दिया हुआ है कि हम क्या कर रहे हैं ।

**श्री ब० र० भगत :** खर्चा कम कर रहे हैं। खर्चों को कम करने का विचार किया जा रहा है, स्टेटमेंट में यह दिया हुआ है।

**श्री बागड़ी :** दूसरा सवाल मैं मंत्री महोदय से यह करना चाहता हूँ कि हमारे वहाँ अपने रुपये की जो कीमत 100 पैसे से गिर कर 17 हो गई है तो क्या इस तरीके से और इसी तादाद से जो छोटी आमदनी है वह भी बढ़ी है ? जिस हिसाब से रुपये की कीमत गिर कर 17 पैसे हो गई है उसी हिसाब से जो नीचे की आमदनी के लोग हैं उन की आमदनी को बढ़ाने के लिए और उसे पूरा करने के लिए सरकार क्या कुछ कर रही है, यदि हाँ तो क्या कर रही है ?

**श्री ब० र० भगत :** यह बिलकुल सही नहीं है कि इस अवधि में रुपये की कीमत घट कर 17 पैसे हो गई है। हमारे हिसाब से तो इतनी कम कीमत उसकी नहीं हुई है। मगर इस बीच में माननीय सदस्य यह भी देखेंगे कि लोगों की आमदनी कितनी बढ़ी है, खाली मनी बैल्यु के लिहाज से नहीं लेकिन उन की रियल इनकम भी बढ़ी है, उस हिसाब से यह अंदाजा नहीं लगता है कि चीजों के दाम इस बीच में उतने बढ़े हैं और आम लोगों को कोई ज्यादा तकलीफ हुई हो। अलबत्ता गरीब तबके के जो लोग हैं उन में कुछ ऐसे लोग हैं जिनको कि तकलीफ ज्यादा हुई हो और जिनकी कि आमदनी भी इस बीच में न बढ़ी हो ऐसे लोगों को तो तकलीफ हो सकती है और सरकार की जो आर्थिक नीति है वह इस तरह से बनाई जा रही है ताकि उनको तकलीफ कम से कम हो और इस बीच में उनकी तकलीफ को दूर करने की कोशिश सरकार द्वारा की जा रही है।

**श्री बागड़ी :** अध्यक्ष महोदय, मैं ने एक बात पूछी थी लेकिन उसका जवाब अभी तक मंत्री जी द्वारा नहीं दिया गया है और वह यह थी कि उस के लिए सरकार प्रयत्न क्या कर रही है?

**अध्यक्ष महोदय :** यह तो बहुत लम्बा बयान होगा और इस वक्त यह बयान करना कि क्या क्या कर रही है यह मुश्किल होगा। इस सब के बतलाने के लिए तो बहुत वक्त चाहिए।

**Shri Alvares:** In view of the fact that constant rising prices throw out of all calculation the quantum of Plan investments, is Government considering the advisability of setting up a constant price structure on the basis of which future investments can be calculated?

**Shri B. R. Bhagat:** There cannot be anything like a constant price structure in a dynamic economy. But certainly to have a real price policy, which is in consonance with the development needs of the country, is always kept in view.

**Shri R. Ramanathan Chettiar:** By what criteria do you determine the value of the rupee in order to know the purchasing power of the currency?

**Shri B. R. Bhagat:** It is not I who have determined the value; the Reserve Bank also has not determined the value of the rupee. This question relates to some newspaper publicity about the reported value of the rupee.

**Shri Hem Barua:** May I know if the attention of the Government is drawn to a statement made by a Dean of the Allahabad University, who is also a member of the panel of economists of the Planning Commission, to the effect that the intrinsic value of the Indian rupee has slumped from 100 paise to 17 paise during the last 20 years and also that—he has not said like that, yet—the international

value of the rupee has slumped because of the fact that the foreign exchange reserves against the rupee are dropping to the near minimum statutory level; if so, what steps have government taken to rejuvenate the rupee, both internally and internationally?

**Shri B. R. Bhagat:** The two questions, the internal value and the external value, are separate questions. As regards the external value of the rupee, which is pegged to the official rate and all transactions go on on that basis, there is no need to rejuvenate it. So far as the opinion given by a particular economist about the value of the rupee is concerned, there is no fixed criteria on which the internal value can be determined. Certainly, with the cost of living index as the basis a certain value of the rupee can be taken and with the consumer price index as the basis another value can be taken. Applying all those criteria the value of the rupee during this period has not come down to 17 paise..... (Interruption).

**Shri Surendranath Dwivedy:** How much has it come down to?

**Shri B. R. Bhagat:** It is much more..... (Interruption).

**Mr. Speaker:** Order, order; all hon. Members should kindly sit down.

**Shri Hem Barua:** May I submit for your consideration that the economist who has stated like this that it has slumped from 100 paise to 17 paise is no mean economist. He is a member of the Panel of Economists of the Planning Commission.

**Mr. Speaker:** He should realise that there can be a possibility of differing from him also.

**श्री.म० ला० द्विवेदी :** अभी मंत्री महोदय ने बतलाया कि विदेशों में हमारे सिक्के का अवमूल्यन नहीं हुआ है और वहां ठीक दाम पर हमारा सिक्का भुन जाता है लेकिन मैं अभी बाहर से होकर आया हूं और मुझे मालूम हुआ है कि वहां पर अपने 280 रुपये के बदले में 100 रुपये भी नहीं मिलते हैं तो मैं जानना चाहता हूं कि विदेशों में यह जो हमारे सिक्के की दर गिरी है उस का क्या कारण है ?

**श्री ब० रा० भगत :** उस का कारण यह है कि हम स्मगलिंग रोक रहे हैं। गैर कानूनी ढंग से बाहर फॉरेन एक्सचेंज का जो ट्रेजर्वेशन चलता है उस को रोक रहे हैं इस कारण ब्लैक मार्केट में जो खपता है उस की कीमत कम हो गयी है लेकिन जहां तक आफिशिएल रेट का मामला है और ट्रेड का मामला है हमारे बाहर के जितने भी पैमेंट्स हैं उनमें हमारे सिक्के की उसी वैल्यू से भुगतान होता और हिसाब होता है।

**Shri Surendranath Dwivedy:** The hon. Minister in reply said that according to their calculations it has not come down to 17 paise as stated by the Dean of the Allahabad University. May I know, according to Government calculations, how far it has gone down?

**Mr. Speaker:** He has said that it is not possible to determine. (Interruption).

**Shri Surendranath Dwivedy:** It is not possible for them to determine?

**Mr. Speaker:** Yes.

**Shri Hari Vishnu Kamath:** Or, it is not desirable?

**Shri A. P. Jain:** In reference to the external value of the rupee, it is well-known that there is one thing known as the official rate and the other rate

known as the non-official rate. What is the difference between the official rate of rupee in terms of dollar and the non-official rate of rupee in terms of dollar?

**The Minister of Finance (Shri T. T. Krishnamachari):** So far as we are concerned, we know only the official rate. To the extent it is desirable to import anything into the country, we are prepared to provide the foreign exchange at the official rate. So far as the non-official rate is concerned, it depends upon the demand from the people who are not able to get the official rate of exchange. If they are not able to get and they have means by which they could pay more and get the exchange, it is a matter over which the Government can have no control. It may be that lot of people are going out of India and want money to spend. At that moment perhaps they are prepared to give Rs. 13 to a firm or they are prepared to give Rs. 22 or even Rs. 25. It is a matter which is dictated by the need of the moment of a particular person and his ability to get it. It is not a matter by which we can either judge the economy of the country or the stability of the country.

**Shri A. P. Jain:** Don't shut your eyes to the non-official rate. It is well-known. I wanted to seek the information as to what is the non-official rate.

**Shri Ranga:** May I know whether Government would apply for Nobel Prize for this howler?

**Shri T. T. Krishnamachari:** May I know if howling is the monopoly of the leader of the Opposition?

**Shri Ranga:** My hon. friend will be the first applicant.

**Shri A. P. Jain:** I am not asking a new question. My question has not been answered. What is the non-official rate which the hon. Minister admits it is there. I want to know what is that rate.

**Shri T. T. Krishnamachari:** I do not recognise any non-official rate.

**Shri A. P. Jain:** Will the Minister shut his eyes and not see the non-official rates which prevail?

**Shri Hem Barua:** Even the Pakistan rupee has greater prestige in the international market.

**Shri Sham Lal Saraf:** May I know whether inflationary trends discernible within the country are responsible for devaluation of the rupee and, if so, may I know what steps have been taken so far to keep the value stationary?

**Shri B. R. Bhagat:** To the extent the prices go up in the country, well it may be said to mean that the value of rupee falls. We are taking all steps and particularly because of the rise in foodgrains prices in recent months we are importing food on which we are incurring Government expenditure. The Finance Minister has announced various steps including the control of the demand of the population in regard to that. All steps are being taken to stabilise the prices.

**Mr. Speaker:** Next Question.

**Shri Hem Barua:** He is blaming the population!

#### Prefabricated Houses

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- Shri Surendra Pal Singh:
  - Shri Rameshwar Tantia:
  - Shri Yashpal Singh:
  - Shri P. R. Chakraverti:
  - Shri P. C. Borooah:
  - Shri Warior:
  - Shri Daji:
  - Shri R. Barua:
  - Shri R. S. Pandey:
  - Shri Kishen Pattanayak:

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

(a) whether Government are considering a proposal to set up public

sector plants for the manufacture of prefabricated houses; and

(b) if so, the main features of the said proposal?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) A Technical Committee under the Chairmanship of Prof. M. S. Thacker, Member, Planning Commission, has been appointed to examine the proposals of Government to set up prefabricated housing plants in the public sector at Delhi and Bhilai.

(b) A statement is laid on the Table of the House.

#### STATEMENT

The Committee will examine the proposals to set up a prefabricated housing plant in (i) Delhi and (ii) Bhilai and advise the Government of India, among other things, on the following specific points, separately in regard to each plant:—

- (i) Taking into consideration all relevant factors such as (a) climatic and living conditions, (b) present day comparative costs of traditional and prefabricated houses and those likely to prevail over a period of the next 10—15 years, (c) effective demand for traditional and prefabricated houses, etc., is it desirable to set up a prefabricated housing plant in Delhi and in Bhilai in the public sector?
- (ii) If so, should the proposed plant be for the construction of prefab-cum-conventional houses (with prefabricated concrete floors, lintels, chhahhas, staircases, etc., and conventional load-bearing brick masonry walls) or for the construction of completely prefabricated houses, in which the walls would also be prefabricated in panels?

(iii) Whether the proposed plant should be a 'Specialised Reinforced Concrete Factory', or 'Cassette' or 'Kozlov' plant, or any other type available in the U.S.S.R., or East European countries, and what should be its capacity?

(iv) In Delhi, should the proposed plant, if it is not mobile, be set up as an adjunct to the Hindustan Housing Factory or at some other site?

**Shri Surendra Pal Singh:** In view of the fact that no country can make a success of a major pre-fabricated housing scheme without a sound industrial base, and since we lack in that, would it be advisable for the Government of India to go in for this programme in a big way at this juncture?

**Mr. Speaker:** That is the advice tendered to the Government.

**Shri Mehr Chand Khanna:** That is exactly why we have appointed a committee.

**Shri Surendra Pal Singh:** Has Russia made any concrete offer to the Government of India to set up a plant to manufacture pre-fabricated houses, and if so, what are the terms and conditions of the offer and are those terms acceptable to the Government of India?

**Shri Mehr Chand Khanna:** My engineers visited Russia, America and some other countries, and as a result we have got the data and we have got some information. That information has been pooled and it is now being placed before the committee appointed to examine the whole matter. I am hoping to get the report of this committee by the end of this month.

**Shri Rameshwar Tantia:** May I know whether it is a fact that some years back pre-fabricated houses were built and there were serious com-



laints about them, and if so, whether Government have made an enquiry into the nature of the complaints, and whether they will keep that factor in mind now?

**Mr. Speaker:** Now, we should move ahead and not go back by five years. That was Shri Kamath's monopoly.

**Shri Hari Vishnu Kamath:** I only persued the matter because everything went wrong.

**श्री यशपाल सिंह :** क्या सरकार बता सकती है कि फ़ॉर्य फ़ाइव-इयर प्लान में कुल कितना रुपया इस में लगेगा और उसमें कितना रुपया रूलर एरिया के लिए कितना अरबन एरिया के लिए होगा ?

**श्री मेहर चन्द खन्ना :** मुझे उम्मीद है कि फ़ॉर्य फ़ाइव-यियर प्लान में मुझे पांच छः सौ करोड़ रुपया मिलेगा, बजाये लग-भग दो सौ करोड़ के, जो कि तीसरी प्लान में दिया गया था । लेकिन अभी तक यह कहना मुश्किल है कि यह जरूर मिलेगा, लेकिन मुझे पूरी उम्मीद है ।

**Shri P. C. Borooah:** May I know whether there was a meeting of the State Housing Ministers at Chandigarh to examine the possibility of introducing these pre-fabricated houses in order to get relieved of the housing problem and to examine the question of reducing the cost of pre-fabricated houses, and if so, to what extent the conference was successful?

**Shri Mehr Chand Khanna:** The meeting is scheduled to take place on the 29th, 30th and 31st of this month at Chandigarh. It has not taken place as yet.

**Mr. Speaker:** Perhaps the seat has also something to do with the approach of a Member when he is asking supplementary questions. Shri P. C. Borooah has changed his attitude after he has changed his seat.

**Shri R. Barua:** From the statement I find that:

"In Delhi, should the proposed plant, if it is not mobile, be set up as an adjunct to the Hindustan Housing Factory or at some other site?"

That means that it can be put up as an adjunct to the Hindustan Housing factory. May I know what contribution the Hindustan Housing Factory has made towards the housing needs of the lower income group?

**Shri Mehr Chand Khanna:** The Hindustan Housing Factory is doing very well now. It had its teething troubles, as you kindly remarked. We have now stepped up our production from about Rs. 60 or 70 lakhs to about Rs. 140 or 150 lakhs. We are running this factory at a little profit now.

**Shri Hari Vishnu Kamath:** Have Government learnt?

**Shri R. Barua:** What contribution has this factory made towards meeting the needs of the lower income group in regard to housing?

**Shri Mehr Chand Khanna:** The Hindustan Housing Factory is only producing panels which are being used for pre-fabricated office buildings. We have not gone into housing as yet. That is one of the questions that has been referred to this committee, because according to our information, for the office buildings, pre-fabrication will be slightly cheaper, but if we build houses with pre-fabricated panels, they may be more expensive than the traditional houses.

**Shri Hari Vishnu Kamath:** Has Government learnt the necessary lessons from the ignominious fiasco in which the prefabricated housing scheme of the late forties petered out? If so, in what ways does the prefabricating processes of this scheme differ from those of its predecessor?

**Shri Mehr Chand Khanna:** If it would give any satisfaction to the hon. questioner, I am prepared to say that we have gone far ahead as compared to conditions that prevailed 10 or 15 years ago. This factory, I have just stated, is doing fairly well—very well. My own feeling in the matter is that in the world at large prefabricated housing is now becoming the vogue and if we have to save material, time and money, I think we have to go in for prefabricated houses.

**Shri Hari Vishnu Kamath:** I am sorry to say that my question which was specific has been evaded.

**Mr. Speaker:** It is different.

**Shri Hari Vishnu Kamath:** In what ways?

**Mr. Speaker:** That factory was producing only panels to be used for construction.

**Shri Hari Vishnu Kamath:** That is because it fizzled out.

**Mr. Speaker:** Now they are going in for prefabricated houses.

**Shri Hari Vishnu Kamath:** They adopted a process of prefabrication there. Was that process wrong? If so, in what ways has that process been improved upon, modified or completely substituted, and a new process of prefabrication introduced by using a different mixture and so on? Does he know the technicalities of it?

**Shri Mehr Chand Khanna:** We sent out a team to America. When they came back, they gave certain suggestions. Some improvements have been made in the Hindustan Housing Factory now. The idea is to go in for one of the modern plants which are being made. I am not in a position to give any advice to the House or take any specific action in the matter till we get the report of the experts who have been appointed to go into this very question.

**श्री श्रीकार लाल बेरवा :** मैं यह जानना चाहता हूँ कि पहले कितने परसेंट से मकान बन जाता था और इस नये यंत्र के लगाने से उस में कितना फर्क पड़ेगा ।

**श्री मेहरचन्द खन्ना :** हम दिल्ली और भिलाई में ये नये प्लांट लगाना चाहते हैं । पुराने प्लांट का जिक्र नहीं है ।

**श्री श्रीकार लाल बेरवा :** मेरे प्रश्न का उत्तर नहीं दिया गया है । मैं तो यह जानना चाहता हूँ कि पहले किस परसेंट से मकान बनता था—दस परसेंट से बनता था, कि सत्रह परसेंट से बनता था, किस परसेंट से बनता था और इस यंत्र के लगाने से उसमें कितना फर्क पड़ जायेगा ?

**श्री मेहरचन्द खन्ना :** जहाँ तक दफ़्तर का ताल्लुक है, मेरी इत्तिहा है कि हमें चौदह पंद्रह परसेंट का फायदा होता है जहाँ तक मकानों का ताल्लुक है, यह कहा गया है कि अगर हम उस में तमाम प्रीफ़ैब्रिकेटिड मेटिरियल इस्तेमाल करें, तो उस में खर्चा ज्यादा पड़ेगा, लेकिन अगर आधा प्रीफ़ैब्रिकेटिड मेटिरियल और आधा टूडिशनल सामान इंटें, वर्ग रह, लगायें, तो शायद उतना ज्यादा खर्चा न हो, नुकसान का तो सवाल नहीं है ।

**श्री म०ला० द्विवेदी :** सरकार ने जो समिति बनाई है, उस में कौन कौन से सदस्य हैं ? क्या उन को प्रीफ़ैब्रिकेटिड हाउसिंग का कोई ज्ञान या तजुर्बा है, वरना उन को क्यों मुकर्रर किया गया है ?

**श्री मेहरचन्द खन्ना :** अगर माननीय सदस्य उन के नाम सुनेंगे, तो उन को पता लग जायेगा कि वे काफ़ी लायक शख्स और इंजीनियर हैं । मैं ने डा० थंकर का जिक्र किया है । उन के अलावा इस कमेटी में लेफ्टिनेंट-जेनेरल विलियमज्ज, ग्रान-रेरी एडवाइजर टु दि कौंसिल ग्राफ़ साइंटिफ़िक एंड इंस्ट्रुमल, रिसर्च, श्री एन० जी० दीवान

चीफ इंजीनियर, सी० पी० डबल्यू० डी०, श्री सिन्हा, कन्सल्टिंग इंजीनियर टु दि गवर्नमेंट आफ इंडिया, ट्रांसपोर्ट मिनिस्ट्री। हम ने इस किस्म के आदमी लिए हैं, जो कि इस काम से काफ़ी वाक़िफ़त रखते हैं।

श्री म० ला० द्विवेदी : क्या सात नाम पूरे हो गए हैं ? अभी तक सिर्फ़ चार आदमियों के नाम बताए गए हैं।

श्री मेहरचन्द खन्ना : मैं बाकी नाम भी बता देता हूँ।

अध्यक्ष महोदय : नैकमट क्वैस्टियन।

#### Integration of Housing Scheme

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 Shri P. C. Borooah;  
 Shri Yashpal Singh;  
 Shri Rameshwar Tantia;  
 Shri Vishram Prasad;  
 Shri Bagri;  
 Shri Vishwa Nath Pandey;  
 Shri Sivamurthi Swamy;  
 Shri Ram Harkh Yadav;  
 Shri D. D. Mantri;  
 Shri Dharmalingam;

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

(a) whether Government propose to integrate the various housing schemes under which financial assistance such as loans or subsidy is given to low-income and middle-income groups for house-building purposes;

(b) if so, the broad features of the proposal; and

(c) the reasons necessitating this step?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) and (b). The Working Group on Housing and Urban and Rural Planning in the Fourth Plan, set up by the Planning Commission, have recommended that the existing urban housing schemes should be integrated

into two schemes—viz Subsidised Rental Housing Scheme and Loans Housing Scheme. These recommendations will be discussed at the Conference of the Housing Ministers which will be held on the 29th, 30th and 31st December, 1964.

(c). The intention is to simplify and rationalise the existing schemes.

Shri P. C. Borooah: It is stated that the purpose of this new integrated scheme is to provide better benefit to the economically poorer sections. May I know what extra benefits are going to be given to the low income groups in comparison with the middle income groups?

Shri Mehr Chand Khanna: We have got seven or eight schemes and the idea is to bring them under two categories. The whole matter has been examined and discussed with the Planning Commission and now I propose to place it before the conference of Housing Ministers. After we have gone into this question from the Delhi angle as well as the State angles, a final decision will be taken in consultation with the Planning Commission and the Ministry of Finance.

Shri P. C. Borooah: What benefits are going to be given under the subsidised scheme to the poorer sections?

Shri Mehr Chand Khanna: That is exactly what I am trying to tell the hon. Members. We want to rationalise the schemes. Possibly in certain cases, we may have to subsidise more and in certain cases, less. All these things are going to be examined.

Shri Rameshwar Tantia: May I know whether, with the financial assistance, Government will see that they get a small quantity of cement to build their house?

Shri Mehr Chand Khanna: I find the difficulty about cement is there and I go on approaching the Minister for Industries and Commerce. The response has not been very encouraging.

**श्री यशपाल सिंह :** क्या सरकार यह बतला सकती है कि उन के एकीकरण के लिये जब मीका दिया जायेगा तो जिन लोगों के पास प्लाट्स नहीं हैं उन्हें कैसे इमदाद दी जायेगी।

**श्री मेहरचन्द खन्ना :** हमारी दो किस्म की स्कीमें हैं। एक तो यह कि हम कर्जा देते हैं इस लिये कि लोग खुद मालिक बन जायें मकानों के और दूसरे हम यह सहूलियत देते हैं इस लिये कि जैसे स्लम क्लियरेंस स्कीम है, इंडस्ट्रियल स्कीम है उस में किराये में कुछ रियायत करते हैं। दूसरी बात जो आनरेबल सदस्य ने दो तीन बार कही है उस के सम्बन्ध में जहां तक रूरल एरियाज का ताल्लुक है, उस के मुताल्लिक स्कीमें बन रही हैं कि वहां भी काफी सहूलियत दी जाय जैसे कि हम अरबन एरियाज में कर्ज देते हैं या दूसरी सहूलियतें देते हैं। मेरा इरादा यह है कि देहातों में इस तरह का कर्जा दिया जाये और दूसरी सहूलियतें दी जायें ताकि देहातों में भी मकान बन सकें।

**श्री बागड़ी :** मकानों की समस्या देश में बड़ी जटिल होती जा रही है और उस की एक बुनियाद जगह की कमी है। तो क्या माननीय मंत्री महोदय इस बात पर विचार कर रहे हैं कि जो जगहें फालतू हैं, जैसे कि दिल्ली में रेसकोर्स है या दूसरी गैर जरूरी चीजें हैं जो बशशाशत के मुकाबले में बहुत कम जरूरत की हैं, या बड़ी कोठियां हैं, उन पर रोक लगा कर ऐसी जमीन इकट्ठा कर के कर्जों के रूप में जमीन दें ताकि जिन के पास मकान नहीं हैं वह मकान बना सकें।

**श्री मेहरचन्द खन्ना :** जहां तक बड़ी कोठियों का ताल्लुक है, फाइनेंस मिनिस्टर का भी यही विचार है और हाउसिंग

मिनिस्टर का भी यही विचार है कि हमें मल्टी स्टोरीड कंस्ट्रक्शन करना चाहिये, और कुछ इस तरह का काम शुरू कर दिया गया है,। बाकी रेसकोर्स है या दूसरी जगहें हैं, उन के मुताल्लिक मैं यह कहना चाहता हूं कि दिल्ली के लिए एक मास्टर प्लैन है, उस मास्टर प्लैन, के मुताबिक हमें एक खास हिस्से पर मकान बना सकते हैं। और खास हिस्से को ग्रीन रखना पड़ता है। जहां तक रेस कोर्स या गोल्फ कोर्स का सवाल है, उस से फर्क नहीं पड़ेगा क्योंकि वहां पर इमारत नहीं बन सकती।

**Shri Surendranath Dwivedy:** Has it come to the notice of the Government that loans provided for house building purposes to low income and middle income groups is very inadequate? Is there any proposal to increase the amount of loan to the individuals in these groups?

**Shri Mehr Chand Khanna:** We have increased the loan amount recently: the minimum has been raised from Rs. 8,000 to 10,000. Similarly, there is a request for increasing the limit in the matter of Government servants. As far as this Plan is concerned, allocations were fixed 3-4 years ago and there is no possibility of changing them. But as far as the Fourth Plan is concerned, as I informed the House not long ago, I am going to get allocations at least three times more.

**Shri Sivamurthi Swamy:** May I know whether any complaints have been received by the Government that the low income group and middle income group scheme had been misused by so many white collared and well-to-do persons?

**Shri Mehr Chand Khanna:** Whether a person wears a white collar or a dark collar, if the hon. Member would bring a specific case to my notice, I shall not spare him.

**Shri Shivananjappa:** May I know whether the subsidy is confined only to industrial labour in urban areas?

**Shri Mehr Chand Khanna:** I just now informed the House that we have got two types of schemes: the subsidised scheme where we give a capital subsidy and there is a rental subsidy. All these schemes are there; we want to rationalise them and put them into groups.

**Shri S. M. Banerjee:** May I know whether there is a scheme called "Own Your House Scheme" and that loans will be given to those who retire after the completion of satisfactory service of 25 years or more, and whether any loan will be given to the pensioners to settle themselves either in Delhi or in any other place of work after their retirement?

**Shri Mehr Chand Khanna:** You mean Government servants?

**Shri S. M. Banerjee:** Yes.

**Shri Mehr Chand Khanna:** There is no other scheme except the schemes which are before the House.

**Shri S. M. Banerjee:** The hon. Minister has not followed the question. The question is whether there is a demand of the pensioners, or rather the Government servants that after they retire they should be given some land or some help in the form of loan to build their own houses in a place like Delhi and other places.

**Shri Mehr Chand Khanna:** I have no idea about this, but one thing is obvious and that is, whether a Government servant has retired or whether he is in service, we have got a scheme under which he can be advanced a loan, and we are giving loans to a number of Government servants for the building of their houses.

**श्रीमती जमुना देवी :** क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि निम्न आया बाले और मध्य वर्गीय लोगों के मकानों की समस्या को सुलझाने में मध्य प्रदेश किस कारण

सब से पीछे है, और जो सम्मेलन हो रहा है उस में क्या इस बात पर विचार किया जायेगा कि जिला लेवल तक के प्रत्येक कर्मचारी के लिये सरकार खुद मकान बनाये ताकि उन के मकानों की समस्या हल हो सके ।

**अध्यक्ष महोदय :** प्रश्न के पहले भाग का ही उत्तर दिया जाये ।

**श्री मेहरचन्द खन्ना :** एक महीना हुआ जब मैं मध्य प्रदेश गया था और चार, पांच या छः रोज वहाँ धूमता रहा । मध्य प्रदेश में काफी काम हो रहा है । स्टेट गवर्नमेंट ने मुझ से 35 लाख रु० मांगा था । और वह दे दिया गया । मैं ने यह इकरार किया था कि अगले साल उन्हें 1 करोड़ रुपये और मिल जायेगा ।

#### Investment of West German Capital

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{ **Shri Rameshwar Tantia:**  
**Shri P. R. Chakraverti:**  
**Shrimati Savitri Nigam:**  
 \*330. { **Shri Bhagwat Jha Azad:**  
**Dr. Ranen Sen:**  
**Shri Dinen Bhattacharya:**  
**Dr. Saradish Roy:**

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Government of India have concluded an agreement with the Federal Republic of Germany to guarantee private investors from that country against the risk of expropriation;

(b) if so, the main features of this agreement; and

(c) when the implementation of the agreement is likely to take effect?

**The Minister of Planning (Shri B. B. Bhagat):** (a) An Agreement was reached on the 15th October, 1964, between the Government of India and the Government of the Federal Republic of Germany regarding certain guarantees in respect of German private capital invested in India

(b) The Agreement makes provisions regarding fair and equitable compensation to be paid to German investors in the event of nationalisation as also for remittances of profits, dividends, liquidation proceeds etc. Copies of the letters exchanged were placed on the Table of the House on the 26th November, 1964.

(c) The Agreement has taken effect from 15th of October, 1964.

**Shri Rameshwar Tantia:** May I know whether we have given such guarantees in the past to other countries also and, if so, which are those countries and, if not, what is the reason for this new move?

**Shri B. R. Bhagat:** We have concluded a very similar agreement with the USA Government.

**Shri Rameshwar Tantia:** May I know whether this guarantee will be given against some specific industries or projects which will be started with the approval of the Government?

**Shri B. R. Bhagat:** Yes, Sir.

**Shrimati Savitri Nigam:** May I know what has been the quantum of investment by the West German investors and may I also know whether this guarantee has been given only to the USA and West Germany or some other countries also?

**Shri B. R. Bhagat:** I said USA Government.

**Mr. Speaker:** Besides West Germany and the USA, are there any other countries?

**Shri B. R. Bhagat:** No, Sir. About the quantum, in 1960, the outstanding investments were Rs. 6.8 crores; in 1961, Rs. 2.39 crores have been negotiated; in 1962, Rs. 1.8 crores and 1963, Rs. 1.7 crores.

**Shri Bhagwat Jha Azad:** About the guarantee for fair and equitable compensation to which the hon. Minister has referred may I know whether these guarantees are not fully given under the Constitution of India and, if

they are what were the reasons for the Government to undertake such unusual steps to go and give individual guarantee to individual nations for investment?

**Shri B. R. Bhagat:** It is not unusual. We have already concluded an agreement with the US Government and West Germany.

**Mr. Speaker:** The question is whether such a guarantee is not implied in the Constitution itself. That is what he means to ask.

**The Minister of Finance (Shri T. T. Krishnamachari):** It is not a question of our giving guarantee. The Government of the particular country gives the guarantee. In order to enable them to give a guarantee, we have an understanding with the Government.

**Dr. Ranen Sen:** In regard to the guarantee that is given to the private investor, will the private investor invest it in the State sector or in the private sector in India and if so, what are the industries to be covered by the private sector?

**Shri B. R. Bhagat:** Whatever sectors they might invest; it covers all.

**श्री प्रकाशवीर शास्त्री :** मैं यह जानना चाहता हूँ कि जर्मनी के लिए जो पालियामेंट का एक शिफ्ट मंडल गया था आपकी अध्यक्षता में, क्या उन के सामने कुछ इस प्रकार की कठिनाई वहाँ के व्यापारियों ने उपस्थित की थी कि भारत में निजी उद्योगों में जो पूँजी लगायी जाती है उस में सरकार की ओर से विशेष कठिनाई है ? यदि हाँ तो इसके निवारण के लिए वित्त मंत्रालय क्या कर रहा है ?

**अध्यक्ष महोदय :** यह तो आप मुझ से पूछ रहे हैं । मैं क्या बताऊँ । मैं ट्रेड एग्रीमेंट करने तो नहीं गया था ।

**Shri Sham Lal Saraf:** May I know whether this agreement entered into with West Germany envisages collaboration schemes or schemes independently run by the West German investors and if that be so, what will be the main industries in which they will invest their money straightway?

**Shri B. R. Bhagat:** It relates to collaboration in the scheme in which there is investment of capital. It will include all projects in which the Government of West Germany gives guarantee to the investors.

**Shri Sham Lal Saraf:** Will they invest on their own without collaboration?

**Shri B. R. Bhagat:** They can invest on their own. But if the German Government does not guarantee, that will not be covered.

**Shri Shivaji Rao S. Deshmukh:** May I know what safeguards have been provided, in view of the fact that such credit guarantee agreements very often turn out to be breeding grounds for foreign exchange racketeers wherein they take undue advantage and misuse the foreign exchange?

**Shri B. R. Bhagat:** That will be taken care of when we give the guarantee. Each such case will be examined.

**Shri Shivaji Rao S. Deshmukh:** The question was....

**Mr. Speaker:** The question was not admissible.

**Shrimati Sharda Mukerjee:** The Minister mentioned about certain fair and equitable returns. May I know if the West German Government has laid down any conditions regarding the minimum return on capital?

**Shri B. R. Bhagat:** No.

**Shri Alvares:** In working out the compensation on the basis of this guarantee, will Government say that

they are motivated by the same consideration if the would have evpropriated similar projects of the private sector?

**Mr. Speaker:** That is hypothetical.

#### Seminar of International Brain Research

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{ Shri R. G. Dubey:  
\*331. { Shri Yashpal Singh:  
      { Shri H. V. Koujalgi:

Will the Minister of Health be pleased to state:

(a) the recommendations made at the seminar of the International Brain Research Organisation held in Delhi recently; and

(b) which countries were represented in the Seminar?

**The Deputy Minister in the Ministry of Health (Shri P. S. Naskar):** (a) and (b). A statement is laid on the Table of the Sabha.

#### STATEMENT

(a) The Seminar which was organised to exchange knowledge concerning the studies in brain research, to discuss various techniques essential for the promotion of brain research and to demonstrate all such techniques, brought out prominently the need for a multi disciplinary approach and emphasised the need:—

- (i) to train the personnel who are keenly interested in the problems relating to brain research;
- (ii) to provide the best type of instruments and equipments; and
- (iii) to establish some sort of summer schools where problems could be discussed alongside practical demonstrations and work bench discussions.

(b) The U.S.A., Italy, Switzerland, Germany and Sweden sent experts who participated in the Seminar. Two representatives from Nepal attended the Seminar.

**Shri Surendranath Dwivedy:** International Brain Research means what? Research on international brain or international research on brain?

**Mr. Speaker:** Let the answer come. He wants to know whether the research is international or the brain is international. Shri Dubey.

**Shri R. G. Dubey:** In respect of research and other facilities in regard to this, may I know how India compares with some of the advanced countries of the world?

**Shri P. S. Naskar:** In reply to a question put on the 21st November last, details have been given regarding the work that is being done in this particular field, in this country.

**Mr. Speaker:** He asked, how do we compare in this respect with other countries?

**Shri P. S. Naskar:** We do not compare badly.

**Shri R. G. Dubey:** May I know what exactly is the scope of this brain research work? May I know which problems are covered under this and whether Government are contemplating any scheme to have exchange of scholars and specialists in this direction?

**Shri P. S. Naskar:** Brain research is a very wide subject. But I am told it does not include the so-called brain-washing. We have scope for scholarships for the scholars doing research work in our country and we sometimes send our scholars for further training overseas.

**श्री यशपाल सिंह :** ऐसी-ऐसी कमेटियाँ बनाने से पहले क्या सरकार यह सोचती है कि लोगों के मस्तिष्क ऐसे अलग-अलग

नहीं हैं जैसे दिल्ली स्टेशन या बरेली स्टेशन । मनुष्य के मस्तिष्क का ताल्लुक उसके मानसिक स्वास्थ्य के साथ है । अगर उनका स्वास्थ्य ठीक रहता तो मस्तिष्क भी ठीक रहेगा । क्या सरकार ने कभी उन रिप्रेजेंटेटिव्स से पूछा है कि इन चीजों के लिए अलग-अलग कमेटियाँ बनाने की क्या जरूरत है ?

**अध्यक्ष महोदय :** ब्रेन के रिसर्च के बारे में जो अगला डेलीगेशन बनाया जाए उस में ठाकुर साहब का नाम भी शामिल कर लिया जाए ।

**श्री यशपाल सिंह :** सरकार इस सवाल का जवाब दे कि उसको यह ख्याल आया है या नहीं . . .

**अध्यक्ष महोदय :** यह सवाल तो आप उस कानफरेंस में करें ।

**श्री यशपाल सिंह :** अगर ऐसा है तब तो एक-एक चीज के लिए रिसर्च करनी होगी जैसे लिटिल फिगर के लिए, मिडिल फिगर के लिए और इंडेक्स फिगर के लिए अलग-अलग रिसर्च करनी होगी, जिससे समाज का पैसा व्यर्थ खर्च होगा ।

**श्री यु० सि० चौधरी :** इस सेमिनार में दिमाग के सम्बन्ध में बहुत सी बातों पर अनुसंधान किया गया । क्या इस बात पर भी कोई अनुसंधान किया गया है कि जो सत्ताधारी राजनीतिज्ञ हैं उनके दिमाग के काम करने का क्या तरीका है ?

**Shri S. N. Chaturvedi:** May I know whether this research is directed towards finding out the malaise and the disorders of human brain or increasing its capabilities and powers of?

**Shri P. S. Naskar:** Sir, this is a very highly technical subject and I do not claim to know much about it.



What I know is that this subject is to deal with any disease concerning brain.

**Shri Shivaji Rao S. Deshmukh:** May I know what contribution this conference did make to the basic problem that a brain surgeon interfering with the freedom of thought will be committing a breach of constitutional privilege?

**Mr. Speaker:** Freedom of thought?

**Shri Shivaji Rao S. Deshmukh:** Medico-legal problems which have so far arisen in France have led them to the conclusion that a brain surgeon in any way interfering with the freedom of thought will be committing a breach of basic human rights if he were to interfere with the thinking of a particular person.....

**Mr. Speaker:** He might also be considered for inclusion next time.

**श्री हुकम चन्द कछवाय :** इस सम्मेलन में क्या यह भी बताया गया कि मस्तिष्क किन किन देशों में ज्यादा खराब होता है, किन देशों का स्तर काफी गिरा हुआ है मस्तिष्क के सम्बन्ध में ?

**Shri P. S. Naskar:** Sir, this is concerned with basic medical research and diseases of the brain. Experts from ten countries came here to exchange their knowledge. The research done was on the basis medical science. Whatever the hon. Member has mentioned just now are all being done in our country. There was an exchange of ideas in the conference.

**श्री सरजू पाण्डेय :** मैं जानना चाहता हूँ कि जो यह दिमाग के बारे में जांच पड़ताल हुई इस में सब से अधिक संख्या पागलों की किस देश में पायी गयी ?

**अध्यक्ष महोदय :** यह सम्मेलन पागलों के बारे में नहीं होता रहा है ।

**श्री कछवाय :** मैंने भी यही पूछा था कि मस्तिष्क रोग किस देश में ज्यादा है ?

**अध्यक्ष महोदय :** यह ब्रेन की रिसर्च से सम्बन्ध रखता है, पागलों के बारे में यह सवाल नहीं है । लेकिन अगर आप पागलों के बारे में सवाल करने पर बजिद हैं तो उसके लिए अलग सवाल लाएं ।

### Foreign Exchange Violations

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\*332. { **Shri S. M. Banerjee:**  
          **Shri Daji:**

Will the Minister of Finance be pleased to state:

(a) whether the cases of foreign exchange violation have increased during 1964 so far;

(b) if so, how does they compare with the figures of 1963; and

(c) the steps taken by Government to expedite prosecution in all cases?

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** (a) and (b). During the period from the 1st January, 1964 to the 31st October, 1964 a total of 2130 cases were registered with the Enforcement Directorate of Foreign Exchange Regulations as against 2403 during the period from 1-1-63 to 31-10-63.

(c) Foreign Exchange Regulation Act provides for adjudication of cases by the Director of Enforcement. It also provides for prosecution, if in any case the Director of Enforcement is of the opinion that the penalty which he is empowered to impose would not be adequate. Prosecution is also authorised under the Defence of India Rules. In the year 1964, prosecutions were launched in respect of 13 cases, of which 12 are still pending before Courts of Law, in one case, the prosecution was withdrawn on recovery of the penalty which had been imposed.

**Shri S. M. Banerjee:** I would like to know whether it is a fact that there are business firms in India which are maintaining offices in the United Kingdom and United States and by under-invoicing in jute they are conserving foreign exchange in those countries. If so what steps have been taken to check or minimise under-invoicing in jute and also to check their accounts outside India?

**The Minister of Finance (Shri T. T. Krishnamachari):** The question of getting their accounts from outside India or checking their branches outside India is not possible excepting by means of getting information from those areas. All steps are being taken to check under-invoicing in this country and in cases where we find variations explanations are called for and, if explanations are not satisfactory, then action is taken.

**Shri S. M. Banerjee:** May I know whether it is a fact that Birlas are maintaining offices in the United States and there are charges of foreign exchange violations against them in that country because they are conserving foreign exchange without giving proper information to our Government? If so, may I know whether any step has been taken by Government to check their balance sheets and audit them before any action is taken?

