

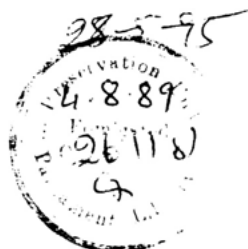
Friday, April 19, 1963/
Chaitra 29, 1885 (Saka)

LOK SABHA DEBATES

Third Series

Volume XVII, 1963/1885 (Saka)

[April 13 to 24, 1963/ Chaitra 23 to Vaisakha 4, 1885 (Saka)]



FOURTH SESSION 1963/1884-85 (Saka)

(Vol. XVII contains Nos. 41 to 50)

LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA

Friday, April 19, 1963/Chaitra 29,
1885 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Phyto-Chemical Project at
Neriamangalam

- +
- *941. { Shri Subodh Hansda:
Shri S. C. Samanta:
Shri A. K. Gopalan:
Shri Koya:
Shri Maniyangadan:
Shri P. C. Borooah:
Shri Bhakt Darshan:

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

(a) whether the details of the
technological processes to be adopted
at the Neriamangalam Phyto-Chemi-
cal project have been finalised in con-
sultation with Soviet authorities; and

(b) if so, whether any contract has
been signed for the construction and
supply of the machineries?

The Minister of Industry in the
Ministry of Commerce and Industry
(Shri Kanungo): (a) No, Sir.

(b) Does not arise.

Shri Subodh Hansda: In answer to
part (a) of the question, the hon.
Minister said: 'No'. Am I to under-
stand that the Government have not
made any attempts to train Indian
engineers to associate themselves in
the erection and construction of this
project?

309 (A1) LSD—1.

Shri Kanungo: It was not the ques-
tion of construction. The question
was about technological processes to
be adopted there. USSR Government
is our collaborator in this programme.
We suggested a particular technique
for the manufacture of caffeine and
they are now working on it.

Shri Subodh Hansda: May I know
whether this project will be financed
entirely by the Russian credit or any
part of it will be utilised?

Shri Kanungo: Local expenditure
will have to be found by the Govern-
ment of India. Capital expenditure,
largely, will be provided by the USSR
credit.

Shri S. C. Samanta: May I know
whether the Indian experts offered
their suggestions about this process
and if so what were they?

Shri Kanungo: No, Sir, no one has
offered. In any case the machinery
has got to be fabricated in the USSR
according to the processes which are
known there and which are to be
developed there.

Shri A. K. Gopalan: What are the
causes for the delay and difficulties in
finalisation of this project?

Shri Kanungo: The original con-
ception was that caffeine should be
made out of tea prunings. Now,
subsequently, it is found that tea
prunings are not available in adequate
quantities and the price also is not
economical. A new process for manu-
facture of caffeine out of tea waste is
being considered and worked upon.

Shri Koya: Why were acquisition
and other things ordered without
knowing the availability of tea prun-
ings and all that?

Shri Kanungo: Land was acquired as in any case factory has got to be built there. Caffeine is the main product; there will be many other products also; it will be for the utilisation of medicinal plants available in that area.

Shri Maniyangadan: Could the Minister give us an idea as regards the time by which this project will be completed?

Shri Kanungo: No, Sir; I am sorry I cannot.

Shri P. C. Borooah: What is the total cost of the project and what will be the foreign exchange content? How much of it is for services and how much for the machinery?

Shri Kanungo: I cannot say that now because the process has got to be finalised and then the cost of the machinery, etc. will have to be worked out.

श्री भक्त दर्शन : श्रीमन्, क्या यह सत्य है कि इस कारखाने की स्थापना के लिए जो शिड्यूल निश्चित किया गया था, उस से काफी देरी हो गई है और क्या इसको जल्दी स्थापित करने के बारे में कोई कार्यवाही की जा रही है ?

श्री कानूनगो : कार्यवाही की जा रही है और शिड्यूल में कुछ ज्यादा फर्क नहीं हुआ है ।

Hindustan Steel Ltd.

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1042 { **Shri Bhagwat Jha Azad**
Shri Bhakt Darshan:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the arrangements being made to meet the additional requirements of technical personnel for doubling the existing capacity of Hindustan Steel Limited by the end of the Third Five Year Plan; and

(b) whether engineers are being sent abroad for training?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Arrangements have been made to recruit and train the additional technical personnel.

(b) Yes, Sir.

Shri Bhagwat Jha Azad: May I know what approximately is the requirement for doubling the production in these plants?

Shri P. C. Sethi: The requirement of technical personnel for the expansion is as follows: engineers, 230 for Bhilai, 194 for Rourkela and 190 for Durgapur. The number of other operatives and skilled workers is about 10,500.

Shri Bhagwat Jha Azad: What are the countries to which our technical personnel have been sent for training and what is the course of training and by which time they are expected to take up the work?

Shri P. C. Sethi: As regards the technical personnel, they have been trained in the United Kingdom, USSR, West Germany, Australia and Canada. Further, they are being sent to Canada, France and USSR.

Mr. Speaker: Duration of training?

Shri P. C. Sethi: It will be according to requirements.

श्री भक्त दर्शन : श्रीमन्, इस मंत्रालय के माननीय मंत्री जी ने अपने मंत्रालय की मांगों पर हुए वाद-विवाद का उत्तर देते हुए यह घोषित किया था कि स्टील कंटेडर्स की ट्रेनिंग की स्कीम शुरू की जायेगी । मैं यह जानना चाहता हूँ कि उनको किस तरह की विशेष ट्रेनिंग दी जायेगी और वह स्कीम कब प्रारम्भ होने वाली है ।

Shri P. C. Sethi: As the Minister has pointed out, it is proposed to introduce a scheme of steel cadets, and under this scheme young men in the age-group of 17—18 will be taken up and they will be given a steel-oriented training.

श्री भक्त दर्शन : श्रीमान्, मेरा प्रश्न यह भी था कि वह स्कीम कब प्रारम्भ हो रही है ?

Mr. Speaker: When would it begin?

Shri P. C. Sethi: It is difficult to give the exact date, but it is under active consideration.

Shri Indrajit Gupta: May I know whether there is any scheme by which these technicians who are being trained abroad, on their return can be used by us for our own independent training course here? Can they be used as trainers?

Shri P. C. Sethi: We have already got our training programme in all the three steel plants, and we have got persons who are taking up this training programme.

Dr. U. Misra: Is the Government aware that quite a large number of highly qualified technical personnel including the 400 experienced technicians discharged by TISCO in 1958 are still unemployed and, if so, may I know whether they will be absorbed in the Hindustan Steel in view of additional requirement of technicians?

Shri P. C. Sethi: When they make the recruitment the HSL would certainly consider if they are found suitable.

श्री श्रीकरलाल बेरबा : मैं यह जानना चाहूंगा कि क्या हिन्दुस्तान स्टील के प्रबन्ध के द्वांचे में अभी कोई बड़ा परिवर्तन किया गया है, यदि हां, तो क्या ।

Shri P. C. Sethi: That question does not arise from this, but a change has been made in the HSL Board of Directors.

श्री यशपाल सिंह : इस सदन में कई दफा कहा गया है और थर्ड फ्राइवयीर प्लान में भी स्टील-ओरियन्टेड इंस्टीट्यूट्स का जिक्र किया गया है । मैं यह जानना

चाहता हूं कि अब तक कितने स्टील-ओरियन्टेड इंस्टीट्यूट्स कायम किये गए हैं ।

Mr. Speaker: How many steel-oriented institutes have been established?

Shri P. C. Sethi: We have a training programme in all the three plants. Besides this, a training programme is also being undertaken in various other industries such as TELCO, Hindustan Machine Tools, and others.

Shri Venkatasubbaiah: May I know how far in drafting the technical personnel to the various steel plants, the considerations of the various regions have been kept up, and whether there is any uniformity in the matter of recruitment from all the States?

Shri P. C. Sethi: As far as unskilled workers are concerned, regional considerations are being taken into account, but as far as the technical personnel are concerned, they are being taken on merits.

Indian Tea Delegation

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{ Shri P. R. Chakraverti;
*943. { Shri Maheswar Naik;
 { Shri P. K. Deo;
 { Shri P. K. Ghosh;
 { Shri P. C. Borooah;

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

(a) whether the Indian Tea Delegation that visited Australia, New Zealand and Singapore has suggested a joint promotion scheme for increasing exports to these countries;

(b) what are the other recommendations of the Delegation; and

(c) the steps taken to give effect to these recommendations?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) The Delegation recommended joint promotion in respect of Australia only.

(b) AUSTRALIA

(i) Besides joint promotion, the Delegation recommended a uninationa! campaign, which could take the form of setting up a Tea Centre in Sydney and Tea Bars in the big cities.

(ii) India should launch pure Indian packs depending upon the response to the uninationa! campaign.

(iii) There is a wide field for Public Relations which can be exploited for popularising Indian tea.

(iv) Steps should be taken in India to make Indian tea more attractive in the Australian market.

(v) The Tea Board should organise and finance a sampling service to established Australian buyers, large and small, with a view to presenting a wider field of Indian teas suitable in quality and price, for the Australian market.

(vi) The tea buyers and blenders of prominent firms in Australia should be invited to visit India so that they may have an opportunity of visiting tea areas and auctions in India.

NEW ZEALAND

(i) A substantial improvement in Indian exports could be attained by introducing the Tea Board sampling service along the lines recommended for the trade in Australia.

(ii) With a view to improving the buyers' knowledge of the very large variety of teas available from India, invitation to the trade to visit India will give an ample opportunity for pushing up our teas in that market.

(iii) Some public relations work is also necessary.

SINGAPORE

(i) With a view to overcoming the reluctance to trade with India, samples of Indian teas, carefully chosen for suitable quality and competitive prices should be distributed to the local Tea Merchants' Associations, to Indian traders and to the large British firms.

(ii) With a view to pushing up quality packet tea trade among the well-to-do in Singapore, it is necessary to get in touch with a few large quality stores in Singapore to stock a fair range of Indian tea packets. The Indian enterprises should push up their packet exports to such chain stores with advertising materials.

(c) The Tea Council of Australia has been formed recently in which Australian trade has agreed to participate with Ceylon and India. Action has been initiated for introducing sampling service for Australian and New Zealand trade.

Shri P. C. Chakraverti: May I know how far the reduction of the export duty and the enhancement of the excise duty would help in the export trade of tea?

Shri Manubhai Shah: It should really help. If the figures for the last three months are any indication, they show an upward trend.

Shri P. E. Chakraverti: What is the existing quantum of the export trade to those regions and what are the foreign exchange earnings?

Shri Manubhai Shah: As far as Australia is concerned, in 1943-44, the export of tea was 20 million lbs; gradually over the years it came down to as low as three million lbs. But in 1961, it was 4.1 million lbs. In 1962, it has gone up to 11.6 million lbs.

Shri Maheswar Naik: May I know whether it is a fact that tea from Ceylon and China particularly is marketed there plentiful in those areas, whereas tea from India has not been popularised at all?

Shri Manubhai Shah: In tea China is not a serious competitor but Indonesia to some extent. But the main competitor is Ceylon. That is where in the past we have lost the markets to them. We are trying to increase our exports now.

Shri P. C. Borooah: May I know whether lack of familiarity of the quality of Indian tea amongst the potential buyers of tea in these countries has been responsible for less export to these countries and if so, what steps have been taken in this regard?

Shri Manubhai Shah: It is not lack of quality, but lack of effort.

Shri Hari Vishnu Kamath: The statement laid on the Table shows that the delegation recommended joint promotion in respect of Australia only. Is the House to understand that there is no scope for joint promotion in the case of New Zealand and Singapore and further how much superior quality tea is being exported to these countries, and is only inferior tea being dumped for home consumption?

Shri Manubhai Shah: It is not so; if the hon. Member sees, he will find there is the same pattern of consumption of tea practically all over the world as in India—some class of superior tea is sold, but the bulk is everywhere common tea. Therefore, there is no dumping of inferior tea on Indian consumers. As a matter of fact, we are more choosy in consuming tea. It is the common tea, which is the inferior tea that goes out.

Shrimati Savitri Nigam: In the statement it is said that some public relations work is also necessary. In fact, the same thing was recommended by several other experts and delegates who have visited various countries in connection with tea export. They have also recommended that our public relations work is very weak.

Mr. Speaker: Why should the hon. Member make such a long statement? She should come to the question directly.

Shrimati Savitri Nigam: May I know what steps have been taken in recent years 1961, 1962 and 1963 to start this public relations work in respect of countries where our tea is exported?

Shri Manubhai Shah: Several steps are taken including strengthening of the public relations, opening of tea centres there and as the House will see, and as I have mentioned, in one year we have raised it from 4 million to 11 million lbs. Therefore, there is some result coming up.

Fertilizer Plant, Katni

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{ **Shri Bishanchander Seth;**
 { **Shri Yashpal Singh;**
 { **Shri D. C. Sharma;**
 { **Shri Subodh Hansda;**
 *944. { **Shri S. C. Samanta;**
 { **Shri Sidheshwar Prasad;**
 { **Shri Birendra Bahadur Singh;**
 { **Shri R. S. Pandey;**

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether it is a fact that Government have decided to set up a fertilizer plant at Katni;

(b) if so, when it is likely to be set up;

(c) whether any foreign assistance is to be sought for the plant; and

(d) if so, the name of the country and the conditions of assistance?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) It has been decided to set up a fertilizer factory in Madhya Pradesh. The exact location is under consideration.

(b) By the end of 1966.

(c) and (d). It is proposed to meet the foreign exchange cost of the project from foreign credits that may be available in future. It is not possible to indicate, at this stage, the name of the country from which it would be available.

श्री विशनचंद्र सेठ : क्या मैं जान सकता हूँ जो प्लान्ट लग रहा है उसकी क्षमता कितनी होगी और हमारे देश के लिये कितने फर्टिलाइजर की आवश्यकता है ?

श्री प्र० चं० सेठी : जहाँ तक लगने वाले प्लान्ट की क्षमता का प्रश्न है, इस में १ लाख टन नाइट्रोजन की क्षमता होगी, और इस समय देश को १ मिलियन टन फर्टिलाइजर की आवश्यकता है ।

श्री यशपाल सिंह : इस प्लान्ट का वेस क्या होगा ? इस का रा मटेरियल क्या होगा जिस से आप इस को तैयार करेंगे ?

श्री प्र० चं० सेठी : यह प्लान्ट कोल पर आधारित होगा ।

डा० गोविन्द दास : अभी माननीय मंत्री जी ने कहा कि इस कारखाने की मध्य प्रदेश में स्थापित करने का निर्णय हो गया है । मध्य प्रदेश में कटनी का नाम इस कारखाने के लिये लिया जा रहा था । क्या मैं जान

सकता हूँ कि अब तक इस का निर्णय हुआ या नहीं कि यह वहाँ स्थापित किया जायगा ?

Shri P. C. Sethi: It is not being finally decided to locate it at Katni. Although we proposed that it should be located at Katni, later on the question was referred to NCDC and they proposed it should be located near the coalfields. So, the question is again under consideration.

Shri S. C. Samanta: May I know what will be the quality of the fertiliser and how much raw material should be available?

Shri P. C. Sethi: We would be producing urea and 1 lakh tons of nitrogen. The raw material will be coal. But regarding the exact quantity of coal it is difficult to give the figure.

Shri Daji: Since the matter of this fertilizer plant has been long pending, can we know by what time Government propose to finalise it and start work?

Shri P. C. Sethi: We want to expedite the matter. We would do it as soon as possible.

Shri Hari Vishnu Kamath: Is it not a fact that the original proposal was to set up this fertiliser factory near Itarsi, and if so why has it been changed?

Shri P. C. Sethi: The question of having it at Itarsi was considered when the licence was given to the private party. But, later on, when the Government decided to take over the project Katni was considered to be suitable. A team was sent and they decided that Katni is a better location.

Shri Hari Vishnu Kamath: Ministerial pull to Katni.

Shri Tyagi: May I know what is the approximate cost of fertiliser imports every year into India and what is the capital cost of this plant?

Shri P. C. Sethi: The capital cost of the plant is about Rs. 32 crores to Rs. 34 crores. The other question does not arise out of this.

Shri R. S. Pandey: May I know whether the American expert has submitted any report saying that due to the inferior coal which is going to be available to this plant the cost of fertiliser will be more?

Shri P. C. Sethi: Sir, an expert from the United Nations Fertiliser Mission—Dr. Ewell—had come and did not find the economics of this plant suitable. That is why the private party abandoned it.

Prototype Production and Training Centre at Rajkot

*945. **Shri S. M. Banerjee:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the U. S. Government have recently stopped giving further aid to the Indo-American Prototype Production and Training Centre at Rajkot; and

(b) if so, the reasons therefor?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) and (b). The Prototype Production and Training Centre, Rajkot, was established in February, 1960 with American assistance under an agreement signed between the Government of India and the Technical Co-operation Mission of the U.S.A. As a result of experience of the working of the Centre, certain inherent difficulties in developing it on the lines originally contemplated came to light. The scheme was accordingly reviewed and it was decided to continue the project on a modified and somewhat restricted basis. For this restricted programme, no assistance from the U.S. Government was considered necessary.

Shri S. M. Banerjee: May I know whether it is true that a director who was near this particular place, Rajkot, was not pulling on well with the American consultant and he was not an efficient officer? May I know whether he has been shifted from that place and put as a director here in Okhla?

Shri Kanungo: There is nothing like that. The point was that we wanted to have the project in a smaller way with less land in Rajkot. That was the original idea. Subsequently we found that more land will be necessary and more land has been acquired by the Gujarat Government for the project. Therefore, the scheme has been remodelled.

Shri S. M. Banerjee: Sir, he has not answered my question. I want to know whether the director who was there was supposed to be inefficient and he has been shifted to Okhla?

Shri Kanungo: There are transfers in the ordinary course of time, but the insinuation made by the hon. Member is not correct.

Shri S. M. Banerjee: I want to know what is the total amount spent on this particular prototype production and training centre at Rajkot and what is the output or production there?

Shri Kanungo: I have not got the figures. In any case, the revenue and expenditure is not to be co-related because these are training programmes.

Shrimati Renu Chakravartty: May I know what are the inherent difficulties that cropped up as a result of which within two years the entire scheme had to be reviewed?

Shri Kanungo: The problem was about land and buildings. The training programme has been reduced. This is a training centre mainly for wood work, and we just want to confine ourselves to certain items and not spread it out.

Shri Sham Lal Saraf: May I know if this centre was taken up on the set pattern as has been established elsewhere or it was something different; and if it was on the set pattern, now that the change is being brought about may I know what the position will be with regard to this?

Shri Kanungo: The pattern is the same in the sense that it is a prototype training centre. But the items of training and items of manufacture are different in every prototype centre, and in this particular centre it has certain types of machinery on which the prototypes are to be made which are not made elsewhere.

Shri Bhagwat Jha Azad: May I know whether the unwillingness on the part of the U.S. Government led to this scheme being modified; if not, what were the limitations that forced the Government to modify the scheme?

Shri Kanungo: It was because the help of the U.S. Government, whatever was received, was adequate enough to carry on.

Shri Bhagwat Jha Azad: That is not the question. I asked whether the unwillingness on the part of the US Government was chiefly responsible for modifying the scheme. What were the limitations that forced the Government to modify the scheme?

Shri Kanungo: I have answered that question. It was our own choosing; not the choosing of the USA Government. We modified it and we are carrying on the programme as we think it better.

Shri Bhagwat Jha Azad: I wanted to know the limitations which forced the Government to modify the scheme.

Mr. Speaker: The hon. Minister has answered it earlier.

Shri Bhagwat Jha Azad: Has he answered that part of the question about the limitations which forced Government to modify the scheme? He is not saying anything on that.

Shri Kanungo: I have already answered it. We have chosen to go in for a smaller programme of machine manufacture in that particular centre.

Shri S. M. Banerjee: I wish to know whether this particular proto-

type production and training centre in Okhla is also responsible to manufacture certain machine parts and other things. I want to know whether anything has been manufactured upto this time in this particular prototype production and training centre except acquiring the land.

Shri Kanungo: Manufacture is not the programme of this type of institute, though it is its ultimate aim. Firstly, we want training for which certain machinery has been installed. We had to shift this programme twice because the land available was not considered adequate. The buildings are not ready yet. Necessarily, the machines have to be shifted after the buildings are ready. Manufacture will take place later. Now we have a programme of training, not manufacture.

Mr. Speaker: Shrimati Savitri Nigam.

Shri S. M. Banerjee: Sir, on a point of order.

Mr. Speaker: What is the point of order?

Shri S. M. Banerjee: This particular question relates to the Prototype Production and Training Centre at Rajkot and the question is:

"(a) whether it is a fact that the U.S. Government have recently stopped giving further aid to the Indo-American Prototype Production and Training at Rajkot; and

(b) if so, the reasons therefor?"

The Minister has given some reply. Then I put a specific question whether this training centre has manufactured anything.

Mr. Speaker: What is the part that he has not answered?

Shri S. M. Banerjee: This particular prototype production and training centre is also responsible for production. Is it not one of its primary responsibilities?

Mr. Speaker: He says no production has yet started. What else does he want?

Shri S. M. Banerjee: Two years have passed and still nothing has been done.

Mr. Speaker: Whatever may be the period he can only ask for information; no arguments at this moment.

Shrimati Savitri Nigam: May I know the number of trainees who have qualified from this centre and whether there were some administrative problems because of which this programme has not been implemented, as was originally expected?

Shri Kanungo: So far, 167 persons have been trained. A batch of 89 persons will be completing their training by June 1963. There is no administrative problem. The problem was about location and housing.

Export Advisory Committee for Pearls and Precious Stones

*946. **Dr. L. M. Singhvi:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have constituted an Export Advisory Committee for pearls, precious stones, diamonds and jewellery; and

(b) if so, the composition of the Committee and the criteria for appointment as members?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) The Committee consists of ten representatives of the trade from all over the country and two officials of the Government including the Chairman. The main criteria for selection of representatives of the trade was their knowledge and experience in exports of pearls, precious stones, diamonds, jewellery etc. and their business reputation. A list of names with terms of reference is laid on the Table of the House. [Placed in the Library, see No. LT-1167/63].

Dr. L. M. Singhvi: May I know whether Government have formulated an export promotion programme in regard to these commodities and if so, the broad details?

Shri Manubhai Shah: This is going on for the last seven years and the trend is on the rise. Because we are not producing any of these commodities in the country they are allowed to be imported in rough condition, uncut condition. Here in Jaipur in Northern India, UP, Cambay and in the South we have got very good gem cutters who cut and polish them before they are exported to foreign countries.

Dr. L. M. Singhvi: May I know whether it has been brought to the notice of Government that the real leaders of export trade in these commodities are not really nominated to these committees so that they cannot effectively function and represent the trade?

Shri Manubhai Shah: If the hon. Member sees the names, he will find that 80 per cent of the export is done by these people.

श्री श्रीकारलाल बेरवा : मैं जानना चाहूंगा कि इस कमेटी में कोई विदेशी भी लिए गए हैं क्या ?

श्री मनुभाई शाह : कोई विदेशी नहीं हैं, सब हिन्दुस्तान के आदमी हैं ।

Shri Warrior: May I know whether this trade in stone-cutting has completely stopped, as far as South is concerned, and no export promotion is made to export more stones after giving them to good cutters?

Shri Manubhai Shah: As I said, most of these stones are imported and they are cut here. If the hon. Member wants the figures, in the previous year the export amounted to Rs. 6 crores. This year it has risen to Rs. 9.35 crores. We hope to reach the figure of Rs. 12 crores.

Shri Kapur Singh: May I know whether Government have duly taken into consideration the fact that throughout the long millennia of our history taking out of precious stones has been considered as most inauspicious?

Mr. Speaker: Shri Saraf.

Shri Sham Lal Saraf: May I know whether any attempt has been made to introduce cut-jewellery for export on the Holland pattern?

Shri Manubhai Shah: This is all cut-jewellery, that is, set, unset, put into platinum and palladium and various other forms but not gold jewellery. About gold jewellery I expect to announce the scheme within a week.

Shri Sham Lal Saraf: Gems are simple stone pieces cut in modern shapes and designs as is done in Holland.

Shri Manubhai Shah: It is not for stones but for precious stones which have ten thousand times more value than the ordinary stones. We are dealing with that. So far as alabaster, makrana etc. are concerned, they are also exported under the incentive scheme.

Shri Kapur Singh: Sir, my question is a very important question. I wanted to know whether this Government has any regard for the ancient traditions of our country. Do they ever take them into account while formulating their basic policy?

Mr. Speaker: I thought that even the question was inauspicious at that moment.

Shri Kapur Singh: I should like to hear his reaction.

Shri Manubhai Shah: Throughout ancient history India has been an exporter of precious stones. We have the largest number of gem cutters in the whole world but more than that all these precious stones come from

foreign countries in an uncut condition and they are processed here and sent out. More than a million families live on that.

Shri S. Kandappan: May I know whether Government has considered the possibility of improving pearl fishery in the South?

Shri Manubhai Shah: That is a very important question. But unfortunately on our sea coast we have not been able to develop oysters as the Japanese have done. We are trying to pay some attention to it. But that requires reproduction of certain special varieties of oyster fish to get these natural pearls.

Shri P. Venakatasubbaiah: What is the position regarding our importing precious stones from Burma? Is it on the increase or on the decrease?

Shri Manubhai Shah: We are exporting to Burma and not importing. It is on the increase.

Export of Textiles to Burma

*947. **Shri Maheswar Naik:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that following the nationalisation of the banking business in Burma, export of Indian textiles to that country has been suspended;

(b) the part of Burma's textile requirements which was being met from Indian sources before the nationalisation and the loss sustained in India's export trade on this score; and

(c) whether Government of India propose to take any steps to restore our normal export trade in textiles with Burma?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to (c). Export of Indian textiles to

Burma has not been suspended following nationalisation of the banking business in Burma. India's share of textile exports to Burma fluctuates depending on Burma's requirements and the competitiveness of Indian supplies vis-a-vis her other trading partners. The question of loss in India's export trade does not therefore arise.

In view of the position stated above, the question of taking steps to restore our normal trade with Burma is constantly engaging our attention and last month we sent a special delegation of textile interests of this country to Burma.

Shri Maheswar Naik: What specific role Indian banks had to play in respect of textile exports to Burma? Are similar facilities available at the moment under the nationalised system of banking in Burma?

Shri Manubhai Shah: What I said in the first sentence itself of my reply is that nationalisation has not hampered the flow of our exports. Nationalisation is the policy of that country's Government but it has not affected our exports.

Shri Maheswar Naik: We are importing a large quantity of rice from Burma. May I know whether Government have thought it fit to enter into a barter deal with Burma in respect of our textiles in exchange for the rice imported from there?

Shri Manubhai Shah: We did not enter into a barter deal with Burma. Neither that country favours that system nor do we. It is a free trade on both sides in each country trying to sell the maximum that it can on free convertible sterling. We are buying a lakh and a quarter tons of rice from Burma.

Shri Bhagwat Jha Azad: May I know whether Government has assessed what adverse effect the nationalisation of banking in Burma will have on the usual fluctuations? It may be a little more or a little less during this period.

Shri Manubhai Shah: Nationalisation has come only recently. Every country is free to decide its own policy. Our trade does not depend upon whether banks are in private hands or in Government hands. Our trade depends upon our own strength.

Shri Sham Lal Saraf: With the recent political changes and changes in economic policies of the Government of Burma, may I know whether it will be profitable to continue trading with that country in conventional goods and to export more and more to them?

Shri Manubhai Shah: Recently we sent a very high-powered Government delegation to Burma headed by our Food Secretary and with very top officials. We also invited a Burmese delegation headed by a Minister, who, at that time was the Minister of Agriculture, who is now the Minister of Foreign trade. After these two reciprocal visits, trade is looking up and more purchases are being made by Burma from India.

Shri Daji: What is the trend of our export to Burma for the last two years?

Shri Manubhai Shah: The figures are, about Rs. 9 crores was the imports from that country; about Rs. 6 crores was the export from our country. When we had to buy more rice from Burma, we had about Rs. 3 crores as adverse balance.

Shri Daji: That is not my question. My question was about textiles. How much of textiles did we export in the last two years?

Shri Manubhai Shah: Textiles. I have not got figures separately. Most of our trade was in handloom and sarang. If the hon. Member puts a separate question on textiles, I shall give the figures.

Shri Warrior: May I know whether the Government has taken any steps to make the prices of textile goods in Burma competitive especially in the sphere of handloom?

Shri Manubhai Shah: In hand-looms, we are struggling. They have started their own textile industry in the last 10 years. Recently, in this very month, we have sold Rs. 97 lakhs worth of poplin and other textile fabrics to Burma.

Shri R. S. Pandey: May I know what varieties we export: whether medium or fine?

Shri Manubhai Shah: Mostly medium and coarse; very little fine.

Shri P. C. Borooah: May I know whether it is a fact that, of late, Chinese textiles have come into Burma and that is elbowing out our Indian textiles?

Shri Manubhai Shah: That is true that Chinese, particularly, are under-quoting as they were doing 3 or 4 years before in all markets in competition with us and Japan. Japan is also a very active rival.

Exports to Latin American Countries

***948. Shri Ramanathan Chettiar:** Will the Minister of Commerce and Industry be pleased to state:

(a) the progress made in increasing our exports of non-traditional items to Latin American countries; and

(b) the bottle-necks that stand in the way of increasing exports and how they are proposed to be overcome?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Jute manufacturers account for over 90 per cent. of our exports to Latin America. Exports of other items such as tea, mica, shellac, chemicals which stood at Rs. 130 lakhs in 1959 were Rs. 116 lakhs in the first ten months of 1962-63 showing slight improvement.