**Shri T. T. Krishnamachari:** We have no information with me of that account.

**Shri S. M. Banerjee:** Are they maintaining them or not?

**Shri T. T. Krishnamachari:** I would like to have notice.

**Mr. Speaker:** I would advise hon. Members that before they put questions which involve somebody else who is not here, they must have some information and they must satisfy themselves whether the information is true or not.

**Shri S. M. Banerjee:** Sir, on a point of personal explanation. Unfortunately, Birlas are big people, a big con-

cern. I did not refer to any single individual; I said "Birlas".

**Mr. Speaker:** The hon. Minister stated that he has no information. So, I only said that before such questions are put they must have some information.

**Shri S. M. Banerjee:** They are maintaining offices in United States.

**Mr. Speaker:** If he has that information, then I have no objection.

**Shri S. M. Banerjee:** I wanted to know whether there are any charges against them that they are conserving foreign exchange.

**Mr. Speaker:** He says that they have no information.

**Shri Hari Vishnu Kamath:** Is there any truth in certain persistent reports to the effect that some persons high up in big business and politics in our country hold secret accounts in certain Swiss banks which keep them dead secret, just as the Nazis in Germany held which remained secret till the defeat of Germany in the last world war, and if so does the Minister propose to master this problem also, just as he said the other day he would master the problem of black money inside the country?

**Shri T. T. Krishnamachari:** I have also heard of similar reports. I am afraid it is beyond my capacity to master something about which I have no precise knowledge.

**Shri Hari Vishnu Kamath:** It is very unfortunate.

**Shri Hem Barua:** In view of the fact that one of the principal *modus operandi* of these violators of foreign exchange rules is under-invoicing and on a previous occasion we were told on the floor of this House that concrete steps are being taken to check this phenomenon, may I know how is it that if concrete steps are taken the number of violations of foreign exchange has increased by now?

**Shri T. T. Krishnamachari:** The position is not exactly as the hon. Member has stated. There are both under-invoicing and over-invoicing—over-invoicing happens where there is an export incentive. I answered the question put by another hon. Member that the Customs Department are trying to keep track of them to the best of their ability.

**Shri Hem Barua:** On a previous occasion we were given an assurance that concrete steps were taken in that direction. Why is it that those concrete steps have not yielded any results? Now he comes out with the same reply, namely, that steps are taken. We were told long back that steps were taken. I am interested in knowing what results those steps have yielded.

**Shri T. T. Krishnamachari:** The question of obtaining results is a matter of value-judgment. We think, we are obtaining results. But whether all the steps taken provide results is another matter. Often times many steps that the hon. Member takes prove sterile.

**Shri Hem Barua:** They have not proved so far in my case. May I correct the hon. Minister, Sir?

**Mr. Speaker:** No. Shri Jashvant Mehta.

**Shri Hem Barua:** The steps have not proved sterile in my case.

**Shri Jashvant Mehta:** The Ministry of Commerce has got very many schemes for earning foreign exchange through export promotion schemes. May I know whether it has come to the notice of the Finance Ministry that a lot of foreign exchange is misused by these export promotion schemes and whether Government has taken any steps to curb the misuse of foreign exchange in this matter?

**Shri T. T. Krishnamachari:** While I will not subscribe to the statement that a lot of these incentives are misused, there is undoubtedly an element of misuse in every concession that is given. Government try to keep track of what is happening and, maybe, we will improve our methods in regard to affording incentives in the future.

श्री प० लॉ० बाबुलाल : : प्रश्न संख्या  
३५५ बहुत आवश्यक व महत्वपूर्ण है इसलिए  
उसको उत्तर देने के लिए कहा जाये ।

**Mr. Speaker:** Next question. Shri Heda.

#### Dhasa Bund

\*333. **Shri Heda:** Will the Minister of Irrigation and Power be pleased to state:

(a) the measures taken to redeem the farms on the up-stream side of the Dhasa Bund;

(b) the period during which these farms remained under water and unusable during the current year; and

(c) the estimated total loss?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) Water is being continuously released through openings of the Dhasa bund ever since the water collected there.

(b) Due to excessive rainfall and consequent floods in Sabi Nadi etc., some of the low lying farms were inundated since last week of August, 1964. A large percentage of these areas is now free from water.

(c) The estimated loss according to the State Government is about Rs. 1.4 crores.

**Shri Heda:** My question was as to what measures have been taken to redeem the farms. The loss has been calculated but the exact measures to

redeem the farms or to compensate the farmers have not been stated. Will the Government do it?

**Dr. K. L. Rao:** I have replied to that in part (a). The water that has collected in these farms is being drained out through the opening of the Dhasa Bund.

**Shri Heda:** Have the Government noted that the drainage operations were not effective and as a result these farms remained under water for more than a month? What exactly are Government doing to see that in future they do not suffer these calamities?

**Dr. K. L. Rao:** Hon. Members might be aware that the Dhasa Bund presented a very difficult problem this year. If we drained out too much water, it was affecting Delhi very badly. Therefore it was a question of proper and very careful regulation. That is what is being done in order that the minimum amount of suffering may be caused either to Punjab or to Delhi.

श्री जगदेव सिंह सिद्धान्ती : डासा बंध के परली ओर पंजाब का जो क्षेत्र है, झज्जर झील के पास का जो क्षेत्र है उस में पानी भरा होने से जनता को बहुत परेशानी और हानि होती है तो क्या इस बात को ध्यान में रख कर सरकार यह विचार कर रही है कि डासा बंध को हटा कर सदा के लिए संकट दूर कर दिया जाय ।

**Dr. K. L. Rao:** I am glad to say for the information of the hon. Member that 90 per cent of the area in Jhajjar Jheel is now free of water while in the Delhi area only 45 per cent is free of water. Regarding the question of removal of Dhasa Bund, it is under consideration; it depends upon the various alternative drainage sites

that we are working out. Very likely the Dhasa Bund will be removed in the course of next one or two years.

**Shri A. N. Vidyalkar:** What specific and permanent measures are being taken to meet the serious objections of the Punjab Government which is very much concerned to save the people and their farms on the upper side of the stream?

**Dr. K. L. Rao:** As for the flood control in this area, a number of steps are being taken. The first is the construction of the dam on the Sabi Nadi in detaining a large amount of water; the second one is the construction of a series of contour bunds to take out the water and spread it in the fields again on the Sabi and Indour Nadis. The third one is to construct another drain to supplement the drainage capacity of the Najafgarh drain. This last one is under consideration. There are three alternative alignments which are being considered. With these measures, it is hoped that there will be complete control of floods in this area.

श्री नवल प्रभाकर : माननीय मंत्री जी ने कहा है कि दिल्ली में 45 प्रतिशत भूमि में अब भी पानी है : क्या मैं जान सकता हूँ कि कब तक यह पानी निकाल दिया जायेगा ?

**Dr. K. L. Rao:** It is a difficult thing to say. We are trying to do our best to drain out the waters from the Najafgarh drain. I expect much more area will be cleared in the next one or two months.

**Mr. Speaker:** A demand has been made that Question 355 might be answered. If the Minister wishes to answer it, he might do so.

### Coin with the Effigy of Shri Nehru

- +
- \*355. { Shri P. L. Barupal:  
Shri Surendra Pal Singh:  
Shri Hukam Chand  
Kachhavaia:  
Shri Prakash Vir Shastri:

Will the Minister of Finance be pleased to state:

(a) whether Government are aware of the fact that there are a great many complaints from all and sundry in the country regarding the effigy of Pandit Nehru, embossed on 50-paise commemorative coins, being bad; and

(b) if so, whether Government propose to withdraw these coins from circulation and issue new and better ones in the near future?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) No, Sir.

(b) Does not arise.

श्री प्रकाशवीर शास्त्री : यह जो सिक्का बनाया गया है, इसमें स्वर्गीय पंडित जवाहर लाल नेहरू का बिना टोपी के चित्र होने से ऐसा लगता है कि जैसे यह सप्तम एडवर्ड का सिक्का है। इस से लोगों में भ्रम उत्पन्न हुआ है। पण्डित जी सार्वजनिक रूप से बिना टोपी के कभी भी नहीं देखे जाते थे। मैं यह जानना चाहता हूँ कि इस सिक्के में पंडित जी का बिना टोपी का चित्र क्यों दिया गया है।

**Shri T. T. Krishnamachari:** We produced a stamp to commemorate the memory of the late Prime Minister. The specimen used in the stamp is the same as the one used in the coin. It may be that the people feel differently; some people feel that the cap should have been there. (*Interruptions*).

**Shri Sheo Narain:** The whole House feels it.

**Shri Ranga:** Sir, he is addressing the House and not a committee. How many times have we to request you to ask him to speak loudly? He seems to think that he is only speaking to himself or to his subordinates in his Department.

**Mr. Speaker:** If there is silence and no other talk, probably all the Members would be able to hear him and if it is not audible I will ask the Minister to speak a little more loudly. But there is no cause for any such complaint.

**Shri T. T. Krishnamachari:** If the hon. Member is suffering from the same disability that people who are old suffer. . . .

**Shri Ranga:** I am not the only one. Most of the Members of this House feel that way. This Minister seems to think that he has got the right to speak as low as possible in order to insult the House.

**Mr. Speaker:** Order, order. There is no justification for such a complaint.

**Shri Ranga:** Why does he not show courtesy to the House by raising his voice instead of giving this sort of an answer which is an insult to the House?

**Mr. Speaker:** Whenever there has been a complaint by any Member that he has not been able to hear the Minister, I have always asked him to be a little more louder. There is nothing to get agitated about it.

**Shri Ranga:** If he cannot raise his voice, let him ask his deputies to answer it.

**Shri T. T. Krishnamachari:** I say, this is a matter of judgment. We have used the same specimen on the stamp. So far as the technique in regard to production of effigies and coins is concerned, the experts preferred this design which is generally approved by the people who knew the late Prime Minister.

**श्री शिव नारायण :** यह चित्र बिल्कुल ठीक नहीं है। इस को बदल देना चाहिए।

**अध्यक्ष महोदय :** यह मुनासिब नहीं है। माननीय सदस्य ने इस सवाल का नोटिस नहीं दिया है और न ही मैं ने उन को बुलाया है। फिर भी वह खड़े हो कर बोलने लगे हैं।

**श्री प्रकाशवीर शास्त्री :** अध्यक्ष महोदय, मेरा प्रश्न बिल्कुल दूसरा है।

**अध्यक्ष महोदय :** मैं आपको बाद में बुला लूंगा।

**श्री प० ला० बारुवाल :** मैं यह जानना चाहता हूं कि सिक्के पर स्वर्गीय नेहरू जी का जो चित्र दिखाया गया है, क्या वह हाउस की राय से चुना गया है; यदि नहीं, तो वह कौन ऐसा बुद्धिमान था, जिस ने यह राय दी थी कि नेहरू जी का चित्र बिना टोपी के होना चाहिए? पूरे हाउस की यह राय है कि यह चित्र ठीक नहीं है और नया चित्र बनाया जाना चाहिए।

**Mr. Speaker:** Who was the expert who gave this opinion that this was the best effigy?

**Shri T. T. Krishnamachari:** As I said, the people who print and who do this work in the Nasik Printing Press and the advisers and also people who were intimately connected with the late Prime Minister were consulted in this matter.

**Shri Hari Vishnu Kamath:** Was the Minister of Information and Broadcasting consulted?

**श्री प्रकाशवीर शास्त्री :** अध्यक्ष महोदय, मेरा प्रश्न बड़ा स्पष्ट था। सब से बड़ी बात तो यह है कि स्वर्गीय पंडित जी का सिक्का बनाना ही आपत्तिजनक था। मैं ने वित्त मंत्री से यह पूछा था कि जब स्वर्गीय प्रधान मंत्री कभी भी सार्वजनिक रूप से बिना टोपी के बाहर

नहीं गए, बिना टोपी के उन का चित्र बिल्कुल पहचाना नहीं जाता और वह चित्र बिल्कुल एडवर्ड सप्तम से मिलता-जुलता है, तो क्या वित्त मंत्री ने यह सिक्का चालू होने से पहले देखा था और उस को स्वीकृति दी थी?

**अध्यक्ष महोदय :** मिनिस्टर साहब ने जवाब दे दिया है। अगर उस से माननीय सदस्य की तसल्ली नहीं हुई, तो क्या किया जा सकता है? उन्होंने कहा है कि जो आदमी इनचार्ज हैं, उन से मशवरा किया गया। उन्होंने खुद तो यह काम नहीं करना था। जो चित्र बेहतर समझा गया, वह उन्होंने चुन लिया। क्या माननीय सदस्य चाहते हैं कि मिनिस्टर साहब इस का भी जवाब दें कि वह चित्र एडवर्ड हेनरी से मिलता है या नहीं?

**श्री प्रकाशवीर शास्त्री :** आजाद हिन्दुस्तान में यह पहली चीज है?

**श्री हुकम चन्द कश्यप :** मेरा एक प्वायंट आफ ऑर्डर है। जब मेरा नाम पहला है, तो मुझ को बाद में क्यों बुलाया जा रहा है?

**अध्यक्ष महोदय :** मैं ने पहले भी कहा है कि जब मैं एक मेम्बर साहब को बुला लेता हूं, तो बाकी सब को बैठ जाना चाहिए।

**श्री विभूति मिश्र :** पंडित जी सारे देश के नेता थे। चूंकि उन का वर्तमान चित्र ठीक नहीं है, इसलिए क्या सरकार इस बात पर विचार कर रही है कि वह उन का एक ऐसा चित्र निकाले, जिस में गांधी टोपी हो?

**Mr. Speaker:** He wants to know when it is being contemplated to issue a new coin with that effigy having that cap also and being more similar to the appearance of the late Pandit Nehru?

**Shri T. T. Krishnamachari:** It is a suggestion for action; it may be taken into consideration.

**श्री हुकम चन्द कछवाय :** अठनी और रुपये के सिक्कों पर पंडित जी का नाम अंग्रेजी में लिखा गया है। इस का क्या कारण है ? क्या सरकार हिन्दी में उन का नाम लिखने में असमर्थ है या वह यह नहीं चाहती है कि हिन्दी में नाम लिखा जाये ? इस सिक्के को चलाने के लिए किन लोगों ने सालह दी थी और इस बारे में हाउस में विचार क्यों नहीं किया गया ?

**अध्यक्ष महोदय :** हाउस में हर एक बात पर विचार तो नहीं किया जा सकता है।

**श्री हुकम चन्द कछवाय :** अंग्रेजी में नाम क्यों लिखा गया ? देहात में कौन अंग्रेजी जानता है ?

**Mr. Speaker:** His point is that there is no description of the name in Hindi. Is there any reason why the name was not given in Hindi also?

**Shri T. T. Krishnamachari:** All that I can say is that probably at that moment it did not suggest itself to the people who did it.

**श्री हुकम चन्द कछवाय :** मेरा एक प्वायंट आफ़ ऑर्डर है। अध्यक्ष महोदय, मेरे प्रश्न का उत्तर तो संतोषजनक होना चाहिए। सिक्के पर नाम अंग्रेजी में लिखा गया है, जब कि अधिकांश लोग अंग्रेजी नहीं जानते हैं। मैं चाहता हूँ कि हिन्दी के नाम वाला सिक्का चलाया जाये।

**अध्यक्ष महोदय :** माननीय सदस्य बैठ जायें। मिनिस्टर साहब ने जवाब दे दिया है। मेम्बर साहब जोश में पूरा जवाब नहीं सुनते हैं और नाराजगी से बात करने लगते हैं; अगर माननीय सदस्य जवाब को पढ़ेंगे, तो उनको पता चल जायेगा कि उन का जवाब आ गया है।

**Shri H. N. Mukerjee:** I wish to make a very humble submission to you in regard to the manner in which Ministers of Government should, I think, address themselves to certain questions, particularly when they appear to arouse considerable emotion in this House.

It has happened that the Minister's attitude has appeared to be supercilious to many of us, and besides that, the attitude which he has adopted in regard to explaining the reasons why the coin came out in the particular form that it did obviously did not satisfy many Members of this House. And this was a matter which should not be looked upon as an instance of purely administrative action. Perhaps the House's feelings would be taken into consideration in a little less supercilious manner by the Finance Minister and his colleagues.

This sort of thing is taking place over and over again and I would beg of you to see that it stops.

**Shri T. T. Krishnamachari:** As a matter of fact, the hon. Member opposite is in command of the language to an extent which is much better than I could claim. But I do not think that merely because he has command of the language, he can use it as he likes.

As a matter of fact, who is supercilious? The remarks of the hon. Member and other Members of his

party which are made are sometimes not germane to any issue in the House. The allegation that I or anybody else here in the Treasury Benches do not pay respect to this House is wrong. We have a tradition and experience of more than 30 years of parliamentary life. I have been on the other side too. I do not think I have treated the House superciliously in a matter where whatever I know I have mentioned. If it is asked why the Hindi name is not there, I say Hindi could have been there; if the Hindi name only had been there, I do not think there would be anything wrong. But perhaps they thought that everybody would recognise the effigy of Jawaharlalji, and so kept it like that. I cannot precisely explain the causes.

That does not mean that it is being supercilious. I think the charge is wrong. The hon. Member, I know, has got an instinct of his own upbringing, and I hope he would apologise.

**Shri Ranga:** It is at this level of voice that we want him to speak in the House and not at the other level.

My hon. friend said in answer to a supplementary that the issue of new coins was a suggestion for action, which might mean that they are going to issue further editions of this coin. If that is so, let me tell him..

**Mr. Speaker:** He has not said that.

**Shri Ranga:** Let me tell him that large numbers of people in the country were protesting against this procedure.....

**Mr. Speaker:** He has not said that. Why should he make a presumption and make a protest when there is nothing to protest against.

**Shri Ranga:**..... of the issue of coins in this way.

**Shri Hem Barua:** A suggestion was once made to Shri Jawaharlal Nehru

to have Mahatma Gandhi's effigy on our coins. It was Shri Nehru who turned down that proposal. Why has this Government done a thing which Shri Nehru himself did not like?

**Mr. Speaker:** We are not discussing that.

**Shri Prakash Vir Shastri—Short Notice Question.**

**Shri Ranga:** They would go on like the British.....

**Mr. Speaker:** Let Prof. Ranga finish.

**Shri Ranga:** I have said that just as the British have gone with their coins so also these Congress rulers would come to leave the Treasury Benches with these Nehru coins.

**Mr. Speaker:** Anything else?—The whole proceedings are stopped.

**Shri Ranga:** We went a little further.

**Mr. Speaker:** Can I proceed?

**Shri Ranga:** No, Sir.

**Shri Nambiar:** Have you accepted an adjournment motion on this?

**Shri Ranga:** You were good enough to let that question be taken up after the question hour. Why do you find fault with us now?

**Shri Nambiar:** Is it an adjournment to censure Government for producing these coins? Is that what you have accepted? It looks like that.

**Shri Ranga:** You have become new bhaktas of Nehru.

**Mr. Speaker:** May I proceed now?

**Shri Hari Vishnu Kamath:** Yes. A little further.

**Mr. Speaker:** Shri Prakash Vir Shastri.



## SHORT NOTICE QUESTION

यूकैरिस्टिक कांग्रेस की कार्यवाही का  
प्रसारण

+

S.N.Q. I

श्री प्रकाशवीर शास्त्री :  
श्री हुकम चन्व कछवाय :  
श्री जगदेव सिंह सिद्धान्ती :  
श्री किशन पटनायक :  
श्री श्रींकार लाल बेरवा :  
श्री कोल्ला बैकैया :  
श्री सू० ला० वर्मा :  
श्री अ० प्र० सिंह :  
श्री केसर लाल :  
श्री बड़े :  
श्री विश्राम प्रताप :  
श्री इन्द्रजित लाल म त्रा :  
श्री काशी राम गुप्त  
श्री बीरेन वत्त :  
श्री गौरी शंकर कक्कड़ :  
श्री समनानी :  
श्री अम्बुल गनी गोनी :  
श्री मोहन स्वरूप :  
श्री ए० ह० भील :  
श्रीमती सावित्री निगम :  
श्री बाल्मीकी :  
श्री साधू राम :

क्या सूचना और प्रसारण मंत्री यह बताने  
की कृपा करेंगे कि :

(क) क्या यह सच है कि 28 नवम्बर,  
1964 से बम्बई में हो रही यूकैरिस्टिक  
कांग्रेस की कार्यवाही का आकाशवाणी से  
प्रसारण किया गया :

(ख) यदि हां, तो इस बारे में आकाश-  
वाणी द्वारा बनाये गये कार्यक्रम का क्या  
व्योरा है ;

(ग) क्या आकाशवाणी द्वारा पहले भी  
कभी ऐसे सम्प्रदायवादी कार्यक्रम प्रसारित किये  
गये हैं ;

(घ) यदि नहीं, तो यूकैरिस्टिक  
कांग्रेस को यह सुविधा दिये जाने के क्या  
कारण हैं ; और

(ङ) क्या इस बारे में सरकार ने कोई  
नयी नीति बनायी है ?

सूचना और प्रसारण मंत्री (श्रीमती  
इन्दिरा गांधी) : (क) और (ख).  
ईसाई सम्मेलन की कार्यवाही इस रूप में प्रसा-  
रित नहीं की जा रही है, । फिर भी,  
समाचारों, समाचार-दर्शनों और अन्य  
उपयुक्त प्रसारण में इस घटना का जिक्र  
हो रहा है ।

(ग) से (ङ०). आकाशवाणी इस सम्मेलन  
को भारत तथा विदेश, दोनों में, काफी सार्व-  
जनिक महत्व की घटना समझता है ।  
इस लिये किसी साम्प्रदायिक दृष्टिकोण का  
प्रश्न नहीं उठता ।

**Some hon. Members:** The transla-  
tion is not coming Mr. Speaker. The  
hon. Minister may read the English  
answer also.

**Shrimati Indira Gandhi:** (a) and  
(b). The proceedings as such of  
the Eucharistic Congress are not  
being broadcast. The event is how-  
ever being noticed in news bulletins,  
newsreels and other suitable types of  
broadcasts.

(c) to (e). All India Radio is  
treating this Congress as an event of  
considerable public interest, both in  
India and abroad. As such the ques-  
tion of any 'Sectarian' approach does  
not arise.

**Shri Narendrasingh Mahida:** Last  
time, Sir, you requested us to exer-  
cise some restraint in the House in  
expressing any opinion on the Eu-  
charistic Congress that is being held.  
I again remind you and through you,  
the House, that we should exercise  
some restraint on this.

**Mr. Speaker:** I again repeat the  
request and appeal.

**डा० राम मनोहर लोहिया :** हमेशा इस तरह से संयम की बात कहने का मतलब मेरी समझ में नहीं आता । आखिर सत्राल आया है संयम ! संयम ! अगर संयम की बात है तो हर चीज पर संयम होना चाहिये ।

**अध्यक्ष महोदय :** यह क्या मतलब है कि सब लोग पूछना चाहते हैं, यह कोई नहीं ...

**श्री हुकम चन्द कछवाय :** ताली बजने का क्या मतलब है ।

**अध्यक्ष महोदय :** यहां कई दफे तालियां बजाई जाती हैं । इस वक्त खास बात क्या हुई ।

**श्री हुकम चन्द कछवाय :** जब प्रश्नों का उत्तर दिया जाता है तब ताली नहीं बजती, इस प्रश्न में क्या ...

**अध्यक्ष महोदय :** कई दफे बजाई जाती है ।

**श्री हुकम चन्द कछवाय :** ऐसे प्रश्नों पर कभी ताली नहीं बजाई जाती ।

**अध्यक्ष महोदय :** मैं बड़ा हैरान हूँ ..

**श्री बागड़ी :** अध्यक्ष महोदय : मैं इस का जवाब देना चाहता हूँ :

**अध्यक्ष महोदय :** आप से किस ने कहा जवाब देने के लिये । श्री प्रकाशबोर शास्त्री ।

**श्री प्रकाशबोर शास्त्री :** अभी माननीय मंत्री जी ने कहा है कि इस कांग्रेस का महत्व केवल भारत के लिये नहीं अपितु विश्व के लिए भी है क्योंकि विश्व के ईसाई इस में सम्मिलित हो रहे हैं । मेरा अपना निवेदन है कि ईसाइयों के एक सम्प्रदाय विशेष की कांग्रेस है, सारे ईसाइयों की कांग्रेस नहीं, जब कि उस के मुकाबले में ...

**श्री अध्यक्ष महोदय :** उन्होंने यह नहीं कहा कि चूंकि ईसाई सम्मिलित हो रहे हैं इस लिये इसकी पब्लिक इम्पार्टेंस है । उन्होंने कहा कि यह पब्लिक इम्पार्टेंस का ईवेंट है ।

**श्री प्रकाशबोर शास्त्री :** मेरे कहने का अभिप्राय यह है यह कि कांग्रेस एक सम्प्रदाय के भी एक वर्ग की है, जब कि उसके मुकाबले में बनारस के पास सारनाथ में विश्व के तमाम बौद्धों का सम्मेलन हो रहा है । इसमें किसी सम्प्रदाय विशेष की बात नहीं है । मैं जानना चाहता हूँ कि जो सुविधायें सरकार ने बम्बई की इस कांग्रेस को दी है, क्या बिल्कुल वही सुविधायें सारनाथ में होने वाली बुद्ध कानफरेंस को भी प्रदान की गयी हैं ?

**श्रीमती इन्दिरा गांधी :** करीब करीब वही सुविधायें दी गयी हैं । क्योंकि इस में बाहर के बहुत से लोग ...

**श्री प्रकाशबोर शास्त्री :** उस में भी बाहर के लोग आए हैं ।

**श्रीमती इन्दिरा गांधी :** मेरा मतलब समाचार पत्रों के सम्वाददाताओं से है । वह इस में बहुत ज्यादा आए हैं । जो सुविधायें बम्बई में दी गयी हैं वे ही सारनाथ में भी दी गयी हैं ।

**श्री प्रकाशबोर शास्त्री :** मैं जानना चाहता हूँ कि उस बम्बई की कांग्रेस के सकाराचरों के प्रसारण के लिए, रनिंग कमेंटरी, न्यूजरील और फिल्म रील आदि के बारे में क्या उस कानफरेंस के संयोजकों ने सरकार को इसके लिए प्रार्थना की थी या आकाशवाणी ने स्वयं अपनी ओर से इसकी व्यवस्था की है ?

**श्रीमती इंदिरा गांधी :** यह मुझे को ठीक से मालूम नहीं है। लेकिन आपको मालूम होगा कि पीप केवल एक धर्म के नेता ही नहीं हैं, बल्कि वह एक स्टेट नेता भी हैं और उनका जो शानदार स्वागत बम्बई में किया गया वह केवल ईसाइयों के द्वारा ही नहीं हुआ, उस में सब धर्मों के लोग शामिल थे।

**श्री प्रकाश बीर शास्त्री :** मेरे सवाल में यह बात नहीं थी जिसका उत्तर उन्होंने दे दिया।

**अध्यक्ष महोदय :** आप बैठ जाएं। आपके सवाल का तो उन्होंने अपने पहले शब्दों में ही जवाब दे दिया।

**श्री प्रकाशबीर शास्त्री :** और सब बातों को उस में कहने की क्या आवश्यकता थी। वे सब बातें उस में बर्णन की गयीं...

**श्री बागड़ी :** अगर किसी मंत्री से सवाल किया जाए और उस से अपने ऊपर से यह कह कर टाल दे कि मुझे पता नहीं, यह उचित नहीं है। उस को पता होना चाहिये। एक सवाल उन से किया गया, वह बात उन के दृक्म से हुई है और उसका उन के मुहकमे से ताल्लुक है, तो फिर यह कह देना कि मुझे पता नहीं है, ठीक नहीं है।

**अध्यक्ष महोदय :** अगर किसी मिनिस्टर को किसी बात का इल्म हो और उसके होते हुए वह जवाब न दे और कह दे कि मुझे इल्म नहीं है, तब तो यह एक गलत बात है जिस पर हाउस बेंशक ऐसा एतराज उठा सकता है और मैं भी चाहता हूं कि मिनिस्टर को जो मालुम हो वह सब बताए। मगर यह बात कि किसी वक्त किसी मिनिस्टर को किसी चीज का इल्म न हो, यह कोई अजीब बात मैं नहीं मानता। इसमें कौन सी बात है? अगर मिनिस्टर कहता है कि मुझे इल्म नहीं है तो हमें मानना होगा कि उसे इल्म नहीं है जब तक कि हम बाद में इस बात को साबित न कर दें कि मिनिस्टर को इस बात का इल्म था और उस ने जान बझकर हाउस को नहीं

बताया। तब तो हाउस नाराज भी हो सकता है और अगर हाउस चाहें तो मिनिस्टर के वॉख-लाफ एक्शन भी लिया जा सकता है। पर जब मिनिस्टर कहता है कि मुझे इल्म नहीं है, तो यह बात उस वक्त तो माननी होगी कि इल्म नहीं है और मिनिस्टर ने ठीक ही कहा है।

**श्री हुकम चन्द कछवाय :** प्रश्न की सूचना सात दिन पहले दी जाती है और मंत्री महोदय को मायती हासिल करने का बहुत मौका होती है। फिर यह कह देना कि मायती नहीं है उचित नहीं है।

**अध्यक्ष महोदय :** आपको कोई सवाल करना है या नहीं।

**श्री शिव नारायण (बांसी) :** मेरा एक्स-पेरियंस है कि अगर मिनिस्टर को कोई बात न मालूम हो तो उसको यह कहने का राइट है कि मुझे नोटिस चाहिए। (Interruptions).

**श्री बागड़ी :** जो सवाल किया गया उस के जवाब में पूरी जानकारी नहीं दी गयी, यह बात मेरी समझ में नहीं आयी। सवाल पंजी महोदया के मारफत दिया गया उनको जानकारी हासिल करनी चाहिए थी। पर जवाब देते वक्त वह कह देती हैं कि पता नहीं। एक तो यह बात है। उनको पता करना जरूरी था। अगर इतना भी नहीं कर सकतीं तो देश की हिफाजत कैसे सरकार कर सकेगी। यह कह देना कि मुझे पता नहीं है बिल्कुन उचित नहीं है। (Interruptions)

**अध्यक्ष महोदय :** यहां यह बात बहुत बढ़ रही है कि मैं चिल्लाता रहता हूं और कोई मेरी नहीं मानता। मैं इस बात को ज्यादा देर तक बरदाश्त नहीं कर सकता और मैं वार्निंग दे रहा हूं कि जिस वक्त फिर यह बात मेरे सामने आवेगी तो मैं एक्शन लूंगा। मैंने बहुत इन्तिजार किया मगर बाज वक्त सब भी खत्म हो जाता है। मैंने काफी सब्र किया है। मैं इसको बरदाश्त नहीं कर सकता कि मैं चिल्लाता रहूं और मेरी बात न सुनी जाए।

**श्रीमती इन्दिरा गांधी :** मुझे से सवाल किया गया था कि आया उन लोगों ने सुविधा मांगी थी या हमने अपनी तरफ से पहल की। मैंने कहा कि मुझे इसका ज्ञान नहीं है। लेकिन यह सारा काम मेरी इजाजत से किया गया और इसकी मुझे पूरी जानकारी है।

**श्री हुकम खन्व कछवाय :** मैं जानना चाहता हूँ कि सरकार की तरफ से जो इस ईसाई सम्मेलन को सहूलियत दी गई लह सारनाथ के सम्मेलन को भी दी गयी ?  
(Interruptions)

**अध्यक्ष महोदय :** जो उन्होंने सवाल किया है मैं समझ नहीं सका कि उसका कितना जवाब आ गया है कितना नहीं। उनका सवाल है कि जो सहूलियतें ईसाई सम्मेलन को दी नयीं वही सारनाथ में भी दी गयीं या नहीं।

**श्रीमती इन्दिरा गांधी :** मैं ने बताया है कि हाँ।

**श्री जगदेव सिंह सिद्धान्ती :** मंत्री महोदया ने यह कहा कि यह संसार की विशेष घटना का विवरण दिया जा रहा है। एक विशेष घटना के विवरण में और विशेष सम्प्रदाय के प्रचार करने में क्या कोई अन्तर नहीं है। मैं समझता हूँ कि मंत्री महोदया इस का विशेष घटना का विवरण कह कर हाउस को अन्धकार में रखना चाहती हैं।

**अध्यक्ष महोदय :** वह कोई सवाल नहीं है। (Interruptions)

इतनी आवाजें इधर से आ रही हैं। क्या मैजारिटी पार्टी चाहती है कि सारा काम अपने हाथ में ले ले और मैं कुछ न कहूँ वह मुझे बता दें।

**श्री श्रींकार लाल बेरवा :** वे हाउस में ये बाढ़ें इस लिये कहते हैं कि उन से वोट सेना चाहते हैं।

**अध्यक्ष महोदय :** आप सवाल करना चाहते हैं या मैं आगे चलूँ।

**श्री शिव नारायण :** यह तो हाउस की कटैम्प्ट है। (Interruptions)

**एक माननीय सदस्य :** शट अप।

**अध्यक्ष महोदय :** यह क्या हो रहा है ?

**श्री शिव नारायण :** यह सारे हाउस की कटैम्प्ट कर रहे हैं और कहते हैं “शटअप” और आप उनको कुछ नहीं कहते। यह हाउस की डाइरेक्ट इन्सल्ट है।

**श्री बागड़ी :** यह तो अपनी...

**अध्यक्ष महोदय :** बागड़ी साहब आप बाकी दिन के लिए बाहर चले जाएँ, और इसमें फर्क नहीं होगा। शिव नारायण जी, आप भी बाहर चले जाएँ।

**श्री बड़े :** अभी मंत्री महोदया ने कहा कि सारनाथ में वही सुविधायें दी गई हैं जो कि बम्बई में दी गई हैं। मैं जानना चाहता हूँ कि क्या सारनाथ के बारे में भी वैसे ही रनिंग कमेंटरी दी जाती है, जैसी बम्बई के सम्मेलन के बारे में ?

**श्रीमती इन्दिरा गांधी :** मुझे ठीक से मालूम नहीं है।

**श्री यशपाल सिंह :** एक बात समझ में नहीं आयी कि इसका मूल कारण क्या था कि यह समाजवादी सरकार साम्राज्यवाद के सब से बड़े प्रतीक के ऊपर लट्टू हो गयी और उसको  
(Interruptions)

**Mr. Speaker:** This is no question.

**Shri Harj Vishnu Kamath:** Is it not a fact that his Holiness the Pope is the spiritual as well as the temporal head of a sovereign State, the Vatican State, with which India has got very friendly and cordial relations; and, if so, is it not a fact that any departure from the policy adopted by All-India Radio would be an indelible stain on India's secular escutcheon?

**Shrimati Indira Gandhi:** I do not think that anything we have done is a stain on our. . .

**Shri Harj Vishnu Kamath:** Any departure from the policy. . .

**Mr. Speaker:** The hon. Minister has not followed the question.

**Shrimati Indira Gandhi:** Yes, I agree.

# WRITTEN ANSWERS TO QUESTIONS

## Inquiry into Floods in Krishna River

- \*334. {  
 Shri Bhagwat Jha Azad:  
 Shri S. M. Banerjee:  
 Shri Subodh Hansda:  
 Shri Onkar Lal Berwa:  
 Shri Omkar Singh:  
 Shri Gulshan:  
 Shri D. B. Raju:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether Government have appointed an expert committee to inquire into the causes of the recent floods in Krishna and West Godavari districts in Andhra Pradesh; and

(b) if so, the terms of reference of this Committee?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) Yes, Sir.

(b) The terms of reference of the Committee are as under:

(i) to suggest a comprehensive Plan for control of floods in the coastal rivers like Budameru, Tam-mileru and Yerrakalva by construction of detention reservoirs or by diversion into adjoining valleys or any other methods.

(ii) to consider and recommend proposals for lowering the flood level of Kolleru lake either by improving the outfall channel, Upputeru, or by pumping, or by both.

(iii) to consider and recommend proposals for improving the drainage system in the districts of Godavari, Krishna and Guntur.

(iv) Any other recommendation that the committee desires to make for prevention of floods and inundation.

## Irrigation and Rural Electrification Targets

- \*335. {  
 Shri P. R. Chakraverti:  
 Shri P. C. Borooah:  
 Shrimati Savitri Nigam:  
 Shri Ram Sewak:  
 Shrimati Renuka Barkataki:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether Government have fixed a target for the creation of irrigation potential of 100 million acres and the electrification of one lakh villages by October, 1969 to celebrate Gandhiji's birth centenary;

(b) what will be the overall irrigation potential at the end of the Third Plan including minor irrigation;

(c) whether the States have framed concrete plans for the implementation of the project; and

(d) whether the Centre has communicated its readiness to give necessary assistance to the States in the matter of finance and coordination?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) The Irrigation and Power Seminar held at Trivandrum in the month of October, 1964 has recommended the achievement of a target for the creation of irrigation potential of 100 million acres and the electrification of one lakh villages by October, 1969. It is proposed to take action towards fulfilment of that objective.

(b) About 87 million acres (gross).

(c) and (d). Not yet. However, the States have been advised to frame concrete plans for implementation of the targets. The extent and nature of Central assistance will be considered when concrete schemes become available.

**चोरी छिपे लाई गई वस्तुओं का पकड़ा जाना**

\*336. { श्री श्रीकार लाल बेरवा :  
श्री गुलशन :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि विदेशों से चोरी छिपे लाई गई वस्तुओं को इन दिनों बड़ी मात्रा में पकड़ा गया है ;

(ख) यदि हाँ, तो इस वर्ष अब तक आय कर तथा सीमा शुल्क अधिकारियों ने कितने मूल्य की चोरी छिपे लाई गई वस्तुएँ पकड़ीं ; और

(ग) अब तक कितने मूल्य की ये वस्तुएं बेची गई ?

**वित्त मंत्रालय में उपमंत्रि (श्री रामेशरी साहू) :** (क) और (ख). 1 जनवरी, 1964 से लेकर 31 अक्टूबर, 1964 तक की अवधि में सीमा शुल्क, स्थल सीमा शुल्क व केन्द्रीय उत्पादन शुल्क प्राधिकारियों द्वारा पकड़े गये सामान का मूल्य, जिसे चोरी छिपे लाया गया था, लगभग 372 लाख

रुपये है जबकि इसके विपरीत 1963 के वर्ष की इसी अवधि में यह राशि लगभग 287 लाख रुपये थी। आय कर प्राधिकारी चोरी छिपे लाये गये सामान को नहीं पकड़ते।

(ग) 1 जनवरी, 1964 से लेकर 31 अक्टूबर, 1964 तक की अवधि में, बेचे गए सामान का मूल्य लगभग 10 लाख रुपए है। इसके अतिरिक्त, इस अवधि में 20 लाख रुपये के मूल्य की मुद्रा और सोना भारत के रिजर्व बैंक टकसाल में भेज दिया गया है।

### Plant for Bricks and Tiles

\*337. { Shri Yashpal Singh:  
Shri Sham Lal Saraf:  
Shri Himatsingka:

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

(a) whether an integrated plant for the production of facing bricks, heavy duty bricks and vitreous clay tiles is likely to be set up soon in the public sector;

(b) if so, its estimated capacity and cost; and

(c) when and where it will be set up?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) and (b). No definite decision has been taken in the matter but the National Buildings Organisation have prepared a project report on the subject. The National Buildings Organisation do not themselves implement any scheme. It will be for the Government either to set up a factory in the public sector themselves or some private industrialists may come forward to set up one in the private sector.

(c) Does not arise.

**Land Reforms**

- \*338 { Shrimati Ramdulari Sinha:  
 Shri A. V. Raghvan:  
 Shri Pottekkatt:  
 Shri Kappen:  
 Shri Vidya Charan Shukla:  
 Shri Kolla Venkaiah:

Will the Minister of Planning be pleased to state:

(a) the names of the States which have enacted and implemented Land Reforms Acts according to the advice of the Planning Commission; and

(b) whether any further steps are being taken by those States which have not yet fallen in line according to the suggestions of the Planning Commission; and if so, what?

**The Minister of Planning (Shri B. R. Bhagat):** (a) All States have implemented land reform programmes in varying measure. Details of the progress have been set out in the Planning Commission publication 'Progress of Land Reform'.

(b) The National Development Council has constituted a Committee under the Chairmanship of the Home Minister to review progress in different States and propose measures for securing expeditious implementation. The Committee has met five times and has suggested various steps for expediting and improving implementation such as completion at a very early date of a record of tenancies, and enforcement of standards of efficient management and cultivation. It has also recommended the setting up of a high level committee in each State to review progress and the appointment of a special officer to implement the programme.