(b) There are various obstacles in stepping up our exports e.g., long distances, very high freight charges on shipping, comparable, economies of India and these countries which are

mostly producing like products, language difficulties, keen competition from nearby countries such as U.S.A. in that region. Efforts are being made to develop contacts between the Indian exporters and their counterparts in these countries. Two delegations of the Engineering Council have already toured most of the countries in that area.

Shri Ramanathan Chettiar: May I know whether India was not exporting large quantities of jute hessian particularly to Argentina and may I know why exports have fallen in the recent 5 years?

Shri Manubhai Shah: The first part of the question is not quite correct. But, it is true that in the expanded market of jute, we have not been able to maintain our share. Much of the goods are going from Pakistan. For the rest, as I said, there has been a slight improvement.

Shri Ramanathan Chettiar: When there is a large demand for Indian tea in Brazil, Venezuela, and Argentina what steps are the Government taking to increase and help the tea exporters to export more tea to such of those Latin American countries?

Shri Manubhai Shah: I am rather surprised. Brazil produces 80 per cent of the world's coffee. It is not drinking tea at all. Therefore, there is no question of their consuming large quantities of tea. They are trying to sell and drink coffee. But, the tea exports to Mexico and Chile have increased.

Shri Sham Lal Saraf: May I know what other countries have entered into competition with our exports in relation to Latin American countries and particularly if exports from Pakistan have gone up as far as jute is concerned?

Shri Manubhai Shah: As far as our trade and South East Asia's to Latin American countries is concerned, if the hon. House sees the world trade picture, it is very marginal, less than one per cent because of long distance.

None of the countries of South East Asia except Japan are really having a very big trade with Latin American countries. Now, we do believe that there is possibility if we have a proper market survey and if more export houses open up their offices in Latin American countries. Currently, a high power Mexican delegation is in our country for the last one week. We are trying to have bilateral approaches to those countries.

Shri Hari Vishnu Kamath: Is there any truth in certain press reports to the effect that China, with the deliberate aim of hitting India, is paying more attention to Latin America, South East Asian and African markets and if so, are there reasons to apprehend that China is likely to be a formidable rival to India in the Latin American markets in the near future?

Shri Manubhai Shah: That is all obvious. China has been doing that for a long time, not only in the Latin American, but in African and Asian countries. I had the privilege to say before the House that we are trying to extend modest credits. They give 20 years, 30 years 15 years credit. The longest we have been able to afford so far, due to our foreign exchange situation, is 5 or 7 years credit. There is no reason to lose heart on that. We are going to activate it more and more. Whether we do less than China or not, that is not the point. We should do more than what we are doing so far with these countries.

Shri Hari Vishnu Kamath: The question is whether we do.

Shrimati Renu Chakravartty: In these Latin American countries with which we have had very little trade up till now, may I know what Government have done? What are the special steps that Government have taken in order to find our markets and to increase our trade with these countries, both through the STC as well as through the Export Promotion Councils, in non-traditional items?

Jute and tea are traditional items. I want to know what has been done in regard to non-traditional items. It is not only Brazil, but there are many many countries. In all this unknown area with which we have had no trade so far, what have Government done to explore markets?

Shri Manubhai Shah: The House will appreciate that Latin America is next to the United States, almost at a stones throw. Most of the trade in that country is in manufactured articles. To try to compete in a very powerful way there would be somewhat difficult, when we have neighbours here, when we have the European continent, when we have Africa etc. where we can sell a larger quantity of goods. We have to be selective. Our approach is that we should maximise our efforts in those areas where we can get better results and certainly Latin America will also get its turn to a limited extent in that priority.

Productivity Team on Steel Industries

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*949. { **Shri R. S. Pandey:**
 { **Shri Yashpal Singh:**
 { **Shri Bishanchander Seth:**

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

(a) whether Indian Productivity Team which studied the working of the steel industries in USSR and Czechoslovakia has submitted its report; and

(b) if so, its main findings?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Yes, Sir.

(b) Copies of the Team Report on Iron and Steel Industry have already been laid on the Table of the House on the 13th April, 1963. A summary of the findings of the team is contained in pages (i) to (xxii) of the Report.

Shri R. S. Pandey: May I know what steps Government propose to take to implement the recommendations made by the Team in order to have more efficiency and more production?

Shri Kanungo: The normal practice in regard to all these Study Team reports is that the reports are circulated to institutions and organisations interested in that particular industry. Later on, discussions are encouraged and organised by the local productivity councils and also discussion groups proposed by similar institutions. The National Productivity Council's business is to create interest, not to assess the results unless it be after some time. Normally, this process of putting across a report takes six months.

Mr. Speaker: Next question.

Shri Yashpal Singh rose—

Shri Indrajit Gupta rose—

Mr. Speaker: I am sorry. Nobody had risen earlier, and, therefore, I had passed on to the next question. Now, next question.

Cement Factory in West Bengal

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*950. { **Shri A. V. Raghavan:**
 Shri Pottakkatt:
 Shri Vasudevan Nair:
 Shri Yajnik

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether a licence was granted to the Sahu-Jains for starting a cement factory in West Bengal;

(b) whether the licence was granted after the publication of the Vivian Bose report;

(c) whether the findings of the report were studied before issuing the licence; and

(d) the amount of foreign exchange involved?

The Deputy Minister in the Ministry of Steel and Heavy Industries

(Shri P. C. Sethi): (a) to (d). On the 17th October, 1962, a letter of intent was issued to Messrs. Sahu Jain Ltd., approving their application for grant of licence for setting up a cement factory at Jhaida in Purulia district of West Bengal. They were advised to take preliminary action for setting up the factory and make arrangements for the plant and equipment required with one of the indigenous machinery manufacturers. A formal licence was to issue after satisfactory arrangements had been made for the plant and equipment. This has not yet been done.

At the time the letter of intent was issued, the Vivian Bose report had not been submitted.

The proposed factory is to be set up on the basis of indigenous machinery and no foreign exchange is to be released to the party directly. The necessary amount of foreign exchange would, however, be released to the cement machinery manufacturer with whom the order is placed, for the import of the minimum essential components.

Shri A. V. Raghavan: May I know the name and the number of applicants that were considered in the matter of issuing this licence?

Shri P. C. Sethi: On 25th May, 1961, Messrs. Sahu Jain Ltd. applied for it, and later on, in the year 1962, two more applications were received, and the West Bengal Government were requested to point out the party, and they recommended Messrs. Sahu Jain Ltd.

Shri Daji: The hon. Deputy Minister has stated that the letter of intent was issued in October, 1962. Does the hon. Deputy Minister know that the Vivian Bose Report was at least pending at that time? Am I to understand from his reply that the responsibility for the granting of this letter of intent or licence was not that of the Central Government but purely that of the West Bengal Government?

Shri P. C. Sethi: No. As I said, the letter of intent was issued on 17th October, 1962. Till then, the Vivian Bose Commission's report had not come.

Shri Daji: It had come in July. Do you disown responsibility? You said that the West Bengal Government ultimately decided. Whose is the responsibility? Is it that of the West Bengal Government . . .

Mr. Speaker: Order, order. Even in his excitement, he should only address the Chair.

Shri Daji: I am sorry for my mistake. Whose is the responsibility? Is the responsibility that of the Central Government or has the Central Government acted only on the recommendation of the West Bengal Government automatically?

Shri P. C. Sethi: As far as the issue of letter of intent was concerned, it was issued only after receipt of the recommendation from the West Bengal Government.

Shri Daji: I seek your protection . .

Mr. Speaker: The question is: is the responsibility that of the Centre or of the State Government?

Shri P. C. Sethi: As far as issue of letter of intent is concerned, the ultimate responsibility is on the Centre.

Shri Dinen Bhattacharya: May I know whether after publication of the Vivian Bose Commission report Government are considering cancelling the licence?

Shri P. C. Sethi: Further developments, if any, arising out of the Vivian Bose Commission report would certainly be taken into consideration.

Shrimati Renu Chakravarty: May I know why it is that, when the Vivian Bose Commission report was with the Central Government from June, this was issued by them, as late as October?

Shri P. C. Sethi: According to my information, the letter of intent was

issued prior to the receipt of the Vivian Bose Report.

Shri Tridib Kumar Chaudhuri: Was the recommendation of the West Bengal Government received after the publication of the report or prior to it?

Shri P. C. Sethi: Prior to it.

Release of Foreign Exchange to Export Houses

*951. **Shri P. C. Borooah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have of late decided to release foreign exchange to recognised Export Houses on ad hoc basis to help promote sales abroad; and

(b) if so, the broad outlines of the decision?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) and (b). Experts Houses recognized by Government will be given adequate facilities, including release of foreign exchange wherever appropriate and necessary, to carry out export plans. Requests from Export Houses for release of foreign exchange are considered on the merits of each case and releases authorised in deserving cases.

Shri P. C. Borooah: What are the reasons which prompted Government to take this decision? Also, has any limit been placed on the use of foreign exchange for such purpose?

Shri Manubhai Shah: We have made a proposal recently to the Reserve Bank. There are 20 export houses that we have recognised to make some ad hoc allotment for utilisation in promoting exports.

Shri P. C. Borooah: May I know whether this measure will amount to placing these export houses on a par with the Export Promotion Council and the Commodity Boards?

Shri Manubhai Shah: The Export Promotion Council is a corporate body consisting of export interests. These are individual export houses.

श्री रामेश्वर टांटिया : इन २० एक्सपोर्ट हाउसेज के सिवाय जो दूसरे एक्सपोर्ट हाउसेज हैं उन के प्रतिनिधि अगर एक्सपोर्ट प्रमोशन के लिये विदेश जाना चाहें तो उन को फारेन एक्सचेन्ज देने में गवर्नमेंट क्या सोचती है ?

श्री मनुभाई शाह : हम उन को मदद करने की कोशिश करते हैं जितने हमारे रिसोर्सेज हैं। एक्सपोर्ट हाउसेज के लिये जो मेन क्रेडिटोरियन गजट नोटिफिकेशन में दिया गया है वह यह है कि एक्सपोर्ट ट्रूड में अच्छे अच्छे क्वालिटी कांशस एक्सपोर्ट्स बने रहें, कंट्री एक्सपोर्ट ज्यादा बढ़ायें और क्मोडिटी का रेपुटेशन भी खूब बढ़ायें।

Shri Morarka: What is the total amount of foreign exchange released to these firms, and what is the maximum amount released to one single firm?

Shri Manubhai Shah: These have come up in the last four months. The maximum given so far is about Rs. 8,000 per export house.

Shri Indrajit Gupta: What is Government's machinery for checking and seeing that the purpose for which this foreign exchange has actually been released is implemented and the amount used by the export houses concerned in the shape of effective sales promotion?

Shri Manubhai Shah: The results can be judged only in two or three years time. Nobody opens up offices or tours round in a very large way, maybe spending Rs. 2 lakhs or Rs. 3 lakhs a year. Each of the export houses is expected when it goes into stride to earn Rs. 2 to 3 crores a year.

Shri S. M. Banerjee: Is it a fact that the maximum or more than 90

per cent of the foreign exchange was released to 25 big business houses and that other small units have suffered because of this distribution?

Shri Manubhai Shah: I do not know. There are no releases to any houses. Individual travellers go, subject to the normal rules of the Reserve Bank. I think there is some misinformation with the members. There has been no foreign exchange released on this account to any body.

श्री विभूति मिश्र : जिन लोगों को सरकार बाहर जाने के लिये फारेन एक्सचेन्ज देती है क्या उन से वह इस बात की भी कोई रिपोर्ट लेती है कि वहां जा कर उन्होंने कौन कौन सा काम किया ?

श्री मनुभाई शाह यही तो इन में बात है। अभी तीन चार महीने हुए हैं। एक्सपोर्ट कोई एक दिन में तो होता नहीं। तीन, चार साल लगेंगे। उस के अन्दर हर साल इन्वैलुएशन होगा कि एक्सपोर्ट हाउसेज ने कितना कमाया, किस क्मोडिटी से कमाया, किस डाइरेक्शन में वह जा रहे हैं। इस का मतलब यह नहीं है कि सारा एक्सपोर्ट हमारा एक्सपोर्ट हाउसेज से हो जाता है। उन के द्वारा तो मुश्किल से कोई १ या २ परसेन्ट का ट्रूड होता होगा, या शायद इतना भी न होगा। बाकी एक्सपोर्ट हम कर रहे हैं।

Titaghur Jute Mills Nos. 1 and 2

***953. Shrimati Remu Chakravartty:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Government have given permission to Titaghur Jute Mill No. 1 to be amalgamated with Titaghur Jute Mill No. 2; and

(b) if so, the terms of the permission granted for rationalisation and amalgamation?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) No, Sir.

(b) Does not arise.

Shrimati Renu Chakravartty: May I take it that no application has come and therefore the question does not arise, or has there been an application and it has been rejected?

Shri Manubhai Shah: No request has been formally received whether you call it application or otherwise.

Shri Indrajit Gupta: May I know how many jute manufacturing companies in West Bengal have so far amalgamated the various units under them, and to what extent that has increased their profitability?

Shri Manubhai Shah: It is too wide a question.

Import of Tobacco

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*954. { **Shri Onkarlal Berwa:**
Shri P. C. Borroah:

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

(a) whether an agreement has of late been signed under P.L. 480 for the supply of high quality tobacco to India; and

(b) if so, the terms of the agreement and the quantity of tobacco to be imported under the agreement?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table of the House.

(a) Yes, Sir.

(b) Full details are given in the **Agricultural Commodities Agreement** between the Government of the U.S.A. and the Government of India signed on the 26th November, 1962, as amended on the 1st April, 1963, copies of which have been placed in the Parliament Library. Briefly the Agreement provides for import of approximately 1033 metric tons of tobacco from the U.S.A. valued at \$2.6 millions including the amount for payment of ocean transportation charges

15 per cent of the rupees accruing to the Government of the U.S.A. as
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consequence of the sales made pursuant to this agreement will be made available to the U.S.A. for its expenditure in India while the remaining 85 per cent will be utilised as loans for financing such projects to promote economic development as may be mutually agreed to.

श्री श्रीकारलाल बेरवा : इस समय देश में तम्बाकू का उत्पादन कितना है ?

श्री मनु भाई शाह : हमारे देश में कोई २७ करोड़ रु० का उत्पादन होता है ।

श्री श्रीकारलाल बेरवा : जितनी मांग है उसकी पूर्ति के लिये कितनी तम्बाकू का आयात किया जाता है ?

श्री मनुभाई शाह : इस का आयात तो किया ही नहीं जाता । बल्कि स्पेशल वराइटी का एक्स्पॉर्ट किया जाता है २३ करोड़ रु० का । पिछले साल २० करोड़ रु० का किया था, सन् १९६२ में २३ करोड़ रु० का किया था और इस साल हम २६ करोड़ रु० का करने जा रहे हैं ।

Shri Kapur Singh: May I know whether this pernicious weed from America is to be utilised towards manufacture of exports or for home consumption?

Shri Manubhai Shah: It is to be utilised for manufacture of exports, for internal consumption blending purposes. The United States produces in plenty special Virginia tobacco, and that is what we are importing for our cigarettes.

Shri P. Venkatasubbaiah: May I know whether it is a fact that Andhra produces the best variety of Virginia tobacco, and if so, whether any effort has been made to grow such sort of tobacco in that part of the country, so that we may stop further imports from America?

Shri Manubhai Shah: We are very proud of Andhra tobacco. I would not like to put it as best or worst. It

is good tobacco. What we are importing is special Virginia tobacco which is specially grown in the climatic conditions of America. Different climates produce different goods. Some we import, some we export.

Shri Tyagi: On a point of order, Sir. The product of any State as against the other States should not be propagated here. If Andhra tobacco is the best, does it mean that our tobacco is no good?

Mr. Speaker: Shri P. C. Borooah.

Shri P. C. Borooah: May I know whether, to save foreign exchange, there is any regulation to see that not more and more people take to smoking of high class tobacco?

Shri Manubhai Shah: I could not follow.

Mr. Speaker: To save foreign exchange, is there any scheme to put in more proposals to produce more and more here and not to import from outside?

Shri Manubhai Shah: The import is only nominal—2.6 million dollars or Rs. 1.25 crores. This is actually meant for blending cigarettes. It helps in export and internal consumption. There is no question of this being a substitute for any Indian product. It is just not available here, and the tobacco trade will simply get reduced if we do not get it for its assistance.

श्रीमती शशांक मंजरी : अच्छी तम्बाकू बनाने के लिये क्या कदम उठाये जा रहे हैं ?

श्री मनुभाई शाह : सेंट्रल इंडियन टूबैको कम्पनी है, फ़ूड एंड ऐग्रिकल्चर मिनिस्ट्री है यह सब तम्बाकू का उत्पादन करने की कोशिश करते हैं, फ़ॉटिलाइजर बगैरह देते हैं। यही तरीका है और हम क्या कर सकते हैं ?

Shri P. R. Patel: Up till now we could do without the import of tobacco under PL 480. I want to know the

special reasons why this import has become absolutely necessary.

Shri Manubhai Shah: This has been going on for the last 10 years, and PL 480 imports of this tobacco started ten years ago.

श्री यशपाल सिंह : क्या मैं जान सकता हूँ कि जिस तम्बाकू के खिलाफ़ अमरीका में ही हजारों किताबें लिखी गई हैं कि अमरीका के लोग इसे पसन्द नहीं करते, तो वह तम्बाकू हिन्दुस्तान में क्यों लाई जा रही है ?

श्री मनुभाई शाह : ऐसी बात नहीं है ।

Shri Kapur Singh: We want an answer.

श्री मनुभाई शाह : ऐसी बात नहीं है । बिल्कुल गलत है । यह टूबैको खाली रैपिंग टूबैको है । उस के अन्दर इंडियन टूबैको डाली जाती है । मैं खुद तो तम्बाकू पीता नहीं इस लिये नहीं कह सकता कि क्या असर होता है, लेकिन यह बहुत बड़ी मात्रा में दुनियाँ में इस्तेमाल हो रही है ।

Mr. Speaker: Shri Kunhan.

Export of Biscuits

***955. Shri P. Kunhan:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the export of biscuits has gone down recently;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to step up their export?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) The exports of biscuits is round about Rs. 4 lakhs.

(b) Exports of biscuits are handicapped mainly due to the import restrictions imposed by some countries and also due to the establishment and development of the indigenous biscuits industry in those countries.

(c) All possible assistance, such as, allowing the import of raw materials, packing materials, replacement of machinery, balancing equipment and packing machinery required for the industry, refund of drawback duty on imported raw materials, etc. is at present given to this industry to step up exports of biscuits. A separate Export Promotion Council has been set up for promoting the exports of Processed Foods including biscuits.

Shri Kunhan: What is the Third Plan target for the production of biscuits and what is the present production?

Shri Manubhai Shah: The present production is about 26,000 tons, and the target is 40,000 tons. We export only about 200 tons.

Shri Kunhan: What steps are being taken to improve production of biscuits?

Shri Manubhai Shah: It is already part of our Plan. I am dealing with exports of biscuits. It is a low priority industry to which we are not able to extend much of our national resources for internal production and consumption.

श्री डा० गोविन्द दास : अभी इन बिस्कुटों का निर्यात किम किस देश में होता है और क्या इस बात का प्रयत्न किया जा रहा है खास खास उत्पादन करने वालों से कि उसकी कुछ ऐसी स्थिति बनायी जाए कि जिस में लोग उनको आग्रहपूर्वक ले हमारें यहां से ?

Shri Manubhai Shah: Malaya, Singapore, Ceylon, Bahrein islands, etc. are our principal markets because of the nearness of distance. Each of this country, as the House will appreciate has become independent and wants to industrialise itself. This is a simple industry and they start their own industry.

Shrimati Savitri Nigam: Are any steps taken to search new markets for

biscuits in African countries and is any export duty holiday intended to be given to people who export these biscuits?

Shri Manubhai Shah: There is a complete holiday. The question is whether our Indian biscuits will be permitted to be imported by these countries which are themselves in a terrible shortage of foreign exchange. Their condition is worse than ours in the balance of payments position. It is, therefore, natural that they ban these imports. Even so in Persian Gulf we can make efforts. We have recently instituted enquiries in the Bahrein islands and the six gulf countries, in Kuwait and other sheikdoms to see if more could be exported there.

Shrimati Renu Chakravarty: Although this is an industry which could be put in any backward country, is it a fact that the big British manufacturing companies are still able to export quite a large amount of their products to the South East Asian countries and that we are not able to compete with them?

Shri Manubhai Shah: That is quite correct because these Huntley and Palmers and Britannia biscuits have been there for over a century. They have earned a name and a very great popularity. Because of that some biscuits are being allowed to be imported in restricted quantities by some of these countries. We have to stand up against these brands and names. In our own country the biscuit industry is not so terrific as to say that we can make any solid impact on exports.

पीपरी में अल्युमिनियम का कारखाना

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*६५६- { श्री भक्त दर्शन :
श्री भागवत झा आजाद :

क्या वाणिज्य तथा उद्योग मंत्री यह बनाने की कृपा करेंगे कि :

(क) पीपरी (उत्तर प्रदेश) में अल्युमिनियम का जो कारखाना स्थापित हिये

जा रहा था, उसमें अब तक क्या प्रगति हुई है; और

(ख) उसकी पूरी क्षमता का विकास करने के लिये क्या विशेष कदम उठाये जा रहे हैं ?

वाणिज्य तथा उद्योग मंत्रालय में उद्योग मंत्री (श्री कानूनगो) : (क) और (ख). रिहंद के समीप पीपरी (जिला मिर्जापुर, उत्तर प्रदेश) में अल्युमिनियम का कारखाना स्थापित हो चुका है तथा उसमें दिसम्बर, १९६२ में ही २०,००० मीट्रिक टन प्रति वर्ष की दर से पूरा उत्पादन होने लगा था।

[(a) and (b). The aluminium plant at Pipri near Rihand (in Mirzapur District. U.P.) has already been established and the smelter reached its full production at the rate of 20,000 m. tons per annum in December, 1962.]

श्री भक्त दर्शन : क्या यह सत्य है कि इस कारखाने से जितना उत्पादन होने की आशा की जाती थी या जो इसका कार्यक्रम था उतना अभी तक नहीं हो पाया है ? इसके क्या कारण हैं और कब तक इसमें पूरा उत्पादन हो सकेगा ?

श्री कानूनगो : मने उत्तर में कहा कि दिसम्बर, में ही पूरा हो गया

श्री भक्त दर्शन : क्या यह सत्य है कि इस कारखाने के मालिकों ने इसके उत्पादन को दुगुना करने का प्रस्ताव केन्द्रीय सरकार के सामने रखा है, और क्या इस के लिए एक घरमल प्लांट लगाने का भी प्रस्ताव रखा है ? इस सम्बन्ध में क्या निर्णय किया गया है और क्या प्रगति हो रही है ?

Shri Kanungo: The expansion of the aluminium smelter to a capacity of 50,000 metric tons has been approved, and they have already asked for a captive thermal plant which has been approved also.

Shri Bhagwat Jha Azad: May I know whether they have given any indication as to what would be the capacity in the thermal plant for which the Government has given sanction?

Shri Kanungo: I could not tell you the capacity. It will be a thermal plant to supplement the existing supply, and the cost is likely to be of the order of Rs. 12 crores.

Shri S. M. Banerjee: May I know what is the total capacity of this particular plant which is owned by Birlas and whether the Centre has given some financial assistance to it and, if so, how much?

Shri Kanungo: The Centre has not given any financial loan. The capacity at present is 20,000 metric tons, and the expansion capacity will be 50,000 metric tons

Shrimati Savitri Nigam: May I know whether in view of this expansion programme, the factory people have asked for any foreign exchange help or any other help?

Shri Kanungo: Of course the foreign exchange component will be provided for by loan arrangements by the firm with their partners elsewhere.

Wool Shortage

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

(a) whether it is a fact that there is an acute shortage of wool in the country;

(b) whether it is also a fact that there has been a tremendous increase in the prices of woollen goods;

(c) if so, whether Government propose to increase the import of wool from other countries; and

(d) the steps taken, if any, in this regard?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to

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

STATEMENT

The present position in the woollen textile industry is that almost the entire capacity is being utilised for the production of Defence requirements. For this purpose, a considerable portion of the available imported raw materials, and also a large quantity of Indian raw wool are being used. It is therefore likely that a certain shortage of woollen goods required for civilian requirements is being felt, leading to an increase in the prices of the available supplies.

Steps are being taken to import a certain quantity of raw materials in the near future, for the production of woollen manufactures required for civilian requirements; the details in this regard are being worked out, and it is expected that the woollen goods produced for civilian consumption from out of this raw material will be in the market during the next winter season. To the extent raw materials is not available indigenously, arrangements are being made for the import of wool, wool tops etc. for meeting Defence requirements as well as essential civil requirements in a limited way due to acute shortage of foreign exchange for such imports.

Shri Buta Singh: In view of the fact that there has been a diversion in the production of woollen goods from civilian needs to defence purposes, may I know—if it is in the public interest to disclose it—whether the Government has made any increase in the import of wool entirely for the defence purposes?

Shri Manubhai Shah: Precisely, that is the point today: that all our imported wool has to be geared to the defence needs because the needs of the army, the jawans, are much higher and we can afford to go without some clothing for some time.

Shri Buta Singh: May I know whether the Government has received any representation or representations from the industrialists of Amritsar urging

the Government to increase the import of wool and, if so, to what extent, and what is the nature?

Shri Manubhai Shah: We are getting requests for increase of imports from practically every industrialists concerned including those from Amritsar. Today, due to the defence requirements, the woollen industry is working round the clock. Every factory, both in Amritsar and elsewhere, is having three times more production than in the past. So, they should be thankful that so much work has been given.

Shri Kapur Singh: May I know whether the Government are doing anything to step up indigenous wool production and, if so, what?

Shri Manubhai Shah: The hon. Member should know that Indian wool—the indigenous wool—is like hair. It is not wool in itself. Therefore, it is good for making carpets and it is mostly being exported. But there are certain fine varieties like pashmina or the Bikaner variety or the Jodhpuri black; about eight million lbs. of them are being used in India for making blankets and cheap hosiery.

Shri Indrajit Gupta: Is the hon. Minister aware of the fact that as compared to November, 1962, the production of woollen jerseys for the army by the Ludhiana woollen factory fell sharply in the month of December due to the shortage of wool-tops? What is the Government doing to see that the priority supplies are rushed there to keep the factory going?

Shri Manubhai Shah: It is true that in December it fell sharply because the wool that we bought from Australia came here only in February. Therefore, there is a time-lag for the wool to reach here. It takes about 23 to 27 days before the wool comes here. But, as soon as the wool came here, the production has sharply shot up. My hon. friend the Minister in charge of supplies had given the figures the other day to the House. Today, the production has almost reached seven to eight times

what it was at any time in the last few years.

Shri Hari Vishnu Kamath: It is said in the statement laid on the Table that to a certain extent raw materials may not be available indigenously. Is there any concrete and well-defined plan before the Government to go wool-gathering and, if so, is the Government casting its net wide enough in many countries?

Shri Manubhai Shah: I can only say that climatically we are not well-suited like Australia and New Zealand and other cold wool-growing countries. But even so, in our hills and mountains—there are regions like Almora, Kulu and Darjeeling—the Food Ministry is trying to grow special breeds of sheep and have better type of sheep, with dairies, etc. We wanted to develop the Merino wool from Australia, but unfortunately there is a national ban on the export of Merino sheep. We have recently requested the Australian Government and also the Mexican Government to give certain high quality sheep to us for further breeding.

Shri Hari Vishnu Kamath: Good luck to wool-gathering.

श्री विभूति मिश्र : क्या माननीय मंत्री के ध्यान में यह बात आई है कि अभी जो हिल कॉन्ग्रेस हुई थी, उस में माननीय मंत्री, डा० राममुभा मिश्र, के सामने लोगों ने बताया था कि उन की वूल की बिक्री नहीं हो रही है और पहले जो वूल तिब्बत में जाती थी, अब इस का तिब्बत में जाना रोक कर दिया गया है? क्या सरकार उस को खरीदेगी?

श्री मनुभाई शाह : जितना माल मिले, वह सब हम खरीदने के लिए तैयार हैं।

Shri Sham Lal Saraf: In view of the fact that there has been a country-wide demand from the industry that permission and assistance may be given in order to convert some wool

into lustrous wool, may I know what attempt has been made to help the industry that way?

Shri Manubhai Shah: I do not know in what manner we can help. I take the information from the hon. Member.

Shri Sham Lal Saraf: My submission is, a number of representations have come to the Central Government and to the State Government also that in certain cases, some wool can be converted into lustrous wool, provided the Central Government will give permission. May I know what attempt has been made in this regard?

Shri Manubhai Shah: If there is any scheme sponsored by the hon. Member or by anybody else, I am certainly prepared to help.

यूरोपीय आर्थिक समुदाय के साथ भारत का व्यापार

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| <p>श्री प्र० र० चक्रवर्ती :</p> <p>श्री सिद्धेश्वर प्रसाद :</p> <p>श्री रा० शि० पाण्डेय :</p> <p>श्री विद्याचरण शुक्ल :</p> <p>श्री ओंकार लाल बेरवा :</p> <p>श्री दी० चं० शर्मा :</p> <p>श्री प्र० चं० बरुआ :</p> <p>श्री हरि विष्णु कामत :</p> <p>श्री राम हरल यादव :</p> <p>श्री ही० ना० मुकुर्जी :</p> | <p>श्री प्र० र० चक्रवर्ती :</p> <p>श्री सिद्धेश्वर प्रसाद :</p> <p>श्री रा० शि० पाण्डेय :</p> <p>श्री विद्याचरण शुक्ल :</p> <p>श्री ओंकार लाल बेरवा :</p> <p>श्री दी० चं० शर्मा :</p> <p>श्री प्र० चं० बरुआ :</p> <p>श्री हरि विष्णु कामत :</p> <p>श्री राम हरल यादव :</p> <p>श्री ही० ना० मुकुर्जी :</p> |
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क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि प्रो० हाल-स्टाइन ने नई दिल्ली में उनके मंत्रालय के साथ जो चर्चा की थी उसका मुख्य विषय यूरोपीय आर्थिक समुदाय के साथ भारत के

व्यापार में बहुत घाटा होने की समस्या थी ;

(ख) क्या उनके व्यापार के सम्बन्ध में भारत और यूरोपीय समुदाय के आंकड़े भिन्न-भिन्न हैं; और

(ग) क्या साझा बाजार में ब्रिटेन के प्रवेश के सम्बन्ध में बुसेल्स में किये गये निर्णयों के बारे में, जो भारत के लिये लाभप्रद थे, प्रो० हालस्टाइन के इस वक्तव्य को ध्यान में रखते हुये भी कि उन प्रस्तावों की वास्तवता एवं सहत्व खतब नहीं हुआ है, आग्रह किया जायेगा ?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Mannubhai Shah): (a) Yes, Sir. We had very hearty and detailed talks with Prof. W. Hallstein. We are very grateful to him that in spite of his heavy preoccupations, he took time off to visit this country in order to give us an opportunity to discuss very vital problems of India's foreign trade.

(b) There was some discrepancy in the trade statistics which Prof. W. Hallstein quoted during his discussions in the Ministry and with me and our trade statistics. His figures showed that from 1958 to 1962 India's exports to EEC had increased and our trade balance, though adverse, had been somewhat reduced. The fact, however, remains that these figures, according to our best knowledge—we have checked up from the Director-General of Commercial Intelligence's Statistics—we have one of the most modern systems of keeping trade statistics—are not borne out by facts. The fact remains that our exports for the last four years, as a matter of fact, for the whole decade, have generally remained static to these countries and we continue to have a heavy adverse balance of trade with this area. He has been supplied with our trade statistics and he has promised to investigate the reasons for this difference between our and his figures, immediately on his return to Brussels.

For the information of the House, I may say that he quoted the exports of the ECC countries to India, i.e., our imports from them, as 430 million dollars in 1958, which according to him, went down to 298 million dollars in 1962. Our exports to these six countries, according to the figures of Prof. Hallstein were 103 million dollars in 1958, which went up to 150 million dollars in 1962. Actually, as far as our figures are concerned, the import from the six countries really was 344 million dollars in 1958, which in 1962 stood at 325 million dollars. Actually previously it was 358 million dollars. The exports of India to these six countries were round 82 million dollars in 1958. In 1962 it was 98 million dollars. The adverse balance of trade is practically stagnant. It was 262 million dollars in 1958 and it was 227 million dollars in 1962. Actually speaking it might be that they are taking some CIF calculations or, what is done in some countries is, the third country imports are added. That is, whatever is going from here to U.K. and other countries and re-exported after blending, re-packing or re-processing to these countries might have been added. But the fact remains that as far as our exports to these countries are concerned, they are at a stagnant level. In 1960-61, our exports to the community were Rs. 51 crores. In 1961-62 they were Rs. 52 crores and currently they are Rs. 48 crores. The House will appreciate that there has been no rise, as mentioned by Prof. Hallstein. If anything, there is a slight decline. This decline is not necessarily due to the coming in of the Community. What we urged before Prof. Hallstein was that the Community should see that large opportunities of trade with EEC are offered to us by removal of tariff duties and removal of restrictions on our products. So that in these newly emerging prosperous industrial areas which are some of the richest areas of the world and where consumer goods and other goods are consumed in a very large quantity, India should have a due share.

I am grateful to the Chairman of the Commission because he has kindly agreed to place our points of view before the European Community and we will have a further opportunity to discuss it with them when I visit Brussels in the month of May.

(c) This will require the concurrence of the member states of the community who are signatories to the Rome Treaty. The matter is proposed to be taken up with the Commission of the Community and the member states at a suitable occasion.

Mr. Speaker: Are there further supplementaries required?

Some hon. Members rose—

Shri P. R. Chakravertti: In view of the fact that Professor Hallstein made two pronounced statements in his news conference in New Delhi where he said that the ECM was basically a manufacturing area and had to import most of the raw materials from outside countries and, secondly, he described the basic policy of the ECM countries and, secondly, he described as being international division of labour meaning thereby that certain countries would specialise in the manufacture of certain goods to avoid duplication, may I know how far the Minister could give an indication as to where the preference of India lies?

Shri Manubhai Shah: In answer to the first part of the question, I may say that the Professor did mention in his public speeches also that these countries of the European Community being highly industrialised they have to buy primary raw materials from other developing countries. But, as the House is aware, there is a protocol in the Rome Treaty where an associate status has been given to many African countries and it is only after meeting their requirements from the associate countries among the under-developed world that the share will be left to countries like us,

Pakistan, Ceylon and a host of other countries who are not associates and who would not like to be associates of the community. That has to be appreciated, where the emphasis of the Professor is different from the approach that we have tried to place before him.

Secondly, on the question of international division of labour, we are very grateful to the Commission and Chairman because in his personal capacity he did suggest this approach that between the developing countries and industrialised countries there should be an understanding of division of labour, that is, the simpler articles of manufacture should be planned and produced in our countries and the more complex goods which they with their technology can produce we can buy from them. But to give it a concrete shape it will require a lot of work on their part and our part, and we hope that as a result of comprehensive agreements on economic and trade policies of the Community these ideas of the Professor and of the community will be put into action.

Shri Hari Vishnu Kamath: In respect, Sir, of which among the ECM countries has India's export trade shown a tendency to decline and in respect of which a tendency to stagnate or improve after the initiation of the plan for the European Economic Community? Does Government propose to hold bilateral talks with these countries separately to maintain and improve our export trade with them?

Shri Manubhai Shah: In answer to the first part of the question, among the six West Germany is the country with which we have the most adverse balance of trade. The total deficit as I said is Rs. 130 crores. But in order to improve the deficit we have to increase our exports with each of the countries of the community. With Germany alone we have suffered a further loss of Rs. 6 crores. Therefore, with this country we will have to work more. Regarding the second part

of the question about our having bilateral talks, this is not only our approach but also the approach of the community. On suitable occasions, we will have multi-lateral approach to the Commission and bilateral approach to the member countries who are signatories to the Rome Treaty.

श्री श्रीकार लाल बेरवा : मैं यह जानना चाहता हूँ कि प्रोफसर हालस्टेन भारत में कितने समय तक रहें और उन्होंने किन किन मंत्रियों से यूरोपीय साझा बाजार के बारे में बातचीत की।

श्री मनुभाई शाह : सारे अखबारों में ये सब बातें आई हैं। वह प्राइम मिनिस्टर साहब से मिले, फिनांस मिनिस्टर साहब से मिले, मंत्री भी मिले और काफी वान-चौन हुई। वह यहां पर एक हफ्ता रहे।

अध्यक्ष महोदय : मेम्बर साहबान को यह भी देख लेना चाहिए कि जो सप्लीमेंटरी दे करते हैं, उनका कुछ मुद्दा और निशाना होना चाहिए। उनको देखना चाहिए कि उनसे कोई फायदा भी पहुंचेगा।

श्री श्रीकार लाल बेरवा : मैं यह जानना चाहता हूँ कि यूरोपीय साझा बाजार के बारे में उन्होंने किन किन मंत्रियों से क्या क्या बातें कीं। शायद अलग अलग बातें की हों।

अध्यक्ष महोदय : क्या माननीय सदस्य चाहते हैं कि मिनिस्टर साहब सप्लीमेंटरीज के जवाब में बतायें कि हर एक मंत्री के साथ क्या क्या बातें हुई।

Shri Indrajit Gupta: In our anxiety to increase trade with ECM countries, is the Government cautious to see that in the name of this division of labour, to which the Minister just now referred to, we would not be forced to accept a position where manufacture in this country of technologically ad-

vanced and superior type of articles will be retarded?

Shri Manubhai Shah: I am rather surprised at the question of the hon. Member. The division of labour is what the Cairo declaration of the under-developed countries is trying to put before the world forum in 1964 when the United Nations, is calling a world trade conference at our request. It is precisely we, people from the underdeveloped countries, that tell others of the developed countries: please do not produce textile, jute goods, processed food, biscuits or sewing machines; they should be left to the developing countries and the advanced countries should produce goods which only technologically advanced countries can produce. So, if at all, it is an outward, looking approach, not an inward looking approach.

Mr. Speaker: Shri R. S. Paney.

Shri R. S. Pandey: My question has been covered.

Shri Ramanathan Chettiar: According to the reply of the hon. Minister, the adverse balance of trade in 1962 was 227 million dollars. I want to know whether during the discussions which our Government had with Professor Hallstein he had suggested any concrete proposals to improve our trade relationship with some of the advanced countries in order to bring down this deficit of 227 million dollars?

Shri Manubhai Shah: The talks we had with him were of a friendly and informal nature. Professor Hallstein is certainly the Chairman of the Commission of the Community, but neither he alone, nor the Community alone can do it; it is a multilateral approach. We will have to make our own efforts, and we are pleading for a policy of low tariffs or no-tariffs, a policy of no restrictions in quotas or no quantitative restrictions. These basic policies have to be modified, and we hope the Community will do it. That will be our constant endeavour in our talks with them and then, perhaps, our

adverse balance of trade will get much bridged.

Shri H. N. Mukerjee: In view of some developments having already taken place in regard to the Asian Common Market idea—our Government has also taken part in that idea—may I know if in the talks with Professor Hallstein anything was found out so that in actual fact there would not be that kind of division of labour, which the Minister has just now referred to, which would lead to our countries continuing to be the economic hinterland?

Shri Manubhai Shah: I would like to take the last part of the question of the hon. Member first. The international division of labour is not our or others recent or new proposal with the European Community. Even Mr. Khrushchev has been kind enough to propose this to the East European countries when the Secretary-General visited Moscow. Earlier, when I had also occasions to talk with him in the past, we were all the time pleading that the trade policies should be irrespective of ideologies and the under-developed countries should be allowed a share in the growing economies of the industrialised countries. That is point No. 1. Regarding the second question, I do not think any Asian Common Market scheme as such has been formally either proposed or sponsored. What happened in Manila was decision on regional economic planning and cooperation to see that the Asian countries trade between themselves, between each other in an expanding manner rather than all the time exclusively looking to industrialized country's markets. That is the proposal that was worked out. There has been neither a forum nor a gamut for any Asian Common Market.

WRITTEN ANSWERS TO QUESTIONS

Automobiles for Defence

*952 **Shri Harish Chandra Mathur:**
Will the Minister of Economic and De-

fence **Coordination** be pleased to state:

(a) whether defence requirements for Automobiles have been finalised and purchase orders placed with local manufacturers; and

(b) whether any manufacture and supply programme for further has been drawn up?

The Deputy Minister in the Ministry of Economic and Defence Coordination (Shri Jaganatha Rao): (a) Yes, Sir.

(b) Yes, Sir. The present manufacturing capacity of the progressive manufacturers of automobiles in the country is being utilised to the maximum extent to meet the current and future Defence requirements.

Heavy Electricals Ltd., Bhopal

*958 { **Shri P. R. Chakraverti:**
Shri Maheswar Naik:
Shri Mohammad Elias:

Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether an incentive bonus scheme has been devised for introduction in the Heavy Electricals Project at Bhopal; and

(b) whether the Union Government have suggested to the State Governments to examine the possibility of introducing uniform labour laws in the Centrally sponsored projects, including the Heavy Electricals?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir.

(b) No, Sir.

Manufacture of Tractors

*959. { **Shri Subodh Hansda:**
Shri Samnani:

Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether any licence has been issued to the Good Earth group of

Companies for manufacture of tractors;

(b) if so, the number of licences issued and the kind of tractors being manufactured by this group; and

(c) how these tractors are sold in the market?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir.

(b) Two licences under the Industries (Development and Regulation) Act, 1951, have been granted to the firm for manufacture of 'Eicher' tractors in 12-18 DBHP and 20-30 DBHP ranges.

(c) The tractors are sold through a net work of dealers appointed by the manufacturers.

Steel Equalisation Fund

*960. **Dr. L. M. Singhvi:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the total accumulations in the Steel Equalization Fund to date;

(b) whether it is proposed to utilize the accumulations to bring down the prices of steel; and

(c) if so, whether Government have formulated any specific proposals and a time-table for doing so?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Rs. 64.06 crores as on 31-3-1963.

(b) and (c). No, Sir. The primary function of the Equalisation Fund at present is to meet freight charges so that steel is supplied at all rail heads in the country at a uniform price.

Exports of Handlooms

*961 { **Shri Ramanathan Chettiar:**
Shri P. C. Borooah:

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

(a) whether there is any decline in our exports of handlooms;

(b) if so, the reasons therefor; and

(c) the steps being taken to step up the exports?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to (c). The exports of handloom fabrics have improved during the period April 1962—February 1963 and are of the order of Rs. 12.4 crores as compared to Rs. 11.1 crores in 1961-62 and Rs. 10.2 crores for the corresponding period April 1961 to February 1962.

2. While there was some decline in the export of handloom goods to traditional markets during the year 1962, there was a very significant increase in the exports to the non-traditional markets viz. USA and the continental countries. The decline in exports to traditional markets is partly due to the development of textile industries in these areas as also competition from Japan and Hong Kong which produce cheaper quality of imitation cloth. The situation is being closely watched and whenever necessary, action at government level is taken, as for instance discussions with Ceylon.

3. The All India Handloom Fabrics Marketing Co-operative Society, Bombay has appointed a number of commercial travellers with a view to step up our export handloom goods to new areas in addition to the emporia already in existence in Aden, Colombo, Kullalumpur, Singapore and Jaffna.

4. Exports of handloom fabrics of the variety popularly known as Bleeding Madras have been of the order of about Rs. 2.00 crores to U.S.A. during 1962.

5. Pre-shipment inspection and quality marketing schemes have been introduced in respect of handloom fabrics. This is compulsory in the case of exports of Bleeding Madras and Etawah Bedspreads.

6. Government are trying to include specific quotas for handloom fabrics in bilateral Trade Agreements.

7. An Export Promotion Advisory Committee for handloom goods was set up on 15th October, 1962 to deal with problems relating to exports of handloom goods. This Committee has met a number of times since then and offered useful suggestions for stepping up exports.

Large-sized Machine Tools Factory at Ranchi

- *962. { Shri P. C. Borooah:
Shri Raghunath Singh:
Shri Yashpal Singh:
Shri R. S. Pandey:
Shri Vidya Charan Shukla:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether Government have placed an order with Japan for medium-sized machine tools, in connection with a plan to build a factory to produce large-sized Machine Tools in India at Ranchi;

(b) if so, the size of the order; and

(c) the progress made so far in the direction of setting up of the factory?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) and (b). No, Sir.

(c) The Detailed Project Report for the Heavy Machine Tool Plant at Ranchi received from Messrs. Techno-export, Prague has been considered and accepted in principle by the Government. Contracts for supply of plant and machinery, consultancy services, erection supervision are expected to be entered into very shortly with the Czechs.

Asian Common Market

- *963. { Shri P. R. Chakraverti:
Shri Sidheshwar Prasad:
Shri Maheswar Naik:
Shri Indrajit Gupta:

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

(a) whether the ECAFE Conference at its recent meeting in Manila un-

animously approved of the resolution for a proposed Asian Common Market;

(b) whether India was one of the co-sponsors of the resolution; and

(c) the main features of the proposed Common Market for Asia?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) No, Sir; but a resolution urging the countries of the region to intensify their efforts towards greater regional co-operation and calling upon the Executive Secretary of the ECAFE to convene a meeting of high level representatives of the Governments of the Region to review the progress achieved so far and to formulate and adopt more positive measures for concerted regional action, was passed unanimously at the Manila Session. A copy of this resolution is placed on the Table of the House. [Placed in the Library, see No. LT-1168/63].

(b) India was one of the Co-sponsors of the resolution referred to at (a) above.

(c) Does not arise.

Soda Ash Factory in Rajasthan

*964. **Dr. L. M. Singhvi:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that certain foreign consultants were engaged to design and/or advise on the establishment of a Soda Ash Factory in Rajasthan;

(b) if so, the names of the consultants and the fee paid or payable to them; and

(c) the reasons for engaging foreign consultants?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Yes, Sir. A firm of foreign consultants were engaged to undertake a project survey and examine the feasibility of setting up a Soda Ash plant near the Sambhar Lake based on the lake salt.

(b) Messrs. Krebs & Cie, Paris (France) on a fee of Rs. 1 lakh.

(c) The firm was engaged by the Government of Rajasthan at their discretion.

Capture of Foreign Textile Markets by China

*965. { Shri P. C. Borooah:
Shri Raghunath Singh:
Shri Onkarlal Berwa:

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

(a) whether it is a fact that Chinese textiles are offering a very tough competition to Indian fabrics, both in the nearer foreign markets like Burma and in European markets; and

(b) if so, the steps Government propose to take to face the competition?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) The following steps have been taken to meet competition in foreign markets:

- (i) keeping in view the fact that there has been increasing demand in the world market for processed and finished goods, Government have been giving all possible assistance to the textile mills to produce more of processed cloth;
- (ii) adoption of the voluntary export scheme by the Cotton Textile Industry since July, 1962; and
- (iii) market surveys are carried out through various agencies in the overseas markets so as to assess the exact requirements of the overseas buyers.

Heavy Engineering Projects in U.P.

2078. { Shri Sarjoo Pandey:
Shri J. B. Singh:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the number of new heavy engineering projects proposed to be located

in U.P. during the Third Plan period; and

(b) whether Government propose to establish any such project in Eastern U.P.?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) 39 (2 units in the public sector and 37 units in the private sector).

(b) Yes; one unit in public sector is proposed to be established in Eastern U.P.

Khadi and Village Industries Board in Orissa

2079. { Shri Rama Chandra Mullick:
Shri Ulaka:

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

(a) the total amount sanctioned to the Khadi and Village Industries Board in Orissa during the Third Plan period; and

(b) the amount given or proposed to be given out of the fund to the said Khadi and Village Industries Board during 1962-63 and 1963-64?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Funds are sanctioned to the Khadi and Village Industries Board in Orissa on a year to year basis and not for the whole of the Third Plan period.

(b) Rs. 28.46 lakhs as grant and Rs. 40.30 lakhs as loans were disbursed to the Orissa State Khadi and Village Industries Board during the first two years of the Third Plan, viz. 1961-62 and 1962-63 (upto 31st December, 1962). For 1963-64, Rs. 18.10 lakhs as grant and Rs. 62.76 lakhs as loan are proposed to be given.

Coir Industries in Orissa

2080. Shri Rama Chandra Mallick: Will the Minister of Commerce and Industry be pleased to state:

(a) the total amount sanctioned for the development of the Coir Industries in the Third Plan period;

(b) the amount sanctioned for the improvement of the Coir Industries for the State of Orissa out of the total fund for the Plan period; and

(c) the amount given or proposed to be given for 1962-63 and 1963-64 for the said Industries to Orissa?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) An allocation of Rs. 2.34 crores for State Schemes and Rs. 0.75 lakhs for Central Schemes for development of Coir industry has been made for the Third Five Year Plan.

(b) Rs. 3.00 lakhs has been allocated for development of Coir industry in the State of Orissa during the Third Five Year Plan out of the allocation of Rs. 3.34 crores.

(c) A loan of Rs. 2,000 has been sanctioned to the Government of Orissa during 1962-63 for development of Coir industry in that State. The financial assistance for 1963-64 will be sanctioned on the basis of the actual expenditure incurred by the State Government for development of Coir industry during that period.

Assembly Constituency of Muzaffarpur (Bihar)

2081. Shrimati Ramdulari Sinha: Will the Minister of Law be pleased to lay on the Table a statement showing comparative figures of total population of each Assembly constituency of Muzaffarpur district (Bihar) according to latest and earlier census and also those of Scheduled Castes?

The Deputy Minister in the Ministry of Law (Shri Bibudhendra Mishra): A statement showing the total population and the Scheduled Caste population of each Assembly constituency of Muzaffarpur District (Bihar) according to 1951-Census is laid on the Table of the House. [*Placed in the Library, see No. LT-1169/63*]. The corresponding figures for these constituencies according to the 1961 Census will not be available until the delimitation Commission completes its work in respect of these constituencies.

Purchases by Department of Supply

2082. Shri Sidheshwar Prasad: Will the Minister of Economic and Defence Co-ordination be pleased to state:

(a) the names of the countries from whom purchases were made by the Department of Supply in 1962-63;

(b) the items of purchases and value thereof; and

(c) the programme of purchase for the year 1963-64?

The Deputy Minister in the Ministry of Economic and Defence Co-ordination (Shri Jaganatha Rao): (a) and (b). The information is given in the statements I and II laid on the Table of the House. [*Placed in the Library, see No. LT-1170/63*].

(c) It is not possible to give the names of countries and the items which will be purchased from them during 1963-64 as it will depend on the nature of stores to be purchased and offers received.

Ambar Charkha Training Courses in Orissa

2083. Shri Ulaka: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of Ambar Charkha training courses conducted in Orissa during 1961-62 and 1962-63;

(b) the total number of trainees who took part; and

(c) the total expenditure incurred so far during the aforesaid periods?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) to (c). The required information is being collected and it will be laid on the Table of the House in due course.

Small Scale Industries in Orissa

2084. Shri Ulaka: Will the Minister of Commerce and Industry be pleased to state:

(a) whether any loan has been granted to Orissa for the Development

of Small Scale Industries in the State during 1962-63; and

(b) if so, the details thereof?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Yes, Sir.

(b) An amount of Rs. 5.01 lakhs was sanctioned to the Government of Orissa as loan for the development of Small Scale Industries during 1962-63. In addition a sum of Rs. 3.69 lakhs was sanctioned as loan for the development of industrial estates during the same year.

Cement Supply to Orissa

2085. Shri Ulaka: Will the Minister of Steel and Heavy Industries be pleased to refer to the reply given to Unstarred Question No. 1678 on 25th August, 1962 and state:

(a) the quantity of cement actually supplied to Orissa during 1962-63; and

(b) the requirement of cement for Orissa during the same period?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) 178,632 metric tonnes under the state quota.

(b) 896,956 metric tonnes under the state quota.

Industries in Orissa with Foreign Aid

2086. Shri Ulaka: Will the Minister of Commerce and Industry be pleased to state:

(a) the industries that have been set up in Orissa with foreign aid in the First, Second and Third Five Year Plans respectively;

(b) the items of production and the production capacity of each of the industries; and

(c) the number of industries in the private and public sectors respectively?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) to (c). A state-

ment giving the requisite information in respect of industries in the Public Sector is laid on the Table of the House. [Placed in Library, see No. LT-1171/63].

The compilation of complete information in respect of the private sector industries in Orissa which have received foreign aid in the form of utilisation of foreign credits for import of capital goods or of foreign collaboration—technical or financial—will involve labour incommensurate with the utility of the information to be collected.

Spindles and Looms in Orissa Textile Mills

2087. Shri Ulaka: Will the Minister of Commerce and Industry be pleased to state:

(a) the total number of spindles and looms in use in textile mills of Orissa at present; and

(b) the number of workers employed in these mills at present?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) 52,272 spindles and 864 looms.

(b) About 7,000.

Production of Pig Iron

2088. { Shri Subodh Hansda;
Shri S. C. Samanta:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the number of firms producing pig iron through low shaft furnace operation;

(b) whether any of these firms are also manufacturing machinery for such plant; and

(c) if so, whether the firms manufacture machinery for their own use or for others also?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) One.

(b) No, Sir.

(c) Does not arise.

नेपाल के लिये आवागमन की सुविधायें

२०८६. { श्री सिद्धेश्वर प्रसाद :
श्री प्र० चं० बरुआ :

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

(क) क्या यह सच है कि नेपाल की सरकार ने आवागमन की अधिक सुविधाओं की मांग की है;

(ख) यदि हां, तो उनका ब्योरा क्या है; और

(ग) इस सम्बन्ध में सरकार की क्या प्रतिक्रिया है?

वाणिज्य तथा उद्योग मंत्रालय में अन्तराष्ट्रीय व्यापार मंत्री (श्री मनुभाई शाह): (क) जी, हां।

(ख) नेपाल की सरकार ने नेपाल को माल भेजने के लिये अधिक संख्या में रेलवे वगैरहों को व्यवस्था करने के लिये कहा है। नेपाल द्वारा हाल ही में पाकिस्तान के साथ किये गये व्यापार करार के फलस्वरूप भारत होकर नेपाल से पाकिस्तान तथा पाकिस्तान से नेपाल को माल भेजने के संबंध में नेपाल ने मार्ग संबंधी कुछ सुविधाओं की भी मांग की है।

(ग) इस मामले पर सरकार विचार कर रही है।

Laxmi Cotton Traders Private Ltd.

2090 { Shri G. Mohanty:
Shri Rama Chandra Mallick:

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

(a) the number of directors of Shri Laxmi Cotton Traders Private Ltd.;

(b) whether any of them are near or distant relatives of the Chairman of the Company; and

(c) how many of the directors are ladies?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Five.

(b) Yes, one of them is a relative of the Chairman of the Company.

(c) Two.

उत्तर प्रदेश के पिछड़े क्षेत्रों में उद्योग

२०६१. { श्री भक्त दर्शन :
श्री विश्वनाथ पाण्डेय :

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

(क) तीसरी पंचवर्षीय योजना के अन्तर्गत उत्तर प्रदेश के पिछड़े हुए पर्वतीय क्षेत्रों में कितने-कितने नये उद्योग केन्द्रों (इण्डस्ट्रियल यूनिट्स) को अब तक स्थापित किया गया है अथवा स्थापित करने का प्रस्ताव है ;

(ख) उनमें से प्रत्येक की स्थापना के बारे में अब तक क्या प्रगति हुई है ;

(ग) उनमें से कौन-कौन उद्योग-इकाइयां सरकारी क्षेत्र में हैं और कौन गैर-सरकारी क्षेत्र में; और

(घ) उन उद्योग-इकाइयों की प्रगति और तेज करने के लिये क्या कार्यवाही की जा रही है ?

वाणिज्य तथा उद्योग मंत्रालय में उद्योग मंत्री (श्री कानूनगो) : (क) से (घ) सूचना प्रकृति की जा रही है और सभा की मेज पर यथा समय रख दी जाएगी ।

Cottage and Small Scale Industries in U.P.

2092. { Shri Vishwa Nath Dandey:
 { Shri Sarjoo Pandey:
 { Shri J. B. Singh:

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

(a) the amount of grants sanctioned for the cottage and small scale industries in Uttar Pradesh during the Third Plan period; and

(b) the names of the industries, their locations and the amount sanctioned to each of them?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) and (b). The information is being collected and will be laid on the Table of the House.

Export of Hookah Tobacco to Belgium

2093. **Shri Subodh Hansda:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that there is a great demand for Hookah tobacco in Belgium.

(b) if so, the steps being taken to export the tobacco; and

(c) the total demand of this tobacco per annum in that country?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to (c). No, Sir, judging from available statistics, it appears that the demand for Hookah tobacco in Belgium is not very significant.

Paper Production

2094. **Shri Maheswar Naik:** Will the Minister of Commerce and Industry be pleased to state:

(a) the existing requirements of paper in the country;

(b) the extent to which we have acquired self-sufficiency in paper;

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(c) the number of industrial licences for expansion of the existing paper mills and for putting up new undertakings granted to companies and individuals since the commencement of the current plan; and

(d) whether these licences have been fully utilized and if not, whether any action is contemplated for their full utilization?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) 5.3 lakh tonnes approximately, during 1963-64.

(b) 80 per cent.

(c) 5 expansion licences and 36 new licences have been granted.

(d) Out of 41 licences, 12 are under active implementation and 13 have been revoked. The progress of the remaining 16 licences is being watched.

Textile Mills

2095. **Shri P. R. Chakraverti:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have permitted some States to set up textile mills in the public sector;

(b) if so, the specific reasons for making departure from the generally accepted policy; and

(c) the names of the States that have received such permission?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir.

(b) Four cotton spinning mills have been licensed mainly to ensure regular supply of yarn, especially those counts which are in short-supply, at reasonable price to consumers mainly in the Handloom Sector. In the case of the unit sanctioned in West Bengal the consideration was the rehabilitation of displaced labour.

(c) Kerala, West Bengal and Madhya Pradesh.

मक्का का आयात

२०६६. श्री कछवाय : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि स्टार्च फैक्टरियों के लिये मक्का विदेशों से आती है

(ख) यदि हां, तो प्रति वर्ष कितने रुपये की ;

(ग) यदि मक्का देश में ही खरीदी जाते तो क्या कुछ हानि होगी और यदि हां, तो प्रति वर्ष कितनी . और

(घ) क्या स्टार्च फैक्टरी वालों पर देश में मक्का खरीदने पर कोई प्रतिबन्ध है और यदि हां, तो कौन ?