**Automation of Work in L.I.C.**

- \*339 { Shri Umanath:  
 Shri P. Kunhan:  
 Shri D. C. Sharma:  
 Shrimati Renuka Barkataki:  
 Shrimati Laxmi Bai:

Will the Minister of Finance be pleased to state the reasons which

prompted the stay of implementation of the proposed automation scheme for L.I.C.?

**The Minister of Planning (Shri B. R. Bhagat):** The proposed automation scheme has not been stayed by the Life Insurance Corporation of India.

**American Delegation of Business Executives**

- \*340 { Shri Mohan Swarup:  
 Shri Utiya:  
 Shri D. D. Puri:  
 Shri P. C. Borooah:  
 Shri M. Rampure:  
 Shri Yashpal Singh:  
 Shri Onkar Lal Berwa:  
 Shri Hukam Chand  
 Kachhavaia:  
 Shri Y. S. Chaudhary:  
 Shri Koya:

Will the Minister of Finance be pleased to state:

(a) whether a 20-man American delegation of business executives sponsored by the Action Committee for International Development visited India in October, 1964;

(b) if so, the mission of the delegation; and

(c) whether the delegation has submitted any report to Government?

**The Minister of Planning (Shri B. R. Bhagat):** (a) Yes, Sir.

(b) The mission was mainly interested in making individual private contacts with investors and industrialists in India for exploring investment possibilities in India.

(c) No, Sir.

**Amnesty to Tax Evaders**

- \*341 { Shri P. Venkatasubbaiah:  
 Shri Yashpal Singh:

Will the Minister of Finance be pleased to state:

(a) whether his attention has been drawn to an indirect suggestion made

by Shri S. K. Patil, Minister for Railways, during the course of his speech at a seminar organised by BEST Bombay on the 19th September, 1964 to give 'amnesty' to tax evaders for a limited period to facilitate them to bring unaccounted money to open on the lines experimented in Belgium; and

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

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** (a) Newspaper reports of the speech referred to have been seen.

(b) The Government are receptive to all worth-while suggestions made for bringing out unaccounted money and its playing an useful role in the country's economy.

#### Bullion Prices

\*342. **Shri Sham Lal Saraf:** Will the Minister of Finance be pleased to state:

(a) whether the bullion prices have remained steady or sharply fluctuated in the market, ever since the last Central Budget was passed by the Parliament and if latter, the reasons therefor; and

(b) the extent to which the continued smuggling of gold into the country has offset the efforts of Government to bring down the prices of gold, particularly, to a reasonable level, if not to the International level as yet?

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** (a) There have been no sharp fluctuations in the price of bullion. The price of gold rose gradually from April till August, 1964. Since then it has declined. The price of silver has been comparatively steadier. The fluctuations are attributable to variations in demand and supply.

(b) Prices are affected by various factors such as smuggling, seizures, level of internal demand etc. Smuggling would not have the effect of rais-

ing prices as presumed by the Hon'ble Member.

#### Chatra Canal Project

\*343. { **Shri Y. S. Chaudhary:**  
**Shri Ram Harkh Yadav:**  
**Shri Vishwa Nath Pandey:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether an agreement has been signed with the Nepal Government regarding Chatra Canal Project;

(b) if so, the total expenditure involved in this project; and

(c) the main features of the project?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) Yes, Sir.

(b) The Project is estimated to cost Rs. 4 crores.

(c) The Project envisages the construction of a canal 35 miles long taking off from the left bank of the Kosi river through a Head regulator at Chatra, 25 miles upstream of the Indo-Nepal border. The scheme is intended to provide irrigation to an area of 1.84 lakh acres of land in the district of Morang in Nepal.

#### सरकारी क्वार्टरों का पुनर्वर्गीकरण

\*344 { **श्री हुकम चन्द कछवाय :**  
**श्री यशपाल सिंह :**

क्या निर्माण और आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकारी क्वार्टरों का 1 अप्रैल, 1964 से पुनर्वर्गीकरण किया गया था ;

(ख) क्या यह भी सच है कि इस पुनर्वर्गीकरण के परिणामस्वरूप हजारों कर्मचारियों को नीचे वर्ग के क्वार्टर मिलेंगे तथा उनको किराया पुरानी दरों पर देना होगा ; और



(ग) यदि हां, तो सरकारी क्वार्टरों के इस पुनर्वर्गीकरण के क्या कारण हैं ?

निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) : (क) जनरल पूल के मकानों को मई, 1963 में दुबारा क्लासीफाई किया गया था ।

(ख) और (ग) . चूँकि सरकार ने मुक्तलिफ सरकारी मुलाजिमों को दिये जाने वाले नये मकानों का फ्लोर एरिया बदल दिया था और उस हिसाब से पुराने मकानों का फ्लोर एरिया ज्यादा था इसलिये यह जरूरी हो गया कि सब मकानों को नये तरीके से क्लासीफाई किया जावे ताकि लोगों को भेद-भाव न मालूम हो, इसी कारण मकानों की नई कैटेगरी के मुताबिक तनख्वाह के आधार पर नये ग्रुप बनाये गये । मकानों का किराया फन्डा-मेंटल रूल 45ए के मुताबिक ही वसूल किया जाता है ।

#### Corruption in the Customs and Central Excise Departments

- \*345. { Shri Kapur Singh:  
Shri P. K. Deo:  
Shri Buta Singh:  
Shri Gulshan:  
Shri D. C. Sharma:

Will the Minister of Finance be pleased to state:

(a) whether in a recent speech in Madras the Finance Minister observed that Customs Officials were hand-in-glove with gold smugglers; and

(b) if so, whether Government have taken any steps to root out corruption from the Customs and Excise Department and?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) What was said was that there is a feeling among the public,

that some Customs Officers, particularly in Bombay and Calcutta, were in league with the smugglers.

(b) Government have been continually reviewing the steps that are to be taken to combat corruption in the Customs and Central Excise Departments, and have been taking various steps from time to time to deal with it. The entire question was also specially reviewed by us recently, while examining the recommendations pertaining to these two Departments, by the Committee on Prevention of Corruption.

#### Water logging

- \*347. { Shri Surendra Pal Singh:  
Shri Bagri:  
Shri Vishram Prasad:  
Shri Rameshwar Tandia:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that Russia has offered to solve the problem of water logging in the State of Punjab and that the matter is now under consideration of the Central Government on a reference by the Chief Minister of Punjab; and

(b) if so, the nature of the Soviet offer and the Centre's reaction thereto?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). No offer has been received from Russia. The Chief Minister of Punjab had made a suggestion regarding the possibility of getting Russian technicians to survey the problem of water-logging and drainage in Punjab and suggest possible solution. This may not become necessary as the problem is being tackled by engineers in the country.

# Recovery of Arrears of Wealth Tax, Estate Duty and Gift Tax

- \*348. { Shri D. C. Sharma:  
Shri Bagri:  
Shri Vishram Prasad:  
Shri Bibhuti Mishra:  
Shri D. N. Tiwary:  
Shri M. L. Dwivedi:  
Shrimati Savitri Nigam:  
Shri C. S. Samanta:  
Shri Subodh Hansda:  
Shri Daljit Singh:  
Shri Onkar Lal Berwa:  
Shri Gulshan:  
Shri Sham Lal Saraf:  
Shri Hem Raj:

Will the Minister of Finance be pleased to state:

(a) the steps taken or proposed to be taken to realise the Wealth Tax, Estate Duty and Gift Tax arrears;

(b) the arrears realised during the last three months;

(c) the arrears as on the 1st November, 1964; and

(d) the steps taken or proposed to be taken to realise them?

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** (a) All steps sanctioned by law and justified in the circumstances of each case are taken and will be taken to collect the arrears of demand in respect of wealth-tax, estate duty and gift-tax.

(b) Wealth-tax . . . Rs. 57.98 lakhs  
Estate Duty . . . Rs. 65.18 „  
Gift-tax . . . Rs. 15.18 „

(c) Wealth-tax . . . Rs. 579.1 lakhs  
Estate Duty . . . Rs. 600.9 „  
Gift-tax . . . Rs. 72.7 „

(d) As in (a) above.

# Searching of Business House

- \*349. { Shri S. M. Banerjee:  
Shri Daji:  
Shri Surendra Pal Singh:  
Shri Yashpal Singh:  
Shri R. G. Dubey:  
Shri Sham Lal Saraf:

Will the Minister of Finance be pleased to state:

(a) whether Enforcement Directorate has launched a countrywide campaign to search the big business houses for unearthing foreign currency with them;

(b) if so, whether there had been raids in Bombay, Calcutta, Kanpur and other places in August, September and October, 1964; and

(c) the outcome of such raids?

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** (a) and (b). In the months of August, September and October, 1964 the Enforcement Directorate carried out searches at Bombay, Calcutta and other places but not at Kanpur and seized foreign currency.

(c) Complaints have been filed in Courts of law, in respect of two cases. The others are under investigation and appropriate action will be considered on the conclusion of the investigations.

# Housing Allocations to States

- \*350. { Shri P. R. Chakraverti:  
Shri P. C. Borooah:  
Shri Bhagwat Jha Azad:

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

(a) the steps taken to ensure the full utilisation of housing allocations by the States;

(b) whether it is a fact that some States have suggested that housing schemes should be transferred to the Central sector and classified as 'Centrally Sponsored', instead of 'Centrally Aided'; and

(c) whether the agenda for the State Housing Ministers' Conference has been finalised?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) It is being continuously impressed upon the State Governments that they should provide adequate funds in their Annual Plans for Housing Schemes so as to utilise fully the provision made for "Housing" in their Third Five Year Plans.

(b) Yes. Some of the States have made this suggestion.

(c) Not yet. We hope to finalise it soon.

नेशन को भारत की सहायता

- \* 351. { श्री ओंकार लाल बेरवा :  
श्री पुनशन :  
श्री रामेश्वर टांटिया :  
श्री त्रिभूति मिश्र :  
श्री क० ना० तिवारी :  
श्री नवल प्रसाद :  
श्री विश्व नाथ राय :  
श्री ब्रजेश्वर प्रसाद :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि नेपाल की एक करोड़ रुपये का ऋण देने के बारे में भारत और नेपाल के बीच एक करार हुआ है ; और

(ख) यदि हाँ, तो करार की शर्तें क्या हैं तथा इसका किस रूप में पुनर्मुग्तान होगा ?

योजना मंत्री (श्री ब० र० भगत) :  
(क) जी, हाँ ।

(ख) इस करार के अनुसार भारत सरकार, नेपाल सरकार को नेपाल में कारखानों की स्थापना में सहायता देने के लिये भारतीय रुपये में एक करोड़ रुपये तक की

रकम का ऋण देने के लिये सहमत हो गयी है । यह ऋण 15 वार्षिक किस्तों में वापस किया जायेगा और इसकी व्याज की दर 3 प्रतिशत वार्षिक होगी ।

#### Tour By Indus Commission

- \*352. { Shri Rameshwar Tantia;  
Shri Gokulananda Mohanty;  
Shri Rama Chandra Mallick;  
Shri Ram Sewak;  
Shri P. G. Sen:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that the permanent Indus Commission undertook a tour of inspection of the Jhelum, Chenab and Ravi Rivers in Pakistan under the Indus Waters Treaty;

(b) if so, how many works were inspected;

(c) whether any report has been submitted to the Union Government; and

(d) if so, the nature thereof and reaction of Government thereto?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a). Yes, Sir, the last tour undertaken was from 16th October to 25th October, 1964.

(b) Seven works and five sites of proposed dams and Hydro-electric plants.

(c) No report as such was submitted by the Commission after its tour of inspection; only a copy of Record of the Tour was submitted.

(d) Does not arise.

#### Ministry of Irrigation and Power

\*353. **Shri Yashpal Singh:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is proposed to bifurcate the present Ministry of Irrigation

and Power into two departments, one for major and medium irrigation and the other for minor and drainage works; and

(b) if so, when a final decision will be arrived at in the matter?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) and (b). There is no proposal to bifurcate the Union Ministry of Irrigation and Power. However, in order to accelerate the execution of increasing number of irrigation and drainage works in the States, it is proposed that in the States where at present minor irrigation works are not being looked after by a separate Chief Engineer, a separate Chief Engineer should be employed solely to look after minor irrigation and drainage works. The matter is being discussed with the various States.

#### Stock Exchanges

\*354. { **Shri P. C. Borooah:**  
**Shri P. R. Chakraverti:**

Will the Minister of Finance be pleased to state:

(a) whether various recognised stock exchanges have in a joint representation urged the Union Government to drop the proposal to restrict the currency of blank transfers;

(b) if so, the arguments advanced by them in support of their plea; and

(c) Government's reaction thereto?

**The Minister of Planning (Shri B. B. Bhagat):** (a) Yes, Sir.

(b) A statement summarising the main arguments is laid on the Table of the House. [Placed in Library. See No. LT-3532/64].

(c) These arguments had been advanced on behalf of the stock brokers from time to time earlier and had been considered by Government before introducing the proposal referred to in the Companies (Amendment) Bill. The Bill is now for consideration in Parliament.

#### Printing Press with German Collaboration

**872. Dr. Sarojini Mahishi:** Will the Minister of Works and Housing be pleased to state the progress made so far to set up the printing press with the collaboration of Government of Federal Republic of Germany in the Mysore State?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** Land has been made available by the Government of Mysore. Plans and estimates are being finalised.

#### One Rupee Blank Note

873. { **Shri Hukam Chand**  
**Kachhavaia:**  
**Shri P. C. Borooah:**  
**Shri Maniyangan:**

Will the Minister of Finance be pleased to state:

(a) whether Government's attention has been drawn to the news item in the 'Times of India', New Delhi dated the 31st October, 1964 disclosing the discovery of a one rupee note blank on one side and bearing the signature of the Secretary of the Finance Ministry, in a bundle of 100 one rupee notes issued from a city bank in Chembur; and

(b) if so, whether any inquiry has been conducted into the circumstances of the case as to how a currency note unprinted on one side could be issued from the Reserve Bank, if so, with what result?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) Government have seen a report in the 'Times of India', Delhi, dated the 30th October, 1964 about the appearance in circulation of such a note.

(b) Enquiries have been made from the India Security Press and the Reserve Bank of India. The alleged existence of such a note could be due to the corner of the sheet of paper on which the notes were being

printed, getting folded when the back was being printed. Such a defective note should have been eliminated during the examination of notes. But due to the enormous increase in the number of notes printed and issued, neither the India Security Press nor the Reserve Bank of India have been undertaking cent per cent examination of notes. Hence, the appearance of such a note in circulation, as is alleged, is not impossible. The incidence of appearance of such a note in circulation can, however, be only one in several hundreds of millions. The Reserve Bank of India have requested the person, in possession of this note, to produce it for their perusal so that they may ascertain its genuineness. The correct position will be known only after the note has been seen by the Reserve Bank of India.

#### Bhoodan Land

**874. Shrimati Ramdulari Sinha:** Will the Minister of Planning be pleased to lay on the Table a statement showing the State-wise information regarding:

(a) the acres of land donated in Bhoodan till 1963;

(b) the acres of land distributed amongst the landless labourers; and

(c) the number of families which have settled on such land?

**The Minister of Planning (Shri B. R. Bhagat):** (a) to (c). Information received from Akhil Bharat Sarva Seva Sangh is set out in the statement placed on the Table of the House. [Placed in Library. See No. LT-3533/64].

#### Basic Tax in Kerala

**875. { Shri A. V. Raghavan:  
Shri Pottakkatt:**

Will the Minister of Finance be pleased to state:

(a) the amount of basic tax collect-

ed by the Government of Kerala after the Kerala Panchayat Act, 1960 came into force;

(b) the amount of arrears yet to be collected under this head;

(c) the amounts due to each Panchayat by way of grants under Section 67 of Kerala Act 32 of 1960;

(d) whether any steps have been taken to pay the grants to each Panchayat; and

(e) when the amount will be paid?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) About Rs. 2.98 crores.

(b) Rs. 2.10 crores approximately.

(c) to (e). The amounts due to Panchayats will be determined and payments made after Section 67 of Kerala Panchayat Act, 1960 has been brought into force.

#### Housing Schemes in Orissa

**876. Shri Rama Chandra Mallick:** Will the Minister of Works and Housing be pleased to state:

(a) the amount allotted to the Government of Orissa in 1963-64 and 1964-65 so far for implementing the Low Income Group, the Middle Income Group and the Subsidised Industrial Housing Schemes; and

(b) the progress achieved under the above schemes during the same period?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) and (b). The position is as under:—

Amounts allocated to and drawn by the Government of Orissa under the Low Income Group, Middle Income Group and Subsidised Industrial Housing Schemes during 1963-64 and 1964-65 and the progress of these

schemes in the State during these two years are as follows:—

### 1. 1963-64

#### (a) Allocation of Funds

Name of Scheme	Amount allocated (Rupees in lakhs)	Amount drawn
(i) Low Income Group Housing Scheme	9.00	7.08
(ii) Middle Income Group Housing Scheme	10.00	10.00
(iii) Subsidised Industrial Housing Scheme	12.00	14.00

Funds for the Scheme at (ii) were drawn entirely from the Life Insurance Corporation of India and those for Schemes at (i) and (iii) from Plan resources.

#### (b) Progress of construction

According to the progress reports and the information received from the State Government the number of houses completed was as follows:—

Name of the Scheme	No. of houses completed
Low Income Group Housing Scheme	132
Middle Income Group Housing Scheme	83
Subsidised Industrial Housing Scheme	540

### 2. 1964-65

#### (a) Allocation of funds

Name of Scheme	Amount Allocated (Rupees in lakhs)
(i) Low Income Group Housing Scheme	16.00
(ii) Middle Income Group Housing Scheme]	A package allocation of Rs. 100 lakhs from Life Insurance Corporation funds has been made to the Orissa Government in 1964-65 for utilisation under the

various Housing Scheme (including the Middle Income Group Housing Scheme).

(iii) Subsidised Industrial Housing Scheme 13.00

#### (b) Progress of construction

Upto the 30th June, 1964, 17 houses were completed under the Low Income Group Housing Scheme and 16 houses under the Middle Income Group Housing Schemes. No progress report has so far been received in respect of the Subsidised Industrial Housing Scheme for that period.

### Heavy and Medium Industries in Orissa

**877. Shri Rama Chandra Mallick:** Will the Minister of Planning be pleased to state:

(a) whether the Government of Orissa have approached the Central Government for the allotment of more funds for the setting up of heavy and medium industries in the State of Orissa during the Third Plan period; and

(b) if so, the decision taken in this regard?

**The Minister of Planning (Shri B. R. Bhagat):** (a) Yes, Sir. This formed an integral part of the request made by the Government of Orissa in May 1963 for a revised plan outlay of Rs. 218.7 crores as against the original plan outlay of Rs. 160 crores.

(b) Although the request of the Orissa Government has not as such been approved by the Planning Commission, the requirements of additional funds for heavy and medium industries are intended to be provided through annual plans in the light of the situation obtaining.

### Landless Agricultural Labourers in Orissa

**878. Shri Rama Chandra Mallick:** Will the Minister of Works and Housing be pleased to state:

(a) whether the Central Government have earmarked any amount

for giving assistance to the landless agricultural labourers in the State of Orissa for the purpose of constructing houses under the Third Plan period; and

(b) if so, the amount thereof

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) and (b). No separate allocation is made to States for provision of house-sites to landless agricultural workers. States can, however, utilize for this purpose funds upto about one-third of their annual allocations under the Village Housing Projects Scheme. The Third Plan allocation of Orissa for the Scheme is Rs. 50 lakhs. They have, however, only drawn Rs. 11.03 lakhs during the first three years of the Plan and have made a provision of Rs. 7.67 lakhs in the current financial year.

#### **Insurance of Motor Vehicles in Kerala**

879. { Shri A. V. Raghavan:  
Shri Pottekkatt:  
Shri Nambiar:

Will the Minister of Finance be pleased to state:

(a) the amount collected by the Government of Kerala under the Third Party insurance of Motor vehicles in Kerala during the last five years.

(b) the amount paid during the said years to claimants;

(c) the number of claims received and the number sanctioned during that period;

(d) the number of inspectors appointed for verifying the claims; and

(e) whether there is any proposal to authorise inspectors to verify the claims in view of the inordinate delay involved in disposing of the claims?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) to (e). The information is being collected and will

be laid on the Table of the House as soon as received.

#### **Rural Housing Schemes**

880. { Shri Daljit Singh:  
Shri Chuni Lal:

Will the Minister of Works and Housing be pleased to state the amount sanctioned for rural Housing Schemes during 1964-65 so far for the Punjab State?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** The Government of Punjab have not provided any funds under the Village Housing Projects Scheme in their Annual Plan for the year 1964-65. Hence, no amount has been allocated to the State Government under the Scheme during the current financial year.

#### **New Thermal Power Plant**

881. **Shri M. G. Thengondar:** Will the Minister of Irrigation and Power be pleased to state the stage at which the Thermal Power Plant proposed to be set up in Nagapattinam (Madras State) stands?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** The proposal for a Thermal Power Plant at Nagapattinam has been dropped in favour of a 300 MW Thermal Power Station at Ennore. Installation of a 300 MW Thermal Power Station at Ennore has been approved.

#### **Rehabilitation of Goldsmiths in Bihar**

882. **Shrimati Ramdulari Sinha:** Will the Minister of Finance be pleased to state:

(a) the steps Government have taken to rehabilitate the goldsmiths in Bihar; and

(b) the number of families of goldsmiths and the manner in which they have been rehabilitated so far?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) The Government of India have communicated to

the Bihar Government the outline of a scheme for rehabilitation of goldsmiths. This includes educational assistance, training facilities, loan assistance for settlement in industry or other productive purposes, organisation of co-operatives, settlement in land and priority in employment. A sum of Rs. 23 lakhs has so far been sanctioned as loan to the Bihar Government for financing the scheme.

(b) The particulars are awaited from the Bihar Government and a statement containing the information will be laid on the Table of the Sabha when they are received.

#### UNICEF Aid for Water Supply

883. { Shri Ulkey:  
Shri Daljit Singh:  
Shri Sadhu Ram:  
Shri R. S. Tiwary:  
Shri Babunath Singh:  
Shri Radhelal Vyas:

Will the Minister of Health be pleased to refer to the reply given to Unstarred Question No. 760 on the 17th September, 1964 and state:

(a) whether it is a fact that the UNICEF have offered assistance for pilot rural water supply projects in six States;

(b) if so, which are those States; and

(c) what is the basis on which they have been selected for these pilot projects?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) and (c). Gujarat, Rajasthan, Punjab, Uttar Pradesh, Bihar and Madras. These have been selected as States where they could serve:

- (i) Areas with special problems which could serve as demonstration units of typical rural water supplies resulting in improvement of health conditions. Also to serve as an adjunct to training institutions in Public Health Engi-

neering. The projects in U.P. and Madras would come under this category.

- (ii) States with areas with special health problems where the provision of a safe water supply would offer the direct solution. Certain specific endemic areas for Cholera in Bihar and for guinea-worm infestation in Rajasthan fall under this category.
- (iii) States in which environmental sanitation activities were under implementation. Certain areas in the States of Gujarat and Punjab selected for the extension of latrine projects started under the Ford Foundation and R.C.A. project fall in this category.

#### U.S. Aid Projects

884. { Shri Ram Harkh Yadav:  
Shri Baswant:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a batch of U.S. Legislators will be visiting India shortly to study U.S. aid projects in India;

(b) if so, the details of their itinerary in India; and

(c) the names of the Legislators?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Government have no information about such a proposal;

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

#### Gobind Sagar Reservoir

885. { Shri Daljit Singh:  
Shri Sadhu Ram:

Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 736



on the 17th September, 1964 and state the progress so far made to raise the depth of the Govind Sagar reservoir?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** The Govind-sagar reservoir upstream of Bhakra Dam was filled to an elevation of 1661.60 in October, 1964 against the target of 1660.

**नई दिल्ली में मच्छरों का उत्पात**

887. श्री विभूति मिश्र : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि नार्थ एवेन्यू, नई दिल्ली, में 1952 से 1962 तक मच्छरों का नाम निशान नहीं था परन्तु 1962 से अस्तित्व, 1964 तक काफी मच्छर पैदा हो गये हैं ;

(ख) यदि हां, तो इसके क्या कारण हैं; और

(ग) क्या मच्छरों का अन्त करने की कोई योजना बनाई जा रही है ?

**स्वास्थ्य मंत्री (डॉ० सुशीला नायर) :**

(क) नई दिल्ली नगर पालिका ने बतलाया है कि गत प्रत्येक वर्ष में मच्छरों के उत्पात की शिकायतें यदा कदा मिलती रही हैं। चालू वर्ष में हाल ही की बाढ़ के कारण मच्छरों की उत्पत्ति में कुछ वृद्धि हुई है।

(ख) मच्छरों के बढ़े हुए उत्पात के मुख्य कारण इस प्रकार हैं :-

(1) अत्यधिक वर्षा जिसके कारण रुके हुए पानी में छिड़का गया लार्वा-नाशक तेल बह गया।

(2) केन्द्रीय सार्वजनिक निर्माण विभाग द्वारा लगाये गये

भूमिगत पानी निकालने वाले पंपों से जो पानी निकाला जाता है वह बरसाती पानी की नालियों में, जो केवल बरसाती पानी के लिए ही हैं, जा रहा है, जिसके कारण पानी रुक जाता है और मच्छर पैदा हो जाते हैं।

(3) बहुत सी अनधिकृत डेरियों के परिणाम स्वरूप गन्दगी फैल जाती है और मच्छर पैदा हो जाते हैं।

(ग) (1) केन्द्रीय सार्वजनिक निर्माण विभाग को कह दिया गया है कि वह इन कुओं से निकलने वाले भूमिगत पानी को ग्राउंड बैरलों में छोड़ें।

(2) डेरियों के शहर की सीमा से बाहर हटाये जाने पर भी मच्छरों के उत्पात पर काफी नियन्त्रण हो जायेगा।

(3) आशा है नई दिल्ली नगर पालिका और दिल्ली नगर निगम सफाई की हालतों में सुधार करेंगे।

#### **Thermal Power Plants**

888. { Shri Rameshwar Tantia:  
Shri Shree Narayan Das:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether Government propose to set up two institutes in the country to impart specialised training in handling large thermal power plants;

(b) if so, when the institutes are likely to be set up and where;

(c) whether any foreign collaboration will be required; and

(d) if so, from which country?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) It has been decided to set up two Training Institutes under the Central Water and Power Commission for the training of operation and maintenance personnel required for Thermal Power Stations.

(b) One of the Institutes is proposed to be set up at Neyveli in the South and the other in the North, location for which is yet to be decided. The Institutes are likely to be set up in the beginning of 1965-66, after all preparations have been completed.

(c) and (d). The possibility of securing foreign assistance is being explored.

**संसद सदस्यों के होस्टल के फ्लैटों का किराया**

889. { श्री विभूति मिश्र :  
श्री क० ना० तिवारी :

क्या निर्माण और आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने निर्माणाधीन एम० पी० होस्टल के विभिन्न प्रकार के फ्लैटों के लिए किराया निश्चित कर दिया है ;

(ख) यदि हां, तो विभिन्न प्रकार के फ्लैटों का क्या किराया निश्चित किया गया है ;

(ग) क्या उसमें संसद सदस्यों के लिए भोजन का प्रबन्ध है; और

(घ) अन्य कौन-कौन सी सुविधायें सदस्यों के लिये दी जायेंगी ?

**निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) :** (क) और (ख). मामला विचाराधीन है ।

(ग) एम० पी० होस्टल के सभी 144 मरों में छोटी-सी रसोई की व्यवस्था

है । क्लब वाले हिस्से में कैटर की नियुक्ति के प्रश्न पर यथासमय विचार किया जायेगा ।

(व) कमरे सुसज्जित होंगे और उनके साथ ही स्नान ग्रह और शौचालय होंगे । उसमें एक सभा-भवन (औडिटोरियम), विश्राम-कक्ष (लॉज) के साथ एक बन, खाने का कमरा (डाइनिंग हाल), बैंक, पुस्तकालय, डाकघर आदि भी होंगे ।

#### Scales of Pay of U.D.Cs.

890. { **Shri Vishram Prasad:**  
**Shri Bagri:**

Will the Minister of Finance be pleased to state:

(a) whether Government propose to rationalise the scale of pay of Upper Division Clerks in all the Central Government offices; and

(b) if so, when it is likely to be finalised?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) The scales were rationalised by the Second Pay Commission who recommended one scale for the Secretariat of the Central Government and another for offices outside the Secretariat. No change in these is contemplated.

(b) Does not arise.

#### Oral Contraceptive

891. { **Shri Yashpal Singh:**  
**Shri Surendranath Dwivedy:**

Will the Minister of Health be pleased to state:

(a) whether her attention has been drawn to the reported view held by Dr. Robert A. Hardt, an American pharmaceutical expert that recent researches had proved that the oral contraceptive was the best method of birth control; and

(b) if so, whether Government agree with this view?

**The Minister of Health (Dr. Sushila Nayar):** (a) No.

(b) Does not arise.

**Delhi Development Authority**

**892. Shri Yashpal Singh:** Will the Minister of Health be pleased to state:

(a) whether a demand has been made to include one representative of the Ministry of Works and Housing on the Delhi Development Authority;

(b) if so, the reasons advanced in support of the demand; and

(c) the action proposed to be taken thereon?

**The Minister of Health (Dr. Sushila Nayar):** (a) Yes.

(b) The reasons advanced in support of the demand are as follows:—

(i) The Ministry of Works and Housing are concerned with the implementation of a major portion of the provisions of the Master Plan for Delhi and are the biggest builders in Delhi.

(ii) The representation of the Ministry of Works and Housing would ensure expeditious and smooth implementation of the programmes of that Ministry as well as those of the Delhi Development Authority itself.

(c) Pending amendment of the Delhi Development Act, 1957, to provide for an additional nomination by the Government of India, or reconstitution of the Authority it has been suggested to the Delhi Development Authority that it might invite a representative of the Ministry of Works and Housing to attend its meetings.

**Development Blocks**

{ Shri M. L. Dwivedi:

**893.** { Shri S. C. Samanta:

{ Shrimati Savitri Nigam:

{ Shri Subodh Hansda:

Will the Minister of Planning be pleased to state:

(a) whether the Planning Commission is undertaking a comprehensive

study of those blocks throughout the country which have had the benefit of ten years of Community Development; and

(b) if so, the result thereof?

**The Minister of Planning (Shri B. R. Bhagat):** (a) A study has been taken in hand to evaluate community development in the post-Stage II blocks, started in the years 1952-54, in its varied aspects—the methods adopted; the Organisations built up; the democratic agencies set up; the nature; content and tempo of development in different fields of socio-economic activity at different stages of the blocks and the impact achieved on the area and the people. The study will be based on field investigations in a sample of 39 post-Stage II blocks selected on a regional basis.

(b) As the study is in the preparatory stage, it is too early to indicate the results thereof.

**नई दिल्ली के लिये पानी और नालियाँ**

894. { श्री म० ल० द्विवेदी :  
श्रीमती सावित्री निगम :  
श्री स० च० राजन्त :  
श्री सुबोध हंसदा :  
श्री नवल प्रभाकर :  
श्री दार्लिंगी :

क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि नई दिल्ली नगर पालिका नई दिल्ली के लिए पीने के पानी और नालियों का अलग से प्रबन्ध कर रही है ;

(ख) यदि हाँ, तो इस पर कितना खर्च होने की संभावना है ;

(ग) इस कार्य के लिए केन्द्रीय सरकार कितनी वित्तीय सहायता देगी और वह किस प्रकार दी जायेगी ; और

(घ) नई दिल्ली के लिये पानी कहां से प्राप्त किया जायेगा ?

**स्वास्थ्य मंत्री (डा० सुशीला नायर) :**

(क) नई दिल्ली नगर पालिका अपनी सीमा में आने वाले क्षेत्र के लिए पीने के पानी और नालियों का अलग से प्रबंध करने की सोच रही है किन्तु अभी कोई विस्तृत योजना नहीं बनाई गई है ।

(ख), से (घ). अभी प्रारम्भिक योजना तक तैयार नहीं हुई है । इस पर कितना खर्च हूँगे की संभावना है, इस को कितनी वित्तीय सहायता दी जायेगी और पानी कहाँ से लिया जायगा, यह इस अवस्था में नहीं बताया जा सकता ।

**Peoples' Friendship University,  
Moscow**

895. { **Shri R. G. Dubey:**  
          **Shri Yashpal Singh:**

Will the Minister of **Health** be pleased to state:

(a) whether the Medical Council of India have finally considered the question of giving recognition to the degrees conferred by the Peoples' Friendship University, Moscow; and

(b) whether it is a fact that Government of India did not send any medical students to this University in 1962 and 1963 since the degree was not recognised by the said Council?

**The Minister of Health (Dr. Sushila Nayar):** (a) The Medical Council of India have agreed to the recognition under the Indian Medical Council Act, 1956, of the degree course in medicine of the Peoples' Friendship University, now called Patrice Lumumba Friendship University, Moscow. This degree shall be recognised when held by an Indian national. Necessary notification for its recognition will issue when an Indian national holding this qualification applies for registration to the State Medical Council.

(b) No seat was offered for medicine during 1962-63 and 1963-64 by the Patrice Lumumba University,

Moscow. Two students were however admitted by the University direct during 1962-63. The University also accepted for study of medicine in 1963-64, two students who were originally selected for "Russian Language and Literature" and "Geology and Exploration of Deposits of useful minerals".

**"Excise Duty on Petroleum Products"**

896. { **Shri Daljit Singh:**  
          **Shri D. C. Sharma:**

Will the Minister of **Finance** be pleased to state:

(a) whether the excise duty on petroleum products has been raised recently;

(b) if so, the existing rates of duty on petroleum products in each State;

(c) whether the rates of various petroleum products in Assam are more than those in other States; and

(d) if so, the reason therefor?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) Yes, Sir. The rates of additional duty of excise leviable under the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958 (27 of 1958) were increased first with effect from the 6th October, 1964, and then with effect from the 18th November, 1964.

(b) The existing rates of the aforesaid duty which are uniform throughout India, are as under:

Commodity	Tariff rate	Effective rate
1	2	3
1. Motor spirit	Rs.* 165 00 per kilo- litre at 15°C.	Rs. 93 00 per kilo- litre at 15°C.
2. Kerosene	Rs. 80 00 per kilo- litre at 15°C.	Rs. 43 00- per kilo- litre at 15°C.



1964-65 के लिये कितनी केन्द्रीय सहायता देय है, यह इस वित्तीय वर्ष के अन्त में राज्य सरकार से खर्च के आंकड़े होने पर ही मालूम होगा तथापि पंजाब में क्षय रोग क्लिनिकों को इस चालू वर्ष में अब तक 70,666.50 रुपये के मूल्य की क्षय रोग निरोधी औषधियां दो जा चुकी हैं : राज्य सरकार ने क्षय रोग योजनाओं के लिए चालू वित्तीय वर्ष के लिए 3.03 लाख रुपये की व्यवस्था की है ।

### Western Kosi Canal

**898. Shri Shree Narayan Das:** Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 1196 on the 24th September, 1964 and state:

(a) whether the alignment of the Western Kosi Canal has since been finalised;

(b) if not, the reason therefor; and

(c) how long it will take to come to a final decision in the matter?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) The alignment of the Western Kosi Canal has not yet been finalised.

(b) The matter is still under correspondence with His Majesty's Government of Nepal.

(c) It depends upon how soon we get the agreement of His Majesty's Government of Nepal.

### पंचकुइयां रोड, नई दिल्ली, के क्वार्टर

**899. श्री यशपाल सिंह:** क्या निर्माण तथा आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि चतुर्थ श्रेणी के कर्मचारियों के लिए पंचकुइयां रोड नई दिल्ली में बनाये गये "आई" टाइप के क्वार्टरों में बीच के दरवाजे नहीं हैं ;

(ख) क्या उक्त क्वार्टरों के दोनों तरफ बरामदों में जो पाइप लगे हैं, वे जमीन के नीचे नहीं हैं ;

(ग) क्या भंगियों को सफाई करने के लिये ऊपर (पहली मंजिल) जाने के लिये कोई सुविधा नहीं है ; और

(घ) यदि हां, तो क्या उक्त कठिनाइयों को दूर करने के लिए कुछ कार्यवाही की जा रही है ?

**निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) :** (क) इन क्वार्टरों के दो कमरे बगैर किवाड़ों के खुले दरवाजे के द्वारा संबद्ध हैं ।

(ख) छत से आते हुए नाली के पाइप भूमिगत नाली से संबद्ध नहीं है ।

(ग) भंगियों के जाने के लिए अलग से रास्ता नहीं है ।

(घ) छत से आते हुए पाइप नीचे बरामदे की नाली से अब संबद्ध किये जा रहे हैं । प्रत्येक ब्लॉक में एक सीढ़ी की व्यवस्था करने का भी प्रस्ताव है ताकि भंगी कमरों से बगैर गुजरे शौचालय तक जा सकें ।

### Foreign Investment

**899. { Shri P. R. Chakraverti:  
Shri P. C. Boroah:  
Shri Surendra Pal Singh:**

Will the Minister of Finance be pleased to state:

(a) whether the Reserve Bank of India has made a survey of foreign investment for the last five years, indicating the growth in foreign participation in Indian industries;

(b) if so, the main points highlighted by the survey;

(c) the concessions and incentives given to foreign investors encouraging increase in joint industrial ventures; and

(d) what accounts for comparative-ly modest foreign investment in mining industry?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) The latest published data on 'Foreign Investment' as indicated in Reserve Bank's survey shows the position as at the end of the year, 1960 only.

(b) The findings of the survey were published in the October, 1962 bulletin of the Reserve Bank of India.

(c) The concessions and incentives specially designed for foreign investors mainly consist of (i) a reduced rate of tax at 50% on royalty and technical fees earned by foreign investors, (ii) exemption from tax on the amount earned by the foreign investor by sale of technical 'know-how' delivered abroad, (iii) a rebate of income tax of 10% on amount of dividends received by them from an Indian Company engaged mainly in priority industries, (iv) exemption from tax on the interest received by non-residents on loans, approved by Government, given to Indian industrial undertakings for the import of capital equipment, machinery or raw materials, (v) exemption from tax on the remuneration received by foreign employees and foreign technicians subject to certain conditions.

(d) Capital requirements for mining industry, which involves prospecting and exploratory mining preliminary to commercial exploitation mineral deposits, are usually large. Return on capital is relatively small and takes a long time to materialise as compared to other industries. Besides, under our Industrial Policy Resolution, development of several sectors of mining industry is reserved for the public sector.

#### Research studies on Economic Problems

901. { Shri P. R. Chakraverti:  
Shri P. C. Borooah:  
Shri Bhagwat Jha Azad:

Will the Minister of **Planning** be pleased to state:

(a) whether the Committee for research in planning and development has reviewed the research studies on economic problems undertaken by some selected institutions;

(b) the arrangement made to provide funds for these research institutions;

(c) how far the results of such studies have been made use of in formulating the Fourth Plan; and

(d) the difficulties experienced by the research institutions and the assistance given by Government in overcoming the same?

**The Minister of Planning (Shri B. R. Bhagat):** (a) No.

(b) Funds for these research institutions are provided out of the Ford Foundation grant of \$1,047,000 for a four-year period.

(c) Studies are currently in progress and results are not yet available.

(d) Two main difficulties mentioned by some of the research institutions relate to (a) shortage of high calibre research personnel in India and (b) obtaining services of eminent foreign experts as collaborators or consultants. Regarding (b), Planning Commission has sought the assistance of Ford Foundation for approaching foreign scholars in the relevant fields.

#### Aid to States

**902. Shri Heda:** Will the Minister of **Finance** be pleased to state:

(a) whether Government have assessed the increasing reliance of States on the Centre in finding out financial resources;

(b) whether such an increase in this reliance can be assessed by greater allocations, loans and market borrowings; and

(c) if so, the extent of such an increase in the past one decade?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) While the Government of India have not made any specific assessment of the increasing reliance of the States on the Centre in finding financial resources, they are aware of the fact that larger Central assistance to the States by way of loans and grants have been necessary from year to year showing greater reliance of the States on the Centre for financing their needs. The annual Central budgets contain figures which show the extent of the transfer of resources from the Centre to the States.

(b) The increase in reliance can be assessed by the larger transfers in the form of loans and grants to the States. In view of the fact that the States also go in for market borrowing on their own, the extent of such borrowing does not give any indication of the reliance of the States on the Centre.

(c) The resources transferred from the Centre to the States amounted to Rs. 424.02 crores in 1955-56 and are expected to be Rs. 1,173.57 crores in 1964-65.