वाणिज्य तथा उद्योग मंत्रालय में उद्योग मंत्री (श्री कानूनगो) : (क) जी हां ।

(ख) स्टार्च उद्योग के लिये मक्के की वार्षिक आवश्यकता लगभग ८०,००० मीट्रिक टन है (जो पी० एल० ४८० के अधीन अमरीका से मंगाई जाती है) जिसका मूल्य २.२ करोड़ रु० के लगभग होता है ।

(ग) जी, नहीं ।

(घ) जी हां । स्टार्च बनाने के लिये स्टार्च फैक्टरियों द्वारा देशी मक्का खरीदने पर इस दृष्टि से रोक लगा दी गई है कि उनके द्वारा बड़े परिमाण पर मक्का खरीदने से देश में उसकी कीमतों में अनुचित वृद्धि न होने पाये ।

Naya Nangal Colony

2097. Shri Daljit Singh: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether the construction of the Naya Nangal Colony attached to the Fertilizers Factory has been completed; and

(b) if so, the expenditure incurred so far?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): (a) Yes.

(b) Rs. 3.36 crores (approximately).

Disposal of Vehicles by S.T.C.

2098. Shri Himatsingka: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of vehicles (Motor Cars, station vans etc.) that were made available to the State Trading Corporation by persons connected with the various Embassies and High Commissioners in 1960-61, 1961-62 and 1962-63 upto 28th February, 1963;

(b) the value paid for such vehicles;

(c) how the said vehicles have been disposed of; and

(d) the profit or loss accruing out of their sales if any?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) The orders pertaining to the purchase of imported cars belonging to diplomats/diplomatic missions by the State Trading Corporation came into force with effect from the 29th November, 1962. The information for the period 29th November, 1962 to 28th February, 1963 is as follows:

Out of 60 imported cars offered to the State Trading Corporation, 17 cars were purchased. The remaining cars are under consideration.

(b) Rs. 2,02,889.40 nP. for 17 cars purchased.

(c) Out of the 17 vehicles purchased, five vehicles have been so far disposed of to the following according order of priority.

Rashtrapati Bhavan

Defence Organisations

The Central and State Governments

Public Sector Undertakings
earning foreign exchange
Raj Bhavan

Tourist organisation.

(d) State Trading Corporation being a business organisation it is not in the public interest to disclose this information.

Transformers for Dhuvaran Electricity Project

2099. Shri Sham Lal Saraf: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether the Heavy Electricals Limited, Bhopal have expressed their inability to supply a Giant Size Transformer to the Gujarat Electricity Board for its Dhuvaran Electricity Project; and

(b) if so, the reasons therefor?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) and (b). The Gujarat Electricity Board enquired in May, 1961 from the Heavy Electricals (India) Ltd., Bhopal whether they could supply the following sizes of Power Transformers for the Dhuvaran Project:

- (1) 4 transformers of 75,000 kva each;
- (2) 6 transformers of 40,000 kva each and
- (3) 1 transformer of 12,500 kva.

The Heavy Electricals (India) Ltd., Bhopal accepted orders for 6 transformers of 40,000 kva each and 1 transformer of 12,500 kva. As for the requirement of 4 transformers of 75,000 kva each, they could not accept the order immediately, as the

factory was then not equipped for making transformer of sizes above 50,000 kva. However, later on they decided that it was feasible to manufacture these bigger sizes by installing some additional plant and increasing the capacity of the test plant. As installation of this additional equipment would take some time, the Heavy Electricals (India) Ltd., Bhopal advised the Gujarat Electricity Board that they could supply 75,000 kva transformers in a period of 22/24 months from the date of receipt of the order. This period of delivery did not suit the Gujarat State Electricity Board as they required the transformers by March, 1963. The State Electricity Board, then, made arrangements to import these transformers from the U.S.A.

Khadi Production in Punjab

2100. Shri Daljit Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of Khadi produced in Punjab during 1962-63; and

(b) the target fixed for the production of Khadi during 1963-64?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) According to reports received so far 61.18 lakhs sq. metres of Khadi, valued at Rs. 177.80 lakhs were produced in Punjab during 1962-63 (upto 31st December, 1962).

(b) Worth Rs. 336.27 lakhs.

Handloom Export Organisation

2101. Shri Reddiar: Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of handloom cloth exported from the country by the Handloom Export Organisation itself excluding its associates during 1960-61 and 1961-62 upto 31st December, 1962;

(b) the amount spent on the establishment of the Handloom Export Organisation during the same period;

(c) the quantity of handloom cloth sold within the country during the same period; and

(d) whether the Handloom Organisation proposes to participate in the New York World Fair in 1964 and if so, the amount proposed to be spent?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) to (d). A statement is laid on the Table of the House. [*Placed in the Library, see No. LT-1172/63*].

All India Handloom Board

2102. Shri Reddiar: Will the Minister of Commerce and Industry be pleased to state:

(a) the principle on which representation was given in the reconstituted All India Handloom Board; and

(b) whether any non-official exporter or producer of handloom from Madras is in the Board as the State produces more than 50 per cent?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) The All India Handloom Board was reconstituted in January, 1963, keeping in view the observations of the Estimates Committee of Parliament that the membership of the Board constituted in January 1961 was on the high side and with a view to ensuring business-like deliberations of the Board, its total membership should be reduced considerably without effecting vital representative interests. The number of members was reduced from 60 to 32 without in any way affecting the representation to the handloom interests. Representation to the various States and other interests connected with the Hand-

loom Industry has been broadly as under:

	Number of Representatives
States which have more than 2 lakhs registered looms	2
States which have between 1 lakh and 2 lakhs registered looms	1
Other States which have less than 1 lakh registered looms	2
	(combined representation of two members)

Central Government Representatives, like :

The Textile Commission ;
The Joint Textile Commissioner ;
Director, All India Handloom Board ;
Planning Commission ;
Finance (C. & I. Division). } 5

One representative each from the following :—

Handicrafts and Handloom Export Corporation Ltd.,
New Delhi All India Fabrics Marketing Co-operative Society, Bombay.

Reserve Bank of India.
Mill Industry.
Exporters..

Presidents of the Madras and Hyderabad Societies

(b) Shri M. S. A. Majid of Madras (an exporter of handloom fabrics) who is a member of the Export Promotion Advisory Committee for Handloom Goods is one of the members of the All India Handloom Board. Besides, Madras State is represented by the following three more representatives:

- (i) The President, South India Millowners' Association, Coimbatore.
- (ii) The President, Central Co-operative Bank Ltd., Salem.

(iii) The Director of Handlooms, Madras.

Cement Factories in Madhya Pradesh

2104. Shri R. BARUA: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether it is a fact that the scheme for establishment of cement factories in Madhya Pradesh has been approved; and

(b) if so, when the factories are expected to go into production and the production capacity thereof?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) and (b). A licence has been granted for the establishment of a cement factory at Jamul near Bhilai. This factory is likely to go into production by the middle of 1964 and its ultimate capacity will be about 590,000 tonnes of slag cement a year.

Approval, in principle, has also been accorded to the setting up of cement factories at Akaltara (near Champa), Bhanpura and Raipur. Formal licences are to be issued after the concerned parties are in a position to make firm and satisfactory arrangements for the machinery and equipment required. The installed capacity of these factories will be as follows:

Akaltara	167,620 tonnes of portland cement a year.
Bhanpura	203,180 tonnes of portland cement a year.
Raipur	330,000 tonnes of slag cement a year.

It is too early to say at present when these factories are likely to go into production.

Licences for starting Industries to Kerala

2106. Shri P. Kunhan: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of licences issued during the first two years of the Third Plan for starting industries in Kerala;

(b) the number of licences utilised; and

(c) the industries for which licences have been issued?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) to (c). Particulars of licences issued from time to time under the Industries (Development and Regulation) Act, 1951, are published in the "Bulletin of Industrial Licences, Import Licences and Export Licences" and in the "Indian Trade Journal", both of which are Weeklies, and in the Monthly "Journal of Industry and Trade". Particulars regarding licences implemented are also published in the monthly "Journal of Industry and Trade". Copies of the three publications are available in the Library of the House.

रूस में टेक्नीशियनों का प्रशिक्षण

२१०७. { श्री श्रीकार लाल बेरवा :
 { श्री कछवाय :

क्या इस्पात और भारी उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि कुछ भारतीयों को रूस में प्रशिक्षण दिया जा चुका है जो कि भिलाई और हटिया परियोजना के विस्तार का काम करेंगे; और

(ख) यदि हाँ, तो ऐसे किन-टेक्नीशियनों को प्रशिक्षण दिया जा चुका है ?

इस्पात और भारी उद्योग मन्त्रालय उपमन्त्री (श्री प्र० चं० सेठी): (क) और (ख). हटिया परियोजना के लिए ७ भारतीयों को रूस में प्रशिक्षण दिया गया है। भिलाई इस्पात कारखाने के विस्तार के लिए विशेष रूप से किन्हीं व्यक्तियों को रूस में प्रशिक्षण नहीं दिया गया है।

Shifting of Factories from Shahdara

2108. **Shri Rameshwar Tantia:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether a memorandum has been submitted by the factory owners of Shahdara to Government expressing their inability to shift the factories to a new Industrial Estate;

(b) if so, the reaction of the Central Government; and

(c) whether any financial assistance is likely to be given to them?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) A Memorandum has been received by the Delhi Administration from the Shahdara Manufacturers Association expressing their inability to shift to a new Industrial Estate unless easier terms are offered including an increased number of instalments of the premium to be paid for the developed plots and also at lower price.

(b) and (c). The matter is under consideration.

खादी और ग्रामोद्योग का विकास

२१०९. **श्री सिद्धेश्वर प्रसाद:** क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि खादी तथा ग्रामोद्योग आयोग ने राज्य खादी बोर्डों के लिए खादी और ग्रामोद्योगों के विकास का जो लक्ष्य निर्धारित किया था वह आयोग के स्थापित किये जाने के समय से अब तक पूरा नहीं हो सका है; और

(ख) क्या तीसरी पंचवर्षीय योजना के अन्तर्गत इनके लिये कोई लक्ष्य निर्धारित किया गया था?

वाणिज्य तथा उद्योग मंत्रालय में उद्योग मंत्री (श्री कानूनगो): (क)

और (ख). खादी तथा ग्रामोद्योग आयोग ने राज्य खादी बोर्डों के लिये दूसरी और तीसरी पंचवर्षीय योजनाओं के अन्तर्गत कोई निश्चित लक्ष्य निर्धारित नहीं किये थे।

Hindustan Steel Limited

2110. **Shri D. C. Sharma:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether the Hindustan Steel Limited incurred a heavy loss during 1961-62 according to its annual report; and

(b) if so, the reasons therefor and the steps taken or proposed to be taken in the matter?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir. Hindustan Steel Limited incurred a loss during 1961-62.

(b) The economies of integrated Iron and Steel Works operation are achieved only when the production in all the units is stabilized at about 80 per cent of the rated capacity. The Steel Plants under Hindustan Steel Limited have now reached the rated ingot capacity. Steps are also being taken to achieve a reduction in cost of production.

Ambar Charkha in Punjab

2111. **Shri Daljit Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount given year-wise for propagation of Ambar Charkha in Punjab during the Third Plan period so far;

(b) the production achieved during the same period; and

(c) the centres opened so far?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Rs. 2.72 lakhs as grants and Rs. 7.44 lakhs as loans

during 1961-62 and Rs. 0.75 lakhs as grants and Rs. 0.62 lakhs as loans during 1962-63 (upto the end of December, 1962).

(b) 5.60 lakh sq. metres of Ambar cloth was produced during 1961-62, while during 1962-63, upto the end of December, 1962, 2.05 lakh sq. metres of Ambar cloth was produced.

(c) 317.

Distribution of Pig Iron

2112. Shri Yajnik: Will the Minister of Steel and Heavy Industries be

pleased to state the amount of pig iron that has been distributed to various States during the last three years State-wise?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): There has been no quota system for pig iron since 1-7-1959. Consumers can obtain their requirements either from Stockists or from the Producers on indent through the Iron and Steel Controller. State-wise despatches of pig iron during 1960 to 1962 are given below:*

th

(In '000 metric tons)

Name of State	1960	1961	1962
Andhra	3.5	6.1	4.1
Assam	0.1	0.4	0.2
Bihar	17.1	15.7	23.4
Delhi	25.8	17.3	17.5
Gujarat	26.0	28.3	27.6
Himachal Pradesh	0.6
Jammu and Kashmir
Kerala	1.9	2.8	1.4
Madras	16.2	19.7	19.5
Mysore	6.7	19.3	11.7
Maharashtra	47.6	49.4	38.1
Madhya Pradesh	7.3	8.3	9.2
Bombay (Un-divided)	0.5
Orissa	9.3	13.2	25.3
Punjab	76.6	70.0	62.8
Rajasthan	2.3	3.8	6.1
Uttar Pradesh	43.0	43.8	57.6
West Bengal	145.9	197.4	258.5

(*) Excludes the following despatches :—

(i) Despatches from M/s Indian Iron and Steel Co., to their Kulti Works

206.0 268.0 204.0

(ii) Despatches to Cast Iron Sleeper Manufacturers for Railways, which are allotted by the Railways to parties in different States on which orders are placed . .

250.0 220.0 212.0

Colour Films

2113. Shri Brij Raj Singh-Kotah: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that colour films used by amateur photographers are not available in the market throughout India; and

(b) if so, whether there is any likelihood of supplies being made available in the near future?

The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo): (a) Government have not received any complaint about the shortage of coloured films in India.

(b) Does not arise.

Allotment of Cement to States

2114. **Shri Yajnik:** Will the Minister of Steel and Heavy Industries be pleased to state the quantity of cement allotted to each State during the last three years?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): A statement is laid on the Table of the House. [Placed in the Library, See No. LT-1173/63].

Allotment of Corrugated Iron Sheets

2115. **Shri Yajnik:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the allotment of corrugated iron sheets to each State during the last three years;

(b) the basis on which this allotment is made; and

(c) whether any complaints were received from some States regarding the allotment being small and the action taken thereon?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) A statement is laid on the Table of the House. [Placed in the Library, see No. LT-1174/63].

(b) Demand and availability.

(c) Yes, Sir. In view of the shortage of Galvanised Corrugated sheets it has not been possible to meet the demands in full. Priority despatches were arranged to meet urgent requirements in case of natural calamities like floods, fires etc.

Import of Wrought Iron Pipes

2116. **Shri Eswara Reddy:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether licence has been granted to Singareni Collieries Company for importing 6 and 4 inches wrought

Iron Pipes measuring 1,17,000 Running feet;

(b) if so, the countries from which these are being imported; and

(c) the value of the same?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) No, Sir.

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

Manufacture of Armour Plate

2117. **Shri D. C. Sharma:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether a new heat treatment plant is proposed to be erected at Rourkela Steel Works for the manufacture of armour plate to help India's defence effort with German assistance;

(b) if so, the extent of the German assistance; and

(c) the nature of plates to be manufactured?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) to (c). The matter is still under consideration.

Heavy Electricals Corporation

2118. **Shri Rameshwar Tantia:** Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether the Heavy Electricals Corporation has signed an agreement with the Soviet Union for the supply of design documentation for machinery articles;

(b) if so, the articles that will be imported under the agreement; and

(c) how the payments will be made for the articles?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) No Sir;

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

Cement Factory at Yerraguntla

2119. Shri Eswara Reddy: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the estimated capacity of the proposed Cement Factory at Yerraguntla, Cuddapah District, Andhra Pradesh; and

(b) when it is likely to be commissioned?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) 600 tonnes a day or 200,000 tonnes a year.

(b) It is too early to say at present when the factory is likely to be commissioned. However, it usually takes 2-3 years to commission a cement plant after orders for plant and equipment are placed.

Fertilizer Factory

2120. Shri Jashvant Mehta: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) the progress made after the preliminary report on fertilizer factory in Gujarat was received by Centre;

(b) whether any decision regarding foreign collaboration has been taken;

(c) if so, the details thereof; and

(d) further steps Government have taken to expedite the project?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) A licence under the Industries (Development & Regulation) Act, 1955 was granted to Messrs Gujarat State Fertilisers Company on the 7th July, 1962 for the establishment of a factory for the production of Urea and Ammonium Phosphate with a total capacity of 96,000 tonnes in terms of nitrogen per annum. A detailed Project Report has been prepared and the Company has invited tenders for the supply of Urea and Ammonia Plants from selected firms abroad. The site for the factory and township has been

selected. About 420 acres of land have been acquired for the purpose.

(b) No Sir.

(c) Does not arise.

(d) This is a project in the private sector with minority participation by the Government of Gujarat. The Government of India are very much interested in seeing that the project is completed as expeditiously as possible and will be rendering such assistance, wherever possible, as may be required by the Company, from time to time.

भारत के आयात और निर्यातों का मूल्य

२१२१. रामेश्वरानन्द : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि पिछले पांच वर्षों में भारत से कितनी राशि का माल निर्यात किया गया और कितनी राशिका माल आयात किया गया है ?

वाणिज्य तथा उद्योग मंत्रालय में अन्तराष्ट्रीय व्यापार मंत्री (श्री मनुभाई शाह) : एक विवरण सभा पटल पर रखा जाता है [पुस्तकालय में रखा गया, देखिये संख्या एल०टी०-११७५/६३]

Small Scale Industries in Gujarat State

2122. Shri Jashvant Mehta: Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether it has come to notice of Government that small scale industries in Gujarat State are short of pig iron, and are on the verge of closure; and

(b) steps taken by Government to avert the closure of these small industries?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): (a) and (b). Complaints have been received from the foundries in Gujarat State regarding shortage of foundry grade pig iron, resulting in restricted production. Government is generally aware of the shortage of pig iron (foundry grade) for foundries not only in Gujarat State but in other States also. No precise information is available as to which small-scale units in Gujarat State, are on the verge of closing down due to this shortage. A total quantity of 27,596 tonnes of pig iron was supplied to the various foundries in Gujarat State during 1962 against current and outstanding orders. Some despatches have been arranged on priority basis to keep the foundries going.

12.14 hrs.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

ACCIDENTS AT MITHANI AND SRIPUR COLLIERIES

Shri Yashpal Singh (Kairana): Sir, I call the attention of the Minister of Labour and Employment to the following matter of urgent public importance and I request that he may make a statement thereon:

"The accidents at Mithani colliery on the 12th April, 1963, and Sripur colliery on the 10th April, 1963, resulting in some deaths and injuries to several."

The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya): I regret to inform the House that an accident occurred in the Sripur colliery on the 10th April, and another in the Mithani Colliery, on the 12th April 1963.

The accident in Sripur colliery was due to a down-going cage striking against the bottom of the shaft. There were nine persons in the cage and one of them sustained serious injuries.

The shaft in the mine is 800 feet deep and is fitted with good winding arrangement. The accident has been inquired into by the Mines Inspectorate and has been classified as a case of misadventure.

The accident in Mithani colliery was due to fall of roof coal from a height of about six feet striking against three loaders who were busy loading coal into baskets. Two of the loaders were killed instantly and one received serious injuries.

The accident has been inquired into by the Inspectorate. The supervisory staff and the management have been held responsible for the accident as it occurred owing to non-observance of safety precautions contained in the regulations. Action is being taken for instituting legal proceedings against the management and officials concerned.

Shri Yahpal Singh: May I know whether the Mines Inspector had previously reported any possibility of such a danger?

Shri R. K. Malviya: We have not got any information about it. It is after the accident that the Inspectorate made an inspection and gave the report.

Mr. Speaker: Shri Banerjee:

Shri Yashpal Singh: What is the ex-gratia payment.....

Mr. Speaker: Order, order; I have called Shri Banerjee.

Shri S. M. Banerjee (Kanpur): I want to know whether it is a fact that this accident in Sripur and adjoining areas took place at a time when Safety Week was being observed in those mines, whether there is any truth in it and what action has been taken to safeguard the interests of workers who are working more during the emergency and to apply safety measures which are not applied by the mine-owners now.

Shri R. K. Malviya: It is a fact that these two accidents took place at the

time when the coal mines were observing the Safety Week. So far as the precautions are concerned, the regulations are there and they are being observed very meticulously. As I have just now said in the case of Mithani we are going to prosecute the management. Apart from this, recently two more actions have been taken—one is for training the workers before entering the mine and the second is that we are constituting a National Safety Council very soon to take all precautions in future to reduce the number of accidents as much as possible.

Shri Hari Vishnu Kamath (Hoshangabad): I would request you to ask the Government if Safety Week produced those accidents, what will happen in other weeks during the year. If you can ask it, it would be better than my asking it.

Mr. Speaker: Should I ask the supplementary myself?

Shri Hari Vishnu Kamath: No, Sir.

Mr. Speaker: Papers to be laid on the Table.

12.17½ hrs.

PAPER LAID ON THE TABLE

COFFEE AMENDMENT RULES, 1963

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): Sir, I beg to lay on the Table a copy of the Coffee Amendment Rules, 1963 published in Notification No. G.S.R. 585 dated the 6th April, 1963, under sub-section (3) of section 48 of the Coffee Act, 1942. [Placed in Library, See No. LT-1166/63].

12.18 hrs.

APPROPRIATION (No. 2) BILL, 1963

The Minister of Finance (Shri Morarji Desai): Sir, I beg to move:*

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1963-64, be taken into consideration."

Mr. Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1963-64, be taken into consideration."

The Motion was adopted.

Mr. Speaker: The question is:

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Title stand part of the Bill."

The Motion was adopted.

Clause 1 to 3 the Schedule, the Enacting Formula and the Titles were added to the Bill.

Shri Morarji Desai: Sir, I beg to move:

"That the Bill be passed."

Mr. Speaker: The question is:

"That the Bill be passed."

The Motion was adopted.

*Moved with the recommendation of the President.

12.19 hrs.

FINANCE BILL, 1963—Contd.

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Morarji Desai on the 18th April, 1963, namely:—

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1963-64, be taken into consideration."

Shri Hari Charan Soy was in possession of the floor. He might continue his speech.

श्री ह० च० सोय (सिहमूसा): अध्यक्ष महोदय, कल मैं बड़ी कठिनाई से मंत्री महोदय का ध्यान दिला रहा था इस बात को धीरे कि यूनियन टैरेंटोरल जैसे त्रिपुरा, मणिपुर, अन्डमान्स वगैरह है, इसके लिये हम ने जो बजट में अनुदान किये थे उसमें से ५० प्रतिशत से भी अधिक रकम वापस कां गया है। यह वापस कां बड़ा खामो है खासकर कल्याण के कार्यों में। इससे स्थिति बड़ा गम्भीर हो गया है। सदन को मैं मिसाल के तौर पर बतलाना चाहता हूँ कि द्वितीय पंचवर्षीय योजना में जो १२ स्टेट्स हैं उनमें प्लान में रखा गया था ४ करोड़ ५८२ लाख रुपया। इसमें से खर्च किया गया सिर्फ ३ करोड़ ६३० लाख और वापस किया गया ६५२ लाख। यानि १४.२ परसेंट। मध्य प्रदेश में कल्याण कार्यों के लिये दी गया रकम में से ३७ प्रतिशत वापस कां गया, बिहार में २० प्रतिशत वापस कां गया, इसी तरह पंजाब में ३३ प्रतिशत वापस कां गया और मैसूर में १७ परसेंट वापस कां गया। यहाँ हाल दूसरे राज्यों में है।

अब विचार करने की बात यह है कि हम कल्याण कार्य संविधान के मुताबिक कर रहे हैं। संविधान का धारा ४६ में भारतीय जनता ने प्रतिज्ञा की है कि एक निश्चित

समय में जो पिछड़े वर्ग के लोग हैं, विशेष कर शिड्यूलड कास्ट और शिड्यूलड ट्राइब्स, उनका शिक्षा के लिये और उनका आर्थिक स्थिति को सुधारने के लिये कम से कम समय में एक विशेष कदम उठाया जायेगा। लेकिन जो उदाहरण मैंने पेश किये हैं उनसे पता चलता है कि १७ प्रतिशत से लेकर ३३ प्रतिशत तक यह रुपया वापस कर दिया जाता है, इसके आना है कि हम सारे काम नहीं कर सके। इसके बारे में सदन के सामने एक आर्थिक-डेबिट रिपोर्ट डेबेर कमांशन का है जो हमको बड़ा दर्दनाक इनफार्मेशन देता है। इस रिपोर्ट में यह रिकमेंडेशन कां गया है कि आयन्दा ऐसा इन्तिजाम होना चाहिये कि इतने रुपये का वापस न हो। इसमें एक और खास रिकमेंडेशन यह दी गया है कि हमारे होम मिनिसट्री में एक ऐसा निश्चित डिपार्टमेंट (एकाउंट सैल) हो जो इस बात कां देखभाल करे कि जो रकम दी जाता है अनुदान के रूप में हर साल बजट में, उसका उचित खर्च हो रहा है और जिन उद्देश्यों के लिये वह रकम दी गया है उसी मद में खर्च हो। मैं वित्त मंत्री से जानना चाहूंगा कि इस नये बजट में उस रिकमेंडेशन को रखा गया है या नहीं।

फिर इसके बाद एक और महत्वपूर्ण रिकमेंडेशन इस बात के लिये कां गया है कि रुपए का वापस न हो सके। वह यह है कि हर साल जब हम अपना प्लान तजवाज करते हैं तो इस बात का जांच कां जाये कि हम कितना दूर आगे बढ़े हैं और हम खर्च ठीक से कर रहे हैं या नहीं। मैं यह भी जानना चाहूंगा कि पिछले साल में इस तरह कां जांच हुई कि नहीं।

शिड्यूलड एरियाज का जिम्मेवारी विशेष रूप से केन्द्रिय सरकार कां है। ऐसे इलाकों में, जैसे मैंने पहले कहा, बड़े पैमाने पर आयोगाकरण होने के कारण वहाँ जो हजारों फैमिलीज पहले से रह रहे थे उनको हटाया जा रहा है। एक और हम बहुत खुश होते हैं और होना भी चाहिये कि आयोगीकरण हो रहा है और

देश का प्रगति के लिये हम बड़े पैमाने पर कारखाने बना रहे हैं। लेकिन उसी के साथ उस इलाके के लोग हजारों का संख्या में बेजमान और बेसहारा किये जा रहे हैं। आप देखें कि जहाँ हटिया का कारखाना बनाया गया है वहाँ के हजारों लोग बेजमान हो कर पड़े हैं। उन्हें काम नहीं मिलता। आप चर कर उनका हालत को देखें।

अध्यक्ष महोदय : आप बुझे निमंत्रण देते हैं तो मैं चलूंगा।

श्री ६० च० सोय : हम आपको निमंत्रण देते हैं।

तो मैं कह रहा था कि देश के लोग बहुत खुश हैं कि हटिया में कारखाना बन रहा है, लेकिन वहाँ के लोगों को अपने घरों से उजाड़ा जा रहा है। हम ये सब कारखाने आदि इसलिये स्थापित करते हैं कि देश के लोगों को ज्यादा रोजगार दे सकें, लेकिन वहाँ के लोगों को हटाया जा रहा है और उनको बंसा या तबस माल दूर बनाया जा रहा है। रुक्मिला का भी यही बात है। तो मैं कहना चाहूंगा कि जो इन इलाकों में औद्योगिकरण हो रहा है उसका सामाजिक असर स्थानीय जनता पर बहुत बुरा हो रहा है।

अभी आप जानते हैं किराबुरु के मामले में शांति भंग हुई। लेकिन यह एक मिसाल केवल उसी जगह का नहीं है। रुक्मिला में भी यह हुआ और दूसरा जगहों पर भी हुआ। वहाँ के जो लोग डिप्लेस्ड होते हैं उनको काम नहीं मिलता। नये उद्योगों के कारण जो अपारचुनिताज पैदा होता है उसमें वहाँ के लोगों को उनका उचित हिस्सा नहीं मिलता इसलिये उनके दिल में बड़ा असन्तोष है और यह असन्तोष बढ़ता जाता है। वहाँ के लोग अपने को एडजस्ट नहीं कर पा रहे हैं। और इस कारण शांति भंग के रूप में उनका असन्तोष प्रकट हो जाता है। तो मेरा सरकार से यह विशेष आग्रह होगा कि वहाँ

के जिन लोगों को हटाया जाता है उनको किस प्रकार फिर से बसाया जाये इस पर नये सिरे से विचार और योजना-निर्माण होना चाहिये ताकि जो अपारचुनिताज वहाँ पैदा होता है उसमें उनको उचित हिस्सा मिल सकें।

एक और चीज का तरफ मैं आपका ध्यान दिलाना चाहता हूँ। हर साख जो नान आफिशियल सोशल वेलफेयर ग्रांड, या आरगेनाइजेशन हैं उनको बड़ा रकम ग्रांट इन एड में दी जाती है। लेकिन ये आरगेनाइजेशन वेलफेयर का काम करने के बजाय आपस में लड़ते हैं। ऐसा लगता है कि आय समाज के से हो गये हैं। वे वहाँ पर ईसाई मिशनरों का मुकाबला कर रहे हैं। इन आरगेनाइजेशन को शिक्षा फैलाने पर, अस्पतालों की सुविधा बढ़ाने आदि पर जोर देना चाहिये लेकिन ये नान आफिशियल आरगेनाइजेशन जिनको गवर्नमेंट से मदद मिलता है धर्मावलम्बी संस्थाओं का तरह काम करते हैं।

ये संस्थाएँ एक बड़ा उपयोगी काम हमारे यहाँ कर सकती हैं। उस इलाके में औद्योगिकरण होने के कारण जहाँ बड़ी संख्या में उस इलाके के लोग बेजमान और बेसहारा बने हैं, वहाँ बहुत बड़ा हद तक फॉमेल ट्रेफिक चलने लगा है इन उद्योगों के कारण। मैं तो चाहूंगा कि ये सोशल वेलफेयर आरगेनाइजेशन इस बुराई को रोकने का कोशिश करे जो कि बड़े पैमाने पर चल रहा है। मैं तो चाहता हूँ कि इस बुराई को रोकने के लिए विशेष स्वयं सेवकों का तथा रेस्क्यू होम्स का इन्तिजाम हो।

हम लोग अफ्रीका आदि दबे हुए राष्ट्रों के बारे में अपने तरफ से बड़े-हमदर्दी दिखलाते हैं और वह सही बात है। मगर अपने ही देश में जो आदिवास और सिड्यूल्ड कास्ट के लोग हैं उनका हम तरक्का नहीं कर पा रहे हैं। यह बात सही है कि हमारे होम मिनिस्टर साहब इन लोगों के साथ काफ़ी हमदर्दी दिखलाते

[श्री ह० च० सोय]

हैं मगर उनके पास समय है कहां, उनके पास तो दूसरा बड़ा बड़ा समस्याएं रहता है। वह इतने व्यस्त हैं कि इस ओर ध्यान नहीं दे सकते चाहते हुए भी। स्टेट्स में क्या है? वहां जिला स्तर पर डिप्टी कमिशनर इस काम को देखता है लेकिन वह जिले के कामों में व्यस्त रहता है और इस चीज को ठीक से नहीं देख सकता। राज्यों के चॉफ़ सेक्रेटरी भी बहुत व्यस्त रहते हैं फिर जो असिस्टेंट कमिशनर हैं स्टेट लेबल पर शड्यूल्ड कास्ट और शिड्यूल्ड ट्राइब्स का, उसका हालत यह है कि वह सिवाये रिकमेंडेशन देने के दूसरा काम नहीं करता। मैं तो चाहूंगा कि इस काम के लिए सेंटर के लेवल पर एक स्पेशल डिपार्टमेंट बनाया जाये और एक विशेष मिनिस्टर नियुक्त हो। मैं जानता हूँ कि एक डिप्टी मिनिस्टर हैं और वह अपने काम में दिलचस्पी लेते हैं, लेकिन मैं यह जानना चाहता हूँ कि वह कितना दफ़ा आसाम, बिहार और मध्य प्रदेश के इलाकों में गए हैं, जहां बहुत बड़ा सख्या में आदिवासि बसते हैं, जिन का प्राबलमज्ज को उन्हें जानना चाहिए। मैं सुझाव दूंगा कि स्टेट लेवल पर जो ट्राइबज एडवाइजरी कौंसिल हैं, जिन का मॉनिटिंग अक्सर हुआ करता है, उन को उन मॉनिटिंग में जाने का मौका निश्चालना चाहिए। एक विशेष कन्सल्टेटिव कमेटी पार्लियामेंट का हो जो कल्याण कार्यों का छान-बान करता रहे।

इन सब बातों का ओर ध्यान दिला कर मैं सरकार से यह कहूंगा कि ये जो पिछड़े वर्ग के लोग हैं, जो आयोगिकरण के बीच में पड़े जा रहे हैं, ऐसा न हो कि वे नागा लोगों का तरह कोई ऐसा स्थिति उत्पन्न कर दें। शुरू में हम लोगों ने नागा लोगों के प्रति बड़े फ़ोर्स से काम लिया। बाद में हम को सुबुद्धि आई और अब हम उन के साथ उचित बर्ताव कर रहे हैं। लेकिन जहां तक इन लोगों का सम्बन्ध है, हम समझते हैं कि अपने ऊंचे स्तर के जो लोग हैं, सिर्फ़ उन्हीं को बातें चलती हैं। हम कोशिश करें कि हम उनका बातों को भी समझें और

मामला बिगड़ने से पहले हम उन के बीच में एक सहानुभूतिपूर्ण तरीके से काम करें और सही मायनों में उन के लिए रुपया खर्च करें और उन के जीवन-स्तर को इतना ऊंचा करें कि वे दूसरों का बराबरी में आ सकें।

Shri Sham Lal Saraf (Jammu and Kashmir): I rise to support the Finance Bill which has been moved for consideration by the hon. Finance Minister. It was not possible for me to speak on the Demands for Grants of the Finance Ministry. I therefore now pay my compliments to the Finance Minister, his colleagues and the departments for putting up the proposals for the year. I must say that they must have done a pretty good labour in compiling these proposals. More particularly, I feel as if they had used some searchlight to find out what would be the taxable items on which proposals had to be formulated and submitted.

When we compare the total figures of the year 1963-64 with these of the last year or the year previous to that, we are astounded to find how it has been possible for the Finance Minister to find such colossal sums by way of tax, and that too not by taxing in such a way as to create a slump in the financial world of this country through which it would be very difficult for the Finance Minister to wade. I therefore congratulate the Ministry, particularly the hon. Minister, on giving us such proposals which, while, on the one hand, have not disturbed our financial position in the country as a whole, have, on the other, created a lot of hope and confidence among the people that we in our country can be in a position to meet the challenge of the Chinese aggressors and also to continue the tempo of planning within the country. In this view, I am personally very happy that these proposals are before us.

With the tax reliefs announced by the Finance Minister the other day, it has become all the more necessary to express one's gratification at the

way in which public opinion expressed in different quarters has found a resounding echo in the heart of the Finance Minister and the Finance Ministry. For that also, compliments are due to them. I say this while reserving, of course, my right to express my reaction to the taxation on some of the items about which I may have to say something hereafter.

Much has been said with regard to excess profits tax. The way in which attempt has been made to raise revenues is really commendable, but it has to be conceded that the Government policies must leave pretty good incentive to investors to invest. During the last few years, especially during the Second Plan, I have been seeing that even small people with little finances have been persuaded to invest. But since the announcement of the tax proposals, the share market has almost come to a standstill, may be as an immediate reaction to the present taxation proposals, but something should be done to give a new life to it.

The relief announced is very welcome, but I would request the Finance Minister to consider the question of giving a tax holiday for at least three years for new concerns.

The Minister of Finance (Shri Morarji Desai): They have a tax holiday for five years.

Shri Sham Lal Saraf: I am very thankful to the hon. Finance Minister.

Mr. Speaker: It has been given to him for the mere asking!

An Hon. Member: More than what he has asked.

Shri Sham Lal Saraf: I am sorry I have not been up-to-date informed in this matter. I would really congratulate him on this bold policy and I can say without fear of contradiction and with all the emphasis at my command that nobody could now say a word against these tax proposals, and particularly against excess profits tax.

The other day, speaking on the Ministry of Economic and Defence Co-ordination I had pointed out two or three things to which I could not get a satisfactory reply. While raising revenues, there should also be economy. No doubt, the Finance Minister and the Home Minister have stated that Government is doing its utmost to save wherever possible, but my feeling is that both at the Centre and in the States, there is a lot of overlapping among the departments and duplication of work. The Finance Minister should take up this point both with the Centre and the States, and I am sure that the search light that has enabled him to formulate the necessary tax measures of for reaching consequences will also enable him to make a pretty good saving, though not on the lines suggested by one of my friends on this side about Government getting hundreds of crores. It may not be hundreds of crores, but it will certainly help in making some savings. It will also gear up the entire administration if all the officers and the departments know that such a review is being undertaken.

There is duplication of work in the matter of inspection, whether it is on behalf of the Finance Ministry, Labour or any other Ministry, with the result that it is becoming increasingly difficult for commercial units to work. Is it not possible to simplify this process? For instance, in respect of the labour laws, it is not one inspector that goes round the manufacturing units, but there are several such Branches of inspection and supervision in the same department. Similar is the case with the health or the other departments. This has created such a nuisance with the people and the public that it has become almost intolerable. With regard to the execution of policies, and more particularly for inspection work, a number of inspectorates and inspectors have been set up. I request him to go into the inspection business and see if that could not be simplified.

Shri Morarji Desai: May I ask the hon. Member whether he expects that one inspectorate will take care of health, labour, engineering, education, everything?

Shri Sham Lal Sharaf: I think I am absolutely clear in what I am submitting. Perhaps the hon. Finance Minister did not hear me. Take, for instance, any class of workers. Take an industrial unit. That unit is being inspected not only by different departments but by different inspectors of the same department. If the hon. Finance Minister examines the labour department's factory inspectorate, there is the factory inspector, then the machinery expert, then the labour welfare man who is somewhat different and so on and so forth. It is making the working of these units almost impracticable. If my submission commends itself to the hon. Finance Minister and his colleagues they may kindly have a probe into it and find out what is the actual difficulty. An opportunity may in this behalf be provided to people outside who are engaged in businesses or commerce or industry or even people who work in fields of health etc., to examine it. A lot of saving would be effected.

We have to be careful in one or two things. We are attempting planned progress. We need therefore foreign exchange and internal resources also. For earning foreign exchange we have to depend upon our export trade or sometimes on loans raised outside the country. But we have ultimately to depend upon our own money and rest upon our own oars. So, problems concerning the international trade has to be gone into very thoroughly and very carefully. No doubt as far as the Ministry of International Trade is concerned, they have set up an organisation or directorates for different Branches, and work has begun in that department in right earnest. The performance of this Department should be seen very thoroughly and regularly. I have no time to speak about that in detail. For instance, certain incentives have been offered or are be-

ing given. I apprehend if it may not so happen that on the one hand we give and by the other we take what is given and ultimately we may get nothing. Without meaning anything untoward with regard to the Ministry concerned, I am all praise for the Ministry. But that alone would not help. More particularly, the Finance Ministry has to be very careful about it. As I said already, ultimately our progress with regard to earning of foreign exchange will depend upon our international export trade. There are a number of things about this but this is not the occasion when I could speak in some detail. The Minister of Finance should remain in perfect liaison with the functioning and working of that Ministry and see how practically things are done with regard to the promotion of external trade.

Permit me, Sir, to make a few references to other items on which I could not get time earlier education and health. Social services mainly depend upon these departments. We have done a lot of expansion of our education. The future leadership of the people is in the hands of children that we have today. My feeling is that the health of children is deteriorating. Schemes have to be thought of so that the entire school going children population could be checked up about their eye sight, power of hearing and power of speaking. I have had occasion to work with that department; for sometime I was going round the country, not only my State. I have seen the appalling conditions of these children. More particularly, the village children in the rural areas should be checked up. This will be one of the greatest services that our Finance Minister will be doing the country if they take care of children of today who are masters of tomorrow.

There are hospitals in our country. But a proper health survey has yet to be done. That is the need of the day.

A number of steps have been taken on the preventive side and on the curative side, I would ask my friends in this House as to how many of them were in a position to afford the treatment of a doctor in Delhi, if there were not the CHS scheme. Hardly a few. Attempts have to be made to cheapen the system of treatment, especially allopathic. It is the cry of today.

There are our pensioners who have been pensioned off sometime back. Today the amenities they get are not commensurate with the demand and the difficulties of the day. Is it possible for our Finance Minister to look into that also and see what is possible to give them more amenities?

Crime in the country is increasing fast. Several times I tried to bring a resolution on this matter before this House but unfortunately that could not get through the ballot. Will Government set up a committee or commission of experts on criminology to examine this question, region or State or area-wise and then try to tackle this problem to the satisfaction of the people. I would take a few more minutes Sir.

The hon. Finance Minister will kindly pay attention to one more thing—engineering services. Dr. Rao is not here. In the PWD, irrigation and power departments, there is a big racket going on in these days. A project estimate is made and it is sanctioned and sent on. Then, these estimates are revised. Will the Minister send a directive that whenever such revisions take place, the very persons who prepared those estimates should not revise it. There should be some other agency to do it. Some other checking agency should revise it. If that is done, I am sure that crores of rupees could be saved. Now, what happens? I myself have seen what is happening. Two years earlier, a project is worked out and the cost shown is X. Within a year thereafter, the costs become X plus Y, and within two years it becomes X plus Y plus Z. Thus, crores of rupees are spent. One

is amazed as to how this change can take place within such a short period. Therefore, where this revision takes place, it should be done by a different agency.

There is another very important point. Take the river basin schemes. Certain river basin schemes have been worked out, but only partially they have been done. If the river basin schemes are taken up river-wise with the help of the inter-State Boards or whatever agencies we set up for this purpose, immediate attention could be paid to the schemes and the country will be saved from floods which continually visit certain parts of the country and that will save us from the loss of crops also, and help us in a number of ways. With these words, I close.

Shri Subodh Hansda (Jhargram): Mr. Speaker, Sir, while speaking on this Finance Bill, I would like to make a few observations on certain points. From the speech of the Finance Minister I find that he has given tax relief on the excise duty on kerosene. There has been a reduction of two naye paise on superior kerosene and four naye paise on inferior kerosene. Of course I understand that the Finance Minister has understood the problems of the rural people. But I do not think he has gone very deep into the difficulties of those people. Why I say this is because kerosene is not used by the rural people as a luxury good. It is used by those people for lights and for the education of their children. Since the rates have been enhanced, I have found that it is difficult for the rural people to afford to pay more rice for kerosene. And today everyone knows that the income of the rural people has not gone up. So, I believe that the hon. Minister should have gone into these facts, namely, the rural people are to depend upon kerosene for the education of their children. I believe the hon. Minister should have taken into consideration all these problems.

Not only this. While replying to the debate on the general discussion of the

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budget the hon. Minister said that the people should consume less kerosene and thus conserve the resources. But I do not understand one thing; of course, the city people may consume less kerosene because they have the facilities of electric lights and so on. But I would like to know what facilities have been given to the rural people who have no other facility then to use kerosene. Therefore, it is, in an indirect way, discouraging the people, the rural people, to have their children educated in the educational institutions. So, I would like to submit this tax relief of 2 nP and 4 nP on superior and inferior kerosene respectively is not enough. I think the Finance Minister should give much more relief at least taking into consideration the problems of the rural people.

The other day some hon. Member while speaking on the Demands for Grants under the control of this Ministry of Finance said that there is very little effect of these taxes on the Scheduled Castes and Scheduled Tribes. I do not know how he could say that. I believe he comes from ex-Bombay State. I do not know whether he has seen the tribal people there or not, and whether the tribal people there are using kerosene or not. He said that the tribal people there use wood, etc., for the education of their children. It may be so. But in my part of the country, in my State, I would like to say that the tribal people there and also the Scheduled Castes are the worst-affected by this tax. I do not say that since Independence the Government have not been trying to improve the condition of the rural people, but still, today, the condition of those people has not been improved at all. If such taxes are imposed, and when the income of these people has not gone up, in the circumstances it becomes very difficult for these people to continue to give education to their children. Therefore, looking to this aspect also, I would request the Finance Minister to consider that this tax relief should be

much more than what he has already announced.

As regards the tax relief or exemption from the compulsory deposit scheme to the farmers, the Finance Minister said that only those who have a liability of less than Rs. 5 per annum will be exempted from this compulsory deposit scheme. But he has not looked into another aspect of this point either. Of course, I welcome this relief. If the size of the family is small, I welcome it. But if the size of the family is big enough and if the family depends upon the agricultural produce, I do not think the Finance Minister has given justice to those big families. Therefore I would suggest that he should make a slab system so that the big families which have to depend upon agriculture also get some exemption from the compulsory deposits scheme.

I am not going into the other items of the tax proposals. But what is of greater concern to me today is the food problem of the country. Every year, the Government is importing food from outside the value of Rs. 30 crores to Rs. 40 crores. The Food Minister said that he has been able to increase the production of food in our country. But I find from the reports that though the production has increased, the yield per acre has not increased at all. I do not know whether the Food Minister has gone into the details as to why the yield per acre has not gone up. Of course, recently the Food Minister has decided to go to the State headquarters and find out the reasons. But I would like to say that he should not go to the headquarters alone, he should go to the villages and find out the real reason why the yield per acre has not improved at all.

I would like to suggest a few things which should be considered by the Government if the food production of our country is to be increased. The first thing is, I find that most of those

experts who are responsible for the implementation of the schemes for increased food production have no practical knowledge of agriculture at all. I say this because from the reports I find that the agricultural experts who demonstrated better farming methods in our country in the demonstration farms attained only a lesser yield per acre than in the farm of any individual farmer. In spite of the big expenditure they incurred, it was found that the yield per acre is much below than in individual farms. Therefore, from this it is easily understood how our experts in agriculture function.

In my State, a few weeks back, in one of the daily papers it appeared that in West Bengal there are about 110 demonstration farms. In them, it was found that the yield per acre is much below than that in the farm of an individual farmer. The explanation was that all these farms have got very inferior quality of land. I do not know whether this explanation could be accepted, though the Government spend more than four times of what an individual farmer spends. So, there are other aspects too.

For instance, there was propaganda to apply chemical fertilisers. But the adverse effect which was caused by the application of these chemical fertilisers has not been considered at all. The farmers have been asked to apply chemical fertilisers without going into the details of the type of fertilisers to be applied and the kind of soil on which it should be applied. The result was that the yield per acre has automatically gone down. Not only this. There are other aspects too. The Government spent crores and crores of rupees for giving seeds and also credit facilities to the farmers. But these seeds and credit facilities have not been given in due time. That is one reason why the yield of our country has not gone up.

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The most important thing is irrigation facility. In the last two Plans, Government have given more atten-

tion to the big multi-purpose projects. But small schemes which can give good results have been neglected so far. In the last two Plans, I believe Rs. 210 crores have been spent, but only 70 million acres of land have been irrigated. Out of that, only 12 million have been irrigated by minor irrigation scheme, i.e., by tank irrigation, etc. I do not know the result of tank irrigation in other States, but in West Bengal, Bihar and Orissa, most of the tank irrigation schemes have become a failure. All this has become a tax burden on the farmers. But the most important schemes—medium and small-size schemes—have been totally neglected so far.

In my area, there are a number of small streams and *nalas* which have continuous flow of water. These resources have not been tapped so far. The small cultivators used to build *kucha* dams during the summer months and use the water for irrigation of boro paddy and other crops cultivation. If the schemes have been taken up by Government, I believe the food production of the country would have gone much more than what it is today.

Government try to waste money on the Japanese method of cultivation. It has become a slogan that the Japanese method should be introduced. Of course, I believe by the Japanese method production can be doubled. But the very secret of the Japanese method is not known to the experts of this country. This has been pointed out by the Japanese team which came to India to demonstrate this method in our country. They submitted a report in 1961. There they have clearly stated that the Indian experts understand that the Japanese method means transplanting in lines, application of heavy fertilisers, interculture and weeding. But actually the secret from the seed bed to harvesting—that technique—is not known to our Indian experts. They have also mentioned that by using chemical fertilisers, they have completely spoil-

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ed the soil. Seeing how our Indian experts work with this Japanese method of cultivation, naturally one cannot expect that enthusiasm could be created amongst the farmers. Therefore, I say that if this method has to be introduced, the experts themselves should have very extensive knowledge of this method. Not only this. The cost on Japanese method is very heavy. I do not believe our agriculturists in this country would be able to bear that cost. From the report, I see that the expenditure per acre comes to Rs. 300 for paddy cultivation and Rs. 150 for wheat cultivation. I do not believe that this heavy amount can be borne by our Indian agriculturists to adopt this method. Therefore, I request the Government not to waste money on this Japanese method of cultivation.

Another most important thing is the forest policy of the Government. We require forests for our own interests. But the interests should not be such that they cause harm to our agriculture. I have seen in many parts of the country, after independence, since the zamindaris were taken up by Government, Government began to cut trenches round the forests, not only round the forests but inside the forests also. The result was that the water which used to flow from the forest has been blocked. Previously the millions of acres of land which are situated near the forest areas were very fertile, because of the organic manures that they used to get from the forests. Today all these organic manures and the water which used to flow down into these lands have been totally stopped, making all these lands barren and fallow. Therefore, Government should see that this suicidal policy of cutting trenches round forest should be stopped.

Sir, there are millions of people in this country living in the forests for whom the Government has not done very much. I am referring to the scheduled tribes of this country. Since

independence, no doubt Government has spent crores of rupees for their economic development and even in the Constitution, there is a safeguard. But in spite of the safeguard that is given and the amount spent for their economic development, they have not made any satisfactory progress. This is obvious from the fact that the Government appointed the Dhebar Commission in 1960. That Commission has made certain recommendations which have been adopted by the State Governments. I would like to stress that Government should see to it that all these recommendations are totally implemented. The Dhebar Commission also recommended about financial aspects. I would request the Finance Minister to look into this, so that for want of finance, these recommendations may not remain unimplemented.

There are certain people who do not want that these people should get their share, which is given under the Constitution. This is obvious from the fact that in this House a number of times it has been emphasised that the stipends that are given by the Government should reach the students in time. But even today, in spite of the matter having been raised in the House a number of times, the stipends are given at the end of the financial year. I do not want to blame the policy of the Government, but I blame those officers who are responsible for all these things. I feel this is only to discourage the students of this community from further development.

I would like to conclude by saying a few words about their service conditions. The same attitude is adopted everywhere, even in Class III and Class IV staff. We always see that there is a short-fall. Nobody dares to look into the reason for these short-falls. The Home Ministry appointed a cell at the Central Secretariat. I do not know what this cell will do unless it is made effective. The cell which has been set up to look into the service conditions of these people

should be made effective and the executive officers who are responsible for implementing all these things should be given a strong directive to fill up all the vacancies that are reserved for the scheduled tribes people.

13.09 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Shri Morarka (Jhunjhunu): Sir, this is the heaviest Finance Bill which has ever been presented to the House. It proposes to raise a total additional revenue of Rs. 240 crores as follows: Excise Rs. 106.1 crores, customs Rs. 87.39 crores, corporation Rs. 6.00 crores; income-tax Rs. 39 crores and wealth tax and estate duty Rs. 0.52 crores. Over and above these, there is the super-profit tax, for which a separate Bill is coming. So, I do not propose to refer to super-profit tax during the consideration of the Finance Bill.

The Finance Minister has tried to obtain the required resources from a wide sector of our economy. According to me, he has followed three main principles in raising this revenue. The first is to collect as much revenue as possible from direct taxes. In that, he has recognised that the sector which earns the highest profits in our economy today is the corporate sector. Hence he has taxed these corporations under the S.P.T.

Secondly, he has tried to put excise duties on articles which are not strictly necessities of life such as tobacco, motor spirit, radios, refrigerators, air-conditioners, transistors etc.

Thirdly, he has tried to tax those commodities more which are imported and for which we do not have enough of foreign exchange. The example here is of kerosene. On kerosene the duty is imposed not only for revenue purposes but also for discouraging its imports and whatever imports we have, we have to conserve it for the use of our armed forces.

Now, it is said that the present Finance Minister is more sympathetic

to the monied class of people or to the private sector and, therefore, he imposes less taxes on them. I would like to examine this point in some details. I have collected some figures which I would like to place before the House. Just before the present Finance Minister took over—this is the fifth Budget of the present Finance Minister—our total tax revenue was Rs. 715 crores. The same has been increased this year to Rs. 1518 crores—an increase of Rs. 803 crores or 112 per cent. The customs have been increased from Rs. 135 crores to Rs. 308 crores, excise from Rs. 307 crores to Rs. 690 crores and income-tax and corporation tax from Rs. 221 crores to Rs. 445 crores—an increase of Rs. 225 crores or Rs. 45 crores per year.

As against this, if you take the previous seven years, what do you find? From 1952-53 to 1958-59, the indirect taxes were increased from Rs. 250 crores to Rs. 442 crores—an increase of 77 per cent or Rs. 28 crores per year. But the direct taxes were increased from Rs. 182 crores to Rs. 221 crores—that means an increase of Rs. 40 crores or Rs. 5.7 crores per year. The point is, the direct taxes were increased at the rate of Rs. 5.7 crores per year during the previous seven years before the present Finance Minister came, and they have been increased at the rate of Rs. 45 crores a year after he has taken over.

Now, another thing I want to submit about the direct and indirect taxes is that it is commonly believed here that direct taxes always fall on the rich and indirect taxes on the poor. I think this is an old theory and it does not hold good in the present days. The super profits tax, which is a direct tax, is levied on the corporations and ultimately affects the shareholders, particularly the poor shareholders.

Shri Warior (Trichur): Consumers.

Shri Morarka: How can it be said that the super profits tax is more direct than the excise duty on automobiles or the customs duty on

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machines. The customs duties paid on machines are paid directly by the corporations or the companies and the burden of those levies is also borne by those corporations. Similarly, the excise duty paid on an automobile, though it is called an indirect tax, is paid by the person who bears the burden. Therefore, to regard all indirect levies as the levies on the poor and the direct levies as levies on the rich is now a little bit fallacious.

Sir, as a matter of fact, the customs duties were regarded as indirect taxes and duties on the poor because our imports at that time consisted largely of consumer goods. Naturally, when the duties are levied on the consumer goods everybody pays more or less in the same proportion, and therefore it was correct to say that these duties fell more on the poor than on the rich. But since the introduction of import controls and various other things it is no more valid to say that these duties are only on the poor or even mainly on the poor people, and therefore there is no objection in having direct taxes while there is objection only in having indirect taxes.

Sir, a lot has been said about economy in the government expenditure. The Finance Minister while answering the debate the other day made the point that whatever increase people find this year is mainly due to the expenditure on the border police. I want to give the illustration of only one department I will show you how the percentage of expenditure has considerably come down in the Central Board of Revenue which is directly under the Finance Minister. During the year 1959-60 the total revenue collected was Rs. 812 crores and the cost of collection was Rs. 20.83 crores—in terms of percentage it works out to 2.6 per cent. In 1963-64, that is the budget year, our tax revenue is expected to be Rs. 1518 crores and the cost of collection would be Rs. 23.83 crores—in terms of percentage it works out to 1.6 per cent.

From 2.6 per cent the cost of collection would come down to 1.6 per cent. This is a very great improvement, a very admirable achievement, which indicates the necessary economy in the administration of our tax collection machinery. There is actually an increase in expenditure from Rs. 20 crores to Rs. 23 crores over a period of years, but looking to the proportion of work that has increased, looking to the amount of revenue that has increased, this increase is not at all objectionable.

Now, I want to give some figures about expenditure. Out of every rupee that the Government collects by way of tax 42 naye paise are spent on defence, 16 naye paise are spent for our interest payments, 13 naye paise for grants-in-aid to the States and 9 naye paise on social developmental services. Then there are other minor and miscellaneous items. Much has been said about defence and, therefore, I will not repeat those things. I would instead examine the position about the interest payment and our public debt. The total amount of Rs. 275 crores which is budgeted for the payment of interest is divided into Rs. 143 crores for the internal debt, Rs. 60 crores for external debt, Rs. 65 crores for unfunded debt like Post Office savings, Provident Fund etc., and Rs. 8 crores for other miscellaneous items. It would be interesting for you to know that the interest obligations have increased phenomenally between our year 1952-53 and the budget year 1963-64. It has increased from Rs. 70 crores in 1952-53 to Rs. 275 crores in the budget year. But the more encouraging thing is that the receipts of interests have increased still more. They have increased over the same period from Rs. 42 crores to Rs. 217 crores—an increase of 417 per cent.

Now, Sir, our public debt which was Rs. 2523 crores in March, 1951, has reached the herculean figure of Rs. 9364 crores in March, 1964. The orthodox economists naturally feel

worried about this ever increasing public debt. But, Sir, they forget that in our country the public debt, the borrowing which the Government resorts to, is invested in all productive ventures. As long as public borrowing is matched by the increase in the national income, the borrowing actually does not become a sign of danger. It is a dangerous thing if you invest the amount that you borrow in ventures which are not productive or in ventures such as war, etc.

This year the Finance Minister has taken credit of Rs. 400 crores for market borrowing, and this includes Rs. 100 crores for the States. As recommended by the National Development Council, this year our borrowing programme is going to be a combined one. The States will not borrow separately and the Centre would not borrow independent of the States. They are going to have a combined programme. This combined programme has both advantages and disadvantages. The advantage is that there would be proper planning and it would not be as if one State can bring pressure on certain banks and borrow more while the loans of other States would not be subscribed at all but the disadvantage would be that once the Centre takes the responsibility of borrowing, then the initiative, the enterprise, from the States is taken away and they do not move their little finger to help the Centre to borrow this amount. Therefore, while the centralisation of the borrowing programme is a desirable feature, the Finance Minister should have given some incentives to the States and he should exert some pressure on the States also to contribute their help in achieving this target.

It is felt in some quarters that actually the amount that the Government borrows is mostly subscribed by the Reserve Bank and, therefore, it is not actually tapping the saving of the public but it is more or less another form of deficit financing. This criticism would be correct of the premise, namely, that all the loans are subscribed by the Reserve Bank, and not

by the public institutions, is valid. It is true that out of the entire target of the Second Plan, namely, Rs. 780 crores the contribution from the public, including the commercial banks, was less than Rs. 300 crores; the rest was subscribed by the Reserve Bank and some other institutions. As against this, our borrowing programme of last year was a spectacular success. As against a budgeted figure of Rs. 260 crores, we actually borrowed Rs. 329 crores. This year our effective borrowing would be only Rs. 170 crores, because the remaining is the repayment of the maturing loans. So, the additional borrowing actually comes to Rs. 170 crores, as against Rs. 205 crores last year. So, there does not seem to be much doubt about the success of this programme particularly when the annual investment of the provident funds alone come to Rs. 100 crores and the life insurance premium comes to Rs. 50 crores.