#### Fourth Finance Commission

**903. Shri Heda:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the terms of reference of the Fourth Finance Commission have been broad-based than the earlier ones;

(b) whether they include the assessment of national resources; and

(c) if so, how far it overlaps the functions of the Planning Commission?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) No, Sir. The terms of reference follow the duties cast on the Finance Commission under the Constitution.

(b) No, Sir.

(c) Does not arise.

**जम्मू और काश्मीर के लिये स्वास्थ्य विशेषज्ञ**

905. { श्री श्रीकार लाल बेरवा :  
श्री गुलशन :

क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि जम्मू और काश्मीर राज्य के कुछ क्षेत्रों में रतिय रोगों और क्षय रोगों की समस्याओं का अध्ययन करने के लिये नियंत्रित कार्यक्रम संगठित करने के उद्देश्य से स्वास्थ्य विशेषज्ञों का एक दल जम्मू और काश्मीर राज्य में भेजा जा रहा है ;

(ख) यदि हां, तो उसमें कौन-कौन सदस्य हैं; और

(ग) दल का अध्ययन कब तक समाप्त हो जाने की आशा है ?

**स्वास्थ्य मंत्री (डा० सुशोला नम्बर) :**

(क) और (ख). लद्दाख में क्षय रोग और रतिय रोगों के नियन्त्रण कार्यक्रमों के संचालन में सहायता देने के लिये स्वास्थ्य सेवाओं के महानिदेशालय के इन रोगों के विशेषज्ञ अधिकारियों को वहां भेजने का विचार है । स्थानीय कर्मचारी इस काम में उनकी सहायता करेंगे ।

(ग) इस कार्य के अगले वर्ष की गर्मियों में क्रिये जाने की आशा है ।

**वाराणसी में छापा**

{ श्री श्रीकार लाल बेरवा :  
906. { श्री श्रीकार सिंह :  
श्री गुलशन :

क्या बिस्म मंत्री यह बताने की कृपा करेंगे कि :



(क) क्या यह सच है कि आयकर विभाग के उच्च पदाधिकारियों ने ६ अक्टूबर, 1964 को वाराणसी की एक फर्म के अहाते पर छापा मारा और वहां से सोना और हीरे बरामद किए ;

(ख) यदि हां, तो उनका अनुमित मूल्य क्या था ;

(ग) क्या उसी फर्म के एक लाकर की भी तलाशी ली गई थी; और

(घ) यदि हां, तो जांच का क्या परिणाम निकला ?

**वित्त मंत्री (श्री ति० त० कृष्णमाचारी) :**

(क) जी, हां । तलाशी करते समय कुछ सोने के आभूषण मिले थे ।

(ख) सोने के आभूषणों का अनुमानित मूल्य 45,000 रुपये है ।

(ग) और (घ). दो लाकरों की तलाशी ली गई थी और उनमें 5,000 नकद रुपये, परिवार से सम्बन्ध रखने वाले 80 तोला वजन के आभूषण तथा गिरवी व्यापार में अन्य व्यक्तियों से प्राप्त 16,000 रुपये के मूल्य के दूसरे आभूषण मिले थे । जांच पड़ताल चल रही है ।

**त्रिवेन्द्रम में संक्रामक रोग**

907. { श्री श्रींकार लाल बेरवा :  
श्री श्रींकार सिंह :

क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या यह सच है कि गत अक्टूबर, के प्रारम्भ में त्रिवेन्द्रम के निकट अटेंगल क्षेत्र में एक संक्रामक रोग फैल गया जिसके फलस्वरूप 130 छात्र अचानक बेहोश हो गये और उनमें से कुछ एक की हालत चिन्ताजनक हो गई ; और

(ख) क्या इस घटना की कोई जांच

की गई है और यदि हां, तो उसका क्या परिणाम निकला ?

**स्वास्थ्य मंत्री (डा० सुशीला नायर) :**

(क) त्रिवेन्द्रम, अटेंगल में सितम्बर, अक्टूबर, 1964 में एक संक्रामक रोग फैल गया था । इससे 260 बच्चे प्रभावित हुए ।

(ख) जी हां । प्रयोगशाला परीक्षणों से पता चला कि 5 मामलों में खून में टाइफाइड के जीवाणु संबंधित थे और 8 मामलों में समूहन-परीक्षण (एग्लूटिनेशन टेस्ट) टाइफाइड के प्रभावयुक्त था । इस क्षेत्र में 681 टी० ए० बी० टीके लगाये गये और 31 कुओं का क्लोरिनीकरण किया गया । इस क्षेत्र में स्वास्थ्य सम्बन्धी हालातों को सुधारने के प्रयास किये गये । यह प्रकोप शान्त हो गया है ।

प्रभावित 260 मामलों में से 252 इलाज के बाद छोड़ दिये गये हैं और 8 का इलाज चल रहा है । अभी तक कोई मृत्यु नहीं हुई है ।

#### Aid from Canada

908. { Shri P. C. Borooah:  
Shri Dharmalingam:

Will the Minister of Finance be pleased to state:

(a) whether an agreement has recently been signed between India and Canada providing for a credit of about \$2 million to India from the latter country.

(b) if so, the terms of the credit agreement; and

(c) the projects that will be financed therewith?

**The Minister of Finance (Shri T. T. Krishnamachari)** (a) Yes Sir; the amount of the credit is 1.96 million Canadian dollars.

(b) The credit is repayable in 33 semi-annual instalments commencing from 1st November, 1968. The rate of interest is 6% per annum. Interest is to be paid on first May and first November of each year, commencing on the first of these dates subsequent to the first disbursement. Repayment of principal and payment of interest will be in Canadian dollars.

(c) The credit will cover the foreign exchange cost for the import from Canada of industrial furnaces and related engineering services for the Durgapur Alloy Steel Project of Hindustan Steel Ltd.

#### Income-Tax Commissioners' Conference at Bangalore

909. **Shri P. C. Borooah:** Will the Minister of Finance be pleased to state:

(a) the decisions taken at the recent Income-Tax Commissioners' Conference held in Bangalore to gear up the collection machinery in the country; and

(b) Government's reaction thereto?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) and (b). The Conference of Commissioners of Income-tax does not take any decisions. Suggestions were, however, made at the conference held recently at Bangalore regarding the further gearing up of the collection machinery in the country. These suggestions will be examined by the Central Board of Direct Taxes and Government, in the light of further reports which will be submitted by the Commissioners.

#### Recovery of L.I.C. Loan

910. { **Shri Daji:**  
**Shrimati Vimla Devi:**  
**Shri S. M. Banerjee:**  
**Shri A. K. Gopalan:**  
**Shri Kapur Singh:**  
**Shri Vasudevan Nafr:**  
**Shri Manoharan:**

Will the Minister of Finance be pleased to state:

(a) whether the L.I.C. has recovered the loan from Shri Ram Rattan Gupta, a mill-owner of Kanpur; and

(b) if not, the reasons therefor?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) The Mortgage loan of Rs. 18,30,000 advanced by the Unit: Empire of India Life Assurance Co., to Shri Ram Rattan Gupta and 4 others against their properties at Kanpur and Nainital was repaid in full by December, 1961.

(b) Does not arise.

#### National Development Plans

911. **Shri P. C. Borooah:** Will the Minister of Planning be pleased to state:

(a) whether there is a proposal to have National Development Plans of longer spans than five years as at present;

(b) if so, when a decision is likely to be taken in this regard; and

(c) the reasons that have weighed in favour of such a change?

**The Minister of Planning (Shri B. R. Bhagat):** (a) to (c). Each Five Year Plan is set against a longer term perspective. The Third Five Year Plan was presented as the first phase of development over the fifteen years from 1961-62 to 1975-76. Accordingly, the Fourth Plan will cover in detail the period from 1965-66 to 1971-72 but, along with this, it is also hoped to present in outline development for the decade from 1965-66 to 1975-76. This is intended to provide both for continuity in planning and for detailed preparation of plans for the five-year period.

#### Periyar River

912. **Shri Pottekkatt:** Will the Minister of Irrigation and Power be pleased to state:

(a) how far the diversion of the Periyar river as a result of the cons-

truction of the Idikki project would result in salinity in the Periyar river in the summer months;

(b) whether as a result of this problem chemical units in the Alwaye-Cochin industrial belt are likely to be shut down in the summer months; and

(c) the steps Government propose to take to tackle this problem?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) and (b). The matter is engaging the attention of the Government of Kerala.

(c) After the studies in hand are completed, the question of taking necessary remedial measures will be considered.

#### **Plantation Labour Housing Scheme**

913. { **Shri P. Kunhan:**  
**Shri Nambiar:**  
**Shri Pottekkatt:**  
**Shri A. V. Raghavan:**

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

(a) the number of houses proposed to be constructed under the Plantation Labour Housing Scheme during the Third Five Year Plan in various States; and

(b) the number of houses constructed so far?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) The Third Plan target for construction of houses under this Scheme is about 3,700 in Assam, Kerala, Madras, Mysore, Uttar Pradesh, West Bengal and Tripura where plantations exist.

(b) The required information is being collected from the State Governments and the Union Territories and will be placed on the Table of the House.

#### **Cancer**

914. { **Shri Nambiar:**  
**Dr. Saradish Roy:**

Will the Minister of Health be pleased to state:

(a) whether it is a fact that according to the report of experts of the Union Health Ministry, Calcutta citizens are more susceptible to cancer than people in other Indian cities; and

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

**The Minister of Health (Dr. Sushila Nayar):** (a) and (b). No such reports have been received or survey undertaken by the Government of India.

#### **Shanti Ghat, Delhi**

915. **Shri D. C. Sharma:** Will the Minister of Works and Housing be pleased to state the steps taken or proposed to be taken to give a face-lift to Shanti Ghat?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** The short term measures taken or to be taken are levelling of the area, installation of a railing around the Samadhi, provision of an approach road from the Ring Road and laying out of a parking area for vehicles, flower beds and lawns at the entrance. The plans for long term measures have not yet been finalised.

#### **Monetised and Non-monetised Transactions in Indian Economy**

916. **Shri Sidheshwar Prasad:** Will the Minister of Planning be pleased to state:

(a) whether any survey has been conducted about the proportion between the monetised and non-monetised transactions in the Indian economy during the First and the Second Five Year Plans and its effect on the course and pace of economic development;

(b) if so, what are the findings;

(c) the assessment in this regard for the Third Plan; and

(d) how far this factor has been given weight in the formation of the Fourth Plan?

**The Minister of Planning (Shri B. R. Bhagat):** (a) and (b). No, Sir. However, information in respect of the monetised and non-monetised parts of consumer expenditures for 1951 is available from the National Sample Survey Report No. 3 entitled "Tables with Notes on the Third Round, August—November, 1961 and published in January 1954. According to this report, supplies obtained in kind, i.e. though self-production or barter, constituted roughly 40 per cent of total consumer expenditure in the country as a whole during August—November, 1951.

(c) The proportion of monetised transactions in the economy has been increasing steadily, although it is not possible to indicate precisely the rate of increase.

(d) It is assumed that the trend towards increased monetisation of the economy would continue during the Fourth Plan period.

सफदरजंग स्प ल में पाई गई लाश

917. श्री हुकम चन्द कछत्राय :  
श्रीमती लक्ष्मी बाई :

क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि विनयनगर की एक लड़की सरला देवी की जो 6 अक्टूबर, 1964 को सफदरजंग अस्पताल में भरती की गई थी, लाश 8 और 9 अक्टूबर की दरमियानी रात को बाहर फर्श पर पड़ी पाई गई ; और

(ख) यदि हां, तो क्या इस मामले की कोई जांच की गई है और यदि हां, तो उसका क्या नतीजा निकला ?

**स्वास्थ्य मंत्री (डा० सुशीला नायर) :**

(क) और (ख). इस मामले के तथ्य इस प्रकार हैं कि श्रीमती सरला देवी को जिन्हें रुद्धांतव (अमेनोरिया) और पेट के निचले भाग में दर्द के इलाज के लिए अस्पताल में भर्ती किया गया था, यह ख्याल था कि वह गर्भवती है। किन्तु परीक्षा करने से पता चला कि उसको कोई गर्भ नहीं है। इस बात से उसे ऐसा सदमा पहुंचा कि वह दूसरी मंजिल के स्नानागार की खिड़की से कूद पड़ी। खिड़कियों पर अब लोहे की छड़ लगाने के लिये कदम उठाये जा रहे हैं।

### Rural Electrification

918. { Shri Vishwa Nath Pandey:  
Shri Ram Harkh Yadav:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Government of Uttar Pradesh have asked for additional finances to implement and accelerate the programme of rural electrification during the remaining period of the Third Plan; and

(b) if so, whether the Central Government have sanctioned the required amount to the State Government?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) and (b). No specific request has been received from the Government of Uttar Pradesh for additional financial assistance to implement and accelerate the programme of rural electrification. However, the Uttar Pradesh State Electricity Board has submitted a scheme report for electrification of 3,000 additional villages during the remaining period of the Third Five Year Plan at an estimated cost of Rs. 12.15 crores. The scheme report has been examined in the Central Water and Power Commission and their comments have been forwarded to the State Electricity Board for certain clarifications, modifications, etc. Further action will be taken on receipt of the reply of the State Electricity Board which is awaited.

**T.B. Patients in U.P.**

**919. Shri Vishwa Nath Pandey:** Will the Minister of Health be pleased to state:

(a) the number of T.B. patients at present in the State of Uttar Pradesh as per the survey conducted by the National Council of Survey;

(b) the nature of assistance given by the Centre to the State Government for the treatment of those T.B. patients; and

(c) the total amount sanctioned during the current financial year for those patients?

**The Minister of Health (Dr. Sushila Nayar):** (a) The exact number of patients is not known and the National Sample Survey did not cover the whole of Uttar Pradesh. However, the National Sample Survey of the Delhi Zone consisting of Punjab, PEPSU, Delhi and Districts of Saharanpur, Muzaffarnagar, Meerut, Bulandshahr, Aligarh and Mathura of Uttar Pradesh State indicated that about 1.4 to 1.7 per cent of population has active pulmonary Tuberculosis as judged by X-ray and 25 per cent of these or 2.5 to 4 per thousand have infectious disease.

(b) Under the National T.B. Control Programme, the Government of India assists the State Governments in respect of the following schemes:

- (i) B.C.G. Vaccination Campaign;
- (ii) Establishment of T.B. Clinics;
- (iii) Establishment of T.B. Demonstration and Training Centres;
- (iv) Establishment of Mobile X-ray Units;
- (v) Establishment of T.B. Isolation beds; and
- (vi) Supply of anti-T.B. Drugs.

Central assistance is given at the rate of 75 per cent of the non-recurring expenditure and 50 per cent of the

recurring expenditure in respect of the above-mentioned schemes. The Central share on buildings is limited to 75 per cent of the following ceilings:

- |   |                             |
|---|-----------------------------|
| (i) T.B. Clinics                                    | Rs. 95,000 per clinic;      |
| (ii) T.B. Demos-<br>tration and<br>Training Centres | Rs. 2,25,000 per<br>centre. |

(c) In accordance with the existing procedure, as Central assistance is released for Centrally-aided schemes through 'Ways and Means Advances' for a group of schemes, the assistance released to Uttar Pradesh so far during 1964-65 for T.B. Schemes alone is not known. The quantum of Central assistance admissible to the State Government for 1964-65 will be known only at the end of the financial year on receipt of expenditure figures from the State Government. The Government of Uttar Pradesh have provided a sum of Rs. 15.827 lakhs for the current financial year for the T.B. schemes.

**Fire Incident in Central Stationery Office, Calcutta**

**920. Shri H. N. Mukerjee:** Will the Minister of Works and Housing be pleased to state:

(a) whether there has recently been much loss on account of a fire in a godown hired in Howrah by the Central Stationery Office in Calcutta;

(b) if so, the amount of the loss;

(c) whether responsibility for the loss has been fixed;

(d) whether it is a fact that the said godown in Howrah is most unsuitable; and

(e) the steps to be taken for better storing arrangements?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) to (c). There has been no fire in this godown.

(d) and (e). As the godown is not really suitable for storage of paper, it is proposed to surrender it as soon as possible.

**T.B. Health Visitors' Course**

921. **Shri Vishwa Nath Pandey:**  
**Shri Ram Harkh Yadav:**

Will the Minister of Health be pleased to state:

(a) whether the Tuberculosis Association of India have decided to organise a T.B. Health Visitors' Course in New Delhi;

(b) if so, the particulars of the course; and

(c) the places where training courses are likely to be held?

**The Minister of Health (Dr. Sushila Nayar):** (a) and (b). The Tuberculosis Association of India has been conducting a training course for the health visitors in tuberculosis work since 1939. The syllabus was revised in 1959 when the minimum qualification for admission was raised from Matriculation to Intermediate and the duration of the course was extended from nine months to one year.

The main particulars of the course are as follows:—

(i) Of the total period of one year, 9 months are spent in theoretical training and the last 3 months in practical training at the New Delhi T.B. Centre. The trainees have to undergo intensive theoretical and practical training in Anatomy, Physiology, First Aid, Home Nursing, Hygiene, Communicable Diseases, Economics, Social Welfare, Mental Hygiene, Nutrition, Household Management, Public Health Administration etc.

(ii) Minimum qualification for admission to the course is Intermediate with Science and/or Hygiene-Physiology in the Matriculation. A working knowledge of Hindi is essential. This qualification can be relaxed in case of those who had training in Nursing, Compounding, Maternity & Child Welfare, Health Visiting, but the minimum educational qualification should in these cases be Matriculation or its equivalent.

(iii) The training is common to both men and women candidates; women are preferred.

(iv) Preference will be given to candidates who are deputed and financially supported by affiliated TB Associations, Local Bodies, Industrial Organizations, Railways, and State Governments and have assurance of employment after completion of training.

(v) Training is free, but candidates or their deputing authorities will be required to meet the expenses of their stay in Delhi and Kasauli.

(vi) Persons under employment must send their applications through their employers, certifying that, if selected, the candidate will be given the necessary leave of absence and the emoluments.

(c) The periods of study and the places where they are conducted are as follows:—

- |                    |   |
|--------------------|---|
| (i) One month      | Nursing College,<br>New Delhi.                                |
| (ii) Seven months  | New Delhi<br>Tuberculosis<br>Centre.                          |
| (iii) One month    | Lady Linlithgow<br>Sanatorium,<br>Kasauli.                    |
| (iv) Three months. | Practical work<br>in the field<br>(New Delhi<br>T.B. Centre). |

**Rural Water Supply Schemes**

**Shri Uikey:**  
**Shri Vidya Charan Shukla:**  
**Shri J. P. Jyotishi:**  
**Shri Surya Prasad:**  
**Shri Radhelal Vyas:**  
**Shri Wadiwa:**

Will the Minister of Health be pleased to state:

(a) whether prior concurrence of the Central Government is necessary before execution of the rural water supply schemes prepared by the Madhya Pradesh Government; and

(b) if so, whether Government would consider the feasibility of dispensing with such procedure in view of the fact that qualified Public Health Engineers are available in Madhya Pradesh?

**The Minister of Health (Dr. Sushila Nayar):** (a) and (b). Approval of the Ministry of Health is necessary for the execution of Rural Piped Water Supply Schemes under the National Water Supply and Sanitation Programme and the Local Development Works Programme. This applies to all States and no exception can be made in respect of Madhya Pradesh.

#### Ford Foundation

**923. Shri Y. S. Chaudhary:** Will the Minister of Finance be pleased to state:

(a) the amount of money that has so far been spent by the Ford Foundation in India; and

(b) how Government are keeping a check on the activities of this institution?

**The Minister of Finance (Shri T. T. Krishnamachari):** (a) During the period from 1951 to January 1964, the Ford Foundation has authorised grants totalling \$ 68 million (Rs. 32.3 crores) to various public and private institutions in India. Information regarding the actual expenditure incurred against these grants is, however, not available.

(b) The Ford Foundation holds prior consultation with the Ministries/Departments of Government of India before making grants to various public/private institutions. The responsibility of implementing the aided programmes rests with the recipient institutions and not with the Foundation.

#### हिन्दुस्तान हाउसिंग फ़ैक्टरी

**924. श्री हुकम चन्द कछवाय :** क्या निर्माण तथा आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि हिन्दुस्तान

हाउसिंग फ़ैक्टरी ने ख़राब लकड़ी ख़रीदी और उससे सरकार को 4,40,930 रुपये का घाटा उठाना पड़ा ; और

(ख) यदि हाँ, तो उसके क्या कारण हैं और इस सौदे के लिए जिम्मेदार व्यक्तियों के विरुद्ध क्या कार्यवाही की गयी है या की जाने वाली है ?

**निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) :** (क) जी, नहीं। हिन्दुस्तान हाउसिंग फ़ैक्टरी लिमिटेड ने दिसम्बर, 1959 से फरवरी 1960 के दौरान 4,40,930 रुपये के मूल्य की लकड़ी प्राप्त की थी। यह लकड़ी उस आर्डर के एवज में थी जो कि उनकी ओर से संभरण तथा निपटान के महानिदेशक ने जम्मू तथा काश्मीर के मुख्य संरक्षक को दिया था। लकड़ी का वास्तव में उपयोग करने के बाद फ़ैक्ट्री को 11,440 रुपये का घाटा उठाना पड़ा था।

(ख) घाटा मुख्य रूप से घटिया किस्म की लकड़ी सप्लाई करने की वजह से हुआ था। संबंधित फ़ैक्ट्री के अधिकारी के खिलाफ़ अनुशासनिक कार्यवाही की गई थी, और मैनेजमेंट ने उसकी सेवा समाप्त कर दी थी।

#### Economic Development of Backward Regions

**925. Shrimati Jyotsna Chanda:** Will the Minister of Health be pleased to state:

(a) whether Government are aware of the special and peculiar problems of such areas as Cachar, Mizo District, North Cachar Hills and Jowai Sub-division of Assam and the adjoining Union Territories of Manipur and Tripura, which were the outcome of the partition;

(b) if so, whether Government propose to take special measures for the accelerated and integrated economic development of this strategic and backward region; and

(c) if not, the reasons therefor?

**The Minister of Health (Dr. Sushila Nayar):** (a) to (c). At the instance of the Central Council of Local Self-Government, the Ministry of Health had set up a Committee to study the problems and requirements of the small towns in hill and border areas. It has finalised its recommendations and will submit its report shortly. The recommendations of the Committee will be forwarded to all the concerned authorities for taking appropriate action.

The development of Hill areas is also being considered by the Central Hill Development Advisory Committee set up by the Ministry of Food and Agriculture.

#### **Harduaganj Thermal Power Station**

926. { **Shri Ram Harkh Yadav:**  
**Shri Vishwa Nath Pandey:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that an agreement for setting up the Soviet-aided 100 M.W. Thermal Station at Harduaganj in Uttar Pradesh was signed between the Soviet Trade Organisation and the Uttar Pradesh State Electricity Board; and

(b) if so, the terms of the agreement?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) Yes.

(b) Uttar Pradesh State Electricity Board has signed an agreement dated 5-11-64 with M/s. Machinexport of USSR for supply of complete plant and equipment required for Harduaganj 'B' Station comprising of two units of 50 M.W. capacity along with boilers, switchgear etc. involving foreign exchange to the extent of Rs. 5.56 crores under the U.S.S.R. Trade Agreement Arrangement. The main equipment will be delivered by the end of 1965. In addition, agreements have been signed for supply of working drawings for Harduaganj

Power Station involving foreign exchange to the extent of Rs. 15.75 lakhs and for technical assistance in erection and commissioning of the equipment for deputing U.S.S.R. specialists involving foreign exchange of Rs. 7.4 lakhs. Both these agreements have been signed under the U.S.S.R. Trade Agreement Arrangement under which the payment has to be made in Indian non-convertible Rupees and the funds are utilised by the U.S.S.R. authorities for purchase of Indian goods.

#### **Rural Industries Pilot Project**

927. **Shri Hem Raj:** Will the Minister of Planning be pleased to state:

(a) the number of rural industries pilot projects which have been opened during the Third Five Year Plan with the names of the States and the Districts in which opened and the years in which these were declared open;

(b) the progress of their work;

(c) whether representation has been received from the Government of Punjab for special enhanced grant for the Palampur project in the Kangra District; and

(d) if so, the result thereof?

**The Minister of Planning (Shri B. R. Bhagat):** (a) to (d). In all, 45 Rural Industries Projects have been sponsored by the Planning Commission for the Third Plan period in 1962-63. The Projects are located in the fifteen States and the four Union Territories of Himachal Pradesh, Manipur, Tripura and Goa. Names of the Projects along with the Districts and States in which they are located is given in the list laid on the Table of the House. [Placed in Library. See No. LT-3534 (i)/64].

Before development programmes could be formulated for the Project areas, a survey assessing the resources available and potentials of development in each of the areas was undertaken, on the basis of which realistic



programmes were formulated. These surveys were completed sometime-towards June-July 1963. Formulation of development programmes on the basis of these surveys took another 2-3 months and actual implementation of various schemes in different project areas started only towards the last quarter of the financial year 1963-64. The programme has been in operation, in most of the Project areas, for only about six months and it is too early to review the progress achieved. However, brief notes reviewing the position up to March 1964 for most of the Projects were prepared for consideration of the Third Conference on Rural Industries Projects held in September, 1964, a copy of which is placed in the Library. [See No. LT-3534(ii)/64.]

No representation has been received from the Government of Punjab for special enhanced grant for the Palampur Project area.

#### Trachoma in Assam

928. **Shrimati Renuka Barkataki:** Will the Minister of Health be pleased to state:

(a) the steps taken, under the national programme for the eradication of Trachoma in Assam during 1963-64; and

(b) the expenditure incurred thereon?

**The Minister of Health (Dr. Sushila Nayar):** (a) National Trachoma Control Programme has not been undertaken in Assam during 1963-64.

(b) Does not arise.

#### Urban Community Development Projects

929. **Shri D. C. Sharma:** Will the Minister of Health be pleased to state:

(a) whether it is proposed to start 40 urban community development projects on a pilot basis during the remaining period of the Third Plan; and

(b) if so, the details thereof?

**The Minister of Health (Dr. Sushila Nayar):** (a) Yes, Sir.

(b) The proposal is still under consideration.

#### सोने का तस्कर व्यापार

930. { श्री राम हरख यादव :  
श्री श्रीकार लाल बेरवा :  
श्री बिदनाथ पाण्डेय ।

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि ता 0 8 नवम्बर, 1964 को सान्ताक्रूज हवाई अड्डे पर चुंगी अधिकारियों ने एक लाख रुपये का सोना इंडियन एयर लाइन्स कारपोरेशन के हवाई जहाज से हैदराबाद जाने वाले एक यात्री से बरामद किया ; और

(ख) क्या इस मामले की जांच की गई है और यदि हां, तो उसका क्या परिणाम निकला ?

**वित्त मंत्री (श्री ति० त० कृष्णमाचारी):**

(क) 8-11-1964 को सीमा-शुल्क प्राधिकारियों ने सान्ताक्रूज हवाई अड्डे पर इंडियन एयर लाइन्स कारपोरेशन के हवाई जहाज से हैदराबाद जाने वाले एक यात्री से लगभग 8.4 किलोग्राम सोना पकड़ा जिसका मूल्य (अन्तर्राष्ट्रीय दर पर) करीब 45,000 रु० है । पकड़े गये सोने का बाजार मूल्य लगभग 93,000 रु० है ।

(ख) अब तक की गई जांच-पड़ताल से पता चलता है कि इस मामले में तीन अन्य व्यक्ति भी अन्तर्ग्रस्त थे । चारों व्यक्ति अभियोजित किये जा रहे हैं और आगे जांच-पड़तालें प्रगति पर हैं ।

#### Rent due from ex-Members of Parliament

931. **Shri Hem Barua:** Will the Minister of Works and Housing be pleased to state:

(a) whether it is a fact that some ex-Members of Parliament owe

a sum of Rs. 98,877, as house rent to Government;

(b) if so, the names of the defaulting members; and

(c) the specific steps taken so far by Government to realise the amount and the result thereof?

**The Minister of Works and Housing (Shri Mehr Chand Khanna):** (a) Yes.

(b) It is a long list. The number is nearly 400.

(c) The amount of arrears is intimated to the Secretariat of the Lok Sabha or Rajya Sabha to effect recovery from the final dues of the ex-Members concerned. If recovery is not possible from the final dues, the ex-Members or their heirs are addressed to make the payment. Where any ex-Member became a Member of a State Legislature, the Secretariat of that Legislature is requested for effecting recovery from the salaries and allowances of the Member. If these efforts fail, legal action is taken to effect recovery to the extent possible.

12.31 hrs.

# CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

(i) Release of convicts in Gandhi Murder case

**Shri Shavaji Rao S. Deshmukh (Parbhani):** Sir, I 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:

"The facts relating to and leading to the release from Tihar Jail of Gandhi Murder assassins."

**The Minister of Home Affairs (Shri Nanda):** Sir, my attention has been drawn to a news item, which was published in the Press the other day

about a statement said to have been made by the Chief Minister of Maharashtra at a meeting of the State Congress Legislature Party about the release of Gopal Vinayak Godse and Vishnu Karkare. We have asked the Maharashtra Government to send us a copy of the statement said to have been made by the Chief Minister and this is awaited.

2. According to a statutory rule in the Jail Manual, a life-convict should ordinarily be released from prison when he has completed the term of 20 years' imprisonment including remissions. By 31-1-1963, Godse had earned total remission of 8 years, 10 months and 26 days, and Karkare had earned total remission of 8 years, 9 months and 6 days. By the date of their release, namely, 13-10-1964, including remissions, Godse and Karkare had served a term of more than 24 years, 7 months, and 24 years 5 months respectively. In ordering their release in accordance with the 20-year rule, the Government of India had taken into consideration the reports received from the Government of Maharashtra from time to time.

3. A telegram was sent to the Government of Maharashtra and to other States intimating to them 5 days in advance of the date of the release, our decision to release the prisoners. The Home Secretary to the Government of Maharashtra was also informed of our decision on telephone.

4. I might refer in this connection to the concern naturally expressed by many Hon'ble Members on the statement of Ketkar that he had previous information of Godse's intention to murder Gandhiji and that he had conveyed this information to the then Chief Minister, Maharashtra. I had informed the House that this and related aspects of the matter will be enquired into. Government have decided to ask some eminent person well-versed in legal matters to hold this enquiry.

**Shri Hem Barua (Gauhati):** Sir, I rise to a point of order. Where as the hon. Home Minister says that he had been contacting the Maharashtra Government for that statement made by the Maharashtra Chief Minister to the effect that the Maharashtra Chief Minister advised the Home Minister not to release these people, what happens here in the statement is...

**Mr. Speaker:** He must have heard this also that the Government is trying to get the facts.

**Shri Hem Barua:** But there is a lacuna here. In the same breath he says—the hon. Home Minister—that he contacted the Home Secretary of the State five days before the actual release of these persons. But he has not told the House what was the advice given by the Chief Minister of the Maharashtra Government. That would remove all these doubts and difficulties.....

**Mr. Speaker:** Where is the point of order?

**Shri Hem Barua:** The point of order is that there is discrepancy even in the statement.

**Mr. Speaker:** He may resume his seat. Discrepancy is no cause for any point of order.

**Shri Shivaji Rao S. Deshmukh:** While congratulating the Home Minister for giving an assurance to this House that all facts relating to the declaration of Shri Ketkar will be thoroughly investigated into, I wish to ask the Home Minister whether he is aware of the fact that on the interpretation of a statutory rule in the Jail Manual which he has stated before the House, the Supreme Court has given a specific finding that life imprisonment means imprisonment for life and not for 18 years or 20 years?

**Shri Nanda:** May I further add, Sir, that after this statement was ready on

the telephone there was some message from the Chief Minister of Maharashtra (Interruption).

**Mr. Speaker:** The hon. Member wants to know whether he is aware of any Supreme Court judgment that life imprisonment does not mean imprisonment for 20 years?

**Shri Nanda:** This case had come before the Supreme Court and it was said that it is open to the Government to keep a prisoner for a longer period. The normal thing is this as per the statutory rule under the present Act. That is the position.

**Shri Shivaji Rao S. Deshmukh:** No, no. The question is this. In the interpretation of the same statutory rule, the Supreme Court, at the request of this Government, because Godse's petition was being opposed by the Government of India, on a specific plea taken at the instance of the Government of India, gave the finding that life imprisonment means imprisonment for life. Therefore, I wish to know from the Home Minister....

**Mr. Speaker:** That he has made clear.

**Shri Hem Barua:** In this very case a verdict was given by the Supreme Court.

**Mr. Speaker:** Is there any other signatory who wants to put a question?

**श्री तुलशीदास जाधव (नांदेड):** अध्यक्ष महोदय, यह उनको छोड़ने का जो आपने सवाल उठाया तो सुप्रीम कोर्ट का जजमेंट मेरे पास है और उस में यह लिखा हुआ है कि लाइफ इम्प्रेजन्मेंट के मतलब आजीवन कारावास के हैं...

**अध्यक्ष महोदय :** अब माननीय सदस्य कोई सवाल भी करेंगे या इत्तिला ही देते चले जायेंगे ?

**श्री तुलशीदास जाधव :** महात्मा गांधी जी के खून में भाग लेने वालों का, छूटने के बाद, सार्वजनिक रीति से सत्कार करना और उनको हुतात्मा (मार्टियर) पद पर विठाने वालों के लिए और अलग-अलग मीठे भुलावादायी संघटनों द्वारा चलने वाली समाज विघातक (ऐंटी सोशल) और साम्प्रदायिक प्रवृत्तियों को नष्ट करने के लिए क्या सरकार ने कोई इन्तजाम सोचा है, यदि हाँ, तो क्या ? और यह दुष्ट व हिंसक प्रवृत्तियाँ फिर से देश में न उठें इस के लिए सरकार क्या कोई एक स्थायी उपाय करेगी ?

**अध्यक्ष महोदय :** मैंने अभी उस दिन भी कहा था कि सप्लीमेंटरीज पढ़े नहीं जाने चाहिये। सप्लीमेंटरी क्वेश्चन अभी तक रह सकता है जब तक कि वे जवानी किये जायें। अगर कोई लिख कर ले आये और यहाँ उसे पढ़ दें तो फिर वह सप्लीमेंटरी नहीं कहला सकता है। अब मिनिस्टर साहब माननीय सदस्य के सप्लीमेंटरी का जवाब दे दें।

**श्री तुलशीदास जाधव :** हिन्दी में एकदम से बोलना कठिन होता है इसीलिये मैंने यह तरीका अपनाया था।

**श्री नन्दा :** जो कहा गया है उस में कोई हमारा मतभेद नहीं हो सकता है और उस के लिए हर मुमकिन कोशिश करनी चाहिये और की जायगी।

**श्री तुलशीदास जाधव :** जिन लोगों ने उन व्यक्तियों का इस तरह से जेल से छूटने के बाद सम्मान किया और सम्मान करके उनको हुतात्मा बताया उन के बारे में सरकार ने क्या किया ?

**अध्यक्ष महोदय :** श्री महीदा।

**Shri Narendra Singh Mahida (Anand):** May I know whether this Godse had entered into any correspondence with the Home Minister and given an undertaking that he will not,

after his release, take any part in any activities?

**Shri Nanda:** No, Sir.

**Shrimati Subhadra Joshi (Balram-pur):** As most of the people accused of murder were connected with RSS and Hindu Mahasabha, is the Government thinking of keeping a watch over the activities of these parties and organisations, and is the Government trying to get a report from the Maharashtra Government on the activities of these parties and organisations?

**Shri Nanda:** I do not want to bring in the organisations. Everybody connected with this and all the ramifications are going to be investigated.

12.40 hrs.

#### PAPERS LAID ON THE TABLE

##### ANNUAL REPORT OF INDUSTRIAL FINANCE CORPORATION

**The Minister of Finance (Shri T. T. Krishnamachari):** Sir, I beg to lay on the Table a copy of Annual Report of the Board of Directors of the Industrial Finance Corporation of India for the year ended the 30th June, 1964 along with the statement showing the assets and liabilities and profit and loss account of the Corporation under sub-section (3) of section 35 of the Industrial Finance Corporation Act, 1948. [Placed in Library. See No. LT-3529/64.]

##### AMENDMENTS TO INDIAN POLICE SERVICE (PAY) RULES, 1954.

**The Deputy Minister in the Ministry of Home Affairs (Shri L. N. Mishra):** Sir, on behalf of Shri Hathi I beg to lay on the Table a copy of Notification No. GSR 1611, dated the 14th November, 1964, making certain amendments to Schedule III to the Indian Police Service (Pay) Rules, 1954, under sub-section (2) of section 3 of the All India Services Act, 1951. [Placed in Library. See No. LT-3530/64].

AMENDMENTS TO CENTRAL SALES TAX  
RULES etc.

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): Sir, I beg to lay on the Table a copy each of the following Notifications:—

- (1) GSR 1356 dated the 26th September, 1964, as corrected by GSR 1619 dated the 14th November, 1964, making certain further amendment to the Central Sales Tax (Registration and Turnover) Rules, 1957, under sub-section (2) of section 13 of the Central Sales Tax Act, 1956.
- (2) The Central Excise (Eleventh Amendment) Rules, 1964, published in Notification No. GSR 1616 dated the 14th November, 1964 under section 38 of the Central Excises and Salt Act, 1944.
- (3) GSR 1641 dated the 21st November, 1964, under section 159 of the Customs Act, 1962.

[Placed in Library. See No. LT-3531/64].

12.42 hrs.

MINERAL OILS (ADDITIONAL  
DUTIES OF EXCISE AND CUSTOMS)  
AMENDMENT BILL—contd.

Mr. Speaker: The House will now take up further consideration of the Bill further to amend the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958. Out of one hour allotted, 20 minutes have already been taken.

Shri Narendra Singh Mahida (Anand): Mr. Speaker, yesterday I was referring to motor spirits. I want to bring to the notice of the hon. Minister the tax on petrol which is quite high and severe. The basic cost of petrol with wharfage and commission amounts to .85 rupees per gallon

whereas the duty and sales tax on this one gallon comes to Rs. 2.14. So, the tax on petrol is more than two and a half times the basic cost of petrol. As a consequence of this, India has almost ceased to manufacture petrol engined commercial vehicles altogether. Yesterday I was developing this point about the high rate of taxation on petrol without any corresponding return to the road users.

I was stressing that there are ample examples to show that in our country though the taxation is high, sufficient amount is not spent on roads. Here I would like to refer to the Road Development Fund, with special reference to the State of Gujarat. I have before me an article which mentions that Gujarat has fewer roads than even Assam and Orissa. Assam has reached 35 per cent of the Nagpur Plan target and Orissa 33 per cent. In the case of Gujarat it is only 23 per cent whereas West Bengal has reached 120 per cent. That article which I have mentioned says:

"That the State of Gujarat is badly deficient in the matter of road transport hardly needs any emphasis. With the legacy of deplorable road condition and considerable deficit in road mileage, Gujarat has a heavy task to perform to improve the existing roads as well as to construct new roads. While the country as a whole has exceeded its target of mileage of road laid down under Nagpur Plan by about 14.2 per cent and has embarked upon a new 20-year road plan, Gujarat State, even at the end of the Third Plan is expected to be short by 35 per cent of its Nagpur Plan targets."

This is an article in *Organiser* dated 19-12-1964. Gujarat may be rich in business ideas, but is very poor in the matter of road development. So my plea to the hon. Minister is that more

[Shri Narendra Singh Mahida]

money should be allotted for the development of roads in Gujarat.

I have one more point about road transport in comparison with earnings from railways. The railways are bringing in a contribution of Rs. 31 crores to the exchequer excluding interest on capital. On the other hand, road transport is forced to yield an annual revenue to the exchequer of Rs. 260 crores. This revenue is twice the total expenditure on road construction and maintenance, whereas the yield from railways is barely one-seventh of the annual Government expenditure on the railway system. These figures will show how road transport is being virtually taxed out of existence. Therefore, my plea to the Government is, while Government may recover more money from the foreign concerns engaged in petroleum at the same time, more money should be spent by Government for the development of roads.

**श्री बड़े (खारगोन) :** माननीय अध्यक्ष महोदय, जो बिल इस सदन के सामने लाया गया है, वह बड़ा इन्फ्लेक्शन और निष्पाप दिखाई देता है। मुझे आशा थी कि इस बिल के द्वारा कैरोसीन आयल पर, जो कि गरीब का तेल कहलाता है, टैक्स कम कर दिया जायेगा। अगर कैरोसीन आयल पर टैक्स कम कर दिया जाता, तो अच्छा होता।

आज-कल डीजल आयल गांवों में ट्रैक्टरों में तथा दूसरे कामों में उपयोग किया जाता है। लेकिन वह बहुत महंगा हो गया है और कमी-कमी ब्लैक-मार्केटिंग में बेचा जाता है। इस बिल में लिखा गया है :—

"It is expected that further accumulations of like nature will also accrue to Government. The existing ceiling rates will not enable a quick recovery of these amounts from the distributing companies."