But there is one thing which we should not forget. So far as the commercial banks are concerned, their holding of Government securities has gone down from 28 per cent in December, 1958 to 21 per cent in March, 1961. The reason for this fall is obvious. Government securities mostly carry interest rates of $3\frac{1}{2}$, $4\frac{1}{2}$ or $4\frac{1}{2}$ per cent, depending on the date of maturity, while the rate of interest prevailing with the banks is $6\frac{1}{2}$ to $7\frac{1}{2}$ per cent. Therefore, the banks can advance their money more easily and on very good security within safe limit, at these rates of interest. Last year, Government increased their borrowing rate by $\frac{1}{4}$ and $\frac{1}{2}$ percent. I think Government should examine whether there is any need or necessity for increasing the borrowing rate by a slight percentage still more to encourage the commercial banks and other trust institutions to invest their money and earn suitable rates of interest. By law many of the trusts and institutions, like insurance companies etc. are obliged to invest money in Government securities irrespective of the return in the form of interest. When you compel them by law

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to invest in Government securities, justice and fairness demands that you must give them a reasonable return, which is quite in line with the bank rate of the country and the prevailing rate of interest. If that is done, I am sure the borrowing programme of the Government would succeed still more.

Mr. Deputy-Speaker: He should now conclude.

Shri Morarka: Please give me two more minutes to make some comments on the clauses of the Bill.

Clause 6 of the Bill puts a ceiling on the salaries and perquisites of persons employed by the companies. When the hon. Finance Minister announced reliefs recently, he exempted foreigners, persons who are not Indian citizens, from this provision. In this connection, I would like to mention only two points. Firstly, I want to know whether the provision, as it stands, would cover the contingency where one person may get Rs. 5,000 from one company, another Rs. 5,000 from a second company and yet another Rs. 5,000 from a third company. I think it is the intention of the Finance Minister to see that a ceiling is put on the income of individuals and, therefore, it is necessary to safeguard against this.

Shri Himatsingka (Godda): The word "indirectly" is there.

Shri Morarka: Yes, so far as one company is concerned. If the hon. Member, who is a solicitor, reads in what context the word is used here, when you say that when you assess the company the following deductions shall be made and the deduction shall be Rs. 5,000 directly or indirectly, he will find that it is directly or indirectly getting from that company.

Shri Morarji Desai: It is a doubtful point.

Shri Morarka: Secondly, directors, including the Managing Director, should also be covered by this. There is a judgment of the Lahore High Court where it has been held that a Managing Director is not an employee

of the company, because he is an agent of the company. This is another point which the hon. Finance Minister should take into consideration.

Now I come to registered firms. They stand on a special footing. On the one hand, there are companies, both private and public and, on the other, there are individuals; registered firms come in between. So far as companies are concerned, they are assessed at certain rates as an entity first; whatever remains is distributed by way of dividends and when the shareholders receive the dividend that is again taxed. Similarly, an individual is taxed according to the level of his income. As his income rises, his tax is at a high rate. So far as registered firms are concerned, they were not taxed as an entity at all; the total income which accrued to the firms were distributed among the partners and then each partner was taxed according to the share of his income. Some years ago, a new concept was introduced for the first time and a small tax was levied on the registered firms as an entity. Since then, it has been increased from time to time, and this year a surcharge of 20 per cent on business firms and 10 per cent on professional firm is levied. So far, so good. My complaint is that every day the income-tax law is becoming more and more complicated. The first innovation we made was registered firms with four or less partners and registered firms with more than four partners. This time we have introduced another concept, i.e., registered firms of professionals and registered firms of business people. According to me, the rate of tax which is levied on registered firms is not a high rate and looking to the taxes which we are levying on individuals as well as on corporations, I feel there is enough scope and, therefore, this further classification or division was not quite necessary. With an income of Rs. 150,000 even today a firm has to pay a tax of only Rs. 12,375. So, I think, if for nothing else at least in the interest of simplicity this further division and sub-division should not be introduced.

I wish to conclude by making only one point. I heard with great attention, the speech of the hon. Finance Minister which he made while moving for consideration of this Bill as I always do. While I respectfully agree with the arguments contained in it in support of the Finance Bill, there is one point on which I was not convinced well, namely, the import duty on machinery. The argument given by the hon. Finance Minister was that this is not only a revenue measure but that this is also a measure to give protection to the growing industry in our country. With great respect I submit that this argument is not very impressive because so far as the protection to the industry is concerned, it is automatically given. One cannot import anything today without an import licence and an import licence is not given unless it is approved, unless the Government is fully satisfied that a similar machine or a substitute machine is not produced in this country.

My objection to this levy is this. Every year we import machinery worth about Rs. 260 crores almost half of which is on Government account and half on private account. But even those machines which are on private account are only for those projects which are approved under the Plan. Now, on the one hand, we want to keep the cost of the Plan projects low, on the other, by imposing this import duty on machines etc., we increase the cost of the projects. Therefore, if there was a justification for this levy, it was only for raising the revenue. Protection as such to the industry is already there. It is there automatically. We cannot afford to import a machine or spend foreign exchange merely because it is wanted here or is available abroad. Therefore, I respectfully submit to the hon. Finance Minister to re-examine this thing and see if something could be done. He might consider it.

Shri Warior: Mr. Deputy-Speaker, Sir, first of all I wish to convey my heartfelt thanks to the President of

the Republic for having given us the sanction to move certain amendments to the Finance Bill which we had forwarded to the hon. Speaker. I also thank the hon. Speaker on behalf of the three signatories to the amendments for having forwarded them to the President. That itself implies, in an indirect way and not in a very direct way, that the President admits that there is room for some more improvement in the taxation proposals contained in the Bill.

Shri Morarji Desai: May I say, Sir, that this is taking a wrong advantage of my showing this consideration, namely, that nothing should be prevented from being discussed for want of sanction. Therefore, I have got the sanction.

Shri Warior: I am thankful to the hon. Finance Minister also for the clarification and the convenience that he has extended to the Opposition and for not coming in the way of getting the sanction of the President. I did not mean to say that it was a direct admission, that is, the sanction given by the President, for concession in taxation. We simply got them forwarded to the President and since the President did not absolutely reject them, I said that.

Shri Morarji Desai: That is democracy.

Shri Warior: That is democracy and we are thankful for so much of democracy.

Shri Morarji Desai: Which they do not understand.....(Interruption).

Shri Warior: Coming to the Bill, the first point that I want to raise is this. Whenever there is some demand from the people for some tax relief, for example, in kerosene and other things, at once the foreign exchange question comes in. This foreign exchange has become a real ghost haunting all the hamlets of our people. What actually is the position of our foreign exchange?

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The Third Plan envisages that we should at least have Rs. 3,200 crores — if I remember correctly—of foreign exchange for the entire period of five years. Out of that about Rs 600 crores are to be excluded because that amount comes under PL-480; the rest is to be found for our own capital imports, maintenance of our machinery, raw materials and repayments. How is it that all of a sudden when we are in the middle of the Third Plan that we are told that our entire foreign exchange resources are depleted? Of course, I am glad to see that the hon. Finance Minister has now come down upon certain categories of imports, particularly the item which just a little while ago Shri Morarka was hinting at. Is it not a fact that the hon. Finance Minister came too late to lock the stable? The horses are already stolen and there is nothing left in it. Now these restrictions are coming and, I believe, they are too late. Otherwise, in a planned economy, how is it happening that all of a sudden we find that our foreign exchange resources have depleted to such an extent? There must be something and somebody responsible for that. Who is responsible?—that I do not want to say because the key of the exchequer is in the hands of the hon. Finance Minister. So, nobody will naturally take the blame for that.

Now what is the position? Everybody is asking for more foreign exchange to import material to run those industries which are already in existence and which are producing certain things which go for export. Suppose, these licences are not given for the fresh import of raw materials and essential spare parts for these industries, the result will be that their production will be impeded and export will be impeded. Naturally, the vicious circle rounds up in more imbalance in our balance of payments position. In this connection something should be done. A probe should be made to see how in a planned economy this alarming situation has developed. There should be ways and means to see that

our balance of payments position is fully balanced and, at the same time, the country finds sufficient foreign exchange resources for the smooth flow of imports of raw materials and essential spare parts.

I should like to allude in this connection to a few industries which we have been carrying on in our State. Take, for instance, the ilmenite industry. I had occasion to go to the Atomic Research Laboratory in Bombay and to see what actually ilmenite is in laboratory conditions. It is such a beautiful thing. But the real, precious thing in the ilmenite that we are exporting is taken away by the foreign firms and we import that precious thing contained in the ilmenite at a cost which is much higher than the cost of the actual bulk quantity of ilmenite that we are exporting. There are four or five elements in ilmenite and the most precious element is something connected with monazite. Now, what is the position of that industry? About 10,000 people engaged in that in Travancore side are now without a job. The whole industry has collapsed. The Government of India has not found out any means or measures to make that industry work once more. At one time, we were told that that industry is one of the prides in our country. What is happening there? The titanium industry of Travancore, which is producing very precious things, can be re-modelled to use this ilmenite. Technically they say it is possible. The titanium industry is having some other method so that this available material which is near by the titanium industry is not cared for.

About the other existing industries, I had occasion to say a few days ago in this House about the cashew nut industry, about the coir industry, about the handloom industry. All these are exporting industries, not internally consuming industries alone. The cashew industry has collapsed for want of vigilance on the part of the

Central Government, in not checking properly the imports of raw nuts from Africa, and not having standard qualities exported to the markets available both on the continent of Europe and in America. So also the coir industry. The coir industry met its doom because of competition of Rotterdam and Holland industries which have been mechanised while we are doing in the old crude type. So also, there are so many other industries, especially in that part of Kerala where industrialisation not gone so far. All these exports are at a standstill. Then also, spices or some of these agricultural products: for instance, tobacco. All these are finding no market at all outside and our foreign exchange is going down bit by bit.

When we think of export of these things, there are so many things to be done. Today, we had questions in the House. There are thousands of precious stone cutters. Shri Manubhai Shah was pleased to say that we are exporting more. I do not know. Tens of thousands of stone cutters are without jobs. All these industries which are cottage industries have been doomed. Everything is closed. Take tile industry. We had been exporting to Malaya, Singapore, Borneo, and all these countries and even to African countries. We cannot export that. We will not find any market. May be there are reasons. May be, the manufacturers are not keeping up to the standard. At the same time it is up to the Government to see that proper standard qualities are available for export and we have export markets in these far eastern countries. This is not done.

We have come to a stage where actually the people are so much economically burdened, without employment and if at all employed, with slashes in wages, and all these things. It is at such a time that such a Budget comes. Not because anybody is unwilling to pay for the defence of the country. Actually, I was examining my heart. I was putting my hands on my heart as Shri Shastriji advised

from the House and radioed to us in the jail. I put not only my hand, but also my soul into my heart. I did not find any fibre there throbbing for Chinese aggression. I did not find. I also examined the hearts of so many of our friends in jail. I did not find anybody in the jail—not a single person who has voted in favour of the Chinese aggression or voted against the budget which will give enough for the defence of the country. No. But, I always thought that there are many people in this country who had been better put in my place and I be left out. There are 14½ ct. people here in this country. Where 22½ ct. people are put in jail, they should have been put.

What happened to Gold control order? I was very glad when I heard in full with rapt attention and with respect, the speech of the Finance Minister from jail comopund coming through the radio, that the Gold Control Order has come. Well and good. I thought many a family will have peace of mind. What has happened? Actually, if we cannot give our people who are consuming only a very small quantity of gold, a very small percentage, not more than 1 crore, for their daily use, for their social use, unless and until Government can give them at international price this much of gold, never in this country, this Gold Control Order is going to be successful. Today, I was reading an article in the A.I.C.C. Economic Review. I wondered whether the Finance Minister has come across that. In Bombay, 14½ ct. gold ornament shop has been opened. Precisely because that shop has been opened, there is more scramble for gold. In any shop in India, you can get 22½ ct. gold ornaments even now. Perhaps, at a higher price: not the reduced price. Where has gold smuggling stopped? I quite welcome that. I will be the first person to go along in this country and ask anybody to stop smuggling gold, because we know the pernicious effect of gold smuggling in this country. We know how they had been entered into politics and done so much mischief in our part of

[Shri Warior]

the country which is on the coast and which had connections with those countries from which they are getting gold, like Arabia, for 3000 years or more. But, you have not stopped that. You cannot stop that unless and until the Government can satisfy the people with their natural, with their real and very little claim of gold at the controlled price or international price. Then and then alone, gold price will come down. May be for our own satisfaction—we can have small satisfaction in small things also—for the small satisfaction of the Finance Minister, gold price can be quoted as lower. But, that is only pyrotechnic figures and nothing more. I fully approve the policy. I do not speak a word against the policy of gold control. The intention is something. Implementation is something else. It is in implementing this order that we are failing. As a matter of fact, I hope Government will get the co-operation of all in tracing out the smugglers and bringing them to book instead of putting the real 22½ ct. people to trouble.

I come to the other point about taxation. About taxes, I was hearing with rapt attention to what Shri Morarka said about the taxation proposals. I wonder how any of these taxes will not come on the consumers of the country. Take, for instance, the super-profits tax. In the final analysis, where is the super-profits tax coming from? It comes on the consumer. Naturally we say direct tax for the reason that that tax cannot be shifted upon some other person and it must come direct. Unless the taxation policy itself is thoroughly changed—I think a revolutionary change is called for—unless we know how to have the taxes collected from the source and not from the distribution end, we will not get it properly. What about evasion of taxes? I was reading an article in the Economic Review itself or in some other economic papers that according to a rough calculation, the income-tax in this country ought

to have been about 28½ per cent. Actually it is only 5 per cent in relation to the national income. When the national income is rising by one per cent, income-tax ought to increase 2.6 per cent and according to that calculation, income-tax at present should have increased to 28 and odd per cent, whereas it has increased to 5 per cent. Even in this income-tax, so much of evasion is going on. I do not know. A paper has come to me from Calcutta. The Commissioner there orders that no income-tax should be collected in January and February. Why? The reason adduced here is that they have over-collected already—over the target—gone over the target for the year. Let the balance remain for the next year so that the target can be reached. When the Finance Minister is going round the whole country to find out ways and means of getting more money, the Administrators are now finding it very hard to take the money even when it is possible to collect it. Now, this is the order or this is the news about the order:

"The Commissioner, it is learnt, issued a confidential circular directing his subordinate officers not to collect income-tax in February and March, 1963."

I correct myself; I had stated earlier 'January'; actually, it is 'February and March.' And it is further stated:

"The reason for this extraordinary directive was, it is stated, that the assessment forecast for 1962-63 by the Commissioner had been fulfilled by the end of January."

An Hon. Member: Is it a fact?

Shri Warior: Yes. It is a big crime. It is a big crime or a very serious crime in this country to say that the Commissioner has fulfilled his target by January.

Now, what about the evasion of income-tax? Opinions differ very much from Rs. 31 crores to Rs. 200 crores. The range is very large. But conservative opinion itself admits, knowledgeable economic circles in India themselves admit that it is anything between Rs. 60 and Rs. 70 crores, and it has been of the order of Rs. 60 or 70 crores for the last so many years. If we add Rs. 40 crores of smuggled gold to Rs. 70 or 60 crores of evaded taxes, it comes to Rs. 100 crores annually. And for the last ten years, how many crores does it come to? When that is the position, where is the necessity for additional taxation? I cannot understand it. I am sure the Finance Minister must have looked into this and he must have cogent reasons for it, and I am quite sure that he will convince at least the country that there is so much of a necessity for more taxation.

Certain complaints have come to me that the income-tax commissioners are forcing the people within their jurisdiction to part with their money for the Defence Fund. I said that I would not raise that complaint here. If I had the authority, I would ask those commissioners to force them more to part with their money for the Defence Fund. Where else can we get money for our Defence Fund? Are we to get it from the poor people, from the toiling masses, whose incomes have not gone up even a bit more during the last ten years? There are statistics and statistics, and I can quote the figures also. But where is the necessity for those figures? Even the Central Government Ministers have told me, even Shri Nanda himself has admitted that the vast masses of the agricultural workers did not have even an iota of increase in their wages for the last several years; and in fact, it was the other way about; their wages have shown a decrease. About the ordinary factory workers, everybody knows the position; about the unemployed workers also everybody knows the position. There is, therefore, absolutely no necessity for

quoting any figures and facts to convince anybody that the ordinary workers cannot contribute to the huge Defence Fund which is required now. I think the Defence Minister will find it necessary to raise about Rs. 2000 crores for our defence. Rs. 700 to 800 crores is a paltry sum so far as our defence requirements are concerned. But how can we have Rs. 2000 crores when the Finance Minister cannot find the resources for that? Where can the Finance Minister find the resources from? He is now groping in the dark, in the small earthen gruel pots. He cannot get much out of them.

So, I say in regard to this system of collecting taxes, whether direct or indirect, that is, taxes which come on the lower classes, there must be some ways and methods found by Government to see that they take as much money as possible from the richer classes and thus have our defence necessities met. That is the only possible way. For this purpose, the collection must be at the source and not at the distribution end. If the collection is at the source, I am quite sure that the taxes can be collected well, whether it be the wealth tax or the income-tax or the super-profits tax and so on. I cannot evade tax in that cases. I am also liable to pay income-tax etc. So I find from the monthly salary bill which I get from the Lok Sabha Secretariat. I cannot evade it. I had been racking my brain over it as to how to evade this sum of Rs. 3.50 or so per month. But I cannot evade it because the tax is deducted at the source or I am taxed at the source. If I get all the money in my hands, and then you ask me to pay the tax, I would not pay; I shall find out some loophole or the other to evade; there are a thousand and one loopholes in the Income-tax Act for this purpose.

Shri Morarji Desai: The hon. Member may be doing so for his other incomes.

Shri Warior: No. But that is the way of the world. I cannot help it. The

[Shri Warior]

last thing that I want to say is about the taxation itself. Why should not the wealth tax also have been increased? If that is considered to be a pertinent question, I am sure the Finance Minister will look into it. If that is done, the question of income-tax evasion will not arise at all. Income may be evaded or hidden or avoided from being shown, and thereby income-tax may be evaded, but when the wealth tax is touched, it cannot be done; there cannot be any escape from the tax in that case. I would like to know why the wealth tax has not been increased and why it has been ignored. What is the policy behind it? What is the intention behind it? How was it that this sector of taxation did not come into the mind of the Finance Minister at all? I wonder how it is that in an emergency like this, when the last naya paisa is sacrificed by the workers from their meagre wages, the accumulated wealth of some of our God-blessed people like the Nizam of Hyderabad who has been given a concession for his electricity bill by the generous Andhra Pradesh Government, and those others of his type have been left alone. Let us at least issue bonds to them and let them give the money to us for defence purposes, and let us have the Rs. 2000 crores budget needed for our Defence Fund. Why should that not be done?

In this country, the difficulty is that patriotism cannot be of the same level for everybody. If I am too patriotic, somebody must be not too patriotic or less patriotic. When all the too-patriotic and the super-patriotic and the post-1947 patriotic people are at large, the real patriotic men cannot have a place here. That is the difficulty. That is the whole difficulty. I do not want to go against them in any way which is detrimental to their existence or anything of that kind. I do not want any revolutionary changes in the whole social structure all of a sudden, but I demand in the name of the toiling millions of people who had contributed

for the defence of the country in the most patriotic way, even sacrificing their own many wants and needs, that the Finance Minister should catch hold of these tycoons, should catch hold of the wealthiest of the classes patriotically. If they do not learn patriotism at least now when the border is attacked, when the enemy is at our doors, if they do not learn patriotism even now, then it is up to the Finance Minister and the Government to teach them a bit of patriotism for which some of us at least have spent our whole-life-time.

श्रीमती जमुना देवी (शाबुआ):—

उपाध्यक्ष महोदय, जिस

एक माननीय सदस्य : आप आगे आ जाइये ।

श्रीमती जमुना देवी : मेरी आवाज काफ़ी ऊंची है, आपको अच्छी तरह से सुनाई पड़ेगा । जिस ढंग का बजट पेश किया गया है, वह एक सराहनीय कदम है । यदि इस समय जनता पर टैक्सों का बोझ पड़ता भूँ है तो जनता उसको बरदाश्त करने के लिए तैयार है और जनता को उसको बरदाश्त करना पड़ेगा । इस का कारण यह है कि देश पर एक मुसीबत आई है और उसका मुकाबला करना इस देश की जनता का कर्त्तव्य है, हर व्यक्ति का कर्त्तव्य है । लेकिन फिर भूँ शासन को यह नहीं भूलना चाहिये कि जिस जनता से इस देश की रक्षा करने की आप आशा करते हैं उसकी तकलीफें क्या हैं और उनको कैसे दूर किया जा सकता है । उसकी उन तकलीफों को दूर करने के लिए बराबर आपको कोशिश करते रहना चाहिये ।

आज के शासन द्वारा जो बजट पास करवा कर पैसा खर्च किया जाता है जनता की फायदे की योजनाओं के ऊपर, उस पैसे का किस ढंग से दुरुपयोग हो रहा है, इस और भूँ शासन की कड़ें निगाह होनी चाहिये । यह बहुत आवश्यक है । योजना बना कर किन लोगों के हाथों में उसको कार्यान्वित करने का भार सौंपा जाता है और जिन के हाथों में

सौंपा जाता है, वे कौन लोग हैं और उन लोगों ने अब तक क्या क्या किया है, इस पर भी शासन को ध्यान देना है। आज आप देखिये, बड़े बड़े सेक्रेटरीज, बड़े बड़े डाइरेक्टर, आज उन के पास ही हम आप को बनाई हुई योजना देख सकते हैं। उन के द्वारा तैयार की हुई योजना बड़े बड़े भवनों तक ही सीमित रहती है, वह गरीबों तक, देहातो की झोंपड़ियों तक नहीं पहुँची है, उस का वास्तविक फायदा वहाँ तक नहीं पहुँचा है। अधिकतर पैसा शहरों में खर्च हो जाता है। बजट का अधिकतर भाग शहरों की योजनाओं पर और शहरों के लोगों को काम धन्धा देने के लिये, शहरों की प्रगति के लिये होता है, देहात के लिये नहीं। देहातों का जो बजट मंजूर होता है उस के सम्बन्ध में आप देखेंगे कि आज भी दूसरी पंच वर्षीय योजना के अन्दर जो प्लैन्स मंजूर किये गये थे वे अधूरे पड़े हुए हैं। मैं खाम तौर से मध्य प्रदेश से उन आदिवासी क्षेत्रों की ओर आप का ध्यान आकर्षित करना चाहती हूँ जहाँ आज भी लोग पाने के पानी के लिये तरसते हैं, जहाँ आज भी बारिश के दिनों में चार महानों तक लोग शहर का मुँह नहीं देख सकते। यदि कोई बीमार हो जाये, यदि किसां तरह का लड़ाई झगड़ा हो जाय और किसां को कोई चोट आ जाय तो वहाँ मर जाता है, वह वहाँ से शहर आ कर अस्पताल में अपना इलाज नहीं करवा सकता है।

आप को मालूम होगा, और आप के द्वारा मैं शासन तक यह आवाज पहुँचाना चाहती हूँ, कि आज भी हमारे क्षेत्र में पिछले सालों से हर साल दुष्काल की स्थिति रहती है। मध्य प्रदेश के अधिकतर आदिवासी क्षेत्रों में यही स्थिति है, लेकिन शासन को उन क्षेत्रों में जिस ढंग से राहत पहुँचानी चाहिये थी वह नहीं पहुँचाई जा रही है। आज भी उनको केवल ८ आ० मजदूरी दी जा रही है। आज की स्थिति में वे लोग किस ढंग से ८ आ० में अपने पेट का भरण पोषण कर सकते हैं? किस तरह से अपनी गहस्थी को चला सकते हैं? आज शासन की ओर से जिस ढंग से आदिवासी क्षेत्रों के लिये तरक्की की योजनाएँ बनाई जाती

हैं वे सारे कार्य केवल कुछ पढ़े लिखे लोगों को राहत देने और उन को पालने के लिये आदिवासियों के नाम से किये जा रहे हैं। इस से आदिवासियों की तरक्की नहीं हो सकती। आदिवासियों की तरक्की के लिये उन के क्षेत्रों में आप को जल्दी से जल्दी बिजली देनी होगी, और जो कृषक लोग हैं उन के लिये सारी व्यवस्था जुटानी होगी। तभी उस क्षेत्र की जनता सुख और समृद्धि की हालत में हो सकती है।

आज हमारी पूरी कांस्टिट्यून्सी में देखेंगे आप कि एक लेडी डाक्टर का भी ठिकाना इंटीरियर में नहीं है। ऐसी हालत में वहाँ के लोगों के स्वास्थ्य की हालत क्या हो सकती है। आदिवासियों का भविष्य जिन लोगों ने सदियों से उन का शोषण किया है, जिन लोगों ने सदियों से उन को दबाया है, उन के हाथों में दे दिया गया है, उन की तरक्की के काम ऐसे लोगों के सुपुर्द कर रखे गये हैं। मेरा नम्र निवेदन है कि शासन इस ओर अधिक से अधिक ध्यान दे। इन आदिवासियों की हालत को सुधारने के नाम पर अगर कोई उन पर अन्याचार करता है उन के लिये जो पैसा खर्च किया जा रहा है उस में यदि कोई भ्रष्टाचार करता है तो शासन को चाहिये कि उन लोगों को कड़ी से कड़ी सजा दे ताकि उन लोगों के जीवन के साथ कोई खिलवाड़ न कर सके और उन लोगों में जो तरक्की हो रही है उस में बाधा न डाल सके। यह सारी बातें आज आप आदिवासी क्षेत्रों में देखेंगे।

आज आदिवासियों को पब्लिक सर्विस कमिशन द्वारा नौकरियों में चांस दिया जाता है। लेकिन एक ही जगह जो होगी वह हरिजन के लिये भी होगी और आदिवासी के लिये भी रखी जायेगी जब कि उम्मीदवार कई होंगे। ऐसी स्थिति में तो या तो हरिजन ही हों सकेगा या आदिवासी ही हो सकेगा। होता तो यहाँ तक है कि उन को बुलाया भी नहीं जाता इंटरव्यू के लिये। मगर नाम मात्र के लिये पब्लिक सर्विस कमिशन में उन के लिये जगह

[श्रीमती जमुना देवी]

रक्खी जरूर है। अगर कर्मि मिली को कोई तगड़ी सफाई हो गई तो एक आध हरिजन आ जाता है, मगर आदिवासियों की तो वहाँ पर गुजर ही नहीं है। इस लिये शासन को पुनर्विचार करना चाहिये कि कितनी जगह हरिजनों के लिये रक्खी जायें और कितनी जगहों पर अनिवायों तौर से उन्हें जगह दी जाय। पिछड़े हुए लोगों की बचारों की कहीं गुंजाइश ही नहीं है। उन के लिये भी शासन को सोचना है।

आदिवासियों की तरक्की होनी चाहिये। लेकिन आप यहाँ देखिये, एक भी आदिवासी मिनिस्टर नहीं है। इसी से आप अन्दाजा लगा सकते हैं कि हमारे आदिवासी क्षेत्रों के लोगों ने कितनी तरक्की की है। मैं चाहती हूँ कि हम को यहाँ पर भी उचित प्रतिनिधित्व दिया जायें।

एक माननीय सदस्य : पांडे जी तो हैं।

श्रीमती जमुना देवी : आज शासन के बजट से जो पसा योजना बना कर खर्च किया जा रहा है उस का जनता स्वागत करती है। जनता टैक्स देना भी पसन्द करती है। लेकिन जनता यह चाहती है कि इस टैक्स का सदुपयोग हो, न कि केवल बड़ी बड़ी बिल्डिंग बनाई जायें जो कि छः महीने बाद ब्रेक हो जायें और उनका नाम निशान कोई न रहे। आज सब जगहों पर बान्ध बांधे जा रहे हैं। कृषकों से इस बात की उम्मीद की जाती है कि वह अधिक से अधिक कृषि का पैदावार बढ़ायें। लेकिन वहाँ पर नहर भी नहीं निकाली गई हालाँकि लाखों रुपया खर्च हो गया। जनता के पैसे का दुरुपयोग इस ढंग से नहीं होना चाहिये, इस पर शासन को निगाह रखनी है।

आज जो सेक्रेटरी या बड़े बड़े लोग हैं उन लोगों ने देश की रक्षा के लिये क्या सहयोग किया ? मैं शासन से यह नम्र निवेदन करती हूँ कि जो बड़े बड़े राज महाराजों को प्रीवी पञ्च दी जा रही है उन्हें भी इस समय बन्द

किया जाना चाहिये। इस पर विचार करना चाहिये। आज हम ने उन को सहूलियत दे दी है

Shrimati Yashoda Reddy (Kurnool): I would like to have a clarification. When the hon. lady Member was very humbly saying that there was no representation for Adivasis in the Ministry, it was very wrong on the part of the hon. Member to say 'Mr. Pandey is there'. I would like to have a clarification from him. It is a very unjustified remark—to say such things. What does he mean by that? (Interruption). Shri Pandey is not in the Ministry. I would like to know which Pandey he was referring to.

An Hon. Member: It should not be taken seriously.