The Bill seeks to enhance the existing ceiling rates adequately in respect of the mineral oil products already covered by the Act; at the same time, provision is also being made for levy of additional duties on certain other petroleum products such as asphalt and bitumen."

इस में कहा गया है कि सीलिंग रेट ऊपर करने से गवर्नमेंट को फायदा होगा।

इसके साथ ही टेबल में आइटम नम्बर 7 पर यह लिखा गया है :

"All products as described in item No. 11A of the First Schedule to the Central Excises and Salt Act, 1944. (Three hundred rupees per metric tonne)."

ये "आल प्राडक्ट्स" पहले टैक्सबल नहीं थे या पहिले उन के बारे में शंका थी, इसलिये यह आइटम डाल दिया गया है। पहले टेबल में यह आइटम नहीं था। इस को इस बिल में एड किया गया है। सरकार इस के द्वारा अन्य चीजों पर टैक्स लगा रही है।

सरकार ने वर्मा-शैल और एम्सो कंपनियों को प्राफिट की गारण्टी दी हुई है। पहले उस ने उन को 1958 में गारण्टी दी थी और उस के बाद 1963 में ज्यादा प्राफिट की गारण्टी दी गई। इन कंपनियों को आठ नौ परसेंट प्राफिट की गारण्टी दी गई है। लेकिन इन कंपनियों ने इस देश में बड़ा आपत्तिजनक रवैया अपनाया हुआ है। वे अपने एम्पलाईज को नोटिस दे कर निकाल रही है। वे कहती हैं कि आयल इंडिया से बहुत काम्पिटिशन हम गया है, इस लिये गवर्नमेंट के द्वारा और ज्यादा गारण्टी न दिये जाने से हम आप लोगों को नहीं रखना चाहते हैं। एम्पलाईज

Amendment Bill

की यूनिटन ने एम० पी० की पत्र भेज कर और अखबारों में इस के बारे में प्रचार किया है। शासन को इन कम्पनियों को कहना चाहिये कि जब वे प्राफिट की गारण्टी चाहती हैं, तो उन को अपने हिन्दुस्तानी एम्पलाईज को नहीं निकालना चाहिये।

अगर इस बिल में कैरोसीन आयल को सस्ता करने के विषय में कोई प्राविजन होता, तो उचित होगा। कैरोसीन आयल का रेट आफ एडीशनल ड्यूटी पहले "ट्वेन्टी-सिक्स रुपीज एंड एटी नये पैसे पर किलोलिटर एट फ्रिक्टीन डिग्रीज आफ सेन्टीग्रेट थर्मामीटर" था। अब उस रेट को "एट्टी रुपीज पर किलोलिटर एट फ्रिक्टीन डिग्रीज आफ सेन्टीग्रेट थर्मामीटर" कर दिया गया है। मेरी समझ में नहीं आता कि इस से क्या फर्क पड़ेगा। मेरे पूछने पर एक एक्सपर्ट ने मुझे बताया कि कैरोसीन में कोई फर्क नहीं पड़ता है, लेकिन सरकार की ओर से कहा गया है कि इस में फर्क पड़ेगा। मैं तो एक्सपर्ट नहीं हूँ। मंत्री महोदय के पास बहुत बड़ा सेक्रेटरीयट और एक्सपर्ट हैं। शासन ने जो नया सीलिंग रेट बांध दिया है, इस से जनता को क्या फर्क पड़ने वाला है ?

अन्य में मैं यह कहना चाहता हूँ कि डीजल आयल और पेट्रोल आदि पर जो एक्साइज ड्यूटी लगाई जाये, वह सब पैसा रीइज के डेवलपमेंट के लिए स्टेट्स को दिया जाये।

**Shri Nambiar (Tiruchirapalli):** Mr. Speaker, Sir, this measure is to collect the amount from the company and to that extent it is good; but, at the same time, I would point out the fact that the prices of kerosene, motor spirit as well as diesel oil, which have gone up very much ever since the last Budget Session, is playing a lot of havoc with the common man. I would request if the Government of India could find ways and means to see that

these prices could be brought down so that the common man in the rural parts also can have the benefit.

Kerosene oil is generally used by the rural masses so far as lighting is concerned. As you know, Sir, electricity has not yet reached the villages and the villagers have to burn only kerosene oil for lighting. Now, due to the shortage of firewood kerosene oil is also used for cooking purposes even in the rural areas. Therefore it is a universal necessity today and it is from the standpoint of all concerned that I request that the price of kerosene oil be reduced.

So also the case with diesel oil. Diesel oil is used by buses. Buses are the only means of transport between the rural areas and the urban areas. Now due to the heavy concentration in urban areas, contact with the rural masses can be done better with better transport.

Of course, in the matter of motor spirits they may say that cars are used by big-moneyed people only and let them be taxed. But in that respect also I do not share that view of the Government. Cars are also being used by the common man in normal life. It is, of course, a very small percentage in which cars are being used for luxury purposes. Taxis, scooters and other things are used by the common man. Therefore in a country like ours, which is not very much developed and which is a vast country, a sub-continent, and the means of communications are not sufficiently developed, it is necessary that the prices for these means of communication are brought down. Though he may not bring about this change which I require in the process of this Bill, however, on this occasion I wish to make the Minister feel the necessity of considering the question of bringing down the prices of these commodities.

**Shri Narain Dandekar (Gonda):** Sir, I want to make only two points. I do

[Shri Narain Dandeker]

not think one can take any objection to this Bill at all. It is merely carrying on the policy already accepted by the House in relation to the principal Act, namely that whenever the prices of these commodities go down the difference is mopped up by Government by way of excise duties and in order to enable them to do so the ceiling is being lifted so that they may not suddenly come up against the existing ceiling. I think, it is perfectly all right, it being accepted for the time being, in view of the financial requirements of Government, that the reduction in price should not go to the benefit of the consumer but should go for the benefit of revenue; nor should it go, of course, to the benefit of the sellers. I think, in general, terms that is perfectly sound.

But I have just one point to raise in particular in relation to item 1, motor spirit and item 3, refined diesel oils and vaporizing oil. I do not know whether the Road Fund that used to exist at one time wherein used to be put in a lot of money of various kinds, particularly a part of the excise duties on motor spirits and diesel oil and a part of the motor tax, and so on, the objective being that that money should be used specifically for the development of the roads, exists now. I would like an assurance or an indication of what the policy of the Government is in the matter of utilisation of these extra monies which are fortuitous revenues that fall in the hands of the Government. Is the utilisation of these extra monies, particularly from the items that I have mentioned, specifically for the purposes of road development?

I do not think there can be any doubt, either in the minds of Government and certainly not in the minds of the public, as to the utter inadequacy of the road system. My hon. friend, Shri Mahida, referred to the roads in Gujarat. One could also refer to the state of roads in many other

parts of the country. I do not hold any brief for any particular State or any particular part of the country. I would only say the obvious that there is a tremendous leeway to be made up in the matter of roads and if windfalls of this kind are utilised for this purpose, it would be a good thing.

I imagine, the windfalls which the Government expect are considerable because I see the ceilings are being lifted very considerably. For instance, on motor spirit the present ceiling of Rs. 56/05 per kilolitre is being raised to Rs. 165. In respect of kerosene also it is being raised very high; similarly, refined diesel oil and so on. As I said, the mechanism of mopping up the fall in price so that neither the consumer nor the producer gets it is sound; but what I am concerned with is whether Government accept it as a policy that these additional monies will be used for road development throughout the country.

**Mr. Speaker:** Shri D. C. Sharma had also written to me; but he is not there. The hon. Minister.

**योजना मंत्री (श्री ब० रा० भगत) :**

अध्यक्ष महोदय, यह खुशी की बात है कि सभी माननीय सदस्यों ने इस बिल का समर्थन किया है। दो एक बातें जो माननीय सदस्यों ने कही हैं उनके बारे में मैं मुक्तसर में कुछ कहना चाहता हूँ।

एक बात तो यह कही गई कि इस में ग्रामदनी के रूप में जो रुपया आये उस को रोड्स के डेवलपमेंट में लगाया जाये, चाहे गुजरात में हो या सारे देश में हो। मुझे ठीक मालूम नहीं है लेकिन मेरा खयाल है कि एक रोड्स फंड है और उस में शायद थोड़ा हिस्सा इस से भी जाता है। मगर इस बिल के मातहत आने वाली सारी रकम को रोड्स डेवलपमेंट में लगा देना ठीक नहीं है, हालांकि मैं मानता हूँ कि भ्रगले सालों में रोड्स के डेवलपमेंट के लिए हमें बहुत



कुछ करना चाहिये। यह सारा रकम तां कंसोलिडेटेड फंड आफ इंडिया में चली जायेगी, चाहे फिर उस से सड़कों का काम हो या दूसरे जरूरी काम हों। सब चीजों में वह खर्च किया जायेगा। मैं यह मानता हूँ कि सड़कों का विकास होना चाहिये और वह हो रहा है। उसके लिये रुपया चाहिये, फिर भी इस तरह से उस के लिये रुपया मुहैया करना कोई जरूरी बात नहीं होगी।

इसके बाद यह कहा गया कि इस में किरासीन के दाम का ढाई गुना टैक्स है। वह तो अलग बात है और टैक्स बढ़ाया गया किरासीन के तेल पर या दूसरी चीजों पर यह बजट की पालिसी है। यह इस चीज को ले कर है कि हम किसी चीज की खपत को कम करें या बढ़ायें, या अगर कोई चीज बाहर से आती है तो हम यहां उसकी खपत को कम करें। इस बिल में तो महज यह था कि कम्पनियों से बहुत बातचीत के बाद जो टैक्स हम लेते हैं या जो दाम कम कर के हमें बचता है उस को हम बिल्कुल उपभोक्ताओं को दे दें या उसका सरकार अपनी रेवेन्यू में ले ले ताकि जो दूसरे जरूरी खर्च हों उन में उस को हम लगा सकें। इस सम्बंध में मैं ने बतलाया कि चूंकि यह बिल्कुल फ्रैक्शनल रेट है इसलिये उसे बहुत हद तक उपभोक्ताओं को नहीं दिया जा सकता। हो सकता है कि कुछ दिनों बाद ऐसी हालत आ जाये और हम समझें कि अधिक कारणों से दामों में कुछ कमी होनी चाहिये, तब हम फैसला करें उनको कम करने का। लेकिन अभी तो कम्पनियों से हमें जो मिलता है हम उस को अपने रेवेन्यू में ले लेते हैं, और उसी के लिये यह स्कीम बनाई गई है। टैक्स का जो रेट है चाहे वह कास्ट का ढाई गुना हो या और कुछ, उसका सम्बंध बजट की पालिसी से है। दोनों को मिलाना ठीक नहीं होगा। मैं समझता हूँ जिस तरह से बिल को समर्थन.....

1710 (A1) LSD-5.

श्री बड़े : मेरा प्वाइंट यह है कि जब गवर्नमेंट फायदा उठा रही है तां किरासीन की कीमत कम करने में उस का क्या हर्ज है।

श्री ब० रा० भगत : वह तो मैंने बतलाया कि इस बिल के मातहत बिल्कुल फ्रैक्शनल फायदा है जो कि बहुत ही कम है। अब आप चाहते हैं कि चूंकि उस में थोड़ा सा फायदा है इसलिये उसको उपभोक्ताओं को दे दिया जाये। तो यह बजट की पालिसी है कि किरासीन पर क्या टैक्स लगाया जाये। किन्हीं भी कारणों से हो, किरासीन की कीमत को कम किया जाये, यह उससे मेल नहीं खाता।

Shri Narendra Singh Mahida: The point is that taxation on Road Transport is about three times that in any western country.

श्री ब० रा० भगत : वह बिल से अलग बात है।

अध्यक्ष महोदय : ह आर्गुमेंट्स तां जब बजट आये उस समय लाये जाने चाहियें।

Shri Bade: Government can bring another Bill.

Shri Narendra Singh Mahida: They can assure us.

श्री ब० रा० भगत : बड़े साहब ने एक बात और उठायी थी कि ग्रेडिडो रिफ्रेड 15 का आइटम क्यों है। उसका कारण यह है कि इसका वाल्यूम किल लिटर्स में है, और इसका तापमान घटता बढ़ता रहता है इसलिए इसकी जरूरत पड़ी।

13.00 hrs.

Shri Narendra Singh Mahida: On a point of clarification. About the natural gas, will it be included in mineral oil products?

Shri B. R. Bhagat: Not natural gas. But all the products of crude petroleum are included.

Mr. Speaker: The question is:

"That the Bill further to amend

[Mr. Speaker]

the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clauses 1 to 5, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clauses 1 to 5, the Enacting Formula and the Title were added to the Bill.*

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

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

13.02 hrs.

# FOREIGN EXCHANGE REGULATION (AMENDMENT) BILL, 1964.

**The Minister of Finance (Shri T. T. Krishnamachari):** Mr. Speaker, Sir, I beg to move\*:

"That the Bill further to amend the Foreign Exchange Regulation Act, 1947, be taken into consideration."

The provisions of the Bill have considerable relevance inasmuch as our foreign exchange situation continues to be difficult. Last time, I came before this House in 1957 to fill up the lacuna we had discovered during the period of 10 years from 1947. On that occasion this law for regulating dealings in foreign exchange was also placed on a permanent footing as the need for regulation of foreign exchange transactions was likely to continue for a considerable time. We have lived with this shortage for quite some years and if the experience of other develop-

ing countries is any guide, we should be prepared for this situation to continue for still some more time to come.

The amendments now proposed aim at plugging some loopholes that have come to our notice and at strengthening the enforcement machinery charged with implementing the law. The experience gained in the implementation of the law is not restricted to Government only. Even the offenders and the people so inclined have shared in this knowledge. It has, therefore, become necessary to make suitable changes to meet the situation that now exists.

Our foreign exchange earnings on invisible account have shown a decline in recent years. People of Indian origin settled abroad have been making substantial remittances to this country but this source of foreign exchange has shown indications of drying up. I might mention for the benefit of the House that in respect of a particular country Malaya we were getting Rs. 18.9 crores in 1956-57; 1957-58—Rs. 17.4 crores; 1958-59—Rs. 12 crores; 1959-60—Rs. 10.6 crores; 1960-61—Rs. 4.7 crores and in 1961-62, for which we have accounts, it is Rs. 3.1 crores. This is indicative of the fact that this source is drying up. While there are various reasons for this, one problem we are concerned with is the racketeering that is going on through illegal channels. It is an offence now, of course, for a dealer not specifically authorised under the provisions of this Act to carry on foreign exchange transactions. But the actual recipient of such illegal remittances is not now liable under the law. It is now proposed through an amendment of subsection (1)(a) of section 5 of the Act to bring such persons within the mischief of law.

Today, no Indian resident can settle property in favour of a non-resident without obtaining the Reserve Bank's permission.

\*Moved with the recommendation of the President.

**Shri Hari Vishnu Kamath (Hoshanabad):** I am sorry to interrupt the Finance Minister. But I think, when he speaks, and more so on this Bill we must have a quorum in the House.

**Shri Nambiar (Tiruchirapalli):** It is an important measure.

**Mr. Speaker:** The bell is being rung . . . Now there is quorum.

**Shri T. T. Krishnamachari:** Today, no Indian resident can settle property in favour of a non-resident without obtaining the Reserve Bank's permission. We had felt that such a settlement need not be restricted when it is made by "will" or as a gift. This was motivated by our desire to honour the last wishes of the dead and not to stifle the charitable instinct. I wish I could continue to be generous. The time, however, has arrived when all transfers of property in favour of non-residents have to be regulated doing away with the differential treatment given to "wills" and gifts. At the same time, we are rectifying what I consider an undue restriction. As the regulations stand today, settlements of property, otherwise than by "will", in favour of a non-resident, made without the permission of the Reserve Bank of India, are totally invalid in so far as they confer any right or benefit in favour of a non-resident. But our main concern is not to prevent a non-resident from acquiring this interest but is only to prevent the possible outgo of foreign exchange. Section 17 is, therefore, being amended to lay down that such transfers will not create an automatic right of remittances but will be quite valid otherwise.

We welcome foreign investment needed for our industrial development and this country has a good record of permitting repatriation of foreign capital and remittance of interest, dividends, profits, etc. To keep to this record, prudence requires that we take on responsibility only to the extent we can honour. Our present policy does not normally permit foreign

investment in purely trading, banking and commercial activities—fields where it does not possess this advantage. When a company incorporated in India seeks to issue shares in favour of a non-resident, it is obliged to obtain the permission of the Reserve Bank under the Foreign Exchange Regulation Act. This is the mechanism whereby the foreign investment is regulated to those sectors of industry where it is most needed. If a foreign company, however, chooses to undertake trading and marketing activities without taking the trouble of incorporating a company under the Indian laws, it is under no obligation to seek permission under any law of this country. This is an obvious lacuna in our Exchange Control Regulation and we propose to take this opportunity to fill the gap. The new Section 18A lays down that a company incorporated outside India or a company incorporated in India but substantially controlled by non-residents can act as an agent in trading and commercial transactions or as advisers only with the permission of the Reserve Bank. This is an enabling law in line with Government's proclaimed policy on foreign investments and does not imply any new policy departure in this regard.

The second category of the amendments proposed seeks to streamline our machinery for enforcement. However perfect and well meaning the law may be, the desired objective can be achieved only by organizing proper machinery to adequately deal with the work. The number of cases registered with the Directorate of Enforcement for the violation of the provisions of this law has risen from nearly 1,700 in 1960 to approximately 3,500 in 1963. It is not merely the volume of the work that has multiplied but the nature of the cases themselves is getting more and more complex. In 1957 when adjudication was first adopted as a speedier and more expedient method of settling these cases in lieu of prosecution, the power of adjudication was conferred only on the Director himself and not on any other officer

[Shri T. T. Krishnamachari]

in the hierarchy. Our expectation at that time was that the number of foreign exchange cases would not be large. I am afraid that this expectation has been belied. The volume of work in the investigation of numerous cases and initiating adjudication proceedings necessitates that the Directorate of Enforcement should get full assistance from officers of Customs, Central Excise, Police and other Departments of Government. We are taking powers to entrust any or all of the functions of the Director of Enforcement to officers of the above-mentioned Departments.

To enable the Directorate of Enforcement to investigate any violations of law effectively, it is proposed to give these officers powers which the customs officers have been enjoying, that is, power to arrest, to stop and search conveyances, to search premises, to examine persons, to summon persons and record their evidence etc. These are measures to put some teeth into this organisation, and I am certain that I have the whole House with me in this matter. If in the course of investigation, the officers of the Directorate of Enforcement come across documents which would be of interest to other Departments of the Government, we are empowering them to communicate the relevant information to the concerned duly authorised officers.

Appeals from the decisions of the Director of Enforcement are heard by the appellate board which consists of a chairman and one more member. The composition of the appellate board is being altered so as to have three persons in all in order to take care of those contingencies where there is a disagreement in the views of the members of the Board.

**Shri Hari Vishnu Kamath:** What about investigation by the enforcement directorate in foreign countries?

**Shri T. T. Krishnamachari:** We have to depend upon other agencies for it such as the Interpol or such other agency which may help us in this matter.

We are also providing for an appeal against the decisions of the board to the High Court on points of law only. The punishments provided under this law cannot have a deterrent effect unless a social stigma is created against the offenders. It is, therefore, being provided that subject to such conditions as may be prescribed, the names and other particulars of persons found guilty of contravention of this law can be published.

Sir, I move.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Foreign Exchange Regulation Act, 1947, be taken into consideration."

There are no amendments to the clauses excepting only one, I think. Therefore, I do not think that we should allot much time for the clause-by-clause consideration stage.

**Shri Hari Vishnu Kamath:** What is the time allotted for this Bill?

**Mr. Speaker:** We had no idea ourselves: we had allotted 4 hours, but that appears to be too much.

**Shri Hari Vishnu Kamath:** Perhaps we may have three hours.

**Shri N. Dandekar (Gonda):** I am glad that this measure has been brought forward. I know over the years both from the point of view of industry that requires foreign exchange as well as from the point of view of a large number of people who want it to educate their children abroad and for other types of normal necessities, how very much they are being adversely affected by the fact of the shortage of

foreign exchange. I would endorse the point of view urged by the Finance Minister that there is need, wherever possible, to tighten up the machinery and various other provisions of the Foreign Exchange Regulation Act, so as to reduce to the minimum, at any rate, leakages of foreign exchange, quite apart from the problem of how to earn more foreign exchange or how to spend less foreign exchange. So, in general, indeed more than in general, on the whole, I am entirely in agreement with the proposal and support the Bill.

In doing so, however, I would like to take this opportunity to make some observations both of a general kind and some of a specific kind in relation to some of the clauses, in the hope that the Finance Minister, when he replies to the debate would be either able to remove some of the doubts or better still be able to give in some places, where assurances are needed, appropriate assurances.

As regards the general problem, there are certain activities of Government themselves which I think ought to come under closer scrutiny of the Finance Ministry and in particular, of the machinery of the Reserve Bank. I say this with some knowledge and at the same time some reluctance, because the particular Ministry that I am referring to is the Ministry of Commerce concerned with the promotion of exports. I know that in the last two years that Ministry has done in substance a considerable job to promote exports, and whatever I am going to say should not be interpreted as detracting from the efforts of the Minister in charge of the Commerce Ministry. But I do think that two aspects of the activities in the Commerce Ministry which indicate rather more zeal than discretion do require some outside scrutiny or some outside advice or guidance such as could be furnished by the Finance Ministry through the Economic Affairs Department or by the Reserve Bank.

Firstly, there is the question of export promotion incentives. Export promotion as such is desirable; to some extent, incentives are also desirable. But I am clear in my mind, and I think that this is what one hears all over India—and I do travel a good deal in connection with my own affairs—that the two aspects connected with export promotion, mainly the incentives that they get for having a part of the foreign exchange earnings allocated for purposes of imports, and the hawking around that goes on and the enormous earnings that are possible by hawking around these import incentives are something that wants looking into, because they really beat down the rupee in the foreign exchange market, since it is virtually devaluation of a particular kind.

It is urged perhaps, and I would earnestly say this to the Finance Minister, that this business of export incentives and the mode of their utilisation and so on and so forth has reached a stage at which it does want looking into as something—I do not know the exact mechanism—that is probably a great deal of a source of avoidance of foreign exchange control in one way or another, not the normal thing of over-invoicing of exports and under-invoicing of imports, which is all a very tricky business, but this export incentive which one uses for purchase by hawking around the available foreign exchange on the basis of these incentives.

The second thing is State trading. I think the time has come—again I do not wish in this particular debate to characterise the general activities and policies of the State Trading Corporation, because that would not be appropriate on this occasion, but I do urge this—when the Reserve Bank and the Economic Affairs Department, and more particularly the Reserve Bank should take note of the tendencies that are developing namely that every time there is some little scope for exports or imports, the State trading jumps in and creates a kind of relative mono-

[Shri N. Dandekar]

poly and frequently the whole thing gets obscured under the guise of trading in rupees with rupee-payment countries.

At least two things have been happening as a result of this gathering together of a good deal of Indian and foreign trade into the hands of the State Trading Corporation with the assistance of a number of not necessarily open but understood privileges which the State Trading Corporation undoubtedly obtains from the Ministries concerned in the matter of permits and licences and quotas and the lot. The rupee trade seems an attractive business, but there is a good deal of flogging of Indian goods in the rupee-payment countries, and those goods find their way at lower price in the open foreign exchange markets with the result that in regard to the amount of foreign exchange in the sense of the non-rupee foreign exchange that we ought to be earning, we are losing, and the Indian goods get flogged around in the European countries outside the Iron Curtain.

13.15 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Another thing is this that the drive for exports through the State Trading Corporation, even if it is in terms of rupees, as I said, but particularly even in other terms, is having, I believe, a kind of depressing effect on the price situation for Indian goods vis-a-vis foreign countries. I would, therefore, urge that unwittingly—I am not saying that it is deliberate, but I am saying 'unwittingly', I want to be quite clear about that—there is more zeal than discretion in the matter of export promotion, and we know that the activities of the State Trading Corporation in foreign trade are causing this country some loss in foreign exchange.

Now the one and only clause on which I wish to make certain com-

ments—and they are comments more in the sense of expressing my doubts and fears in the hope that the Minister will clear them and give appropriate assurances—is clause 13 which is concerned with enacting a new section, section 18A, to which the Minister referred. I am looking at the effect of this clause. Its purposes and intentions apparently, are clear and sound. I have no comment as to the purposes and intentions. But I would like to bring to the Finance Minister's notice the possible repercussions of this, depending upon certain types of interpretations and certain types of working of this clause upon foreign investments in India on the one hand and upon foreign collaboration arrangements with Indian concerns on the other. What is sought to be brought under control, if one may express it in general terms, is controlled agencies in India, agencies that are really controlled from abroad, whether it be through a branch in India or a subsidiary concern in India or a controlled firm of which the directors are appointed by the foreign concern or a company in India of which the directors are controlled by an outside company. The particular directions in which specifically the control is to be exercised over these types of organisations are in regard to their selling agency arrangements or their management advisory workings or their technical advisory workings.

The first point that worries me a bit is whether existing agencies of this type, existing institutional set-ups already in India without the approval in the sense of tacit approval—because all their foreign exchange transactions are subject to scrutiny by the Reserve Bank of India—whether existing arrangements are intended to be affected in any way. Many of these existing arrangements, particularly those involving the management services or technical advisory services, especially if they involve outsiders coming in and giving technical advice and getting tax benefits and so forth,

are very frequently the subject of explicit tax exemptions under the Income Tax Act. But it does require some assurance that existing arrangements will not be adversely affected, because there is nothing more that shakes confidence of people abroad than that even existing arrangements can be upset, and consequently people find it difficult to embark upon new arrangements.

Now there are two types of arrangements—I would like to go in some detail into this because all I am seeking is some special policy assurances where needed—there are two groups or types of cases. A company abroad may have a subsidiary or an agency here which, apart from whatever it is producing, may also be the selling agents of its principal company in India. It may also act as the agent of the principal company in India for rendering managerial advice or technical advice to various Indian concerns. Another type is where the Indian concern, the Indian subsidiary or Indian-controlled concern, whatever one calls it, on its own embarks upon activities of this kind, which it may undertake because of its specialised experience, because of the fact that it has got a wide ground organisation, because of the fact that it has also got resources and the technical and other know-how. The Indian subsidiary or branch or agency, whatever it is, may on its own be acting as selling agent for Indian concerns or management advisers to Indian concerns or technical advisers to Indian concerns. I know in fact of a large number of cases—it would not be proper to mention their names here—of perfectly honourable concerns which have been associated with this country, which have these arrangements already existing, which are developing these arrangements in the future—all of which is of great benefit to the industrial development of the country.

Now, what is the policy of Government, generally speaking, in regard to

these matters, both in relation to existing concerns acting as agents for various things, acting for their principals or acting as agents for various things to Indian concerns. What would be the policy of Government in regard to new set-ups of this kind?

**Shri T. T. Krishnamachari:** Wholly foreign-owned or foreign controlled?

**Shri N. Dandekar:** Sometimes wholly foreign-owned, sometimes majority holding foreign, sometimes even minority holdings foreign. I happen to be director of a company which has got a minority interest of a foreign concern. But at the same time, a good deal of technical aid and assistance would be funnelled through this concern to other concerns, Indian concerns. They vary from wholly owned subsidiaries of foreign concerns to a subsidiary of a foreign concern which is not wholly owned by them, but in which they have a substantial minority interest. There are various kinds.

Similarly there are arrangements where some merely act as agents of their principals for the things they do not themselves manufacture. We may be manufacturing products A, B and C; the foreign concern may be making products D, E and F for which we would be the agents for their marketing in India. The arrangements are very complex. But the general pattern is this: they act as agents of their principals for selling other things, for conveying through themselves management and other advice to concerns in India or for conveying technical assistance to people. Others embark on their own,—well established concerns in India; some of them are well known in India—they on their own undertake developments of a kind which involve them in accepting selling and distributive arrangements for Indian manufacturers or technical advisory arrangements.

I have in fact another case, a proposal from an Indian company: could

[Shri N. Dandeker]

we advise them on the manufacture of a certain product? Could we advise them on the layout of plant and design? Could we advise them or actually undertake for them selling agency arrangements. I am referring to a company which is not a wholly owned British company but is a subsidiary of that company to a substantial extent. These are some of the doubts in relation to the operation, so to speak, of this particular new section that is to be introduced.

Finally, one comment I would like to make on the wider powers and widening of the officer corps in connection with enforcement. I think it is a good thing. I do think there is a good deal of evasion going on of foreign exchange. To a country which is developing, to a country like ours in which there is almost a scramble in regard to the situation concerning availability of foreign exchange, every leakage is a leakage of life blood and if we do not plug it, I think it will be so much life-blood loss to the economy.

At the same time, I would like to say this—this is from one who has been in industry for quite some time. You will have all the sympathies of a very large number of industrial, commercial, trading and other concerns and individuals if technical offences were not dealt with vindictively. There is today a terrible fear. In one of the cases in which my advice was asked, I said, 'Place the whole thing before them'. I am satisfied that the offence is technical, that you have not done this *mala fide*, that the amounts involved are small, that there was no organised attempt to do. I am sure that if you place this before the enforcement officer who is making the inquiry, he will probably say, 'Do not do this again.' But they are frightened like blazes; they are really, terribly frightened. There is a feeling that in fact the attitude of the officers becomes—the less the seriousness of the offence, the worse the attitude. I can understand that the officers—I have

also been one—more often get frustrated in the sense that the more one finds it difficult to find an offence having gone into the case, the weaker officer would like to fasten it on the person by catching him for a technical offence and so forth.

I hope the Finance Minister will personally try to instil a spirit into the enforcement branch which, I agree, is very necessary, which I agree in terms of manpower are to be widened, which I agree ought to be integrated with the customs, central excise and all that kind of thing. I do very seriously urge that there is a good deal of sympathy of which full advantage ought to be taken by the enforcement branch if only for technical offences they do not hound people as terribly as they are doing at the moment. If harshness both in the course of investigation as well as in the matter of penalties were avoided where offences are clearly of a technical, you will get a tremendous cooperation from industry and trade. I particularly mention this because very often one is put in a very difficult position because of the export promotion and that kind of thing. The natural desire of the board of trade is to push exports and they are pressing to export even at a loss. But one who exports at a loss or every transaction that is exported at a loss should not be suspect from the foreign exchange point of view. We must take the point of view of the industrial unit concerned where because of certain other advantages that are accruing to them in terms of export incentives and because they want to fall in line with the Government policy they may export at a loss. Then, if there was some cause for a technical offence, they should not be told: you should have got for this export more than what you say. A lot of complications arise then. There are these doubts and fears.

With these suggestions, I repeat that I am fully in favour of this Bill and support it wholeheartedly.



**Shri H. N. Mukerjee** (Calcutta Central): Mr. Deputy-Speaker, Sir, it is not normally that I speak on this kind of Bill but certain circumstances have required me to rush into spheres in which people wise in the ways of finance fear to tread. But I am always glad, as the verbal exchanges earlier this morning indicated, to cross swords with the Finance Minister, though on this occasion I propose, as in the case of the Wealth Tax Bill, to be helpful if he is agreeable to accepting my assistance. The Finance Minister has told us what of course is known to the country about the rather dangerous factors involved, the fact of the continuous fall in our foreign exchange earnings and it appears that, if any forecast is to be made, this shortage of foreign exchange is bound to continue for at least another decade or so. This naturally requires that we try to tighten whatever measures we have got in order to see that the racketeering through illegal channels to which the Finance Minister made a reference is stopped.

Before I proceed further into the subject I shall refer to what my friend Mr. Dandekar said a little while ago when he expressed his apprehension that in many cases perhaps technical offences tended to be dealt with vindictively and he added that many of his friends in the upper bracket of the economic world were almost frightened in regard to what might happen over such matters as foreign exchange regulation. If I may say so, in all humility, it would be a good thing if these people are somewhat frightened. The country wants them to be frightened because the country has already discovered how these very particular gentlemen are in possession of powers and influences of all kinds and circumstances which favour their having the largest share of the economic wealth of our country. Therefore, it is very important that we try to stop illegal practices through which our foreign exchange earnings, meagre as they are, for certain unavoidable reasons per-

haps, are being minimised to a very dangerous extent.

I have a feeling that for this kind of Bill which would elicit support from every side of the House, including the Swatantra side, a little more time is given to Members for studying these measures and suggesting certain methods which could be of some assistance to Government. I do not suggest that there should have been a reference to the Select Committee because that may cause a certain amount of delay which is not warranted in the circumstances but I feel that instead of having these debates in the House where we talk across the table and which is reported in the next day's newspapers—a sort of a polymical atmosphere is necessarily introduced and as long as parliamentary life is organised in the way it is, these measures would be discussed in the House and certain things will have to be said in a particular way—But for measures of this description the House can very well go into committee. The Finance Minister has his own consultative committee but I know that the terms of reference of our consultative committees are so peculiar and inhibited that nothing much can be done in these consultative committees.

**Shri T. T. Krishnamachari:** I am not bound by the terms of reference; if hon. Members want information which does not refer to the details of administration, I am quite prepared to give whatever they want and they can carry on the discussion there.

**Shri H. N. Mukerjee:** My suggestion was that in measures of this description, where the delay involved in reference to the Select Committee needs to be prevented, it is desirable perhaps for Members to sit down together in a different atmosphere than what prevails in the House and suggest ways and means which could be of some assistance to the administration. The consultative committee, I know, has no powers nor has the Minister any obligation to it. He is only

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exercising some courtesy in putting forth some information and that sort of thing. I am not going into details of this matter. I am merely suggesting that the House could convert itself into committee and discuss those matters over which there is no basic disagreement.

There is one aspect of our foreign exchange earnings position to which I wish to draw the attention of the House and the Government and that flows from the recent policy which is of course a development of an earlier policy—the policy of encouragement to foreign investment I know that it has been argued by the Finance Minister and his colleagues have told us several times in the House as well as outside that India has to bear a huge burden of debt repayment in the years to come and that recourse to foreign private capital is necessary to relieve this burden. I find this reasoning not quite acceptable because larger foreign participation in our industries which is taking place day by day will in fact lead to a more cumulative draft on our foreign exchange reserves, once the projects are commissioned. I think it is commonsense that given the choice between loan and equity capital, the draft arising from dividends would be larger and more continuous than that arising from interest payment on loan capital. Since the burden of payments on account of dividend is likely to be heavy and is likely to increase rapidly in the years to come, we should do something in regard to our policy about encouragement to foreign private investment. This foreign private investment has recently been growing rather dangerously and I shall quote a Government publication, the *Indian and Foreign Review* which the External Affairs Ministry brings out. It says that in 1963 the United States private investment earned a comparatively high profit ratio in India and according to the US Department of Commerce, the earnings ratio on the total US business investment in India went up from 8.8

per cent in 1960 to 13.2 in 1962. On the contrary the earnings ratio on US business investment in Western Europe declined from 11.5 in 1960 to 10.9 in 1962. So far as US investment in manufacturing industries in India is concerned, the earnings ratio is still higher. It was 19.2 and 20.6 in 1961 and 1962 as against 10.2 and 12.6 in Western Europe in the same years. I know these figures might be characterised as trite; they might have been quoted in this House even earlier, but my point is to emphasise that if we are going to see to it that our foreign exchange resources rise, it is necessary for us to change our recent orientations of policy in regard to foreign investments. Considering our balance of payment position in the long-run perspective, it is hardly likely that the country will be in a position to bear this burden in the next 10 to 20 years. At the most, what may happen is that the burden will be shifted from tomorrow to the day after.

But I wish to emphasise this point because the terms on which the foreign collaboration is generally allowed have, I submit, to be considered very carefully from the point of view of our foreign exchange resources position. To mention just one point, the most of the collaboration agreements specify that the items to be manufactured cannot be exported. To entertain the hope that foreign capital will contribute substantially to higher foreign exchange earnings is rather unrealistic, and therefore, I am rather apprehensive about the kind of way foreign capital is infiltrating more and more into our economy.

The official thinking in our country is such that it is now virtually impossible for an Indian firm to start up or expand without presenting a scheme for foreign collaboration—perhaps Shri Dandekar also will agree with me there—and it is almost impossible for an Indian firm to get certain kinds of facilities unless they can show they have got some foreign collaboration

and in that case their pre-stige-value rises. This happens even in such firmly-based Indian industries like cement or sewing-machines or bicycles as well as such things as ink and pen, tooth-brushes and tooth-paste. One supposed reason for this is, that collaboration agreements give us painless and immediate relief to the balance of payments by providing foreign exchange or its equivalent in imported plant and machinery. But my submission would be, and I would beg of the Finance Ministry to examine this position more carefully because this matter has come up in very serious economic journals which have no particular ideological axe to grind—we have got to examine how these foreign collaboration agreements are working to the detriment or otherwise of our country's economy.

These foreign firms have very cogent and very selfish reasons of their own for seeking Indian collaboration. They do not like the look of us; they do not like the colour of our skin. They have their old kind of superiority complex—we know all that—and those people who get into the higher brackets of employment in these companies with foreign collaboration are entirely dominated, effectively speaking, by foreigners, while the Indians there have to develop a certain mannerism which would eloquently emphasise their distinctness from the rest of the Indian community. We know that, They do not like the look of us, but they are having these collaboration agreements for their own selfish reasons which are based purely on economic calculation. Most important of all is their growing need of local intermediaries. The whole world is a very different place from what it was when the second world war was fought, and now they have to have this assistance of local intermediaries.

Again, in many cases—how many cases, it is impossible for us to know without free access to the files of collaboration agreements which our Minister surely will have somewhere at

his disposal—what appears to be genuine financial involvement on the part of the foreign partner is no more than a mere allocation of shares in lieu of royalty payment or payment for plant sold to the Indian firm, the latter being a form of delayed and highly profitable sales revenue transaction for the foreign partner. There is strong reason for suspicion that what appears as financial enterprise is little more than sales of machinery and equipment on deferred payment terms at a price which certainly would appreciate with time and which is certainly going to cause some detriment to our balance of payment position. Payments abroad on account of royalties, patent fees, technical and professional services have more than doubled in the last decade, and where substantial equity participation is involved, royalty payments are not normally allowed, but there are some very eloquent exceptions to this rule.

In this connection, I found a great deal of very helpful material in a study by a foreigner—at least the name is foreign—Michael Kildrom—who has written on the behaviour of foreign capital—a longish article—in the *Economics Weekly* of Bombay, special number, which came out in July, 1964. And there, this student, on the question of behaviour of foreign capital in India, gives us some very significant examples of how these foreign collaborators, very far from assisting the true development of our economy, feather their own nests which are already particularly prosperous. He gives a number of instances to show how the terms of the technical collaboration are such that India suffers from the point of view of her foreign-exchange resources. He gives an instance of Synthetics and Chemicals, Ltd.—Shri Dandekar surely knows about these people—who, in 1960 undertook payment for technical assistance, know-how, etc., to its American collaborator, Firestone Tyre & Rubber Co., totalling Rs. 1.9 crores over a ten-year period. But Firestone's investment in the company is no more than Rs. 1.5 crores; besides that, they are earning dividends. Fire-

stones have put in Rs. 1.5 crores stones have put in Rs. 1.5 crores as capital; they are getting dividends on it, and fairly fat dividends, I should imagine, and on top of it, for technical assistance, know-how, etc., in ten years' time they have got Rs. 1.9 crores. This is what I am quoting from this article to which I have already made a reference.

Then he gives another instance, the agreement between the Madras Aluminium Company and Montecatini of Italy. Here, the foreign stake was Rs. 1.5 crores and payment for services—a heavy amount—Rs. 40 lakhs, on engineering fees, drawings and other assistance; Rs. 35 lakhs for experts, supervision and other services; and Rs. 45 lakhs for knowhow, totalling Rs. 1.2 crores. This is extremely substantial. Very, very heavy amounts are drained away from our country by devious ways, and a very sophisticated justification is given to it as if we are being profited by this kind of transaction. As a matter of fact, even though the knowhow is advantageous,—I admit that—they are selling that knowhow at a price, which is charging compound interest on what they had already invested in the process of acquiring that knowhow.