Shri Surendranath Dwivedy (Kendrapara): There has been only a whispering remark.

श्रीमती जमुना देवी : मैं आप से कह रही थी कि मेरे क्षेत्र के पहाड़ी इलाकों होने के कारण वहाँ साल दो साल बाद हमेशा दुष्काल की स्थिति बनी रहती है। शासन को उन आदिवासी क्षेत्रों की समस्याओं को हल करने के लिए कोई स्थायी योजना बना कर जल्दी से जल्दी कार्रवाई करनी चाहिये। पुलिस के अत्याचार इस क्षेत्र में बहुत ज्यादा बढ़े हुए हैं। पुलिस पटवारी आदि इतना जुल्म करते हैं कि उस का वर्णन नहीं किया जा सकता।

उपाध्यक्ष महोदय : यह मध्य प्रदेश की सरकार का काम है, सेंट्रल गवर्नमेंट का नहीं।

श्रीमती जमुना देवी : मध्य प्रदेश सरकार अगर न करे तो क्या यहाँ उसे नहीं कहना चाहिये ? आज मैं आप के सामने इस सभा में इसलिए इस बात को कहने

की हिम्मत कर रही हू कि दस पन्द्रह साल से इस क्षेत्र में फारेस्ट विभाग की ओर से बहुत अत्याचार हो रहा है। पता नहीं कितना पैसा आज उन गरीबों से वसूल किया गया है जबकि उस क्षेत्र में कोई उद्योग सरकार ने नहीं खोला। इस स्थिति में, इस महंगाई के जमाने में गरीब लोग जिस ढंग से अपना पालन पोषण करते हैं उस में एक मात्र रास्ता उन के पास यह था कि वे नई जमीनें निकालें और उन में खेती कर के अपने बच्चों को पालें। लेकिन गवर्नमेंट की निगाह में यह हो सकता है कि उन्होंने ने कानून को तोड़ा, लेकिन गवर्नमेंट की निगाह में यह नहीं आया कि उन भूखे लोगों ने किस तरीके से उस जमीन का उपयोग किया। आज तक मध्य प्रदेश की यह समस्या मुलझी नहीं है। क्यों नहीं शासन इस ओर ध्यान देता ? हजारों रुपये आज दुष्काल के जमाने में उन लोगों से जुमनि के रूप में वसूल किये जा रहे हैं। क्यों ? फिर आप कहते हैं कि आदिवासियों की तरक्की करने के लिए हम ने इतनी योजनायें बनाई, इतना पैसा खर्च किया। सारी रकमें उन के नाम से लैप्स होती हैं और जो फायदा उन को मिलना चाहिये वह वास्तव में उन को नहीं मिलता है।

अब मैं थोड़ा इस देश के कृषकों के सम्बन्ध में भी कहना चाहती हूं। हिन्दुस्तान का किसान इतने बड़े दिल का है कि वह अपने बच्चों को भूखा रख सकता है, दुनिया को चलाने के लिये समय आने पर वह अपने बच्चों को भूखा रख कर भी घर में जो अनाज होता है उस को खेत में बो देता है। लेकिन जैसी फिक्क शासन को चाहिये वैसी उस के प्रति नहीं रहती है। कृषकों को समय पर बीज नहीं मिलता, न उन को समय पर बैल और तकावी मिलती है। जब देखिये कि रेवेन्यू और पुलिस के कई तरह के झगड़े उन लोगों के पीछे लगे रहते हैं। उन का जो समय खेती के बढ़ाने में लगना चाहिये वह कोर्ट्स और कचहरियों में चला जाता है। तो ऐसी

स्थिति में कृषक चाहिये उस ढंग से कृषि का उत्पादन नहीं बढ़ा पा रहा है और उस का अधिक समय कर्मचारियों द्वारा जो त्रास दिया जाता है उस में नष्ट हो जाता है। तारीखें लगती हैं, उस को घंटों बेंटे रहना पड़ता है। तो मैं इन छोटी-छोटी बातों को शासन की निगाह में लाई हूं, उन पर ध्यान देना बहुत जरूरी है। ऐसा होगा तभी इस देश की कृषि की पैदावार बढ़ सकती है। गरीब मजदूर और मध्यम वर्ग की ओर भी ध्यान दिया जाना चाहिए। तभी इस देश के लोग सम्पन्न और सुखी हो सकते हैं और हमारा देश इस आपात्कालीन स्थिति में भी हर तरह से शक्तिशाली बन कर दुश्मन का मुकाबला कर सकता है। इस ओर आप को ध्यान देना चाहिए।

Dr. P. Mandal (Vishnupur): Thank you for the opportunity you have given me to take part in the debate on the Finance Bill.

I thank the Finance Minister for announcing certain reliefs to the common people prior to the discussion of the Finance Bill, but the measures are not adequate, because the high price of kerosene will indirectly hamper education in the rural areas where kerosene is the only means of light. So, I would request him to reconsider it for the sake of the poorer sections.

The hon. Finance Minister is working under hard pressure to face the Chinese challenge. The people also know the critical situation and they have voluntarily donated to the Defence Fund. They are ready to bear the burden to meet the challenge, but the burden should be proportionate and not be unbearable. It is the first and foremost duty of the Finance Minister to open avenues for resources to meet the needs, but at the same time the people think that it is the first and foremost duty of the

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Minister to regularise the expenditure also and thereby a great deal of saving can take place. Tax evasion should be looked into tactfully. Arrears should be realised up to date with the greatest effort. Rules of income-tax will have to be amended in such a way that there is no scope for evasion.

The Finance Minister of West Bengal has stated during his Budget speech that our State is not getting its due share from the Centre. It is a serious complaint. It is a problem State because of the refugee problem and

acute unemployment of educated and uneducated. So, you should not cut the due share of the State from the Centre. Now, I would like to quote a few passages from his Budget speech. He says:

"It was however indicated that we would be getting Rs. 19.16 crores in 1962-63 as a result of the recommendations of the Third Finance Commission in the place of Rs. 23.50 crores as estimated in 1961-62 on the basis of the Second Finance Commission's award. The break-up is given below:

	1961-62 Revised Estimate Rs. (Crores)	1962-63 Budget Estimate Rs. (Crores)
Share of income-tax including Grant under Article 282	11.50	10.84
Union Excise Duties (Basic)	2.92	3.71
Additional Excise Duties	3.34	3.52
Estate Duties	.20	.30
Taxes on Railway Fares	.79	.79
Grant under Article 275 (1)	4.75	Nil
	23.50	19.16"

Then he says:

"Let us look at it in another way. The total revenue transferred to all the States increased from Rs. 90.27 crores in 1956-57 to Rs. 281.44 crores in 1962-63. The increase was more than 200 per cent. West Bengal's share in 1956-57 was Rs. 10.16 crores which rose to Rs. 19.16 crores in 1962-63—an increase of only 80 per cent. All this shows in unmistakable terms that the percentage allocation to West Bengal out of the total Central revenue earmarked for the States has been drastically reduced to meet the needs of other States. This is not a very happy way of doing things, to say the least."

He further adds:

"During the Second Plan period West Bengal was required to raise

Rs. 15 crores by way of additional taxation, but West Bengal actually raised about Rs. 43 crores by way of new measures of taxation. *Per capita* taxation in West Bengal is the highest in India. If the principle of *per capita* equality leads in actual practice to the people of West Bengal bearing a higher tax burden with a lower level of public service, and people in other States bearing a lower tax burden with a higher level of public service through higher devolution of Central revenues, the position must be described as extremely anomalous. In the memorandum to the Third Commission it was indicated by us that for every hundred rupees of income-tax collected in each State in 1958-59 Andhra received Rs. 132.3, Bihar received Rs. 182.8, Kerala received Rs. 88.5, Madhya Pradesh received Rs. 187.8, Madras

received Rs. 49.6, Mysore received Rs. 86.9, Orissa received Rs. 393.1, Punjab "received Rs 103.9, Rajasthan received Rs. 192.5, Uttar Pradesh received Rs. 216.4, Jammu and Kashmir received Rs. 373.9, whereas West Bengal received the least (Rs. 16.2 only)."

He further adds:

"The prevailing pattern of transfer of Central revenues to the States has worked to the disadvantage of industrial States, particularly West Bengal. The requirements of the industrial areas should not be overlooked in the way it is being done. The results of this inequitable distribution of Central taxes and grants-in-aid to the States are writ large on the conditions of Greater Calcutta and have attracted the attention of foreign observers. The World Bank Mission made the following comments:

'In the Mission's view one of the most dangerous weaknesses in the Plan is the continued neglect of the problems of urban development in Calcutta. If this is to be remedied, it is essential first, that the Central Government should accept a direct and special financial responsibility for the improvement of conditions in this city.'

Many times on the floor of the House we have been assured that Government would look into the development of backward areas. Prulia and Bankura districts are the most backward areas in the State of West Bengal. They are at the same stage as before though the Third Plan is being implemented. It is often said that the State of West Bengal is saturated with industries, but it is a great pity that no industry has been established in these two districts so far. The main livelihood here is agriculture. But, for cultivation there is no provision for irrigation, which is the primary need for good crops. Cultivation depends on the vagaries of rain only. So, you

can well understand their pitiable condition. Consecutively for two years crops have failed due to drought, and acute scarcity of foodgrains is prevailing. The labourers have left their hearths and homes in search of work.

In Bankura District, the Kansabati Project for irrigation has been under construction since the Second Plan. Allocation of funds has been so inadequate that the progress of the project has been very slow. You will be surprised to hear that it will start providing irrigation only in the Fourth Plan, though irrigation is essentially required in this area. So people are frustrated for so much delay. Similar is the case with the Farraka barrage which is urgently needed as a multi-purpose project but its progress is not at all satisfactory. The project engineer is handicapped. He is not entrusted with full power to execute the work in full swing. It should be rectified so that progress may be expedited.

Leprosy is a curse to Purulia, Bankura and some portions of Midnapur district of West Bengal. Government have taken so many eradication programmes. But if special measures are not taken to control leprosy in the said districts, then the major portion of the population will be affected within twenty years because it is a contagious disease.

Lastly I bring to your notice the proposal of construction of Bishnupur Santragachhi railway line. It was planned by the then B.N. Railway for construction. The report says that the expenditure will be returned within ten years. It will pass through densely populated areas. It will be the second and shortest line from Northern India to Howrah. It will touch the world pilgrimage places—Jayrambati and Kamarpukur which the hon. Minister had visited. It will bring great relief to Kharagpur Howrah line and

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on the Kharagpur yard. Bishnupur-Howrah via Kharagpur is 122 miles at present. Bishnupur Santragachhi line is 70 miles only. There is a railway line up to chapadanga. For connection of Bishnupur with Chapadanga only 50 miles line will be required. By constructing this line, the distance will be 50 miles shorter. So, I request the Finance Minister to consider all these sympathetically.

Shri Kappen (Muvattupuzha): Sir, a sick man has to swallow many bitter pills. But in swallowing he must remember that he is doing so to get better. This country is sick of the threat of war and as such it has to swallow some bitter pills like the present Finance Bill. The Finance Minister has been good enough to sugarcoat them with some tax remissions and I am really thankful to him for what he has done.

The day before yesterday this House passed all the demands for grants and allowed the Government to incur an expenditure of Rs. 1852.4 crores. It is of course a huge sum. In 1960-61 the entire expenditure of the Government was only Rs. 826 crores, while this year the defence expenditure alone comes to about Rs. 867 crores. But having voted all the demands, there is no purpose now in speaking against the Finance Bills or complaining against the taxes. We have allowed Government to incur expenditure and then Government must find money for that. Taxes are compared to night-soil depots which are concomitants of city life, the result of the activities of the city dwellers. But whenever there is a proposal to put up nightsoil depots anywhere, it will be strenuously opposed by the people who reside there. So are the taxes. Those who have to pay will certainly oppose it. But if you want the Government to look after our education, health, protection of our frontiers, then you have to pay for it. Therefore, there is no purpose now in complaining against

the taxes. There is one aspect about which I would like to say a word; 66 per cent of the revenues sought to be got by the new taxes comes by way of indirect taxes. It has been pointed out by somebody that here is no particular meaning in saying direct or indirect taxes because ultimately the burden goes to the poor man. It however, affects the prices. Even before the Budget proposals were announced in this House, the prices of commodities went up. It has become a habit in this country to stock some goods a few weeks before the Budget. This year the stocking was unprecedented. A few examples of them are: kerosene, cigarettes, petrol; these alone accounted for not less than Rs. 50 crores and the profits on these must have gone into the pockets of the middlemen. Not a pie of it comes to enrich the Coffers of the Government. It is indeed a pity that neither the Finance Ministry nor the Planning Commission takes note of this.

I have also serious doubt about one item of revenue mentioned in the Finance Minister's speech—surcharge on excise duty. I feel that it offends the provisions of the Constitution. Article 271 reads as follows:

"Notwithstanding anything in articles 269 and 270 Parliament may at any time increase any of the duties or taxes referred to in those articles by a surcharge for purposes of the Union and the whole proceeds of any such surcharge shall form part of the Consolidated Fund of India."

It mentions that the Centre can impose a surcharge on the taxes mentioned in articles 269 and 270. According to me, it excludes any surcharge on any other taxes other than those mentioned in articles 269 and 270. I doubt whether it does not offend the Constitution. Of course the Finance

Minister was cleverly trying to knock off the share of the State. But how far it will stand the test of a court of law has to be seen. It may be looked into.

I have referred to indirect taxes which have a tendency to boost prices. Added to this comes the Rs. 151 crores of the overall deficit which has now increased by Rs. 30 crores, which means more deficit financing. It will have its effect on the prices too. The result will be that exportable commodities will go to the home market instead of to the export market. Our exports will dwindle. More than that the indirect tax and deficit financing are bound to increase the cost of production of articles. Even now many of our traditional exports are losing their markets due to competition and due to the high cost of production. Leaving aside the achievements of the engineering industry, and a few marginal gains here and there, our position in regard to exports is not one over which we can be happy. Not to speak of actual achievements, even the target fixed by the Finance Commission in the Third Plan is hardly sufficient to meet our maintenance imports. As against the maintenance imports of Rs. 3650 crores, the Finance Commission has fixed only Rs. 3700 crores export target. What does it mean? It means we are going to pay all our capital imports by borrowing. Already we have to find at least Rs. 500 crores annually in the Third Plan period to pay off the interest on past loans and a part payment of the principal.

Added to this comes our very difficult foreign exchange position. Ten years back our exports formed 6 per cent of our national income. Now, despite the two Plans, our exports form only 5 per cent of our national income. It means that we are not releasing enough of the exportable commodities for export. Not only that: we are impinging upon our imports. So much so, that there is not enough to go round and cater to the full in-

talled capacity of our export industries. This is a vicious circle. If this goes on at this rate, how long can we be able to meet our commitments, is a matter to be very seriously considered. When we are speaking about the challenge on our border, we have to meet another challenge, and that is the economic position. That, according to me, seems to be a greater challenge than even the challenge of the Chinese. Well, it is time that we sat down and thought how we are going to get out of this crisis.

Now, at a time when we have to be thinking seriously about both these challenges, I am sorry to find that some very responsible Members of this House are concerned with small matters like the Serajuddin business and all that.

Shri Ranga (Chittoor): Why?

Shri Kappen: At this point I pray. I request them to exercise more moderation in this matter. After all, why make much ado about nothing? Because the only result will be that we will be giving the Chinese an opportunity and a handle for propaganda, and you will hear the Chinese propaganda "here are corrupt ministers, their whole administration is corrupt" etc. As responsible leaders they must kindly think that we are in a crisis and that our utterances will be made use of by our enemies.

Shri Ranga: Are we to hug corruption?

Shri Kappen: There was only one State where the PSP was in power, and that at the generosity of the Congress....

Shri Hari Vishnu Kamath (Hoshangabad): Oh!

Shri Kappen: And I would only ask those who said about all these things, let them have a heart searching. Were there not allegations of corruption? And it was not raised by the Congress or the other opposition

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parties; it was raised by the PSP members themselves. May I know what the PSP party did in that matter? Please take out the beam from your eye before you try to take the mote out of another's. I do not want to say anything more than that regarding this matter.

Another matter on which I would like to say a word is that at a time of crisis like this, when we have to be very careful about things and about any scheme on which we are embarking, I feel that the Government is not particularly careful in some matters. I am speaking with particular reference to the plantation industry, especially about the rubber plantation industry. India, unlike other rubber-producing countries, was fortunate that its industries based on rubber made rapid advance, so much so that the internal production was not sufficient to meet the internal demand. In 1962 we imported 36,000 tons of rubber, costing Rs. 12 crores, while the internal production was only of the value of Rs. 9.43 crores. It is estimated that by 1970 the internal demand will be 250,00 tons, whereas the internal production will be only 110,000 tons, leaving a margin of about 115,000 tons, costing Rs.38.3 crores. And that is in foreign exchange, you must remember. Government was put in possession of all the facts to show that this is going to happen. Various representations were made to Government. But the Government did not take any proper steps, except to leave the whole matter to the Rubber Board. Now, the Rubber Board is threatening to have the monopoly of purchase of rubber. I feel that the Rubber Board may be restrained from doing that, because it will be a very dangerous situation. There are sixty thousand small growers in this country. If the Rubber Board is to take the monopoly of purchase of rubber, that means that there will be corruption, nepotism and so many other things.

Because, rubber is not like coffee. It has several grades.

Another thing about which I wish to say a word here is with regard to the synthetic production of rubber. One unit is now about to go into production. The authorised capital of that unit is Rs. 15 crores. Its issued capital is Rs. 4.5 crores of which the Indian investment is only Rs. 3.37 crores. And the cost for foreign collaboration for a period of ten years of production is Rs. 10.03 crores. I would like to compare the advantages and disadvantages on a capital investment of Rs. 15 crores with regard to synthetic production and with regard to natural production. In the synthetic rubber production, on an investment of Rs. 15 crores, we can say that 80 per cent of the capital invested goes for foreign exchange, whereas in natural production not a pie has to be spent on foreign exchange. Again, the percentage of capital for employment in India is only 15 per cent in synthetic rubber production, whereas it is 70 per cent in natural production. On an investment of Rs. 15 crores in the synthetic plant the production per year will be only 20,000 tons, whereas in the natural production it will be 33,000 tons. Therefore, Government has to consider whether it should embark upon synthetic production of rubber. On the other hand, if Government would only encourage the sixty thousand small growers in this country by giving them adequate finance and encouraging them to have scientific planting, I am sure this country would have enough of rubber to meet the industries' demands. This matter may be taken into consideration and encouragement may be given to the small growers. What has to be done is to purchase the rubber from the small growers at the time of overproduction. Now the small grower is left to the mercy of the industrialists and the manufacturers. That may be changed.

Sir, I am closing with one sentence. Another matter is regarding the arecanut plantation industry. In the arecanut plantation industry the producer was getting some good price. But now arecanut is being smuggled from Malaya, large quantities are being smuggled into this country. Unless that smuggling is prevented, the arecanut plantation industry is going to die down. I therefore urge Government to take all steps necessary to see that this smuggling is stopped.

Shri Hari Vishnu Kamath: By your leave, Mr. Deputy-Speaker, I should like to take less than half a minute. My hon. friend from Kerala has made certain baseless allegations against the PSP, my party. I would only like to state that it was not Congress generosity; it was the Congress Party in Kerala which appealed to us for co-operation because their factors could not agree among themselves, in the Congress, about a leader. And, secondly, the Congress Law Minister in Kerala when he was in office wanted to bring forward a Bill for contating corruption, the Anti-Corruption Tribunal Bill. More than once he tried, but it was his Congress colleagues in the Cabinet who opposed the introduction of that Bill in the Legislature, and that was why the Anti-Corruption Tribunal Bill could not be brought in the Kerala Legislature.

Shri P. Venkatasubbalah (Adoni): How do you know?

Shri Hari Vishnu Kamath: I know the facts better than you do.

Shri Ranga: Mr. Deputy-Speaker, Sir, I wish to preface my speech today by quoting one sentence from an article written by my leader in the *Swarajya* dated the 13th April, 1963. He said:

"China has successfully set a ruinous expenditure-and-taxation programme going on in India

which is like to break us before any Red soldiers again arrive."

That is exactly what is happening. One of my hon. friends had said that three disasters have befallen India: one, the Chinese invasion, the second, the Gold Control Order and the third, this budget and the financial proposals. I agree with him. Now, the hon. Prime Minister has been saying that this crisis is likely to be a very prolonged one, certainly not less than five years. Easily it may run into ten years. Then would it not have been a wiser thing for the hon. Finance Minister and the Cabinet to have thought of a phased programme of taxation in order to raise the resources, instead of trying to clamp on our country and on our economy such a heavy burden of taxation, all at one effort, in these proposals? They have not given unfortunately any consideration to that possibility. I wish they had done so, in which case the people would have fared better and our country's ability to raise tax revenues in years to come would have been increased and our social economy would not have been dealt with such a blow.

In the British days it used to be said that they were trying to balance their budget while the people's budgets were unbalanced. But now, not only are the people's budgets unbalanced but also the budgets of the State Governments as well as the Union Government go unbalanced. On the other hand, they take pride of the fact that they indulge in deficit financing. The pervious speaker has already stated quite correctly that this deficit financing running up to Rs. 180 crores in this, year and several more hundred crores during the previous years has landed the country in inflation, and nobody can gain say this. In addition to this, the tax burdens are being increased and have been increasing during the past 15 years, year after year, in the name of the Plan and earlier in the

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name of rehabilitation, so much so that the capacity of our people to bear any more burden has become almost nil. Yet, my hon. friend has thought it fit to impose more than Rs. 100 crores of additional tax burden by way of excise duties and more than Rs. 100 crores of additional taxes by way of direct taxation.

Now, our national income index used to be Rs. 100 in 1948-49 and it has come to only Rs. 117 by 1960. On the other hand, the excise revenue has gone up from Rs. 83 crores to Rs. 583 crores. Income-tax revenue has also gone up from Rs. 185 crores to Rs. 375 crores. The total tax revenue has gone up from Rs. 444 crores to Rs. 1,200 crores, nearly three times. The burden of interest payment has gone up from Rs. 70 crores to Rs. 255 crores. What does it show and what does it speak of except that our country is becoming bankrupt thanks to the financial policy of this Government? And they want us to feel proud of the fact, and be grateful to the Government, that so many developmental schemes have been undertaken and have been carried out. At whose cost? With all the borrowed money, and who is going to pay all this interest on these debts—Rs. 255 crores? There is no provision at all for amortization of debts. Our Government is busy negotiating with so many of countries for postponement, even by instalments, of the payment of the capital that we have borrowed from them; As a prodigal son, they have been carrying on, and at whose cost—at the cost of posterity to come, the generations to come, so that today, this Government could get the laurels for having started these various State enterprises and so on.

My hon. friend the leader of the communist party was suggesting yesterday, not being satisfied with the miserable failure of the more than 50 State enterprises started by the Union Government as well as by the

State Governments all over, that banking as well as general insurance should be immediately nationalised and so many other things also should come to be nationalised. But can Government's record be considered to be satisfactory. I am sure my hon. friend the Finance Minister cannot say that the record of achievement of these State enterprises can be considered to be satisfactory.

Shri Daji (Indore): So, do you agree in principle?

Shri Ranga: No. What has happened? They themselves have given the information in Appendix XV of the Explanatory Memorandum. 44 enterprises have been mentioned excluding so many which are run by the Railway, P&T etc. They have interested Rs. 638 crores as share capital, and what was their achievement? Rs. 11 crores deficit, in addition to it, so far as the giant steel plants were concerned—three great projects—more than Rs. 600 crores were invested, and Rs. 40 crores was the loss. In addition to this, Rs. 638 crores of Central loans had had to be given to all these enterprises in order to make them work. Not being satisfied with it, the Government wants to invest another Rs. 168 crores during this year. When such is the achievement of the Government, I do not know why my hon. friends the communists want our Government to nationalise everything, except for the fact that when they nationalise more and more industries, the country would be faced with greater and greater losses, and the present insolvency would grow to be too unbearable in future. Then they would have an opportunity of taking charge of the Government when the whole nation becomes bankrupt, and afterwards deal with the nation in the same cruel manner in which they have dealt with all those countries which have gone under their control Soviet Russia, China and all the satellite countries.

In any national crisis, the very first duty of the Government is to take all possible and constructive steps to hold the price-line. Has the Government been able to do that? Do they propose to hold it even now? Is it capable of doing it with the financial proposals that they have placed before themselves? Several Members from the Congress Benches themselves have rightly said that all those surcharges that have been levied will lead only to one result. Look at the enormity of the surcharges: from 10 per cent to 33 1/3 per cent upon the excise duties that we have already had on a large number of commodities, consumer commodities, intermediary commodities and the commodities that are being turned out in the engineering industries and so on. All these surcharges can lead to only one result, and that is, higher prices, and that will lead to the intensification of the spiral of inflation. It is that inflation which is the gift of this Government during all these 16 years, and it is likely to become worse and worse as a result of these proposals.

My hon. friend the Finance Minister was trying to draw some satisfaction as he had put it, from the absence of too much of criticism of these additional imposts he has offered to place upon our excise duties. I stated in my earlier speech that we were opposed to these additional imposts, and I say it once again that these additional imposts are the real core of these proposals that he has placed before us and we are of posed to them.

Some Members have been congratulating him for having made certain concessions. I would have certainly felt a little satisfied if he had come forward boldly and said, "It is true that I have proposed a surcharge of 10 per cent and more. I would like to halve it." That would have meant that he has some consideration for the poor people and also for the social economy of the country. He has not said a word about it. He does not want to reduce them in any

way. That is the gravamen of my charge.

In this connection, I feel inclined to agree with his erstwhile colleague in the Cabinet that these surcharges are likely to affect the various intermediary medium-scale industries which are growing up in different parts of the country and whose growth contributes very largely indeed to the development and soundness of our social economy. Therefore, it is wrong for him to have imposed these surcharge and that too right up to 33 1/3 per cent.

What about the administrative, managerial and developmental equipment of our Government? Are they such that the Government will be in a position to expend all this money that they have obtained from Parliament in a scrupulous and efficient manner? Why is it that there is this cry from all sides of the House and from all parts of the country against corruption? Everyone admits that it has grown too unmanageably. Why? It is because the bureaucratic machinery, the administrative machinery and managerial equipment of our Government are not developed enough to be capable of spending all this money without waste and without indulging in a lot of corruption. No wonder the public enterprises on which, as I said, Rs. 638 crores have been invested, have failed to yield even one-tenth of the projected profits, which they themselves expected and they did not get.

A constructive approach to the budget would have been to stop any further adventures in this direction and encourage private entrepreneurs to go ahead. While failing to utilise the national resources economically the State enterprises are incapable of achieving as much development as peoples enterprises. If we can derive any lesson from our past 16 years of experience, it is that the governmental apparatus is incapable of helping our country to achieve as

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rapid a development as is needed or as can be planned for and as economically, and that peoples enterprises, buttressed as they must be by Government, with all its resources and supervisory functions, can achieve more constructive, rapid and satisfactory results. The peoples enterprise cannot be expected to function by itself; it has got to be nursed and encouraged. But unfortunately, the Government has pitted itself against the private enterprise and has begun to treat it as if it is a kind of orphan and a dangerous orphan too. In that way, they have been undermining the development of our social economy. Without the public revenues being mortgaged so heavily as had been the case with State enterprises, one would have expected the Finance Minister to give just that needed orientation and fillip to peoples enterprise, during this crisis. Instead, he has produced this monster of SPT.

We are convinced, judging from the miserable performance of the Defence Ministry itself, which has failed to make proper and full use of the funds voted for it during the past 10 years, that the Government would be found, at the end of the year, to have failed to utilise more than half of the Rs. 880 crores now being voted for the Defence Services or much of it would come to be wasted, in their over-anxiety to spend somehow. We simply do not have the necessary ordnance factories, training schools and other equipment needed to utilise these funds properly. Therefore, we must be prepared to devote more than half of this sum and easily half of the other funds allotted for development needed for both defence and Plan-projects, upon the import of foreign machinery etc. If we have to get foreign machinery, would it not be much better for our Government to negotiate with the foreign countries, instead of ourselves trying to raise all this money at this terrible cost and in such haste with all the damage that it is capable of doing and that

it is causing to our social economy, and try to get them either as gifts or on lend-lease basis from such of those countries as are willing to help us? Unfortunately, our friends begin to say that we must be independent. All this talk of independence seems to be a kind of screen for their own inability to manage the affairs of our country ably and in a statesman-like manner. For all this Plan expenditure, are we depending on ourselves alone? Are we not welcoming and start taking assistance from various countries? Now, even for defence, why is it that we have sent so many missions abroad? In that case, why is it that we could not have a phased programme for these financial proposals and at the same time make sure of the supply of defence equipment that we need so badly from friendly countries? We can get them only from abroad because we cannot produce them in the country within the short period of one year or two years.

Surely if the Prime Minister thinks that this war atmosphere and emergency are to continue for another five or ten years, is it not more reasonable for the Finance Minister to plan his financial proposals in the same way and with the same perspective? The chief justification for this heavy and extortionate tax proposals is the extraordinary necessity for defence expenditure. But is it not the duty of the Government to make an equally extraordinary effort to cut down all such civil expenditure as could conveniently be postponed or avoided or minimised in order to meet this abnormal and insistent demand? The very admissions made by Community Development Ministry about its readiness to abstain from spending Rs. 1 lakh for every block—there are more than 5,000 blocks and it comes to Rs. 50 crores—the recommendations made by the high-powered economy Committee to retrench several thousands of officers without

any loss of efficiency—they have themselves appointed that committee only recently—and the complaints made by the PAC about the continued wastage of crores of rupees in social activities, khadi village industries, etc. and the colossal losses sustained by the State enterprises including the three new iron and steel factories indicate how great is the scope for economies.