He gives another instance. This again refers to somewhere in Bombay—Messrs. Birajlal & Co., Lonavla, near Poona, I expect. There is an agreement between Steyr-Daimler-Puch AG of Austria and Messrs. Birajlal & Co., of Lonavla signed in 1960, the Indian party undertaking to pay royalty of £13,000 per annum subject to Indian taxes, but in no event less than £6,500 per annum between the 5th and the 10th year of the agreement's currency. The Austrian firm would receive, therefore, between Rs. 4,32,500 and Rs. 8,65,000 in royalty, besides dividends on its equity of Rs. 5 lakhs and interest at six per cent per annum guaranteed by the Reserve Bank of India on 4.5 million shilling loan for the purchase of machine-tools manufactured and supplied by Steyr.

This is a wonderful example. So many others also are quoted in this article which suggests how the price of foreign knowhow is most exorbitant. It is quite interesting to notice that even the Reserve Bank of India had remarked in one of its surveys that some companies registered in India instead of bringing funds from abroad bring equipment and issue to the foreigners in lieu thereof shares in the companies against the import of goods which make a great deal of profit at our expense. Patentees also are almost all foreigners, heavily concentrated amongst the international giants like General Electric or Standard Telephone and Cable or Phillips. On this matter, Mr. Justice Ayyangar had once made the charge that they block our industrial development and exact unreasonably high payments from Indian licensees or importers. It is noticed also how there is a difference between the approaches of certain foreign countries and certain others. I am inclined to quote from out of this very article something which was written by an extremely pro-west journalist, who used to be here from time to time—Mrs. Taya Zinkin—who wrote in one of her books, which is quoted here as follows:

"In the West, Indian trainees make friends and enjoy cinemas and plays, but they always sense a forbidden technical door. In Russia they get bored and exhausted but are initiated into all trade secrets."

It is very important for our people, when they go abroad, not just to go the round of the night clubs and other such places of delectation, but to discover certain other things, the knowhow concerned. But in the western countries, it seems the know-how is kept under lock and key and our people are sent round enjoying themselves and going back possibly with a degree or diploma, or God knows what other kind of certificate, which actually comes to very little when the real im-

plementation of certain projects requiring particular skill is concerned.

In this article, which I particularly commend to the attention of the Finance Minister, this foreign student concludes like this. Of course, there are many methods adopted by the Government of India to see that Indian economy is not detrimentally affected, but he says:

"The Government of India is alive to the existence of these difficulties and is prepared, where necessary, to counter them. That it has been able to do so, has done so is not disputed. What is surprising is the degree of tolerance that it shows."

The Government of India shows not only a degree of tolerance, but a great deal of acquiescence in certain processes happening in our economy, which will not ultimately redound to making us a truly independent factor in the economy of the world.

Another point which we have tried from time to time to impress upon the Finance Minister is in regard to profit remittances which have to be carefully checked. I am not suggesting that Government stops these profit remittances straightaway. I am not in a position to suggest it, because it would not be any good. But there should be a very careful scrutiny and screening of foreign collaboration agreements. The obvious leaks in the investment accounts should be closed. One such obvious leak is that of discounting export bills in the London market, which could be readily taken care of by the Reserve Bank. I do not see why the Reserve Bank does not do this job of work. The Reserve Bank has got the personnel and the capacity and it is incumbent upon them, from the point of view of our economic interest, that the Reserve Bank takes up this job rather than we are left to the mercies of the manipulators in the London money market.

There are so many others, ranging from smuggling of gold, Swiss watches

and American cigarettes to under-invoicing of export bills and over-invoicing of import bills. Stepping up our exports is, therefore, one of our main instruments, and saving on invisibles also has to be done as far as we possibly can. In consequence of the failure of the planned out-put of steel, fertilisers, etc. to come up to schedule and the so-called maintenance imports which might cost annually about Rs 1000 crores, the foreign exchange involved would have to be met by stepping up exports and by saving on invisibles. That will give us some idea of the magnitude of the task, which the Finance Minister also has told us about and I wish to emphasise how very urgent it is for us to see that we take all possible steps in order to augment our foreign exchange resources.

I would like also to ask the Finance Minister why it is that targets set for the earlier years of the Plan, particularly in regard to the power programmes, which were very modest were not achieved, partly because foreign exchange which had already been commissioned for the purpose has not been utilised. I know lack of foreign exchange is trotted out as a standard excuse for shortfalls in the power programme, but that is not the whole story. Large amounts of foreign aid secured for power projects have remained unutilised for long periods because of delay in the execution of our projects to which the aid was tied. If it is lack of foreign exchange which holds up execution of power projects, how do we account for the interminable delays in the utilisation of foreign exchange that is already available? Therefore, while we surely want more foreign exchange to be available, we have to make sure that whatever foreign exchange is made available, particularly for purposes of our power projects, are utilised and they are not left more or less to be kept in abeyance.

On this question which Mr. Dandekar had mentioned earlier and to which also I made some further reference about technical offences being

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dealt with vindictively, I discovered on the other hand, if newspaper reports, which appear to be quite credible—they are not contradicted at least if they are any indication, that apart from being frightened, many of these people take advantage of whatever influence they have with the administration. Here is a report from the Special Correspondent in Delhi about action against a big British business concern of Calcutta under the Foreign Exchange Regulation Act having been taken. I quote:

"Getting scent of this decision, a highly placed man of the company rushed to Delhi and wanted to meet the Finance Minister, Mr. T. T. Krishnamachari. The Finance Minister refused to see him on the ground that the case might finally come to him for review after the action and appeal in the case were disposed of. So, he could not meet anyone connected with the firm involved in this case.

The firm's representative then moved the British High Commissioner for intervening with the Prime Minister in this matter. The Finance Minister is reported to have told the Prime Minister that it would not be advisable to meet the firm's representative or drop the case as the amounts involved were huge and there had already been some publicity about this case.

Besides, the Opposition would press the matter in Parliament.

At last the firm's representative met the Finance Secretary, who saw him only for a few minutes and told him that he had already signed the file ordering that action might be taken against the company and so he could not do anything in the matter."

I am quoting this not to show my feelings of disapproval of the Ministry.

The Ministry has behaved very correctly. The Finance Minister has refused to see him. The Finance Secretary has told him that the file will proceed according to the usual ways and all that. That is perfectly correct and a very good thing to do. But the fact remains that here is a British firm, which possibly is a century old, which has been dominating over our country's economy and used to a sort of lording it over the place. They send their representative. At last they get the High Commissioner to try to intervene in the matter. They have access to the highest possible places. Then again, according to the paper's report, because some publicity having already taken place in regard to this British business firm and because of the Opposition being likely to press the matter in Parliament, they were stopped.

Shri T. T. Krishnamachari: Will he allow me to intervene for a moment? These were not the considerations. Of course, I know the opposition is vigilant. Even my party is vigilant. What has been done has been done merely because that has to be done.

Shri H. N. Mukerjee: I am very glad if that kind of vigilance is consistently pursued by the Finance Ministry. We never know who the people are in most of these cases. It is not a question of personal animus or anything. It is only on account of the over-riding consideration which we all have that the economic interests of our country which are in jeopardy have got to be assisted to the best of our ability that we bring up these things. My point is, these people about whom Mr. Dankekar tried to give a picture of their being innocent little lambs who do not quite know the ways of big money, who are frightened when some laws are in operation or some regulations are going to be used that picture is somewhat misleading. I would rather like them to be frightened either because of the vigilance of the Finance Ministry or because of the vigil-

lance of Parliament. I would rather trust the vigilance of Parliament than the vigilance of the Finance Ministry because that unfortunately has been our experience.

14 hrs.

It is very necessary for Parliament to put its foot down when this kind of thing appears to be taking place. As I said earlier when I began, it is with a view to assisting the Ministry in this job of trying to stop the frittering away of our foreign exchange resources which is happening in different ways that I have tried to participate in this debate. I could have brought up a number of other instances, mentioning the names of all of them. But I never like the idea of mentioning names. I did not even mention the name of this British firm, which perhaps most people in the House know about. I do not like the idea of it. I have got so many other things to which reference could possibly have been made, but it is not necessary, and I wish the Finance Minister to reiterate, as he has done already in a preliminary way, that there should be that kind of vigilance, that kind of tightening up of the regulations, that kind of implementation of decisions in these matters which would prevent the frittering away of our foreign exchange resources.

Shri Sachindra Chaudhuri (Ghatel): Sir, I have heard with very great interest and very great respect the two speeches made, one by Shri Dandekar and the other by Shri Mukerjee. There is no dispute that the measure which has been introduced is wise and should be supported. The condition of this country so far as foreign exchange is concerned is precarious and every endeavour has to be made to stop leakages. But I find myself more in agreement with Shri Dandekar, I must confess, than I do with Shri Mukerjee (Interruption). I feel Shri Mukerjee is saying that he believes that it is so. That is so and I have said it.

I shall give my reasons now. Shri Dandekar has not criticised any of the sections or any of the provisions. In fact, he supports the Bill in all its aspects. He only wanted a clarification of section 18A. So far as that is concerned, I dare say that those who are charged with administering the law, particularly the Reserve Bank, will be well informed as to what have been the activities in the past of any particular agent or what is likely to be the activities of an agency in future, of either the present agents or new ones. We may take it that it is a responsible body and it will see to it that in giving or withholding the consent or approval that is necessary there is no laxity or harshness. This is a matter which really concerns not so much the law but the way in which the law is to be administered, and until it is administered, it is hardly possible to make any comments on the administration.

I think, Sir, that Shri Dandekar who has been himself an able administrator at one time will agree with me that these are administrative matters. There may be certain difficulties, but by and large it would be, I take it, the task of the Ministry and, indeed, the endeavour of the Minister to see that these rules are equitably administered, that the law is even handedly applied. So, I do not suffer from the fear that he has—and for which, he seeks a clarification. I doubt very much whether the hon. Finance Minister can give him the clarification here. How can he say that in the case of A, B and C he is not going to give the consent but in the case of X, Y and Z he is going to give the consent? That, I say, is an administrative matter.

So far as fear is concerned, in the profession which I practise I have found that fear is there, and, I would be even constrained to say, sometimes that fear is justified. It is no carping criticism on any officer if he wants to be zealous. An officer is zealous if he is unguided in these matters. He feels he has got to administer the law, and

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whether there is a technical breach or a substantial breach, after all, the individual judgment must decide. Without guidance that judgment may operate adversely to the purpose for which this enactment is being proposed.

May I suggest for the consideration of the hon. Finance Minister that as it is a matter of law he might, either in this enactment or by rules, make a provision that there should be some kind of control or superintendence by the Supreme Court, some guidance given to these officers by the Supreme Court by having a control over these officers, by laying down the procedure which they are to follow and ultimately controlling them by exercising some correcting powers. It would remove this fear which is, as I say, a genuine fear in the minds of those people who may be subjected to investigation.

Now, Sir, one thing has got to be realised. While harshness might cause fear, mildness might cause excesses on the other side. In that view I feel that with the moderating influence of the Supreme Court the real culprits will not escape and those who are merely guilty of technical offences would not be punished too harsh or treated too hard.

In the case of my hon. friend, Shri Mukerjee, I am reminded of what Oliver Cromwell said once:

"Ye sons of Zerubab"

Ye be too hard for me."

My hon. friend has been very hard really on collaboration. It must be granted that when a foreigner comes into the country with money he is not doing so with any altruistic purpose nor is he doing it for the benefit of his health. He must seek profit and it is a matter of negotiation as to how much profit we can give. That negotiation must be based on this, that our profit is at least commensurate with what we pay. Therefore, in each case there has got to be negotiation as to the

terms on which collaboration is to be given. Formidable figures have been quoted by Shri Mukerjee in crores. My intelligence and my conception are very limited and I cannot conceive of Rs. 15 crores or Rs. 10 crores.

**Shri Hari Vishnu Kamath:** You are very modest.

**Shri Sachindra Chaudhuri:** I am not modest, I am truthful. But what I can say is this, that when we think in terms of having equity shares to the tune of Rs. 1.5 crores and having to pay Rs. 1.9 crores for technical service or advice, we have to consider what we are getting in exchange. If by spending Rs. 2 crores or Rs. 3 crores—my arithmetic is always bad—we get Rs. 5 crores, is it a bad investment? That is the thing which we have to consider. The other side of the picture has not been disclosed by my hon. friend, Shri Mukerjee. I am perfectly certain that so far as the Ministry is concerned—the concerned Ministry—it is not going to give its blessings to a scheme of co-operation which on a proper assessment is not going to produce profit for this country but merely going to pour foreign exchange out of the country into the pockets of collaborators. Therefore, while the warning which was given by my hon. friend is a good warning, I imagine and I expect that that warning has been very well followed in the past.

Also, the purpose of this particular enactment, if I gather right, is not to stop collaboration or to regulate collaboration, but the purpose is to stop the leakage of foreign exchange. On that, Sir, again, I ask my hon. friend, Shri Mukerjee to consider this. On the one hand he has got this evidence that so much money goes out. Has he, on the other hand, considered how much benefit flows into this country from this outflow? My hon. friend made a point that sometimes what is a sale is turned into a payment by equity share distribution. When we require some machinery which is going to be used in this country, there are



many and various ways of paying for it. We do not have cash at the moment to pay for it. Therefore, what we do is to say that we shall take that as their contribution for the purpose of running our concern. Having taken that, we have to service it. Whether we pay for it by a somewhat uncertain flow of dividends or an out-flow of interest whether we give them the chance of making profit in the shape of dividends on the equity shares, it makes little difference, except this that so far as the loan is concerned the loan has got to be serviced with interest whereas so far as the dividends on equity shares or any other shares are concerned these are related to the prosperity of the business. If we are paying 11·8 or 13·6 or 8·8 in the shape of dividends, it certainly means this, that that dividend is flowing out of this country because the particular concern which has got the loan of the machinery or purchased the machinery or got a loan of money to purchase the machinery in the shape of equity capital is making profit enough to justify the payment of this amount. Also, it must not be forgotten that when equity dividend goes out of the country it is taxed in this country and what is taken out is only that amount which is allowed after deduction of taxes. When we are thinking in terms of business, every person, every private individual, considers whether or not that business is going to be profitable to him after having paid the interests on the loan or, for the matter of that, the equity dividend. Equally, when the country has to do it, it has to consider it and come to the conclusion whether it is necessary for the purpose of the better development of the country, it has to consider what it is going to get in return.

Then Shri Mukerjee also made a point of a particular British company which he claims had offended against the laws of this country and he said this particular British company had access to the High Commissioner of that particular country. How can the Finance Minister, I ask myself and,

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through you, Sir, I ask him, my hon. friend, Shri Mukerjee, how can the Finance Minister prevent a particular national of another country from having access to the representative of that country? But he has himself admitted that the Finance Minister and his Ministry has been completely correct in their approach to this problem. If that is so, I think the Finance Minister really deserves not only our support but also our congratulations, our appreciation. I should say that it is no reflection on the Finance Ministry in any sense to say that although it was approached by a powerful representative of a powerful country, yet it did what was good for this country. Although left-handed, although oblique, my hon. friend, Shri Mukerjee has really paid a compliment, no doubt deserved, to the Finance Minister and the Finance Ministry. I would conclude by saying for the consideration of the Hon'ble Finance Minister that he should not only remove the fear but should give a positive assurance to anyone who is not a citizen of this country, an assurance which is needed to establish confidence and, at the same time, to ensure that the law is properly administered, that the Supreme Court will guide the administrative activities of the Directors and Deputy Directors who are put in.

**Shri Morarka** (Jhunjhunu): Mr. Deputy-Speaker, unlike the two hon. Members who just preceded me, I would not like to say anything on the general problem of foreign exchange which this country faces. I would rather confine myself to the actual provisions of this Bill, and some of the remarks which I am going to make are meant to seek clarifications and others are meant to point out some lacunae, as I see, in drafting.

The main object of this Bill is to give more powers to the Reserve Bank and to the Central Government for better enforcement of the provisions of the Act. True, some of these powers are extraordinary and one may say they are in a way arbitrary; but, look-

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ing to the conditions through which this country is passing, particularly the malady of the foreign exchange, I think such remedies are necessary and hence one cannot seriously object to these powers, particularly when these powers are given to the Reserve Bank, an institution which has earned a reputation for impartiality and a very high degree of integrity.

Coming to the provisions of this Bill, the first point to which I wish to draw attention is in clause 2. Clause 2 says:

"In sub-section (2) of section 1 of the Foreign Exchange Regulation Act, 1947 (hereinafter referred to as the principal Act), the words "and to branches and agencies outside India of companies or bodies corporate registered or incorporated in India" shall be inserted at the end."

The purpose of this provision is, that the Foreign Exchange Regulation Act would apply not only to the citizens of India abroad, but it would also apply to the branches or agencies of the Indian companies abroad. Firstly, why is this provision made applicable only to the branches and agencies of companies incorporated in India. Suppose a private business firm or an individual has an agency or branch abroad, would the provisions of this Act apply to him or it? If it is the intention that the provisions of this Act should apply to those agencies also, then I think the clause will need some amendment.

**The Minister of Planning (Shri B. B. Bhagat):** This refers to agencies of Indian firms outside India.

**Shri Morarka:** Yes, it refers to agencies of firms which are registered or unregistered in India but which have an agency or branch outside India. Now you are applying the provisions to the agencies and branches of Indian companies outside India. But what would be the position about

branches or agencies of Indian firms or agencies of individuals outside India.

Secondly, according to this amendment, the provisions of this Act are sought to be applied to branches and agencies. I can understand that. But how can it be applied to "agencies outside India"? Suppose those agencies consist entirely of foreigners? Suppose an Indian company appoints a foreign company outside India as its agent for buying or selling some goods from India? If all the partners, or shareholders or directors or controllers of that business institution, which is the agent of the Indian company or firm outside India, consist entirely of foreigners, hundred per cent foreigners, then, how can you apply the provisions of this Act to that agency?

**Shri Heda (Nizamabad):** It would not apply.

**Shri Morarka:** My hon. friend says it would not apply. The definition which is sought to be added is "and to branches and agencies outside India of companies or bodies corporate registered or incorporated in India". A branch of an Indian company, I can understand. But the agency of an Indian company may consist of persons who are entirely of foreign origin. Therefore, I think that this particular amendment, as is sought to be made in clause 2, deserves attention and scrutiny by the hon. Finance Minister.

**Shri Baf (Khargone):** I have suggested the addition of "foreign agents".

**Shri Morarka:** The amendment of the hon. Member will make the position more difficult. How can you apply the provisions of this Act to a foreign individual who never comes to India, who has nothing to do with this country, who never comes within the clutches of this Act? How can you apply this Act on an individual

of another country living in that country.

**Dr. M. S. Aney** (Nagpur): Do you mean to say that this amendment would be infructuous?

**Shri Morarka**: I say that the purpose of this amendment would be limited and would not cover all cases which Government may have in mind.

Then I come to my second point.

The second amendment in clause 10 says:

"after clause (b), the following clause shall be inserted, namely:—

(c)"

and then they put clause (c). My question is whether this clause (c) is in substitution of the existing clause (c) or whether it has been transplanted somewhere else.

The second point is: What would happen to clause (d), because the amendment says:

"after clause (b), the following clause shall be inserted"

and then they only give clause (c).

**Mr. Deputy-Speaker**: Is there a clause (c) in the original Act?

**Shri Morarka**: Yes, Sir; if you will kindly take a copy of the original Act....

**Mr. Deputy-Speaker**: No; there is no clause (c).

**Shri Morarka**: If you see section 13 of the Act, not clause 13 of the Bill....

**Shri B. R. Bhagat**: But in sub-section (4) there is no clause (c).

**Shri Morarka**: I stand corrected; the hon. Minister is correct. Actually, I was referring to sub-section (1), whereas the amendment refers to sub-section (4).

Then, my main objection is against clause 13. This clause seeks to introduce a new section, section 18A. This is a new section which is sought to be introduced in this Act. I have several points to make about this new section. The first is that section 18A says:

"Without prejudice to the provisions of section 21 and notwithstanding anything contained in any other provision of this Act" etc.

Section 21 of the parent Act says:

"(1) No person shall enter into any contract or agreement which would directly or indirectly evade or avoid in any way the operation of any provision of this Act or of any rule, direction or order made thereunder.

(2) Any provision of, or having effect under, this Act that a thing shall not be done without the permission of the Central Government or the Reserve Bank, shall not render invalid any agreement by any person to do that thing" etc.

This is the most important part, namely,—

"shall not render invalid any agreement by any person to do that thing."

So, even if there is an agreement which is subject to the approval of the Government or of the Reserve Bank, merely the entering into that agreement would not be void or invalid. The new section 18A says:

"Without prejudice to the provisions of section 21";

in other words, the provisions of section 21 would govern the provisions of the new section 18A also.

Now, the new section 18A says:

"Without prejudice to the provisions of section 21 and not-

[Shri Morarka]

withstanding anything contained in any other provision of this Act, a company (other than a banking company) which is not incorporated under any law in force in India or which is controlled directly or indirectly by persons resident outside India, or any branch or office of any such company in India or a firm consisting wholly or in part of persons resident outside India, shall not accept appointment as—

- (a) agent in India of any person, company or firm in the trading or commercial transactions thereof, or
- (b) technical or management adviser in India of any person, company or firm,

except with the general or special permission of the Central Government or the Reserve Bank; and where such appointment is accepted without such permission, it shall be void."

Section 18A says, "It shall be void" if it is entered into without permission; section 21 says, "It shall not be void". Further, section 18A says, "Without prejudice to the provisions of section 21"; so section 21 still continues and will override the provisions of section 18A. Which of these two provisions will have more value? Will the provisions of section 21, which are general provisions saying that agreements which are subject to the permission of Government or of the Reserve Bank shall not be rendered void, prevail; or, will section 18A, which says that an agreement of that type will become void, prevail? I think, that requires clarification.

My next point is this. In this section 18A they say:

"a company....which is not incorporated under any law in force

in India or which is controlled directly or indirectly".

What is the meaning of "a company... controlled directly or indirectly"? There is no definition of the word "controlled". Instead of introducing this new thing, why did the Government not adopt the definition of "company" as defined in this very Act in section 18, Explanation I? In the parent Act in section 18, Explanation I, they have defined what are the companies which are incorporated in India or which are incorporated outside India but which are under the control etc. I will read out Explanation I. It says:

"The companies referred to in sub-section (1) are companies not incorporated under any law in force in India in the case of which any of the following conditions is fulfilled:

- (a) that the company is by any means controlled directly or indirectly by person resident in India; or
- (b) that more than one-half of the sums which, on a liquidation thereof, would be receivable by holders of share or loan capital, would be receivable directly or indirectly by, or for the benefit of, persons resident in India; or
- (c) that more than one-half of the assets which, on a liquidation thereof, would be available for distribution after the payment of creditors, would be receivable directly or indirectly by, or for the benefit of, persons resident in India; or
- (d) that more than one-half—
  - (i) of the interest payable on its loans and loan capital, if any, or
  - (ii) of the dividends payable on its preference share capital, if any, or

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- (iii) of the dividends payable on its share capital, if any, not being preference share capital,

is receivable directly or indirectly by, or for the benefit of, persons resident in India."

This definition was very exhaustive and if they had adopted the same definition for the companies mentioned in section 18A, I think, the difficulties could have been solved and it would have been more easy for the courts also to understand as to what they mean by companies registered in India or controlled by foreigners or companies not registered in India but doing business here.

The third point is that the main purpose of this clause is that foreign companies or firms should not have agency business in India, earn money and remit it to foreign countries because when they earn money under the standing agreements etc., we have to allow them to remit it to the foreign countries. In order to prevent this major drain on our foreign exchange, it is sought to control the appointment of such persons as agents of any Indian company. But then, again, the restriction which is sought to be imposed by this section is in a way limited. What it says is:

"agents in India of any person, company or firm in the trading or commercial transactions thereof".

What about industrial or manufacturing activities? If an Indian company appoints a foreign firm or company as its agents for any of the manufacturing operations or for other industrial activities and they pay a commission for that, I do not think that would be covered by either (a) or (b). Clause (b) says:

"technical or management adviser in India".

Instead of having this limited provision, that is, "agents in India of any person, company or firm in the trad-

ing or commercial transactions", they should have said "agents for any purpose". After all, with the permission of the Government of India or of the Reserve Bank you could always permit them even for commercial and trading purposes; even for industrial purposes. So, all that the provision would require is that before a firm accepts such an agency it must come to the Government for approval or permission, when it is a foreign firm. I do not think there was anything wrong if you had made a general provision that any foreign firm accepting any assignment which is likely to bring to it income in India, before accepting any such assignment, must have the approval of the Reserve Bank or the Government which will examine the implications, foreign-exchange implications, of such an agreement and then in its wisdom it may give permission or it may not give permission.

So I think that instead of having this limited thing now and coming again after two or three months for another amendment when you may find another difficulty, loophole or lacuna, it is better to give a little more time to such Bills and have a thorough draft to carry out Government's policy and Government's intention.

I am sure that the intention of the Government in bringing forward this Bill is to prevent this drain of foreign exchange by these foreign people doing only agency work in India—they get commissions which, under our existing code of conduct etc., we are bound to allow them to remit to their mother country.

Then there is another purely drafting point. Here you use the words persons, firms and companies, in the same line person, firm and company. I think the word "person" includes companies and firms also. "Person" does not mean an individual. Here in the context of our legal terminology, the expression "person" is said to include not only individuals but also firms and body

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corporate. If that is so, there is no point at all in having this expression, because it will cause confusion. The lawyers and the courts would say, "well, the intention of Parliament must have been different when it used the expressions differently", and they will try to give a restricted meaning to the word "person". They will feel: unless there is a definite meaning, why are they using the word "person" separate from companies and firms. I think the well-defined meaning of "person" should have been adopted in this context also.

The question which has put by Shri Dandekar is relevant in this context, namely, would this provision apply only to future companies or future agencies, or to existing ones also? Would there be an occasion for Government to review the existing arrangements also? I think that if the provisions are to be made properly effective, the Government should take an early occasion to review all these agreements and arrangements; because, most of the companies or agencies are already committed, and unless you review them you will not be able to make a real saving in the foreign-exchange remittances.

Then they say that the Reserve Bank or the Central Government would give permission or approval for appointing a company or a firm or an individual as an agent for certain activities of the companies or firms or individuals in India. They may give permission, they may not give permission. But there is no indication as to what would be the criteria which will be followed. Instead of that, if they had said that if any firm desires to remit any money out of India, that remittance would not be possible without the specific sanction of the Government, that would have been better.

Instead of restricting the appointment of these people—the main purpose is to restrict the remittance—why not restrict the remittances and

say, "if any such appointment is made without the approval of the Government or the Reserve Bank, then the concerned firm shall not be entitled to remit its income or any part thereof outside India". I say this because, then there would be less of discrimination, there would be less of executive fear, there would be some sort of uniformity and, if I may say so, less of discrimination.

The reason is this, that today I cannot appoint any firm as an agent, whether that agent wants to keep the money in India or wants to remit it abroad, whereas another person may be able to do that if he can convince the Government of India that it is in the interests of the country. My point is that so far as the interest of the country is concerned, in this context it is governed only by one consideration, namely, whether the person receiving the money shall or shall not be remitting it outside India.

So, while I approve of the scheme that Government should take all steps to plug the loopholes and tighten the provisions, I think the same objective of the Government could have been achieved in a better way by restricting the facility to remit the money—by restricting the remittances rather than by restricting the right to appoint some people as their agents.

**Dr. M. S. Aney:** Do not rely upon discretion.

**Shri Morarka:** There would be no discretion so far as the appointment is concerned; discretion would be only for allowing the remittances.

Now I come finally to clause 15. But before I come to that clause, I want to say a word about the proposed section 18B contained in clause 13. The proposed new section 18B restricts the travel agencies, airlines, etc. from booking and reserving tickets for travelling either wholly or partly outside India, except with the per-

mission of the Reserve Bank etc. Now, as it is, with the existence of the P form and the existence of other restrictions, no travel agent to my knowledge can book a ticket for anybody, either an Indian citizen or foreigner, if it is to be paid by Indian money by an Indian, without the permission of the Reserve Bank. Even if I want to book a ticket for a foreigner, if I want to invite him from abroad, even then I require the Reserve Bank's permission before I buy a ticket for him—of course, I require permission, P form, everything for my own ticket.

So I do not know what is the necessity of duplicating the provision, because if the Reserve Bank issues a permit, a foreign-exchange permit, to me, or a P form to me, that means that they have examined my case and they have approved of my going abroad. And that P form or foreign exchange should be enough to enable the airlines or travel agents to issue a ticket for me. While these provisions are necessary, at the same time, we should see that there is no unnecessary duplication or that there are no cumbersome or difficult provisions made. Because, even the judges of the High Courts say nowadays that the speed with which we pass the laws is such, the volume of laws passed by Parliament is such that, leaving aside the question that there should be a healthy growth of every law, they are not even aware of the provisions of the law. The judges and advocates, all these people say they are not fully conversant with the provisions of the law, leave alone the citizens and illiterate masses.

Therefore I think that the system of P form and the system of foreign-exchange permit which are necessary before we can buy a ticket are enough and no further restriction on that score is necessary.

**Dr. M. S. Aney:** May I ask one question? Would the proposed section 18B cover cases like that of

Walcott—a foreigner coming and getting his ticket and running away? Will that case be covered by this?

**Shri Morarka:** No. Section 18B, in my opinion, will not cover those cases which relate to foreigners and where foreigners buy tickets with foreign currency outside. The P form is required for them if they have stayed in India for a certain time. But so far as Indian citizens are concerned, this 18B would make things a little more difficult. Maybe, ultimately this 18B might cover cases like that of Walcott etc. also. But on a first reading by impression is that it will not.

**Dr. M. S. Aney:** I thought it was intended for things like that.

**Shri Morarka:** Then, Sir, clause 15 introduces new sections 19A, 19B, 19C, 19D, etc.

19A deals with power to search suspected persons; 19B deals with power to arrest; 19C deals with power to search any vehicle or conveyance and 19D deals with power to search premises. 19A which relates to the search of a person says:

"If any officer of Enforcement authorised in this behalf by the Central Government, by general or special order, has reason to believe that any person has secreted about his person any documents which will be useful for or relevant to any proceeding under this Act, he may search that person."

But then sub-section (2) says:

"When any officer of Enforcement is about to search any person under the provisions of this section, the officer of Enforcement shall, if such person so requires,....

—that is, if the suspected person so requires—

"take such person without unnecessary delay to the nearest

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gazetted officer of Enforcement superior in rank to him or a magistrate."

If he objects to the search being made by that officer, then he shall be taken either to a magistrate or a gazetted officer superior in rank to that officer. Then, if the magistrate or a superior officer, after hearing him, feels that no search is necessary, he will forthwith release him or send him away. On the other hand, if he feels that the search is necessary, then the search will be ordered. The point which I want to make here is this. In the case of searching a person, a right to object the search being made by the Enforcement officer is given to the suspected person, that is, he can ask for being taken either to a magistrate or to a senior officer. But when you come to his actual arrest, this very officer can arrest him without any option being given to the suspected person to be taken either to a magistrate or any superior officer. I want to ask: Which is a more serious thing? Is it his search or his arrest? If a person can object, according to the scheme of this Bill, for being searched by a particular officer, why is this right not being given to him if he feels that his arrest is illegal or unwarranted or malicious? Why do you prevent him from asking for the same facility which you give him in the case of his search being made? I can understand if you had not given him this right against his search being made and had given him this right against his arrest which is far more serious than his search.

श्री बड़ै: क्या लेड, सी एंड एयर कस्टम

एक्ट में इस प्रकार की प्राविजन है या नहीं

वही प्राविजन इस में है।

**Shri Morarka:** I can give an answer to my hon. friend. If a mistake is made in one Act, should we perpetuate the mistake in all the Acts?

Secondly, I am not objecting to this provision or that provision. But what I say is this. On grounds of equity, natural justice and fairness to the person, if you give him an option of going to a superior officer against his search being made, you must give him the same facility when he is being arrested.

**Dr. M. S. Aney:** Does he not think that the purpose of the Act will be defeated by that?

**Shri Morarka:** It is not a case where you are dealing with the documents. Here is a case where you are dealing with a person. Now, even if he goes to a superior officer, he is not acquitted. All that he wants is that instead of the inferior mind being applied to the circumstances or to the facts of the case, the superior mind, if I may call that, may be applied.

**Shri Man Sinh P. Patel (Mehsana):** Not superior mind; superior officer's mind.

**Shri Morarka:** That is right. In this Bill, you have given this facility against the search of a person. Now, take another case. Under 19C, you can search any vehicle or an animal or any other carriage which carries goods. If one can object to a person being searched by an officer of a particular rank, how is it that one cannot object to one's vehicle or ship or animal being searched by the officer of the same rank? It may be that the provision in 19A is more generous and the provisions in 19B, 19C and 19D are a little more strict. But I think the case of arrest is more serious than the case of search. Again, the case of searching one's house is more serious than the question of searching a person.

Therefore, I feel that some of the provisions of this Bill, particularly, clauses 13 and 15 and, as I said in the beginning, clause 2, need a little more scrutiny at the hands of the hon. Finance Minister and his able officers.



I have no doubt that they must have given sufficient consideration in their own way to these problems and in order to meet them they have brought in these provisions. I think a few things which I have pointed out might improve the Bill if they are accepted. It may appear to some Members that I am pleading for making the Bill lenient. That is not my purpose. I only say that you must make the Bill a little more homogeneous, a little more logical, and you must give the citizens or the persons a little more fairplay.

**Shri Heda:** Mr. Deputy-Speaker, Sir, the various clauses of the Bill make an effort to improve the present Foreign Exchange Regulation Act. Except one or two clauses, all of them are of minor significance. However, the cumulative effect of all these clauses will be the tightening up of the foreign exchange provisions and their better execution and the result will be that the overall position will improve.

At the same time, I take note of the deteriorating foreign-exchange position of ours and from this angle certain questions that were put in the question Hour today aroused a good deal of interest. In fact, a pointed question was asked from the Finance Minister as to whether along with the official rate he was aware of the non-official rate as quoted in other countries. He refused to give his knowledge of any non-official rate being there. But I think it is his duty to find out what non-official rates are obtaining in different countries. My own knowledge is that today in London there are a number of banks and even private bankers who accept the rupee at the rate of Rs. 20 to 22 per pound. Sometimes I feel surprised as to what they do with those rupees. There are so many loopholes by which they can easily convert those rupees into pounds or use them in India itself. This poses a very serious problem. It not only brings

down the prestige of our country—for, a country's name is generally judged by its foreign policy and by the value of its currency—but it also shows clearly that there is something radically wrong with the execution of our policies.

If you look at the working of the Air India International, you will find that they are not getting that much increase in business as they had been getting before, and a number of Indians have now started coming not by Air India but by other airlines. What is the reason for this? The reason is that the airlines of other countries are giving them lower rates; they are under-cutting the rates. Suppose the international rate is £130 or £135 from London to Delhi or Bombay; the other companies are prepared to accept £100, and they are able to do so because with those £100, they can purchase rupees at the rate of Rs. 20 or 22 per pound, and the very same rupees can be used in India, and thereby they get the value of £135 or even at a little more.

**Shri Hari Vishnu Kamath:** More foreigners are flying by Air India nowadays.

**Shri Heda:** That is exactly my point. When Air India service is so good and it has such an international reputation that not only the Indians but foreigners also insist on flying by Air India.....

**Shri B. R. Bhagat:** It is very popular.

**Shri Heda:** . . . how is it that a number of Indians are not flying by that service? It is not that they are not patriotic. Sometimes they are short of money and sometimes there are other reasons. Therefore here is as case where Government should seriously consider over this matter.

As my hon. friend Shri Morarka has said, the Reserve Bank has got a very good name, but their execution has been very poor. My own experience is that the foreign exchange control

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which is in the hands of the Reserve Bank is very inhuman in the sense that they go by technicalities and they go by what appears on the paper, and very little discretion is exercised by them. I wanted to stop at Moscow recently. My sister-in-law was in Moscow, and I wanted to pay her a visit for a few days, because I thought that would give me a good opportunity to look around Moscow, but I was told that sister-in-law was not a blood relation; sister alone was a blood relation and not sister's husband or wife's sister. Though there are a number of Acts where the spouse has been equated....

**Shri Hari Vishnu Kamath:** Was she the hon. Member's brother's wife?

**Shri Heda:** No, she was my wife's sister.

I have come across a number of similar cases, but I would narrate only one case which I think was the harshest one. A young lady born in England having British citizenship before she was married—her entire family, father, uncle and others were doing good business in London—was married and came to India. Meanwhile, her father expired. Naturally she wanted to go back to England. She knew that the foreign exchange difficulties would be there and, therefore, she might not be able to go there, but her uncle was discreet enough to send her return ticket from there. Even then, the Reserve Bank did not allow her to go, even though her father had expired, and her uncle had sent return tickets for her and she had held British citizenship before she was married and her parents were in England and were doing, as British citizens, though of Indian origin, good business there. These are the hardships that we find on the one side, but on the other side, we find that we can get foreign exchange in ample measure but at slightly exorbitant rates. As I have said, open selling of the Indian rupee at the rate of Rs. 20 or 22 per pound

does not create a good impression about the foreign exchange control or regulation by our country.

Shri Dandekar had referred to one aspect in his speech, to which I do not agree. He had stated that certain measures taken by the Commerce and Industry Ministry, particularly the Commerce Ministry, were not good, and he particularly mentioned the export promotion incentives. These export promotion incentives have done two good things for our country. One of them is that with these incentives it is possible for an Indian exporter to export Indian goods even at a loss. My knowledge on this matter is not up to date, but I think that about a month or so before, the foreign exchange value prevalent in India was between 50 and 60 per cent; so if a person exports and earns Rs. 1 lakh of foreign exchange, then he can bear a loss of about Rs. 25,000 to Rs. 40,000; because he can earn Rs. 50,000 or Rs. 60,000 by that incentive. So, one definite advantage was that we were able to export even at a loss. That was one reason why the exports were going up.

The second advantage is that some of our industries which want foreign exchange could buy it from the foreign exchange earned by these incentives, and thereby save a lot. Here, I would pose a question for the serious consideration of the Finance Minister. In the matter of foreign participation, he allows equity participation, rather he gives a preference to it, but he does not allow foreign loans. The point is that most of the companies which have foreign collaboration go into production and earn well. In fact, any company which has got foreign collaboration is assured of success for two reasons; one is that the foreign collaboration takes care to see whether the company will earn profit well or not. Secondly, the varied processing done in our Development Wing is very good, and that itself is a guarantee that any scheme sanctioned by

Government is assured of success. That is why most of the companies without any exception, which have foreign collaboration have been very successful. So, the point is that on equity you pay a dividend which is in most cases far higher than the interest that you would be paying on the loans. I do not know why my hon. friend Shri H. N. Mukerjee gave us only the figures relating to interest on loans, but did not give us the figures regarding equity capital, but he was good enough to mention that the dividends on the equity capital would be higher. They are higher, and there is no doubt about it. Therefore, Government should seriously consider over this matter and if in any foreign collaboration along with equity participation or even without any equity participation there is an offer of foreign loan, that should be accepted, and that that would relieve the Government of the burden while paying dividends and other things.

A few other points were brought in but only two or three of them were very relevant and important. The powers given under the new sections that are being inserted by this Bill are very wide. Shri Morarka gave a few details of these powers. An officer can search, arrest and do so many other things. These are very wide powers, and in the circumstances it appears that these powers are necessary. But experience shows that the Finance Ministry had been taking powers and powers all the time but has not been enforcing them as it should. That is why there is a feeling in the House that mere taking of powers without any intention to use them or without an adequate need for their use does not look good. It only creates a feeling that we are creating an economy or administration which is after more and more control. So when the Finance Minister has come forward seeking these powers—I have no doubt that he will get them, he should get them—I do hope that he would use them and thereby improve the foreign exchange position. I support the Bill.

15 hrs.

**Shrimati Tarkeshwari Sinha** (Barh): I welcome these provisions of the Bill, consideration of which has been moved by the Finance Minister, more so because now is the time when we have to conserve our foreign exchange resources to the best of our capacity.

According to a statement he made only recently, the Finance Minister said that he was very worried about the foreign exchange position which is not too happy. When we look at the figures he gave, it makes us also very worried. During the Fourth Plan, the foreign debt obligation we shall have incurred in the country would be Rs. 1100 crores, Rs. 600 crores by way of interest and Rs. 500 crores by way of repayment of debt. Apart from that, there is, according to him, the problem immediately facing us of finding resources of the order of Rs. 50 crores to pay back to the IMF; I am sure with his ingenuity he will do something to avoid this drain at the present moment.

Therefore, I welcome the Bill. However, I feel the provisions and their impact will just amount to only tinkering with the problem. I am sure that the powers sought to be given to the Reserve Bank and the Director of Enforcement and also the facilities which have been given to the public by way of appeal to the High Court against the legal decisions of the enforcement directorate and the tribunal, are for the benefit of the public. All the same, I feel this is not going to solve our problem so much though these measures can prevent loopholes and mitigate to a very great extent some of the headaches which we have been facing in this country in this field.

One of the peculiar problems that has come to notice is concerning the tourist traffic. In numbers, tourist traffic from abroad to this country has increased very much, but the earnings therefrom have more or less been static, if we compare the figures of the present year with those of the previous three or four years. The earnings have been negligible. When we compare

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our figures with those of other countries like Japan and Italy, we find the position shocking—that the tourist traffic coming to this country hardly gives us any foreign exchange. The point is that they have tried to find out a short-circuit way of getting money here by some means, and they just do not bother to pay the foreign exchange for all the tours they take in this country. Many people who are honest do really pay in foreign exchange, but a large number out of this tourist population has not given us a satisfactory return. I am sure with the tightening of some of the provisions, this phenomenon will be considerably checked.

There is another problem remaining—that of remittances from abroad. I was sometime back in the Finance Ministry; from personal experience also, I have noticed that remittances of Indians from abroad have been falling year to year. According to answers given to questions here—subject to correction—there has been a fall of 60 per cent in the remittances as compared to previous years. This really provides a very big loophole for foreign exchange violation because some sort of arrangement is being made by which remittances are not sent here but are mutually exchanged between foreigners and Indians. The Indians overseas do not send money here; they make arrangements to pay the money to the tourists who come here through some of their relations—and *vice versa*. This has become a very big problem, one to be reckoned with. Therefore, I am happy that some of these provisions have been proposed to be enacted.

But the basic crux of the situation is that we have been sandwiched between two things; on the one hand, we have the foreign exchange scarcity; on the other, there has not been a very proper utilisation of the foreign exchange we have got. The latter also means a great loss. By conserving foreign exchange we will be able to

collect a few crores, but the loss we incur through delay lack of proper technical collaboration non-preparation of project reports, non-presentation of those reports to the foreign collaborators etc., is in proportion much higher than the amount of foreign exchange we lose by these violations of exchange regulations. Therefore the problem has to be tackled not by one set of measures alone but on a wider front.

This is not the opportunity to go into general questions of foreign exchange and its disbursements. All the same, I have taken this opportunity while speaking on this Bill to say that there are many things which have to be checked in order to curb current violations of foreign exchange regulations, hiding away foreign exchange, indulging in under-invoicing and over-invoicing, and also ensuring better utilisation of the foreign aid we get from so many agencies.

There is one thing. There has been a wide difference between the statistics compiled by the Directorate General of Commercial Intelligence and Statistics and the data we get from the Reserve Bank. It is good that Government had set up a committee in March 1964. Subject to correction, the committee has made its recommendations. There is a wide variation between the statistics prepared by the two agencies I mentioned. That really leaves scope for a lot of abuses. If these two data can be reconciled—I know that there can be variation between two agencies functioning because the problems are very complex. The collection agencies are so many—it can be ensured that there is not such a wide variation; some sort of parity should be maintained between such agencies which maintain such information. Therefore, Government should try to bring the statistics and intelligence data about foreign exchange in a more up-to-date form. This will check abuses and conserve foreign exchange in a much better manner.

Another point. We are going to suffer very much because of the levy by the U.K. of a 15 per cent surcharge on its imports. According to assessments being made from time to time, it seems we are going to lose nearly 30 per cent of our exports. This situation stresses the need for better conservation of foreign exchange. Our balance of payments position, looking to the present situation, is going to be very much adversely affected by this surcharge. Therefore, I would suggest that we should have our project reports and other things ready so that work could start as soon as we get the foreign aid. Generally what happens is, as in the consortium aid we have got, that the report is not ready, we just wait for the allotment of foreign exchange for a particular project from a particular country. After receiving it we start going into the reports so much so that even the geological survey is not ready. In some cases, I have found that the project reports have been so much delayed because the geological survey was not made. One example is cement; another is bauxite. We have a planned programme for producing aluminium but the proper geological survey for bauxite has not been there. The second thing is cement. We have a general programme for expansion of cement production without looking into the geological capabilities and the availability of limestone. I gave these two examples to show that without proper advance planning we could not utilise our foreign exchange as we should.

Some of the industrialists go in for industrial expansion. They may or may not have the resources. When they go abroad for foreign-exchange requirements, they get the foreign exchange through deferred payment. But such facilities are not granted to them internally with the result that even the foreign exchange that they get is not properly utilised, causing loss to the planned economy. The development bank that has come into existence and other financial and credit

agencies should initiate a system of deferred payment to be met on the basis of foreign exchange allotment which is likely to be available for a certain project. Sometimes the projects are not initiated because of lack of facilities here. I know personally a case where foreign exchange was committed; plants were ordered from West Germany but some technical collaboration was called for from East Germany. Due to some political complications, the West German Government decided not to allow German banks to give foreign credit. The whole programme was bogged down for 2½ years. With great difficulty some foreign exchange was allotted from the free reserves. There may be other similar cases; therefore, some such allotment should be made in such cases, where the Government has concurred with the programmes.

I do not know whether this is very relevant to this Bill but I would like to take this opportunity to suggest one point. A huge project costing Rs. 40 or 50 crores or even Rs. 2 crores but involving a foreign exchange of Rs 5 or 10 lakhs may be there; the party has got enough resources in rupees. But that party is asked to go in search of foreign collaborators for that small amount of foreign exchange with the result that the project or unit gets delayed. Compared to the loss to the country due to the delay thus caused it would be advantageous to release a small amount from the free foreign exchange resources on payment of rupee equivalent so that the project may get going quickly.

Lastly, about standardisation. The Reserve Bank has taken powers to frame some standard regulations for foreign collaboration with Indian counterparts. In such cases technical collaboration is an important and significant part. In this field of technical collaboration, lot of abuses are there. The remittance of foreign exchange from this country on the basis of technical collaboration allows for laxity. Therefore, I would request the Government to follow some kind

[Shrimati Tarkeshwari Sinha]

of standardisation in the matter of technical collaboration if it is not possible to have complete standardisation. Some standard formula should be there so that collaboration agreements can fall into that pattern. It will also avoid the necessity of going into the merits of every case or into every point of an agreement which will cause a lot of delay. That is why I suggest that some kind of technical standardisation should be maintained which may affect technical collaboration generally.

Finally, I would request the Government to take the problem of advance budgeting in foreign exchange and foreign collaboration very seriously. At present, it is done only for six months periods. This is not proper in a country which spends thousands of crores of foreign exchange. Government should have a long-term planning of foreign exchange allotments. Otherwise, foreign exchange allotment becomes very uncertain and a lot of other problems arise: we find ourselves in a very tight corner. Advance, long-term foreign exchange budgeting would be helpful in this period of difficult foreign-exchange situation. So, I would ask the Finance Minister to consider this. He is very resourceful and he is also a man of great tenacity. If he takes it into his mind, he can do it, in spite of delaying by some; they cannot really stop his will. Not that I think that Mr. Wilson has done wonders but I would certainly say that Mr. Wilson, the present Prime Minister of Britain with five or six majority, has taken so many steps to improve the economy of his country. These steps are very vital because they have affected every person, including the consumer. But there is that conviction that ultimately the results of these will be good for Britain. I am sure the Finance Minister who has got the same tenacity of purpose and also great perseverance also does not want all the time to play to the gallery which is a growing and very dangerous phenomenon in the leader-

ship today—excuse my saying so—and I am sure he will be bold enough to take steps and do something about our foreign exchange.

श्री श्रीकार लाल बरबा (कोटा) :  
उपाध्यक्ष महोदय, जहाँ कई माननीय सदस्यों ने इस फॉरेन एक्सचेंज रेगुलेशन (अमेन्डमेंट) बिल का समर्थन किया है वहाँ में भी उस का समर्थन करता हूँ। मूल ऐक्ट में यह जो संशोधन किया जा रहा है मेरी समझ में वह इससे और भी अधिक कठोर होना चाहिए क्योंकि इस डालर की दुनिया के अन्दर दो ही व्यक्ति जीवित रह सकते हैं, चंदे वाले या धंधे वाले। अब या तो उस के अन्दर इतनी सामर्थ्य हो कि वह चंदा देता रहे या उसमें इतनी क्षमता हो कि वह किसी धंधे के बहाने विदेशी मुद्रा प्राप्त कर ले। इसलिए इसमें जो यह अधिकार दिया है, मैं तो इतना भी कहूँगा कि इस में जो अपील की छूट दी है, यह अपील करने की छूट भी नहीं देनी चाहिए।

जब वित्त मंत्री जी से मैंने यह सवाल पूछा था कि सन् 1963-64 में कितनी विदेशी मुद्रा पकड़ी गई तो उन्होंने उसका कोई जबाब न देते हुए सिर्फ यह कह दिया कि कैसेज चल रहे हैं। अब कैसे खाली चलने से क्या होता है? इसी तरह से मेरे एक सज्जन भाई ने यह पूछा कि बिड़ला जी का क्या हुआ तो उन्होंने यह कह दिया कि साहब बिड़ला की कोई एक कम्पनी नहीं है बल्कि वे बहुत सी हैं। अब मेरा कहना यह है कि बिड़ला का नाम तो एक ही है, शाखाएं भले ही उसकी अनेक हैं। लेकिन उसने भी हांलाकि बहुत कुछ गोलमाल किया है तो भी उसकी जांच नहीं हुई। आखिर क्यों नहीं हुई?

हमारी सरकार कानूनों में संशोधन पर संशोधन करती चली जा रही है और वह आमतौर पर हमारी

इस संसद द्वारा स्वीकृत हो ही जाते हैं लेकिन सरकार द्वारा उनका ठीक से पालन नहीं कराया जाता है। अभी कुछ दिन की बात है कि कुछ फिल्म स्टार्स और फिल्म कंपनियों के लोगों को पकड़ लिया गया था लेकिन उनके केस को और जांच को खत्म कर दिया गया। कुछ दिन जाचवांच की गई और बड़ा हल्ला हुआ कि इतने लाकर पकड़े गए, इतने लाख की विदेशी मुद्रा प्राप्त की गई। लेकिन उस का नतीजा क्या हुआ ?

आज विदेशी मुद्रा के कारण ही हमारे देश-वासियों के मुंह पर ताला लगा हुआ है। आज शक्कर का दाना क्यों नहीं मिलता है ? इसलिए कि हम नुकसान उठा कर भी शक्कर बाहर भेज देते हैं। क्यों ? इसलिए कि हमारे यहां विदेशी-मुद्रा की कमी है और हमने विदेशी मुद्रा प्राप्त करनी है।

विदेशी मुद्रा और डालर की दुनिया में गरीब काश्तकार तो होते ही नहीं, न कोई गरीब बनिया होता है, न कोई बेचारा गरीब रोजगार करने वाला होता है। इस डालर की दुनिया में तो चंदापति और लखपति होते हैं, जिनको कोई पूछता नहीं है। अगर उनको पकड़ा जाये, तो उनके हाथ में एक ही हथियार होता है कि चन्दा देना बन्द करो और इधर धन्दा बन्द हो जाता है। मैं कहना चाहता हूं कि उनको इतनी छूट देना या पकड़ क छोड़ देना कहां तक उचित है।

पंच-वर्षीय योजना के बाद दंड को कठोर किया गया, लेकिन फिर छूट दे दी गई। आज फिर यह संशोधन लाया जा रहा है। कुछ दिन यह चलेगा और फिर छूट दे दी जायेगी। अभी श्री मोरारका ने कहा कि यह कानून भावी कंपनियों पर लागू होगा। 1947 में यह कानून बना, जिस में आज संशोधन हो रहा है। तो क्यों उन को छोड़ा जा रहा है। वही करोड़पति उन कंपनियों के मालिक हैं। उन को ही कंपनियां चल

रही हैं। वे भी बचना चाहते हैं। कोई कह देता है कि मैं ने :ास रेस से यह रुपया पाया है, कोई कता है कि मैंने अमुक से लिया है।

आज हमारे देशवासियों ने इस विदेशी मुद्रा को प्राप्त करने के लिए लंका और बर्मा में जा कर कारखाने खोल दिए। नतीजा यह हुआ कि जब उन्होंने धक्के दे कर निकाल दिया, तो वे गवर्नमेंट से फरियाद करते हैं कि मैंने बचाओ।

सब से पहली बात तो यह है कि विदेशी मुद्रा का सही उपयोग करना चाहिये। आज विदेशी मुद्रा का सही उपयोग नहीं होता है। राजस्थान और मध्य प्रदेश में गांवों की दुनिया में किसी को यह पता नहीं है कि विदेशी मुद्रा क्या है। वे बेचारे समझते हैं कि विदेशी मुद्रा शायद कोई घड़ी होगी, जो हाथ पर बांध ली, या कोई खुंगाली होगी, जो कि गले में पहन ली। कोई समझता ही नहीं है कि विदेशी मुद्रा क्या है। बेचारे छोटे छोटे काश्तकार छोटे छोटे कारखानों और फ्रैक्ट-रियों के लिए लाइसेंस ले कर बैठ जाते हैं, लेकिन उन के लिये मशीनें नहीं मिलती हैं। उन को कहा जाता है कि विदेशी मुद्रा नहीं है। वे पूछते फिरते हैं कि यह विदेशी मुद्रा क्या बवाल आ गया। आज सीमेंट की कमी क्यों है ? आज मेरे पास उत्तर प्रदेश से एक लैंटर आया, जिस में कहा गया है कि तीन साल हो गए लाइसेंस लिए हुए, लेकिन मशीन नहीं है और इस लिए फ्रैक्टरी में जो तीस, चालीस, पचास हजार रुपया लगाया हुआ है, वह बर्बाद पड़ा है।

सब से पहले हम को लघु उद्योगों को प्रोत्साहन देना चाहिए। हम को इन बड़े बड़े मगरमच्छों को तरफ ध्यान नहीं देना चाहिये। गांवों में छोटे छोटे लघु उद्योग खोलने के लिए हमें विदेशी मुद्रा ज्यादा से ज्यादा देनी चाहिए, लेकिन सरकार ऐसा नहीं करती है। यह

[श्री श्रींकार लाल बेरवा]

सरकार उन लोगों की तरफ देखती है, जोकि चन्दा देते हैं। लेकिन बेचारे गरीब किसान क्या करें ?

आज विदेशी मुद्रा का उपयोग यह होता है कि करोड़ों रुपये की बांडी मंगाई जाती है। अरे, देसी शराब पी लो, बांडी का क्या काम है ? ऐसे नाजायज, ऊल-जलूल कामों के लिए हमारी विदेशी मुद्रा बर्बाद होती है। क्या यह उचित है कि देश के मुह पर पट्टी बांध कर विदेशी मुद्रा प्राप्त की जाये और उस को ऐसे कामों पर खर्च कर दिया जाये। गरीब किसान तो मारा जाये और बड़ा आदमी विदेशी मुद्रा से विलायती शराब पी कर घर में बैठे, यह उचित नहीं है और इस को बन्द करना चाहिए। आज बेचारा गरीब किसान जानता नहीं है कि विदेशी मुद्रा क्या होती है। उस को विदेशी मुद्रा का अर्थ बताना चाहिए।

ज्यादातर यह होता है कि जिन की बड़ी बड़ी कम्पनियां हैं, विदेशों में उन के एजेंट पड़े रहते हैं। वे वहां सौदा कर लेते हैं और विदेशी मुद्रा को यहां आने ही नहीं देते हैं। वित्त मंत्री ने कहा है कि विदेशी मुद्रा में लगातार कमी होती जा रही है। इस कमी का कारण क्या है ? माल ज्यादा भेज देते हैं और बिल कम बनाते हैं और उस के भरोसे फिर विदेशी मुद्रा प्राप्त कर लेते हैं। दे दिया दो चार हजार रुपया। विदेशी मुद्रा प्राप्त करने का साधन क्या है ?

व्यापारी जो बीजक बनाता है, उस के बारे में कोई कानून नहीं है। उस पर भी कंट्रोल होना चाहिए। जब तक उस पर कंट्रोल नहीं होगा, तब तक हमारे देश में विदेशी मुद्रा नहीं बच सकती, क्योंकि बड़े बड़े मगरमच्छ रिश्वत के सहारे बीजक कम बना लेते हैं, माल ज्यादा भेज देते हैं और इस प्रकार विदेशी मुद्रा ज्यादा प्राप्त कर लेते हैं

इस का नतीजा यह होता है कि विदेशी मुद्रा हम को नहीं मिलती है। सरकार को पहले इन कम्पनियों के एजेंटों का पता लगाना चाहिए। अभी बर्ड कम्पनी पर 67 हजार रुपये जुर्माना हुआ। क्यों हुआ ? लेकिन इस से क्या हो जाता है ? मान लो किसी चोर ने एक लाख रुपये की चोरी की और फिर पचास हजार का दान दे दिया या सुरक्षा कोष में दे दिया, तो क्या वह दान है ? मैं समझता हूं, कि अगर किसी ने एक लाख रुपये की विदेशी मुद्रा की चोरी की हो, तो उस को दो लाख रुपये का दंड देना चाहिए। उस को छोड़ना नहीं चाहिए।

ऐसे लोगों को अपील की अनुमति भी नहीं देनी चाहिए। अपील की अनुमति देने से ऐसे लोगों को इस बात का समय और अवसर मिल जाता है कि वह भ्रष्टाचार कर के, रिश्वत दे कर, साफ बरी हो जायें। हम ने अक्सर यह देखा है कि जो लोग पकड़े जाते हैं, वे अपील में बरी हो जाते हैं। हम ने सुना कि रामरत्न कोछड़ डाकुओं का साथ देने और सीमा पर ब्लैक-मार्केटिंग करने के केस से बरी हो गया। जब डाकू बरी हो जाते हैं, तो विदेशी मुद्रा के डाकू तो फ्री हो जायेंगे, क्योंकि वे करोड़पति और लखपति से कम नहीं होते हैं। इसलिए उन को अपील की अनुमति नहीं देनी चाहिए।

अन्त में मैं यह कहना चाहता हूं कि छोटे किसानों को लघु उद्योगों के लिए विदेशी मुद्रा दे कर प्रोत्साहन देना चाहिए। विदेशी मुद्रा के डाकुओं को अपील की छूट नहीं देनी चाहिए।

**Shri S. M. Banerjee (Kanpur):** Mr. Deputy-Speaker, Sir, I rise to support this Bill and I hope when this Bill becomes an Act it will give more powers to the Directorate of Enforcement and to the Reserve Bank. I must admire the work done by the Enforcement Directorate and I have



no word to praise how efficiently that director—a man of unquestionable integrity—has sat on judgment of so many appeals and cases. The whole difficulty is this: we are confronted with two problems: one is how to save our foreign exchange and the second is, how to earn foreign exchange. There are certain provisions in the Bill which, if rigidly followed, will surely stop the drain of foreign exchange.

15.28 hrs.

[DR. SAROJINI MAHISHI in the Chair]

That will naturally result in some rise in foreign exchange for our country. There are certain aspects of this Bill, and to illustrate, I must take this opportunity of giving certain instances. This morning, in reply to a question, the hon. Minister stated that there were about 2,000 cases from 1st January, 1964 to 30th November or 31st October, 1964—I am not sure—of violation of foreign exchange. The cases may be more in number. But I would like to know what steps have been taken to see that those people who are caught for violation of foreign exchange are punished suitably.

A case has been referred to by my hon friend Shri Onkar Lal Berwa, namely of Bird & Co. I do not seek a judgment whether this fine of Rs. 67,000 is more or less. But I have a feeling that those big companies—I do not for a moment imply any motive either on the part of the Finance Minister or on the part of his Ministry—who have some approaches, and those who can possibly influence, and have some political influence, can get away with a meagre fine. Sometimes this directorate is placed in very awkward position when there is political interference. There should be no political interference in such matters, whether it is Jain, Birlas, Bird & Company or anyone. If we politicians including Ministers have full confidence and faith in the working of the directorate, I hope the

cases will be disposed of more expeditiously and justice will not be denied to them; at the same time, they will be punished if they are guilty.

This morning during Question Hour I asked whether there are certain business houses in the country which are maintaining regular offices abroad, especially England and USA. I referred to the house of Birlas. I was told by the hon. Finance Minister that he has no knowledge. I would only request him, let this House know whether it is a fact that they are maintaining an office and conserving foreign exchange to the tune of crores by under-invoicing in jute carpet packing. This is true not only of Birlas but all those who are exporting jute goods. I am not talking of jute, but jute carpet packing and other jute goods. In such cases, if they are maintaining some offices, what is the procedure for checking their balance-sheets? When it was declared in this House that those who have foreign assets and foreign accounts must declare boldly their assets and no action will be taken—a particular date was fixed, November 1961 or 1962, I speak subject to correction—what was the total asset which was declared by the big business houses? Something was said about our late beloved Prime Minister. We were not concerned with that; we are more concerned with those who with the help of under-invoicing are building up empires in this country. What action has been taken against them? How is it that whenever we raise the question of big business houses, we get some evasive reply? I do not say it is deliberate. We want a definite reply whether they are maintaining offices abroad and whether we have any procedure or basis with us with the help of which we could possibly know what is their foreign exchange reserve and how they are utilising it.

I come to remittances. Remittances by the oil companies has been mentioned by my hon. friend, Shri Mukerjee. What was their asset in the country and what were their remittances in the pre-independence

[Shri S. M. Banerjee]

days? What are their remittances today? I know some of the companies. Thank God the British India Corporation is in the hands of Indians now. When the Britishers left, they left it in scrap. They were only interested in earning foreign exchange at the cost of our country. They were not interested in running these concerns, because whatever money they spent in India, they earned thousand times more. Now that it is in the hands of Indians, I hope with the help of LIC we will be able to run it effectively.

What is happening in tea? What about their remittances? What about other big companies owned by the foreigners in our country? That is a matter to be considered. If the Minister wants no drainage in our foreign exchange, if we want to improve our foreign exchange position to help in building our national economy, it is necessary that we should be more strict in these matters. Certain searches have taken place in Calcutta, Bombay and Kanpur and big business houses in other places. What was the total foreign currency found? It was a very meagre amount. There is a sentence in the Statement of Objects and Reasons which says:

"to control and regulate the appointment of foreign companies, firms or branches thereof as the agents of advisers of firms in India".

What are these agents and their counterparts in foreign countries doing? The Statement of Objects and Reasons further says:

"to include provisions on the lines of Rule 132A of the Defence of India Rules, 1962, prohibiting unauthorised dealings in foreign exchange brought in by tourists and tightening the control over such dealings".

When it is said that the Government is going to take strict measures so that foreigners may not play some

mischievousness on our country, it reminds me of the Walcott story. He came every time, he conquered and went away. There are thousands of Walcotts. According to Mr. Walcott and his associates, India has become a paradise of smugglers. In Delhi itself, right from the airport to Connaught Place, there is a regular business going on. Anybody may go from this place with only Rs. 40 in his pocket. Previously foreign exchange was sanctioned for world tour. When I went in 1960 I was given about £ 30. Later on it was reduced to only Rs. 75. Now it is reduced to Rs. 40. It may be reduced to Re. 1. but people have their contacts outside. They go abroad with a pack of cigarettes and bring all sorts of materials. This is how this vicious chain functions. They have an international gang, an international brotherhood of smugglers and others dealing in foreign exchange.

I would like to know what has happened to those cases of foreign exchange violation by a very big business house in Calcutta—Bengal Enamels. Their workshop was searched in Palta in 24 Parganas. A case was started against them. But they have very good contacts in Delhi to influence the Ministers and others and to see that the cases are hushed up. The poor director is sandwiched between this big company and the political influence and sometimes he has no option but to resign. I do not know what will become of the directorate if this political interference is not stopped. I know of a big businessman who is supposed to be the king of hoarders. Hashim Premji was arrested on a charge of foreign exchange violation. What happened to him? We know there is no case against him and he has been exonerated. He was caught here under DIR, but he has been exonerated. When one of the political leaders, who was a member of this House in 1957, was involved, his name was proclaimed. It was announced that we had caught a big political leader. But what

happened to this king of hoarders who has been let off? What happened to another Member of Parliament who was also involved? Nothing. It is because the political influence is much more now, and it is impossible for this Directorate to function unless this political influence is taken out of it.

Then, I would like to know what machinery we have to have a screening of foreign firms in this country. About Bird and Company, as I said sometime back, when one bird was caught another bird flew away. He was not caught. Later on he came. I would request the Minister, when he replies to the debate, to give replies to the various points that have been raised.

We are in need of foreign exchange. We want to conserve foreign exchange. Our whole economy will come to a stand-still, our industrialisation will come to a stand-still if for mere foreign exchange we are unable to import machineries for our big units. I hope and trust the hon. Minister will take necessary action and see that there is not merely the passage of this Bill. As you know, Madam,—you are an eminent lawyer—we have passed much more legislation in ten years than what other countries have done in hundred years. We are very good in passing Bills. But what about their implementation?

Certain points were made by Shri-mati Tarkeshwari Sinha who had the bitter experience of the Finance Ministry. I want to know whether any note will be taken of them. I hope the hon. Minister will kindly reply as to what positive steps have been taken. It is no use reducing the foreign exchange from Rs. 75 to Rs. 40. But it is also true that some people can send their children abroad for study on all matters. Whether it is engineering, medical or any other subject, this restriction does not apply to them. But if I want to send my son they will say that India is prosperous and that with Shri Chagla it will prosper more in, education. If

my son wants to become an engineer I will have to send him to Pilani, Banaras or Shibpur. There should be one rule for all and I hope the hon. Minister will see to it.

Madam, I lend my full-throated support to this measure and I hope it will be a success within no time.

**Shri D. C. Sharma** (Gurdaspur): Sir, I have heard speeches on the floor of this House today which have been pro-west and pro-east. I have heard speeches today which have thrown a sneaking sympathy for big business. I have also heard speeches today which have shown a great deal of interest in smuggling as a profitable profession.

**Shri S. M. Banerjee:** Much more than as a Member of Parliament.

**Shri D. C. Sharma:** But the fact of the matter is this, that if you think that you can stop the violation of the foreign exchange regulations by this Act you are living in a world which has no touch with reality.

The hon. Member referred to a British firm which had indulged in violations of foreign exchange. I do not know what the fate of that firm is. I know of an Indian firm which indulged in this kind of violation on a very large scale and on which a deterrent punishment of fine was imposed. But, thanks to the democratic processes of our country and thanks to the liberal tendencies in our country, that punishment went on being reduced and ultimately it came to a very nominal fine.

What I am submitting very respectfully is this. There are two types of persons who indulge in this kind of smuggling activity and foreign exchange violations. There are some good men who casually succumb to the temptation and I am sure the Bill of Shri Krishnamachari will put the fear of God in their hearts and they will perhaps be saved from that occasional temptation. They will not try to incur the mischief of this Bill

[Shri D. C. Sharma]

by going in for any kind of transaction which is not in keeping with the canons of morality. But there are some habitual offenders who have made a profession of doing this thing.

When I read this Bill I find that the whole approach is institutional—you are dealing with firms, travelling agents, this organised body and that body. Of course, the institutions which can be guilty of these violations should be dealt with adequately. But I ask one question. What is going to happen to those persons who do this kind of violation on person-to-person basis? And that kind of thing goes on. You can catch a British firm or an Indian firm sometimes, but smuggling like anti-prohibition is spread all over the country and I do not find anything in this Bill except (e) which shows to me how the person-to-person transactions in violation of the foreign exchange regulations are going to be met. Unless you deal with this problem on that level, I think it is no use giving additional powers to the Reserve Bank, because it would not help us to tighten the screw on foreign firms here or to add to our scrutiny of the Indian firms which have their agents elsewhere. It will not help us very much.

15.48 hrs.

[MR. SPEAKER in the Chair]

I tell you that the sources of leakage of our foreign exchange are not those which were described by Shri Hiren Mukerjee. We want the know-how and we have to pay back our debts; the companies have to get their dividends. I do not want that all developmental activities in this country should be stopped because some persons get fees for the expertise they give us or because some persons get dividend from the firms which they run here and which are going to do ultimate good to this country. There may be the possibility of leakage from that point of view also. But I would

say that the smuggler or violator of foreign exchange regulations should not have soft dealing at the hands of the Finance Ministry. Of course, the appellate tribunal has been enlarged; instead of two persons we will have three persons and he will go to the High Court if any point of law is involved. He can be arrested but he cannot be searched without something. I do not know why the Finance Minister is making such a distinction between "search" and "arrest"; "arrest" is arrest, but "search" is a more serious matter than arrest. I should have said that "arrest" and "search" should have been placed at par with each other. There should have been no distinction made. But on account of the liberal tendencies of our Government and the Finance Ministry some distinction has been made. I think, it can go as it is.

But my only point is that if the Finance Minister wants to deal with this evil which is rampant and is getting more and more out of control—it is taking hold of not only the big persons but the petty shopkeepers, the tourists and all those persons who want to go abroad or who want to come to this country—if he wants to tackle them properly, he should say that they would be tried in a summary fashion as the hoarder or the black-marketer is going to be tried.

H. G. Wells in one of his moments of insight said, 'Sometimes we want to kill an elephant but we use a toy-gun.' When I look at the provisions of this Bill, salutary and good so far as they go, I see that to kill the violations which are taking place on a very big scale in this country and which have the dimensions and the height and the weight and the strength of an elephant, we have forged this toy-gun and I can assure you that this toy-gun will not help us and will not go very far.

Therefore I would say to the hon. Minister that he should divide the

offenders into two classes. Let the first offence be dealt with in the way in which he has explained in the Bill because I do not want to give a shock to his liberal and democratic sympathies. Whether he is a person or an institution, let him have the kind of this liberal, generous, legal treatment as is given in this Bill; but so far as the second offence is concerned, I think, there should be a summary trial. If a British firm goes wrong, I think, it should be asked to wind up its business. If an Indian firm errs, I think, it should be closed down. If a person errs once, he may be dealt with softly because that is the intention of Government; but if he errs twice, I think, something else should be done.

In the whole of this Bill I have not come across one thing and it is this. How do you come to know these things? How do you get to know these violations of foreign exchange regulations? Have you got any machinery? You become wise only after the event. You lock the stable after the horse has been stolen. I think, the Finance Ministry should have evolved a machinery, some kind of a vigilance commission or a vigilance body or a bureau of investigation, to know where these violations are taking place. Unless that machinery is there, I am sure, this Bill, with all its good intentions, will not have that effect which the hon. Minister wants it to have.

Another point that I want to make is this. The hon. Minister, I think, if I understood him aright, referred to a social stigma—if I am not correct, he will correct me—that we attach to a person who violates the foreign exchange regulations. I think he said something like that. If our public opinion had been vigilant, as our Finance Minister thinks it to be, if we had had the conception of social stigma to which he referred in his opening speech, I think, most of the regulations, most of the provisions of this Bill would not have been needed.

Unfortunately, as our society is constituted today, I find that all these persons, the hoarder, the black-marketeer, the speculator in grains and other things and also the smuggler, do not suffer from any kind of social disability. They do not suffer from any kind of social stigma. I would, therefore, ask the hon. Finance Minister: How is he going to educate the public opinion? In what way is he going to call into action that great instrument of democracy, the public opinion so that a firm which has a person who commits this wrong or somebody else who goes against this kind of a thing does not receive any kind of social approval? Has he got that thing in view? Has he got any machinery in view? I do not think he has any machinery for that. So, I say that this legal approach to this problem is good as far as it goes.

Some Members have referred to clause 2 or clause 13 or clause 15. I have read those clauses very carefully and, I think, they are admirably worded. Their intention is very clear and they have not erred on the side of excess in any way. They are just and equitable. But nobody has come forward to tell us how this great evil is to be put down. I sometimes go abroad. Of course, sometimes I go abroad under your auspices and then I behave like a student under the auspices of a principal. But sometimes I go abroad on my own and I meet persons abroad.

**Shri S. M. Banerjee:** How did you get the foreign exchange?

**Shri D. C. Sharma:** I asked them as to how much of foreign exchange did they get when they started from India. Only with Rs. 40 in their pockets. And yet they travel all over the world; they go from one country to another country and they live in good hotels. They spend money and they bring back the presents for their friends and relatives. They do all kinds of things. I ask you one ques-

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tion: What are you going to do about these persons? They are not to be touched by this Bill. You are only touching the established kinds of business and other things.

I would congratulate the hon. Minister on having given very serious thought to this problem, on having brought forward this Bill, on having tried to tighten the screw on certain types of persons or institutions that err, but I would say that in this Bill there should have been a provision that anyone who is guilty of a violation of the foreign exchange regulations, if not for the first time, at least for the second time, would have only summary trial and that summary trial would be at the hands of a member of the appellate tribunal or at the hands of a presidency magistrate or some other kind of magistrate. If the hon. Minister had provided something like that, I would have felt that this Bill would achieve the maximum of effect, but as it is, I think it is not going to produce those results which the hon. Finance Minister very much likes to produce.

16 hrs.

**Shri T. T. Krishnamachari:** It is unfortunate that it is a very thin House . . .

**Shri S. M. Banerjee:** We should have quorum at least when the hon. Minister speaks. At least he should have the privilege of having quorum.

**Shri T. T. Krishnamachari:** Should the question of quorum be raised now?

**Shri Khadilkar (Khed):** Once the question is raised, there is no alternative but to ring the bell.

**Mr. Speaker:** The hon. Minister has said that he feels that it is a thin House. Shri S. M. Banerjee has caught that word.

**Shri T. T. Krishnamachari:** I am sorry for the inadvertency.

**Mr. Speaker:** Let the bell be rung—

Even after the bell has rung there is no quorum. I shall have the bell rung for a second time—

Now, there is quorum. The hon. Minister can continue.

**Shri T. T. Krishnamachari:** I am sorry that I should have made an inadvertent reference to a thin House.

**Mr. Speaker:** Even otherwise, some other Member might have raised the question.

**Shri T. T. Krishnamachari:** In my experience in the House, this is one of the debates that we have had here which is completely devoid of any hon. Member's criticism for criticism's sake, from all points of view.

The debate was opened by Shri Dandekar with a number of very useful suggestions. Though some of the remarks made by hon. Members do not pertain to this Bill strictly, many of the suggestions and criticisms made have to be taken note of by Government in the various departments concerned.

What fell from the hon. Member for Gonda in regard to certain defects in matters in which we are showing a lot of zeal, which I believe is praiseworthy, should be noted. I quite agree with him that in promotional activities in the matter of experts we are sometimes cheated. I had mentioned in my opening speech today that not only do we find out lacuna in the legislation that we enact here and try to rectify them as Government and implement the legislation, but the people for whom the legislation is intended also find loopholes which allow them to act freely. And practically every regulation, whether it is big, whether it has the support of parliamentary sanction or has been devised by administrative ingenuity is of the same variety. The export promotion activit-

ies and export incentives are all intended in good faith to help people to be able to export. But it happens that the prices ruling locally do not permit them to make the same amount of profit if they export outside. But there is no denying that these are being abused to some extent. The figures I quoted in regard to what are called invisible remittances, particularly from Malaya, which have been dropping systematically almost to the point of zero are indicative of the fact that people who get export incentives are able to get a larger amount of monies remitted to this country for goods that they sell outside through these means.

It is a known fact that there are agents who go and canvass for payment of rupees in India for receipt of pounds or dollars, as the case may be, in London, Kuwait and in every place where there is an Indian congregation. And they offer very attractive terms. I have in fact received letters from Indians in the Persian Gulf and Aden who say that Pakistan offers....

**Mr. Speaker:** I was going to mention it. This was disclosed to me when I was in London, recently.

**Shri T. T. Krishnamachari:** As a matter of fact, when I was there, Indians came to me and told that the remittances that are made to India are about £100,000 every week, and if we could give them something more, then they would pass the remittances through us. Unfortunately, we are bound by the code of the IMF.

**Mr. Speaker:** Pakistan is not?

**Shri T. T. Krishnamachari:** Pakistan is doing it. I think they are now facing the music. They are going to be called upon to explain. Naturally, the IMF says, 'if you are paying a higher amount of money for getting sterling, your rupee is overvalued; you should devalue'. That is why, though we might probably get about

Rs. 5-7 crores worth of foreign exchange, we would be leaving ourselves open to that charge by the IMF if we did so.

**Mr. Speaker:** Is it a fact that Pakistan is supplementing those remittances by 50 per cent?

**Shri T. T. Krishnamachari:** 40—so far. Even from Kuwait and Aden, I have got letters saying that Pakistan pays Rs. 20 for every pound.

**Mr. Speaker:** Less than that.

**Shri T. T. Krishnamachari:** Sometimes 18—that comes somewhere between 40—50. But we are precluded from adopting this method merely because we happen to be one of the senior members of the IMF, one of the permanent members.

**Shri D. C. Sharma:** And good boys.

**Shri T. T. Krishnamachari:** Even in regard to these export incentives one has to be very careful. If the incentives are such as amount to dumping our goods, the IMF will say: your rupee is over valued. We are bound by international conventions not to take measures which defeat the regulations. But we know that it is being done.

**Mr. Speaker:** Is it not possible to catch these businessmen or these agencies who pay them here in India?

**Shri T. T. Krishnamachari:** It is not possible. The Chair knows that there are a number of people in Punjab, in the villages who get remittances. It is very difficult to catch them. Even if we catch them it is difficult to prove. Then, there is the element of harassment also. Poor people get remittances from their sons and other relations in England, small amounts of Rs. 40 or 50, for which they pay £2 there. I do not want to put the law into motion against small traders and small people as I am afraid that the small people would be harassed. While I do not at

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all interfere with the discretion of the Exchange Controller in his operations, I have often mentioned to him not to take serious notice of small things. I happened to know that when I was away from Delhi for the sake of an error of £4 in an invoice, the office of a firm was searched. Even that was not given by them but given by somebody else but it was a difference of £4 and the firm abroad wrote and said: we have under-charged £4: so pay so-and-so. In fact I have issued instructions that in the case of amounts of Rs. 50 or Rs. 100, they need not take any action, not even send a warning but merely draw their attention. If the amount is something like Rs. 500, I have told them: warn them. If it is anything more than that, well go ahead with the application of the law. To set the law in motion against small people may harass them. I have myself seen, when I was not in office, how it is being done. Therefore, while I welcome the caution given by the hon. Members, I am also apprehensive of the fact that if we go into the details in regard to small matters, there would be a lot of harassment.

I can also tell the House that it is very difficult for any person that goes abroad not to infringe the technicalities of the law. We give a certain amount of money and we say: do not purchase anything. Do you mean that I cannot buy a tooth paste and bring it back if it is not fully used. Does it mean that I should not purchase some hypodermic needles a packet of them, and after using only one, bring back the other eleven with me? Technically, I may be making a breach of the law. We should frame the law in such a way so that people may not spend more than 25 per cent of the amount given to them, for purchases. You give money to them for an emergency, for going to a doctor. While in London, for an ailment of a small nature, I had to get a prescription and one of my medical advisers told me that he would like

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to take me to a doctor. I knew the doctor would charge about £5. But he said: you need not pay the amount out of your pocket because you are a Government official. Well, in my case Government will pay for it. If it had been somebody else, he will have to pay £5. Therefore, some kind of a flexibility has to be put into this regulation. But at the same time, it can lead to abuses. I have no doubt in my mind that out of every ten persons going with this form, about five or six abuse these things. It is a thing which we know. But where should the line be drawn? I would like to try and say in these regulations that any person that goes abroad could spend 25 per cent of the money given to him without accounting for it, for anything that he likes. I know, and the Chair knows, and we know, that you cannot go out without probably giving a tip. Can we say that this is not a legitimate expense? But the law can be an ass. I quite recognise it. (Interruption). We will try as far as possible by means of rules to say what the latitude should be.

**Mr. Speaker:** Shri Khadilkar, while he was there, wanted a little medicine. He was first asked to get the prescription of a doctor there; he spent that money which was not authorised!

**The Minister of Rehabilitation (Shri Tyagi):** The period out of office has made the hon. Minister wiser and more generous!

**Shri T. T. Krishnamachari:** I am aware of what the Speaker said just now. (Interruption).

**Mr. Speaker:** He has actual experience of all the things.

**Shri T. T. Krishnamachari:** I am told now—I did not know we could have personal requirements bought for Rs. 75. I would like hereafter that it should be about 25 per cent; if a man is permitted to stay a month and is given some pounds, he could spend a portion of it for personal requirements.



The other point that Shri Dandekar mentioned was about State trading. The original culprit, so far as State trading is concerned—I am not boasting and I am merely calling a guilt to myself—was myself! It was essentially intended, to begin with, for purposes of dealing with those countries which have State trading. There is no point in asking a trader to deal with countries which have State trading. Actually, it is to enlarge. But I can say this. There was a time undoubtedly when my hon. friend Shri Dandekar was on this side, when I was on the other side. When he was a member of the Board of Revenue, I had, I think probably come up with some criticism of his activities as a private Member. But I have unfortunately, over a period of years—not since I became a Minister—probably over a period of about 30 years, progressively gone towards thinking that State regulation is imperative in a country like ours. Otherwise, there is no chance of giving even a little help to the poor people. So, State trading has come and has come to stay. But I can understand the abuse. I know for a fact in regard to trading with certain East European countries that the price offered to us in barter looks a little more and often is under-sold in markets in Hamburg and Trieste. It is not taken to that country. We know about it. In fact, at one time, some east European countries also shipped to South Africa goods which were meant for them. We know about it. But the way to get over it is to have a more careful watch and to have a better regulation of the State trading organisation. But, by and large, I should say as a person who has rather a critical eye in regard to the working of many of the Government concerns that State trading has done good. In fact on the one side, we have done extraordinarily well. Even otherwise it is not so bad. But it happens like many Government offices; it grows. The cost sometimes mounts up. But it is a matter which has to be looked into.

One objection that Shri Dandekar had was to section 18A. So far as section 18A is concerned, may I tell the hon. Member that in my, shall I say, *Poorvashrama* or my previous birth, I was a businessman?

**Shri Yashpal Singh** (Kairana):  
*Porva Janma.*

**Shri T. T. Krishnamachari:** As an Indian businessman, I had to compete with European—

**Shri D. C. Sharma:** Which *Brigu Samhita* did you consult?

**Shri T. T. Krishnamachari:** It happened within my memory. I said I was an Indian businessman. I felt even in those days that if ever we had self Government, we should have something like section 18A, a sort of control over the operation of foreign people and their agents. To some extent, in fact, as a person who was largely employed in trade and to a very small extent, industry, I was anti-foreigner in those days. I thought they had come here for taking out. Though I was doing a lot of business with foreigners, though those people who came here, foreigners who came here to trade, should not have come and it should be left to Indians so that I could live—wholly a selfish idea. But it had something; I had certain knowledge about it.

Beside, I might assure my hon. friend that for one thing, it was this section, 18A has no retrospective effect; secondly, all that you insist is you should get permission. Permission has to be given, and there should be a sort of, more or less, register of such permission given from time to time. It should be put on a register, whether it is done by the Government or the Reserve Bank or by the Company Law Administration. I happen to know, it is within my personal knowledge, that not now, but 30 years back, a foreigner can come here and do anything, whereas it is not possible for an Indian to go and open an office somewhere else. Not

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only our own regulations stand as a bar to it, but their own regulation also stands as a bar to it.

Much can be done by the foreigners coming in. At the present moment, for mere services, we pay the foreigners a little more than Rs. 5 crores a year. I feel it is necessary to have a record. You need not absolutely prohibit it. Very many are unnecessary. My friend Mr. Mukerjee, mentioned about various ordinary articles of common use, which have a foreign name for which we pay a big royalty. I am not one of these who believe that our Indian businessmen should not use a branded name. It saves a lot of money for them. Their goods are well advertised, well-known and have to conform to a certain quality. At the same time, if you are paying a big royalty to them, it is needless. Probably we can spend the money here locally in advertising rather than pay a big royalty. That kind of thing creeps in though we are putting in a heavy tax on the royalty and mop up quite a large portion of it. One thing the Finance Minister is definitely against, namely, any royalty or any other payment free of tax. We are against it, unless it be of a nominal nature. We have taken care of it, and I quite agree with my friend Mr. Mukerjee, that, that may be a way of money going out.

Another point he raised, not particularly related to the Bill, was the question of profits by foreign firms, and the official books which have given these profits. There is an element of distortion in this. It would be remedied in regard to future investments. Now we insist on a particular relation between equity capital and loan capital. Normally its is 2:1. We have relaxed it to 2½:1. This kind of thing was not there before. So much so, one particular company he mentioned—Firestone—in the early days had only a capital of Rs. 20,000. But still they are remitting Rs. 1 crore every year as profits. The real fact is, they are

working on what was loaned to the Indian company by the American company and whatever they remitted in relation to the capital, it was unreal. It worked out to probably 240 per cent. Once you add this 240 per cent in the case of one company to others, then it shows probably 13 or 14 per cent generally.

I happen to know about it personally because, we initiated a price enquiry against these tyre companies in 1954, which was stoutly resisted. We went into the details of their working. I found to my surprise that one company with a profit of Rs. 1 crore had a capital base of only Rs. 20,000 so that the profits in relation to the capital worked out to 200 per cent or something like that. That distorts the whole figure. It is not as big as people make it out to be, because very many of these American firms—even the oil companies—have got a low capital and a large amount of debt, on which they pay interest and on the capital the dividend is high. Very possibly our dividend tax will take care of it now. But it is a distortion, which has been remedied in the case of the Firestone Company. During the time I was not in Government, they have somehow managed to raise their capital. Whether they paid anything by way of tax, I do not know. But their capital is now fairly big. Their profit in relation to the capital is not as much a fantastic percentage as it was originally.

I will not go into the details of many things mentioned by Mr. Mukerjee. As I said, they do not relate to the particular Bill, but to the general policy of Government in regard to foreign capital. It is a thing which is known. It is a question of valued judgment whether we should have foreign loans or foreign private capital. In fact, in some cases foreign loans carry far more political power with them. Foreign loans are all dated loans. It is not as if we get a loan from the International Development Association which is an an-

nexe of the World Bank, where the loan is for a long duration of 40 years or 60 years and we pay only a committal charge of  $\frac{3}{4}$  per cent. That kind of loan is all right. The P.L. 480 loans are also for 40 years. Many other loans are dated loans for 8 years, 9 years and 10 years, and when the repayment position comes, naturally it is difficult for us; we have to ask for extension.

In regard to foreign investment, even in the case of German investment, if we nationalise we have to pay in three years. Remittances of dividends have to be allowed. Over the question of liquidation and all that, if we want to pay it in six years, we have the time over which to work out. If the Government loans money to you, then there is the governmental pull. If you have private foreign capital, every man who invests his money gets an interest in India and therefore he pleads our case. The advantage, therefore, according to me, is more in favour of foreign private capital than governmental loans. It may be different in the case of other people. It is a matter of how you look at it. I may be merely looking at it from the point of view of a Finance Minister who has to find the money. I can always twist these people and see that they do not go away. Many of them plough their money back. Sometimes they find that India is safer than taking the money to their country because something may happen in their country; there may be the fear of devaluation and so on. To me, as a person who is on the saddle, it looks as though foreign private capital is a better proposition than foreign loans.

But there is one thing which has to be conceded and which apparently everybody concedes, that in regard to the development that we are envisaging, not only in the Fourth Plan but also in the Fifth Plan, we will have to import foreign capital—because there is no escape from it—and also, perhaps, raw materials for our industries to some extent. I hope we will not have to import food as we

are doing now. Therefore, we are not in a position to be, a sort of, particular or finicky about this matter.

Shri Morarka, who is a good student, I think, this time has not been quite so good for the reason that he has undertaken a public responsibility and he does not find much time for this kind of thing. He raised certain doubts in regard to drafting. I do not propose to go into it at length. He has referred to the question of absence in regard to reference of an individual. "Citizens of India outside India" are referred to in Section 1 of the Act. He has also mentioned that there are conflicts between 18A, which is covered by clause 13, and 18. The two things are completely different. 18A is permissive. What you do is that you ask the people to merely register themselves and give information to the Reserve Bank or the proper department of government. There is no sequence. Even though this comes after 18, there is no direct sequence. This does not follow as a consequence of 18. I shall have all that he has said, examined, but from the examination that I have been able to make so far it does not seem that the drafting is bad. I shall certainly have the matter examined if there is any need. The Bill itself has gone through a fair amount of examination by different bodies, because not only the Foreign Exchange Control Office but also the Economic Affairs Department which deals with this as also the Law Department have all gone through it.

He also asked: Why not restrict remittances? We cannot. In fact, any absolute restriction on remittances means we go against the provisions of the membership of the International Monetary Fund. All that we can do is to control the remittances, rather than put an absolute restriction.

One point that he made was the distinction between sections 19A and 19B that in the case of search, certain safeguards have been mentioned while

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in the case of arrests no safeguards are mentioned. Arrests are governed by the provisions of the existing law. Therefore, no safeguard need be mentioned. A person cannot be arrested unless you comply with the provisions of the existing law.

Shri Banerjee mentioned certain points in regard to maintenance of offices abroad. The point about it is this. When I say that I have no information, generally I have the same information which the hon. Member who asks the question has, namely, that these firms have offices abroad. But once I say that I have information, I must be able to say: what are the firms, where are their offices, what are they doing, which are the laws they are violating and so on about which I know nothing, unless I call for information. Of course, the information is available with the Reserve Bank. We can call for that information when we have some information about the misdeeds of any particular firm because then there is some relevance to it. Professor Hiren Mukerjee also referred to this matter. It is a good thing that we are sharp sometimes. As Shri Ranga said, because of being sharp I raised my voice. The fact really is this. As the Chair very rightly pointed out, we are in a very difficult position. Of course, hon. Members are in a different position. Government is not in a position to hazard an opinion about an individual or firm unless it is sure of its facts. I know many people have got offices abroad. But where precisely they have got it, who are manning it, how they are transacting, in what names, are they purely Indian firms or they have foreign partners also, on these questions I do not have information; I have to call for information.

There are two things. We are between two stools. Sometimes it is necessary for the Indians to have an office abroad so that they can get the export business into their hands. We have tried to open offices of the State Trading Corporation; oftentimes we

have found it easier to appoint agents because STC is subject to taxation in many countries and cannot plead diplomatic immunity. So oftentimes we ask the private person to get into business and open an office abroad. At the same time, we know of persons who abuse this privilege, keep double records and cheat us of foreign exchange, which is far more valuable for the person who does not have it. We are watching this matter. The whole thing is being watched and to the extent possible action is being taken.

I know I can hazard a statement and I can say so much money is there, divided into three classes or categories of Indians. One particular class has about Rs. 50 crores or 60 crores. That is because of past circumstances. The second class of people have a certain amount of money. The third class by controlling the purchases has acquired a certain amount of money. I can make a guess of the total of it.

My hon. friend, Shri Kamath, is not here. He asked me if Indians have accounts in Swiss banks. They are numbered accounts. I know they have it in Swiss banks. But the Swiss banks are very clever and they keep those accounts as dead secret. Sometimes even Governments keep accounts in Swiss banks. The Spanish Government had some accounts in the Swiss banks and when a representative of the bank went to Spain for a sort of check-up and asked for instructions, they arrested him to get the code numbers of the accounts from him. Immediately the Swiss banks said: we will not send any person to your country; if you want to do any transaction, you come to this country and do it.

We happen to know something about it. But the problem today is, we are not in a position to lay our hands exactly on the person concerned unless we have all the information, unless some information comes to us. We know that some persons are es-

caping merely because legally we cannot bring home an offence. Many persons have accounts abroad and they get remittances for various other purposes. We know it; we know it even a little more precisely. But we can do nothing more about it, if somebody operates in another place. I can also say, maybe, there are one or two Government offices, who prefer to encourage purchases abroad than purchases locally for various reasons; quite possible. We know it. But we cannot lay our hands on those persons. This is a thing which would exist and all that we could do is to mitigate it by vigilance.

Then, my hon. friend and former colleague, Shrimati Tarkeshwari Sinha, spoke and somebody said that she spoke with authority; but I do not think that it has anything to do with this particular Bill.

One reference was made by Professor Hiren Mukerjee in regard to allotments made by foreign countries for power plants not being made use of. As a matter of fact, I think, against power plants in the Third Plan the allotments are of Rs. 381 crores, out of which Rs. 334 crores have been committed and Rs. 39 crores are expected to be committed very soon; so that, that covers practically the whole amount except for Rs. 10 crores or Rs. 12 crores. It is not as bad as it was because it happens to be one of my special responsibilities and I am keeping a careful watch on it.

I know, Professor Sharma made a very useful speech in support of the Bill and I am very grateful to him for it. So am I grateful to Shri Heda. He mentioned the manner in which various other departments of Government work, like the Industries Department or the Commerce Department. These have been made note of. I am not in a position to answer straightaway why there has been delay in the granting of approval in regard to a particular matter or in

regard to granting of licence to somebody else.

One subject which I would like to refer to, is a very valuable contribution to the debate made by my hon. friend, Shri Sachin Chaudhuri. I think, he will find an echo in me for his sentiments. I am speaking purely in a personal capacity now. I do not want to commit my Government to anything that I say. I have been feeling in the same way as he does. Whatever hon. Members opposite might say—and I am grateful to the few references made by Shri Hiren Mukerjee in that regard today—we feel, we have a certain amount of moral responsibility largely because of the heritage, not because of any virtue in us. Whatever people might say, the word “Jawaharlal Nehru” makes one shiver slightly. He says that he has left us in this position with a responsibility and I do feel that my colleagues are very careful in what they do. But, at the same time, the amount of power that must gather into the hands of Government as time goes on which seems to be inevitable—no matter what anybody says, the responsibility of Government to look after the welfare of the people to the maximum possible extent cannot be evaded; therefore, power must sort of aggregate into the hands of Government as time goes on—and the checks on that power—of course, Parliament is a great check, but as I said today, even though it was merely a matter of an exchange, I feel as a person who has been a parliamentarian for a number of years that Parliament's check is a wholesome one,—even more so I feel that in most of these administrative tribunals it should increasingly be possible for us to bring in the Supreme Court as the final arbiter and the executive must submit itself to a certain amount of discipline. In fact, one hon. Member mentioned: Is that not injustice, is that not political power? Yes, oftentimes I feel; I have repented it. The incident that was referred to by Shri Hiren Mukerjee

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is about three-fourths right. But sometimes you can make a slip-up; it is possible. Therefore, increasingly, I think, the question of determination of matters which have a quasi-judicial character in them must go to the Supreme Court. I feel that if the work of tribunals is reviewed or even the appointments are made by the committee of judges of the Supreme Court, I think, we will all be the better for it. I hope, we will be able to take that step progressively not so much because we are afraid of ourselves doing wrong, but you never know. After all, human beings may do wrong sometimes. You might slip up sometimes and the judiciary happens to be the ultimate repository of all hope.

So, I think, it is worth while having some kind of a judicial review, not merely by means of a person going in appeal and waiting for years. We know the arrears that exist in High Courts. So, this should be some kind of a quick summary survey like the review of calendar cases which are being made by the High Courts; some kind of supervision in regard to administrative decisions should be made. I hope Mr. Sachindra Chaudhuri will take the initiative to help this Government to evolve an administrative law ultimately. I think we need it. As I said, hon. Members should not say that it is the policy of the Government. My colleagues have not been consulted. I do not commit anyone of them to it. But that is purely my personal view and I feel happier and safer when we enact legislation of this nature which we have to because the number of wrong-doers is increasing and their ingenuity is increasing even more in geometrical progression. At the same time, some kind of a check has to be there, and the administrative competence to deal with them. It is very difficult to work in this atmosphere. Sometimes money power does not act but it does act and it can act. Therefore, some kind

of a review of this nature is necessary.

There is one thing more. In this country when we hear so much about corruption, most of it, I am afraid, is exaggerated. We are, at any rate, leaving the judiciary free. We have not mentioned about it. We have not brought that into the usual talk. I think some kind of a judicial review must be there. I will suggest to Mr. Sachindra Chaudhuri and other lawyer Members to think of helping the Government, or rather suggesting to Government to evolve an administrative law. I am very grateful for their support.

**Mr. Speaker:** The question is:

"That the Bill further to amend the Foreign Exchange Regulation Act, 1947, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** Is Mr. Bade going to move his amendment No. 1 to clause 2?

**Shri Bade:** Yes, Sir.

I beg to move:

Page 1, line 9,—

after "agencies" insert—

"and foreign agents". (1)

The hon. Member, Mr. Morarka said that it will be more awkward. But I do not feel like that. As the hon. Minister has said, he wants to plug the loopholes. The agencies are not foreign agents. Supposing there are foreign agents working in a company incorporated in India, then they will not be included in this. There are many cases like that. Therefore, I wanted that these foreign agents may also be included.

**Shri Heda:** How can you have control over them?

**Shri Bade:** But they cannot take any foreign exchange on our behalf and put it in our account.

**Shri T. T. Krishnamachari:** I am advised by my legal advisers that this is not the intention. You can have no control over foreign agents.

**Mr. Speaker:** I shall now put amendment No. 1 to the vote of the House.

Amendment No. 1 was put and negatived.

**Mr. Speaker:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Mr. Speaker:** The question is:

"That clauses 3 and 4 stand part of the Bill."

*The motion was adopted.*

*Clauses 3 and 4 were added to the Bill.*

**Clause 5—(Amendment of section 4).**

**Shri Bade:** Sir, I oppose this clause 5. I submitted some amendments but they were not admitted by you. This is what it says:

"In section 4 of the principal Act, in sub-section (1), for the words "buy or borrow from", the words "buy or otherwise acquire or borrow from" and for the words "sell or lend to", the words "sell or otherwise transfer or lend to" shall be substituted."

What is the meaning of words "buy or otherwise acquire or borrow from"?

**Dr. M. S. Aney:** On a point of order. After the amendments have been rejected by you, can they be debated again in the House?

**Mr. Speaker:** He can oppose the clause.

**Shri Nambiar:** While opposing this clause, he is making these remarks.

**Shri Bade:** Then, what is the meaning of the words "sell or otherwise transfer"? Sir, there was one case in the Calcutta High Court, that is, 1964 Calcutta 418. This is what they have said:

"This is a very sweeping restriction and it is interesting to recall the words of Lord Goddard C. J. in *Pickett v. Fesq* (1949) 2 A 11 E R 705....

The judgment says:

"It may not generally be known how rigid and far-reaching are the provisions of the Exchange Control Act, 1947. It has been pointed out by high authority that if a person plays a game of cards in this country with a person who does not live in one of the scheduled territories—as for instance, an American—and at the end of the game he hands in five shillings which he has lost to him, he is really committing an offence. I do not suppose that in these circumstances anybody would say that a serious offence has been committed or that there would be likely to be a prosecution but the Act is wide enough to cover such a case."

The words 'buy or otherwise acquire or otherwise transfer' may mean that even if in a game of cards a person loses and another takes the foreign exchange, that other person would come within the mischief of the term 'otherwise acquire'. I feel that the wording in this clause is somewhat loose. The hon. Minister has said that this is intended in those cases where the foreign exchange has passed through so many hands, and to cover such cases, this particular section has been worded like this. But I think Government have not found any proper wording for it, and, therefore, they have used these words 'otherwise acquire' and so on. The terms 'or otherwise acquire' and 'or otherwise transfer' would mean something which is very wide.

**Mr. Speaker:** The hon. Member has also used the term 'otherwise'.

**Shri T. T. Krishnamachari:** In the course of our experience it has been found that the terminology used in section 4(1) which the hon. Member has read does not cover all possible methods by which foreign exchange can be acquired. For instance, if a person earns foreign exchange as a gift or as a donation, how will the hon. Member find a place for it? Even though the courts might in a particular case say that the term 'otherwise' is rather vague, how else can we provide for such cases? Cases of gift, donation or benefit in a trust etc., are the main things which have to be included, and this is what this particular provision really means.

**Mr. Speaker:** The question is:

"That clause 5 stand part of the Bill".

*The motion was adopted.*

*Clause 5 was added to the Bill.*

*Clause 6 to 24, clause 1, the Enacting Formula and the Title were added to the Bill.*

**Shri T. T. Krishnamachari:** I beg to move:

"That the Bill be passed".

**Mr. Speaker:** The question is:

"That the Bill be passed".

*The motion was adopted.*

16.47 hrs.

# INDIAN TRADE UNIONS (AMENDMENT) BILL

**The Minister of Labour and Employment (Shri D. Sanjivayya):** I beg to move:

"That the Bill further to amend the Indian Trade Unions Act, 1926, as passed by Rajya Sabha, be taken into consideration."

This is a very small Bill. The Indian Trade Unions Act, 1926 provides for the registration of trade unions and in certain respects defines the rights and liabilities of the registered trade unions. Under section 4 of the Act, any seven or more persons of a trade union can form themselves into an association and ask for registration under the Trade Unions Act but the provisions of the Act do not debar any convicted persons, especially those who are convicted of offences involving moral turpitude.

This was brought to the notice by one State Government, and they felt really annoyed that persons convicted of offences involving moral turpitude began to represent several trade unions in various courts under the Workmen's Compensation Act, authorities under the payment of wages and other Allied Acts. So, this amendment was placed before the Standing Labour Committee at its 21st session held in Delhi on 27th December, 1963. The committee agreed that an amendment to the Indian Trade Unions Act might be proposed to debar such persons from becoming even members, but Government later on considered that it might not be desirable to debar such persons from becoming ordinary members of the trade unions, but it would be sufficient if we debarred them from becoming office bearers or members of the executive committee of such trade unions.

So, accordingly, this amendment is proposed. Taking advantage of this, we have proposed one or two other amendments. They are very innocuous. For instance, the term 'Officer of a trade union' is used in the Indian Trade Unions Act. We want to replace this term by the term 'office-bearer'.

The other one relates to the submission of accounts. At present Trade union returns are to be submitted by the end of 31st March every year. But most of the labour statistics correspond to the calendar year, i.e. 1st January to 31st December. So we thought it would be desirable to amend the Indian Trade Unions Act so



that the returns of every trade union may be on the calendar year basis instead on the financial year basis.

There is another small amendment proposed to delete the word 'Indian' from the title of the Act, because every Act passed by Parliament is an Act which relates to India.

These are the amendments. I commend the Bill for the consideration of the House.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Indian Trade Unions Act, 1926, as passed by Rajya Sabha, be taken into consideration".

**Shri Ranga (Chittoor):** I am glad that this Bill is brought before the House. It gives us an opportunity to raise a few points concerning the general position of trade unionism in the country.

The House is well aware of the fact that there are many types of trade unions all over the country, and an all-India scale and state-scale also, and they are all functioning in most factories rivalling with one another for the loyalty and support of the workers and claiming to serve them. But in the course of their activities, they find themselves very much at variance with one another and this works to the detriment of the workers' interests.

We came to know only recently that even though only the INTUC was recognised in the Bhopal factory, there were workers organised in another union and the workers within INTUC itself were at sixes and sevens with each so other, so much so that the working of the factory came to be very seriously affected—to the detriment of national industrial development.

These things are happening in various other centres also. For instance, in Rourkela, there was one union recognised. There were other unions

also which claimed to be more representative of the workers than the recognised union; yet the management recognised the other union. So much so that first there were short notice strikes and afterwards they settled down to what is called go-slow obstructive activities. There also—it is a state enterprise—the country has come to lose very heavily due to fall in production.

Similar things are happening in very many other areas also. For a long time it has been on the board whether it would be in the interest of the workers to have political parties interesting themselves in trade unionism and developing the unions as per their political tenets. At one time, there was only one union for the whole of India, the AITUC. Then, as you know, it split. Afterwards, there was another rival union. With great difficulty, the late Shri N. M. Joshi, and Shri Giri and others tried their best with success to bring about union between these two unions. But during the war, the AITUC pursued such a policy which hurt the feelings of patriotic Indians. Therefore, quite a number including myself took the lead in bringing into existence the Indian National Trade Unions. My hon. friend, the Home Minister, Shri Nanda, co-operated with us and played a very important role in developing INTUC. When we were bringing it into existence, we thought that there would be only one union. At that time, we were not completely free; there would be only one union which would be all inclusive and so there would be no need for any controversial politics as between one union and another. Unfortunately or naturally, after we became free, we have come to develop our public life in India on different lines, as opposed to those when we were trying to be free. There are various political parties, one rivalling with the other but there was no reason why the rival political parties should have entered into the labour field and begin to play their rival politics among the workers but

\* [Shri Ranga]

unfortunately it has come to be so. There is the Hind Mazdoor Union, the INTUC and the AITUC. I do not know whether there are any other All India Trade Union organisations. All these are so confusing for the workers and detrimental to the workers; these are not conducive for the development of healthy trade union movement. We have seen how these rivalries come in the way of not only the welfare of the workers but also in the progress that we should make in industrial development and industrial production. So, when some of us broke away from the Congress and began to organise ourselves into the Swatantra Party, we had also occasion to think about this matter, whether we should also begin to have a separate trade union, a separate labour organisation. We came to the conclusion, under the wise guidance of Rajaji, that it would be best for us not to enter into the labour field as a political party. That is the reason why we have not so far organised any All India trade union organisation. I think it is a good thing that we had taken this decision and stuck to it although from various States, quite a number of our workers who had been interesting themselves in the welfare of labour have been pressing us to bring into existence another labour organisation.

What I would like to say on this occasion is this. It is not enough to have merely this kind of an enabling which allows any seven workers to form themselves into a union. Why do they want to get into the unions? In order to approach their employers in an organised and systematic and disciplined manner and make their representations and formulate their demands and obtain redress for their grievances and satisfaction of their demands. If they are to succeed in this direction, surely the unions must be enabled and helped to be recognised. For a very long time, in this country and in other countries also, it has been one of the demands of workers that when a union comes

to be organised, registered and continues to function in a systematic manner, it ought to be recognised, if there were to be two or three or four, they should be recognised. There are practical difficulties. . . (Interruptions.) The minimum may be prescribed, say, 10 per cent or 25 per cent or 500 workers in a factory of 5,000; if it satisfies that minimum, that union should be recognised and if some other union also succeeds in enlisting as many members, if not more, in that factory on that basis, that union ought to be recognised also, all the 3 to 4 of them. There is no harm if there were to be more than one union. There is no reason why one particular union should alone be recognised on the basis of the so-called majority.

17 hrs.

If this question of majority were to be accepted for the recognition of a union, what is likely to happen is that the administration, whoever may be in charge of it, would put its finger in the pie and you cannot prevent it. They will play mischief; they can play mischief in the election also and in the counting of votes. In the end, they may say that such and such a union does not obtain the majority or does not enjoy the confidence of the majority of the workers and the other union has the majority, and therefore that union alone is going to be recognised. In fact, it is a well-known fact that on very many occasions, our friends of the communist party who are functioning in the AITUC had complained against the manner in which the Government is supposed to have favoured the INTUC union in very many workshops and very many factories by gerrymandering in the election and procedures of recognition and so on. Whether there was truth in it or not is another matter. (Interruption). There must have been some truth in some of those allegations. Anyhow, one thing is clear. Things have happened in such a manner that even within the INTUC there is no peace at all; just as there is no peace

within the Congress party, with quarrels between the rival groups as is the case in everyone of our political parties.

**Mr. Speaker:** Would he like to continue for some more time?

**Shri Ranga:** Yes; a few minutes more.

**Mr. Speaker:** Then the hon. Member will be called the next day.

17-02 hrs

CALLING ATTENTION TO MAT-  
TERS OF URGENT PUBLIC IM-  
PORTANCE

(ii) PAY STRIKE BY EMPLOYEES OF  
CIVIL AVIATION DEPARTMENT

**Shri S. M. Banerjee (Kanpur):** I call the attention of the Minister of Civil Aviation to the following matter of urgent public importance, and I request that he may make a statement thereon:

Pay strike by nearly 6,000 employees of the Civil Aviation Department on the 1st December, 1964

**The Minister of Civil Aviation (Shri Kanungo):** In the first week of November this year it was brought to my notice that various branches of the Civil Aviation Department Employees' Union observed their 12th Annual Day, on 30th October, 1964, as 'Demands Day', urging immediate action on the following demands:—

1. Implementation of reports of Workshops Committee/Stores Committee and Uniforms Committee;
2. Revision of pay scales of MT Drivers and Telephone Operators;
3. Reduction in duty hours of Chowkidars;

4. Implementation of revision of overtime rates, and grant of nine effective holidays for operational staff;
5. Promotion to the extent of 50% to non-gazetted supervisory posts, purely on seniority basis; and
6. Creation of posts of Senior Clerks, Head Clerks and Superintendents on the basis of 'Yard sticks' prevailing in other Departments like Income Tax, P. & T., etc.

2. Steps were taken immediately to process action on these demands expeditiously. Decision on the second demand viz., revision of pay scales of MT Drivers/Telephone Operators, which has been pending for a number of years, has since been reached and formal orders regarding pay scales of these posts have since been issued.

3. I was, therefore, considerably surprised to find on 30th November, 1964, from the October issue of 'Aero Spark', the official publication of the Civil Aviation Department Employees' Union that all CAD employees would refuse to take pay on 1st December, 1964, to lodge their protest against the continued indifference of authorities and to spotlight their demands.

4. I lay a statement, giving briefly the position in respect of the above demands. [Placed in Library. See No. LT-3527/64].

It will be seen that apart from the second demand, on which a decision has since been reached, the other demands, which are comparatively of recent origin, are also being pursued vigorously; but since these involve major changes in the existing pay structure and allowances as also the recruitment policy in respect of various posts, a detailed examination thereof is necessary. In consultation with other Ministries concerned. Efforts are being made to expedite policy decisions on these demands.

**Shri S. M. Banerjee:** It appears from the statement that orders have been issued on demand No. 2—revision of pay-scales of MT drivers and telephones operators. As for the other demand, the hon. Minister has said that because these are of a general nature and concerns other Ministries also, he is consulting the other Ministries. I would like to know when a final decision is likely to be reached on all the other five demands, with the exception of demand No. 2 where orders have been issued, and whether the Minister is likely to discuss these matters with the representatives of the Civil Aviation Department Employees' Union and thrash out the differences across the table or on the table?

**Shri Kanungo:** I am sorry I cannot give a time-limit, because consultations have got to be done with various ministries. As regards discussion with the Union, if a stage is reached where it is necessary, it will be done; otherwise not.

**Shri S. M. Banerjee:** I do not want an answer tomorrow or day after. Can he say it will be finalised this month or next month or in two months?

**Shri Kanungo:** Demands of a similar nature are pending in other ministries. It relates to hundreds of thousands of employees. Therefore, I cannot give a time-limit that in a month or two I can dispose of it.

**श्री हुकन चव्वा कछवाय (देवास) :** इनकी जो मांगें थीं उन को ये लोग पिछले कई महीनों से शासन के सामने रखते आ रहे थे लेकिन उन को जान बूझ कर टाला गया। जब उन लोगों ने कहा कि हम हड़ताल करेंगे तब सरकार ने उन की कुछ मांग स्वीकार की लेकिन पूरी मांगें स्वीकार नहीं की गयीं। मैं जानना चाहता हूं कि सरकार इस मामले में क्या कदम उठाने जा रही है, और सरकार की इस नीति के कारण उत्पादन का कितना नुकसान हुआ है उस के आंकड़े दिए जायें ?

**श्री कानुंगो :** उत्पादन के आंकड़ों का सवाल इसमें नहीं आता। सवाल यह है कि चीज कैसे शुरू हुई। पे कमीशन एम्पलाईज के लिए बनाई गई थी। उस ने अपनी सिफारिशें दीं। एम्पलाईज के खयाल में वे पर्याप्त नहीं थीं और हमारे जो डाइरेक्टर जनरल हैं उन की राय में भी वे पर्याप्त नहीं थीं। कमीशन की सिफारिशों से आगे बढ़ने की सिफारिश हमारे डाइरेक्टर जनरल ने की। उससे यह सलसिला शुरू हुआ।

**Shri S. M. Banerjee:** On a point of order, Sir. It is quite clear that this was not the demand only of the employees, but it arose after the implementation of the Pay Commission's recommendations and it has all the blessings and recommendations of the Director-General. The hon. Minister says it concerns various ministries. He is misleading the House. I : your protection.

**Shri Kanungo:** I am sorry he uses rather strong words. If he clearly thinks about it, he will realise that workshop employees and similar employees of an industrial nature are spread over different ministries. There must be some equation about it. That is why discussion is necessary.

**Shri Bade (Khargone):** Is it a fact that there was reduction in D.A? You have said other ministries have to be consulted. But demands 3 and 4 are special to your department, namely, reduction of duty hours of chowkidars and implementation of revised O.T. Rates, grant of 9 effective holidays for operational staff.

**Shri Kanungo:** There are chowkidars in various other ministries also. Chowkidars in similar employment have got to be considered.

(iii) **PROTEST STRIKE BY JUTE WORKERS  
OF WEST BENGAL**

**Mr. Speaker:** As a special case, I am taking up another calling attention notice, because the hon. Labour Minister is leaving today. Shri Dinen Bhattacharya.

**Shri Dinen Bhattacharya** (Serampore): I have moved it yesterday. It is for the Minister to make the statement now.

**The Minister of Labour and Employment (Shri D Sanjivayya):** At present the payment of bonus and dearness allowance to the workers in jute mills, including those in West Bengal, is governed by the recommendations of the Central Wage Board for the jute industry. The recommendations of the Wage Board are reported to have been implemented by the jute mills in West Bengal.

The question of profit bonus in industrial employments has been considered by the tripartite Bonus Commission and it has recommended that the bonus formula evolved by it should be applied to the jute industry also unless the Employers' Associations and the Unions concerned agree to any other arrangement. The recommendation has been accepted by Government. It has been represented by the Indian Jute Mills Association that the bonus formula evolved by the Bonus Commission should not be applied to jute mills during the period of operation of the recommendations of the Wage Board i.e. upto the 31st December, 1967. The workers have, however, demanded that bonus should be paid to them under the Bonus Commission's formula as the same is more favourable.

3. A letter was received, on the 23rd November, 1964, from the Government of West Bengal, saying that on account of the divergent views held by the industry & labour on the

question of bonus, the unions representing the jute workers had given notice of a strike on the 1st December, 1964, on the question of bonus. It was also suggested by the State Government that a meeting of the Industrial Committee on Jute might be convened as early as possible to discuss the matter. It has accordingly been decided to call a meeting of the tripartite Industrial Committee of Jute to consider this matter, on the 19th December, 1964. I also sent personal letters to the concerned Central Organisations of workers on 26-11-1964 informing them of the proposed meeting and requesting them not to precipitate matters by staging demonstrations or strikes on this issue. A press note on the subject was also issued on the 26th November, 1964 for general information.

4. A tentative draft bill to give effect to the recommendations of the Bonus Commission, as accepted by Government, has been prepared. It is being placed before the Standing Labour Committee at its meeting to be held on the 9th December, 1964.

**Shri Dinen Bhattacharya:** Besides the issue of bonus there was another demand about dearness allowance to cope with the exorbitant rise in prices. About that the hon. Minister was silent in his reply. May I also draw the attention of the Minister to the fact that due to faulty and erroneous compilation of working class price index by the Union Government there has been a fall in dearness allowance given to the jute mill workers to the extent of 60 naye paise per month, and may I ask the Minister whether this has been brought to the notice of the Minister by the organisations that gave the call of strike, on 1st December? If that is so, may I know what steps Government propose to take to rectify this faulty compilation of the price index so that the rise in prices may be compensated to the workers?

**Shri Nambiar (Tiruchirapalli):** He has clearly put the case.

**Shri Dinen Bhattacharya:** The workers are losing 60 paise per month.

**Mr. Speaker:** Order, order. **Shri Nambiar** says that he has been perfectly clear; why does he want any more clarification?

**Shri D. Sanjivayya:** Sir, I did not specifically make any reference to the question of dearness allowance because the jute wage board had decided to link the existing dearness allowance to the cost of living index—for every rise of one point 20 paise are to be given. It is being worked out like that. With regard to the defect in the index number, in fact, in other States too these defects have been noticed. It has been brought to the notice of the Government that in Maharashtra and Gujarat these defects were there. Special expert committees were appointed and the defects have been rectified. In various other States also expert committees have been appointed. Now that this has been brought to my notice we will certainly examine as to how far it will be possible for us to rectify the mistake.

**Shri Nambiar:** In view of the fact that the jute mill owners are refusing to accept the bonus commission formula under the plea that there was an agreement already existing, which agreement was signed prior to the bonus commission formula, and in view of the fact that there is every justification that they must be given payments according to the new bonus formula, may I know what steps Government are taking, apart from calling tripartite conferences where the matter will again be discussed—apart from this sort of discussion—to press the Jute Mills Association to pay according to the bonus commission formula which is going to be incorporated in the Bill that is coming?

**Shri D. Sanjivayya:** After accepting the recommendations of the Bonus Commission the Government have indicated their decision to various employers and it is for them to implement. If they do not implement and if the labour organisations raise it as a sort of labour dispute or industrial dispute, we will have to refer it to the Industrial Tribunal, under the present circumstances. But after the Bill is passed it will be very clear.

**Shri Nambiar:** Even after that if they refuse to do so they will have to be proceeded against.

**Shri S. M. Banerjee:** This strike was called jointly by the INTUC, the AITUC and all other unions irrespective of political affiliation as a protest against the most arrogant attitude, the most non-compromising attitude of the Indian Jute Mills Associations who were supposed to have or who have actually flouted all instructions of the Government. I would like to know whether it is a fact that this letter, which was sent to all the employers for acceptance of the Bonus Commission's recommendations as agreed to by Government, was sent to IJMA and they did not accept it because they wield political influence both on the State Government and on the Central Government, if so, what steps Government contemplate to take, apart from legislation, to influence them to accept this recommendation.

**Mr. Speaker:** Certain presumptions are always made.

**Shri D. Sanjivayya:** I do not know whether they wield any influence.

**Shri S. M. Banerjee:** They run *sarkars*.

**Shri D. Sanjivayya:** So far as I am concerned, I am not amenable to any such influence. In fact, according to a statement made by me on the floor of the House, I said that workers should get bonus either on the existing basis or on the basis of the new

formula, whichever be higher. According to calculations, now the workers in jute mills will certainly get more. According to the existing formula, they get a maximum of Rs. 22, whereas according to the new formula, the minimum is Rs. 40. Therefore it is a justifiable demand. That is why we have called a meeting of the industrial committee on jute on the 19th of this month at which meeting we will certainly ask the employers to implement it.

**Shri S. M. Banerjee:** Will they co-operate?

**Mr. Speaker:** Order, order. Members also should co-operate.

**Shri Namblar:** I want to underline the word "ask".

**Mr. Speaker:** This is not co-operation; this is obstruction.

**Shri Nambiar:** I am so sorry, Sir.

श्री हुक्म चन्द बख्शाय : मैं यह जानना चाहता हूँ कि जूट मिल एसोसियेशन की तरफ से जो विलम्ब हुआ है, उन्होंने केन्द्र की सिफारिश नहीं मानी है जिसके कि कारण मजदूरों में उत्तेजना फैली है क्योंकि उनको ठीक समय पर पैसा नहीं मिला तो क्या सरकार को यह बात मालूम थी और सरकार को उन मजदूरों ने काफ़ी दिन पहले इस बात की सूचना दे दी थी कि हमारा फ़ैमला अगर जल्दी नहीं हुआ तो हम इस तरीक़े का क़दम उठायेगे और इस बात की सूचना उन को देने के बावजूद भी सरकार ने इस सम्बन्ध में क्यों नहीं क़दम उठाया ?

**Shri D. Sanjivayya:** According to the existing procedure, we can only persuade them to implement it because all the tripartite recommendations, maybe wage board's recommendations or maybe Bonus Commission's recommendations, will have to be implemented by the parties concerned voluntarily.

**Shri Dinen Bhattacharya:** DIR can be applied.

**Shri D. Sanjivayya:** If anybody does not implement it, probably it will have to be referred to a tribunal. But after the legislation is passed the provisions of the Act will be implemented.

श्री बड़े : जूट मिल एसोसियेशन ने आप के इस्ट्रक्शन्स को नहीं माना क्या इस के लिए शासन उन के खिलाफ कोई ऐक्शन लेने जा रही है ? शासन ने इस के लिए क्या कदम उठया है ?

**Shri D. Sanjivayya:** I do not think anything can be done. We have asked them and they have represented their difficulties. But, according to our decision, they will have to implement it.

**Dr. Saradish Roy (Katwa):** Is the Ministry bringing forward the Bill during this session itself so as to enact the recommendations of the Bonus Commission?

**Shri D. Sanjivayya:** I hope to introduce it at least.

**17.17 hrs.**

The Lok Sabha then adjourned till Eleven of the Clock on Friday, December 4, 1964/Agrahayana 13, 1886 (Saka).