I would have expected the Finance Minister first of all to give special attention to this particular aspect of our economy and then come before the House and say, "These are the economies that I have already planned to achieve and, I have done all that is possible for me to prevent amount of money that should be given to us." If he had done that, then there would have been some sense in his proposals. But he has not come forward with such proposals. Only name-sake efforts are not going to satisfy this House.

Not being satisfied with one State Trading Corporation, they are going to start another State Trading Corporation and further intensify the wastage that is going on and the troubles that our peoples' enterprises are having from the State Trading Corporation, bureaucratic controls and permits. This morning, we were told that sugar control has come. My hon. friend said that he has not increased the sugar excise duty. Why should he think of increasing it when he has already burdened the consumers by imposing such a heavy excise duty on sugar that it amounts to more than one-third of the total price that is being paid by the consumers in our country?

Let the Government make it unequivocally clear that it is not their intention to discourage corporate enterprise and investment of peoples capital in large medium and small-scale enterprises on their own responsibility. Let it also reas-

sure them that it is its duty to encourage, strengthen and safeguard their interests both from monopolists, managing agents, state trading and bureaucratic controls.

Our party is unable to support or accept these tax proposals of the Government. My hon. friend has followed two wrong principles in regard to finance. One is to try to tax those intermediary commodities which go into the production of other commodities which will eventually become consumers' commodities. Every economist all over the world, even including the Soviet economists, has warned financiers not to burden these intermediary commodities with taxes. Yet, my hon. friend has done it.

15 hrs.

Secondly, this Government seems to take particular pleasure in under-estimating revenues to such an extent that they queer the pitch for everybody. My hon. friend, Shri Mahavir Tyagi has made a special study under the leadership of the Public Accounts Committee of how these revenues have come to be under-estimated. They have made a study for 1960-61. In regard to excise duties their under-estimate came to Rs. 36 crores and in regard to income-tax it came to about Rs. 23 crores. In this year also several hon. Members have already warned the House and the Government about it. Even in these proposals there is much under-estimation. Indeed, when he made up his mind to make concessions he knew that he had so much elbow room left. I think he said once: "Where is the harm in having more and more of this elbow room". But, Sir, that is not the way a nation's public finances are to be managed. It must be recognised that money left in the pockets of ordinary people is more precious, more useful and more valuable to the nation than money that is taken out of their pockets and placed in the hands of

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the Government, because the cost of collection is itself very high and it is rising from year to year as you can see from the Explanatory Memorandum, and as well as in the Economic Survey. Therefore, the Government has got to recognise and respect that principle that unless it is absolutely needed, the money which is in the hands of the people ought not to be taken away or sought to be taken away by the Government. But this Government has dismissed all such principles. That is why they want our peasants, our middle class people, the lower middle class people and also the salaried employees, to place at their disposal their so called savings, if they had any savings at all. Even if they were to have no saving at all, Government insists upon those helpless people contributing a part of their total income and call it as a saving for namesake and then hand it over to the Government. They do it in a compulsory manner with all penalties attached to it. If by any chance any person were to fail to pay it within the prescribed time, then he is to be penalised by being made to pay twice as much. Is this the way in which the finances of any nation are to be managed?

That is why we charge this Government of having been inconsiderate not only towards the finances of the nation as a whole and of the Government but also of the general public. For that reason we say, Sir, that the tax proposals are not developed mostly, if not solely, for the purpose of so developing our social economy as to prepare us to vacate Chinese Communist aggression. The development schemes and projects which are to be financed are not intended directly to develop our defence potential, but they are mainly a part and parcel of the Government's "socialistic take-off policies". The country wants a "victory plan" into which development would be dovetailed. But the Government is

anxious to treat our defence mindedness as an opportunity to pack its Fourth Plan's rigours into the Third Five Year Plan period. It wants to exploit the present national emergency in order to achieve so many of its objectives contemplated for the Fourth Plan. This is unholy. It is calculated to ruin the middle classes, emasculate the masses and destroy our social fabric just as unconsciously as has been done in Soviet Russia and China.

If such are not the ulterior motives of this Government, why have some of its Ministers initiated the "Socialist Action" after the declaration of the emergency? Why have they gone, from the Prime Minister onwards, in order to bless this wonderful paper Patriot as if in this country there has been no free Press at all? Why have a section of the Cabinet risen in revolt against the Food and Agriculture Ministry's acceptance of the decades-long-just demand of the peasants that the price policy should be producer oriented and not consumer oriented? Why has Government failed to take the public into confidence before they formulated the Super Profit Tax and compulsory savings proposals for which there was absolutely no need for secrecy as is usual in the case of other customary financial proposals? So we oppose these proposals totally and vehemently.

श्री बी० ना० कुरील (रायबरेली) :
उपाध्यक्ष महोदय, १९६३ का फिनांस बिल सदन के सामने प्रस्तुत है। इस का एक विशेष महत्व है। विशेष महत्व एक तो इस लिए है कि यह संकट-कालीन स्थिति में प्रस्तुत किया गया है। चीन ने हमारे देश पर आक्रमण किया, देश पर संकट आया, राष्ट्र को चुनौती मिली, राष्ट्र ने उस चुनौती को स्वीकार किया, तो इस के लिए विधान

बनराशि की आवश्यकता हुई। उस को फ़िनांस मिनिस्टर साहब और वित्त मंत्रालय ने बड़ी कुशलता से देश के अन्दर और देश के बाहर से जुटाया।

इस बिल का महत्व इसलिए भी है कि हमारी प्रमुख पंच-वर्षीय योजना के मध्य काल में, जो तीसरी है, यह बिल प्रस्तुत है। देश में बहुत सी बड़ी बड़ी योजनायें अभी अधूरी हैं और जिन का पूरा होना देश को समृद्धिशाली बनाने के लिए अत्यन्त आवश्यक है। उस के लिए भी बड़ी धनराशि की आवश्यकता पड़ेगी। देश पर संकट आया और नेताओं के आह्वान पर देश जागा और कोने कोने से लोगों ने पैसा और सोना दिया और अपने लड़के फ़ौज में दिये।

इस देश में किसानों, गरीबों और मजदूरों का जो तबका है, उस ने भी दिल खोल कर इस में सहयोग दिया और उस के बाद उन पर जो बोझ पड़ रहा है, चाहे वह कर के रूप में हो और चाहे अनिवार्य बचत योजना के रूप में हो, उस को भी वे सहर्ष सहन करने को तैयार हैं। परन्तु इस के साथ ही वे सरकार से भी कुछ चाहते हैं। वे सरकार से ये चाहते हैं कि जो उन की गाढ़ी कमाई का पैसा है, खून पसीने का पैसा है, उस का सदुपयोग हो और वह फ़िजूल-खर्ची में न जाय। वे यह भी चाहते हैं कि पटवारियों से लेकर कचहरियों तक उन की जो आये दिन की दिक्कतें हैं, वे भी दूर की जायें और कम से कम इस इमरजेंसी के टाइम में तो उनको इन कठिनाइयों से राहत मिले, तफ़ावी लेने में और अन्य कार्यों में उनको जो दिक्कतें पेश आती हैं और अड़चन पड़ती हैं, उनको दूर किया जाये और इस विषय में उनको सहूलियतें मिलें।

इस संकट-कालीन स्थिति में जहां देश के साधारण लोगों ने इस तरह सरकार का

हाथ बंटाया, वहां एक तबके ने, जो कि धनी तबका कहलाता है, अपने साधनों के मुताबिक अपनी हैसियत के मुताबिक आगे बढ़ कर सुरक्षा कार्यों में सरकार की मदद नहीं की। मैं यह नहीं कहता कि बिल्कुल नहीं की, लेकिन अपनी हैसियत के मुताबिक नहीं की। यही नहीं कि उसने आगे बढ़ कर हाथ नहीं बंटाया, बल्कि सरकार ने सुरक्षा के लिये पैसा और धन जुटाने के लिये जो उचित कदम उठाये, उस वर्ग ने उन में अड़चन भी डाली और उन प्रयत्नों को असफल करने के लिये तरह तरह के उपाय निकाले। इन बातों पर अधिक ध्यान देने की आवश्यकता है।

जहां तक प्लानिंग का संबंध है, इस देश को—समूचे देश को—समृद्धिशाली बनाने के लिये योजनाओं के द्वारा देश को ऊंचा उठाया जा रहा है। लेकिन कहीं कहीं तो प्लानिंग के संबंध में अधिक काम होता है और कहीं कहीं उसको इतनी उपेक्षा की दृष्टि से देखा जाता है कि कुछ क्षेत्र बिल्कुल अविकसित रह जाते हैं। उत्तर प्रदेश की मिसाल मैं आपके सामने रखना चाहता हूं। वहां पर यह स्थिति है कि चाहे उद्योग धंधों की योजना के विषय में हो, शिक्षा के विषय में हो या किसी अन्य विकास के विषय में हो, वह प्रदेश पिछड़ता चला जा रहा है तथा दूसरे प्रदेशों के मुकाबले में वहां बहुत कम तरक्की हो पाई है। मेरे एक प्रश्न के उत्तर में शिक्षा मंत्री महोदय ने बताया था कि वहां प्राइमरी स्टेज के लड़कों की जिन की उम्र ५ से ११ वर्ष के बीच है, इनके एनरोलमेंट का परसेंटेज ४५.१ है जोकि देश में सब से लोयस्ट है, सब से कम है। ११ से १४ तक १७.४ परसेंट है और १४ से १७ तक ६.४ परसेंट है। इतना बड़ा प्रदेश, जिसकी आबादी अन्य सब प्रदेशों से ज्यादा है, इस तरह से शिक्षा के विषय में पिछड़ता चला जाये, यह ठीक नहीं है। केन्द्रीय सरकार को इस प्रदेश की ओर विशेष ध्यान देना चाहिये अन्यथा वह और भी पिछड़ता चला जायेगा।

[श्री बं० ना० कुरील]

मैं जिस क्षेत्र से आता हूँ, जिला राय बरेली, वह उत्तर प्रदेश में है। उत्तर प्रदेश बहुत बड़ा प्रांत है। जब कभी उसके लिये प्लानिंग की बात होती है तो वह पूर्वी जिलों का नाम लेकर होती है या फिर पश्चिमी जिलों का नाम लेकर होती है। दुर्भाग्य से राय बरेली ऐसा जिला है जो न तो पूर्वी जिलों में आता है और न ही पश्चिमी जिलों में उसकी गणना होती है। वहां पर न तो कोई इंडस्ट्री है और न ही अच्छी सड़क है और न ही उस इलाके का कोई डिवेलपमेंट हुआ है। मैं सरकार का ध्यान इस ओर आकर्षित करता हूँ कि कम से कम वहां कोई फॅक्ट्री तो वह लगा दे। फतहपुर जिले और राय बरेली जिले के बीच में गंगाजी पड़ती है। दोनों जिलों को मिलाने का आज कोई साधन नहीं है। इन दोनों जिलों को अगर मिला दिया जाये, गंगाजी पर एक पुल बने तो आने जाने के साधन हो सकते हैं, एक जिले से दूसरे जिले को सामान ले जाया और लाया जा सकता है और दोनों जिले इस तरह से विकसित हो सकते हैं मैं चाहता हूँ कि इस ओर आपका विशेष ध्यान जाये।

मद्यनिषेध के बारे में मैं अब एक बात कहना चाहता हूँ। इसकी बहुत चर्चा यहां हुई है। कई माननीय सदस्यों ने कहा है कि आम तौर से सरकार की यह मद्यनिषेध की योजना असफल रही है। उपाध्यक्ष महोदय, मैं उस जिले से आता हूँ जहां यह योजना लागू है और उस वर्ग से भी मैं आता हूँ जिस वर्ग में नशे का प्रयोग खूब होता है। मुझे पता है कि इस से कितना लाभ हुआ है। पहले हरिजनों में खास कर नशा चालू था। शादी विवाह में या कोई भी किसी प्रकार का जलसा हो, उस में सामूहिक रूप में लोग नशा किया करते थे। लेकिन मद्य निषेध योजना लागू होने के बाद ये सब चीजें दूर हुई हैं। आज लोगों ने राहत की सांस ली है। जो लोग इससे लाभ उठाना

चाहते हैं, नफा कमाना चाहते हैं वे सरकार के इधर उधर इस बात का प्रचार करते हैं कि यह स्कीम फेल हो गई है, यह योजना असफल हो गई है, सरकार को इसको छोड़ देना चाहिये मेरा निवेदन है कि इन लोगों के भुलावे में सरकार न आए। यह गरीब लोगों के हित की योजना है और इसको चालू रखा जाना चाहिये। हां, उसमें कुछ कमियां हैं, जिनको दूर किया जा सकता है। मिसाल के तौर पर एक कमी यह है कि किसी प्रांत में एक जिले में आप इसको लागू करते हैं। और उसके पड़ोस में दूसरे जिले में लागू नहीं करते हैं तो उसमें दिक्कत पैदा होती है, शासन की दृष्टि से भी और दूसरे तरीकों से भी। इस तरह की कमियों को दूर किया जाए। लेकिन प्रोहिबिशन को स्थागित न किया जाए। इसको अवश्य लागू रखा जाए।

योजना के सिलसिले में बहुत कुछ कार्य हो रहा है, लेकिन जिस तरह से कार्य होना चाहिये, उस तरह से नहीं हो रहा है। यहां से पैसा प्रान्तों में जाता है लेकिन जिस तरह से उस पैसे का उपयोग होना चाहिये नहीं होता है। काम अबूरे छूट जाते हैं, रुपया बहुत सा लैप्स हो जाता है और लोगों को दिक्कत होती है। जो पैसा यहां से दिया जाता है, जो एड यहां से उनको दी जाती है, उसको प्राप्त करने के लिए कितनी बार लोगों को दौड़ना पड़ता है, क्या क्या दिक्कतें पेश आती हैं इसको भी आपको देखना चाहिये और उन दिक्कतों को दूर करने की कोशिश करनी चाहिये। वहां पर जो अभी तक समिति थी, उसको इन्होंने खत्म कर दिया है। अब ब्लाक्स में पैसा जाता है और वहां ब्लाक्स में भी उस पैसे का सदुपयोग नहीं हो पाता है। इसका भी ध्यान रखा जाना चाहिये। सरकार को देखना चाहिये कि जो पैसा यहां से जाता है हरिजनों के कार्य के लिए, उसका सदुपयोग हो। जो तरह तरह की एक साथ योजनायें बना दी जाती हैं, उससे पता ही

नहीं चलता है कि कौनसी योजना कहां चालू है, किस योजना से क्या फायदा होने वाला है। कोई एक तरह का काम ले लिया जाना चाहिये ताकि कुछ पता तो लगे कि कुछ काम हो रहा है। आपके पास ब्लाक है, एक अच्छी मशीनरी है और उस मशीनरी के जरिये से आप देखें कि किन किन गांवों में पीने के पानी की दिक्कत है और कम से कम इसको दूर करने के लिए एक अभियान चला दीजिये ताकि जगह जगह कुएं खोदे जा सकें और पीने के पानी की दिक्कत दूर हो सके। इससे जगह जगह मुहल्लों और गांवों में यह दिक्कत दूर हो सकती है।

एक सबसे बड़ी दिक्कत जो लोगों को है, वह रहने की है। घरों में इतनी तंगी होती है, इतने छोटे छोटे घर होते हैं और ऐसी गन्दी जगहों पर होते हैं कि उनमें रहना लोग अब मुनासिब नहीं समझते हैं। जब देश आगे बढ़ रहा है, देश में जागृति आ रही है, और उनके भी लड़के, उनके भी बच्चे पढ़ रहे हैं, तो वे मुनासिब नहीं समझते हैं कि ऐसी गन्दी जगहों पर वे रहें और न यह उचित ही है। उनको गांवों में अच्छी जगह मिलनी चाहिये घर बनाने के लिए। मैं चाहता हूं कि इस तरह की कोई योजना आप चालू करें और देखें चाहे ब्लाक मशीनरी के द्वारा या जिला स्तर पर मशीनरी के द्वारा कि किन किन लोगों को रहने की दिक्कत है, किन किन लोगों के पास रहने के लिए घर नहीं हैं। उनको को घर बनाने के लिए कम से कम सरकार द्वारा जगह तो दी जाए।

नौकरियों की बात भी की जाती है। नौकरियों में कुछ वर्ग हैं जिन को संरक्षण प्राप्त है, रिजर्वेशन मिला हुआ है। आम तौर से वह कोटा पूरा नहीं होता है। खास तौर पर जो क्लास १ और क्लास २ की नौकरियां हैं, उनमें तो इनकी संख्या बहुत ही कम है, दो तीन परसेंट ही। इसकी तरफ विशेष ध्यान दिया जाना चाहिये। अभी उत्तर प्रदेश के बारे में मैंने सुना है कि सब-इंस्पेक्टरों का चुनाव हुआ था और २५० में से सिर्फ पांच

ही लिए गए। कभी कभी इस प्रकार छलांग मार देते हैं और कोटा पूरा नहीं करते हैं। ये जगह ऐसी हैं जिन के बारे में यह नहीं कहा जा सकता है कि उम्मीदवार नहीं मिलते हैं, सूटबल कैंडिडेट नहीं मिलते हैं। इनमें भी काफी संख्या में पढ़े लिखे लोग हैं और सूटबल भी हैं। फिर भी कोटा पूरा नहीं किया जाता है। मैं निवेदन करता हूं कि इस और विशेष ध्यान दिया जाए।

Shrimati Joytsna Chanda (Cachar): Mr. Deputy Speaker, Sir, at the outset, I would like to extend my gratitude to the hon. Finance Minister for his kind consideration in giving concessions in the case of some levies which, I feel, would give some relief to our countrymen.

I rise to support the Finance Bill that is before the House. At the same time, I would like to make a few humble submissions for the consideration of the House and the Government.

Last year, I had occasion to refer to the lapses on the part of our security forces posted on the border of Cachar district in Assam which led to the escape of a large number of Nagas into Pakistan. Now there is fresh trouble in Nagaland and the adjoining areas. I feel the underhand activities of Pakistanis in helping the Nagas must be vigorously counteracted. But, I wish to draw the attention of the House to the reported activities of the Rev. Michael Scott, who enjoys considerable reputation as a champion of the underdog. I was, therefore, impressed when I read in the newspapers that Mr. Scott had joined the Delhi-Peking friendship March but, much to my surprise, Mr. Scott went back to England after a symbolic march of a few miles and came back to India to negotiate with the Government Phizo's cease fire proposals which, to say the least, are absurd. Obviously, Rev. Scott is a multi-purpose man, who is perhaps equally proficient in peace and war. If there is no war, how can there be cease-fire?

[Shrimati Joytana Chanda]

I wish to emphasise once again the urgency of the Naga problem, especially when the Chinese are knocking at our door. I am not pleading for a ruthless policy towards the Nagas, but a ruthless policy towards the middle men and undesirable and unwanted champions of independent Nagaland.

The House is well aware of the fact that Assam is under-developed and economically it is a backward State. Mizo Hills district is one of the most forlorn and backward districts of Assam. I speak with some first-hand knowledge about the conditions in Mizo Hills, as I have the honour to represent that district. For more than one reason, I feel the Government should pay special attention to the problem of rapid economic development and, in particular, the transport and communication problem in Mizo Hills. In these days of emergency, this has an added importance. If an outlet is found down the Kaladan river in Mizo Hills to the port of Akyab in Burma, the danger of East Pakistan paralysing the traffic to and from Assam and creating a formidable bottleneck will be lessened.

You will recall, Sir, that soon after the Chinese aggression there was the steamer strike in East Pakistan which was in fact an act of sabotage on the part of the Pakistanis. Burma is friendly to India and I see no reason why with Burmese co-operation we cannot develop an alternate transport channel from Mizo Hills through Akyab. I think, this proposal has already been brought forward by the Assam Government for the consideration of the Central Government. I submit, therefore, that the Government should immediately appoint a high-powered committee to look into this matter.

I draw the attention of the House to the statement of the hon. Home Minister in Shillong in February last, after the unfortunate incident at Silchar in January last, that the Assam Government would make an inquiry into the

recent happenings at Silchar and would deal with the situation sternly. Referring to similar incidents in the Districts of Cachar in the past, Shri Shastri said that the problem was becoming more and more difficult. Silchar was becoming a difficult area and it did not concern the Assam State Government alone but all other States should think about it, all should put their heads together and find out how peace could be brought about on a permanent basis. I very much agree with the hon. Home Minister, but at the same time I feel that we must approach the problem with boldness and courage from a larger point of view and try to go deep into the roots of the matter.

I very much feel that this can only be achieved if deep-seated distrust and misunderstandings are removed from the minds of the people irrespective of community, religion and language. Unfortunately this was not done in our part of the country. Attempts were made only to remove the scars of the holocausts after these had taken place in Assam which had experienced all these for the last few years.

I wish to congratulate our new Defence Minister on his frank and forthright presentation of the Defence Demands. The country has high hopes from him, but if I may utter a word of caution, I should like to point out that the masses will pay even higher taxes ungrudgingly if only they are hundred per cent sure that every naya Paisa that they pay as tax goes to defence and development. I have full confidence in the ability of Shri Chavan and I am sure, he will ensure the maximum efficiency and economy in defence expenditure which has overnight doubled.

Once again I draw the attention of this august House to the most urgent and immediate need of developing the State of Assam industrially as I feel

industry is the backbone of economic development. As far as the security of railway communication in Assam is concerned, the hon. Railway Minister has recently stated in this House that thick jungles on both sides of the railway track would be removed. May I humbly submit that only clearance of jungles does not ensure security, rather inhabitation in such cleared areas would be more beneficial? Hence I would urge upon the Government to consider this question which, besides providing for security, would open avenues for settling the landless agricultural population of the State.

I would like to draw the attention to the training of the Home Guards in the States. As far as I can understand the Home Guards were originally meant to act as auxiliary to the armed forces, but as far as my information goes the training of Home Guards was given under charge of the Police in West Bengal. Hence it transpires that the Home Guards will be required to do only policing duty and also assist the Police. I understand that the Home Guards have only been training for giving ceremonial salutes to the dignitaries. So, tremendous frustration has been caused to the trainees. I would urge upon the Government to introduce weapon training immediately so that the Home Guards can play an effective role as a second line of defence in the wake of a possible Chinese attack.

I convey my gratitude to the Chair for giving me an opportunity.

Shri Koya (Kozhikode): Mr. Deputy-Speaker, Sir, when the House sanctions enormous amounts to the Finance Ministry I would like to draw the attention of the hon. Finance Minister to see that the allotments for development as well as defence are spent in the most useful way and to the best advantage and that wastages are avoided. There is a chronic disease in Governments, both at the Centre and in the States, to rush expenditure during the last quarter of

the year and there are standing adverse comments in Audit Reports. I hope, the Government will be more careful in seeing that the amount that the House sanctioned to the Finance Ministry is spent most wisely and to the best advantage. We are spending money sanctioned for agriculture and for other departments through the State Governments and we must see that those amounts are spent usefully. Within the short time at my disposal would like to point out a few more things.

I am very glad that the hon. Finance Minister was kind enough to announce a few concessions even though in the beginning we heard that no concessions will be made. But I do not think that he has gone too far as far as the poor people are concerned and I even now feel that in his concessions he should have gone to a further extent. Kerosene is perhaps as important as salt so far as the poor man is concerned. We are not taxing salt even though many people have suggested it because it is connected with the poor man and because Gandhiji was always opposed to it. I do not know what the great Mahatma would have said if he had heard about the taxing of kerosene. After rice and salt kerosene is the most important thing as far as the poor man is concerned.

Regarding compulsory savings, even though some concessions were announced, they did not go very far. As far as the poor low-paid employees are concerned, even now they are struggling hard to make both ends meet and they are put to too much difficulty because of the rise in prices and because of the taxes both Central and States. Now with this additional burden of compulsory savings I do not think the poor man will be able to meet his expenses. This is not the occasion to discuss the Compulsory Deposit Scheme Bill and I have not gone very carefully into the amendments suggested by the hon. Finance Minister, but according to the definition that he has given to the term

[Shri Koya]

'urban area' in which Panchayats having a population of 10,000 and above are included, as far as my State is concerned, the whole State will perhaps be covered by that.

Another point that I want to bring to the notice of the hon. Finance Minister, is about some of the difficulties faced by the people who are coming from Burma, because of certain restrictions by the Finance Ministry. They were allowed in the past to bring some Indian currency. People were coming via Calcutta and they used to spend the money to meet their travelling expenses from Calcutta, to Madras and other places.

Mr. Deputy-Speaker: The hon. Member may continue his speech tomorrow. The House has to take up Private Members' business.

15.30 hrs.

CRIMINAL LAW AMENDMENT
BILL* (by Shrimati Lakshmikanthamma)

Shrimati Lakshmikanthamma (Khammam): I beg to move for leave to introduce a Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898.

Mr. Deputy-Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898."

The motion was adopted.

Shrimati Lakshmikanthamma: I introduce the Bill.

15.31 hrs.

CONSTITUTION (AMENDMENT)
BILL*

(Amendment of article 368 by

Shri Hari Vishnu Kamath)

Shri Hari Vishnu Kamath (Hoshangabad): Mr. Deputy-Speaker, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

Mr. Deputy-Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted

Shri Hari Vishnu Kamath: I introduce the Bill.

15.32 hrs.

CONSTITUTION (AMENDMENT)
BILL—contd.

(Insertion of new article 155A and amendment of article 167 by

Shri Tika Ram Paliwal)

Mr. Deputy-Speaker: The House will now take up the further consideration of the following motion moved by Shri Tika Ram Paliwal on the 5th April, 1963:

"That the Bill further to amend the Constitution of India be taken into consideration."

Shri Hajarnavis.

Shri Hari Vishnu Kamath (Hoshangabad): The discussion is over and the Minister is to reply?

*Published in the Gazette of India Extraordinary Part II, Section 2, dated 19-4-1968.

Mr. Deputy-Speaker: Only 33 minutes are left. He wanted to have some time.

Shri Hari Vishnu Kamath: Half an hour?

The Minister of State in the Ministry of Home Affairs (Shri Hajarnavis): Mr. Deputy-Speaker, I acknowledge the deep debt of gratitude which I owe to the hon. Mover of this Bill, for, the discussion of this Bill has enabled us to examine certain fundamental assumptions and premises which form the basis of our constitutional structure. I will also express my gratitude and appreciation for the wide support which I have received in support of the view that I am going to express on behalf of the Government.

As I have already said, it is often necessary to go back to the fundamentals. For, where a doctrine develops and scaffolding is piled on scaffolding and we are far removed from the place from where we started, it often is a distinct advantage if we go back to the fundamentals from which we started and examine them and find out whether they are still valid, find out whether the structure on which the whole scaffolding rests is still safe, and is still.....

Shri Hari Vishnu Kamath: Foundation itself.

Shri Hajarnavis: I would not call the structure at the bottom of the scaffolding the foundation.

....still secure. That must be examined. Often coming back to the fundamentals re-vitalises the deductions which we derive from the fundamentals.

What, then, are the assumptions of the Constitution? I would suggest for the consideration of the House that there are four pillars of the Constitution, four cardinal principles on which the Constitution rests. First, the common sovereignty of India; second, responsibility of the Government of

India to protect this country from external aggression and grave internal disturbance; third, responsibility of the executive to the legislature both at the Centre and at the States; and fourth, rule of law. Having given the best consideration and having listened carefully and attentively to all the arguments which fell from the hon. the Mover of this Bill, I must say, I regret, to say, that his Bill violates every single principle which I regard as vital to our Constitution.

Before I come to the Bill which is very short—though it is short, it has very wide repercussions—I will start with the provisions of the Constitution which are likely to be affected if the amendment of the hon. the Mover is accepted. First of all, we have division of both legislative power and executive power between the Centre and the States. Enumeration of the powers is given in article 246 of the Constitution. Whereas certain powers are said to be contained in the Union List and the others in the State List, the remaining are in the Concurrent List. From that division we go to article 73 of the Constitution which says that the executive power of the Centre is coterminous with legislative authority. If we consult article 162, we find that the executive power of the State extends to the subjects which are committed to the legislative competence of the State legislature and secondly, it also extends to subjects under the Concurrent List which power itself is subject to the law made by Parliament in that behalf. That is to say, if nothing is known, if nothing is expressed, then, the power remains vested in the executive at the State. Otherwise, Parliament may withdraw that power and vest it within itself. That is the scheme. That scheme is intended to be disturbed by this Bill.

Shri Hari Vishnu Kamath: May I ask how Parliament will withdraw without amending the Constitution?

Shri Hajarnavis: I shall not be interrupted.

Shri Hari Vishnu Kamath: It is not interruption. You should clarify yourself.

Shri Hajarnavis: I believe the hon. Member is provided with a copy of the Constitution. He may read it.

Shri Hari Vishnu Kamath: Parliament should amend. How can it withdraw? However, go on in your own way.

Shri Hajarnavis: I will certainly go on. What I said was that the executive power of the State in respect of a matter in the Concurrent List, if nothing is known, if nothing is expressed, vests in the State unless Parliament withdraws it. Parliament, if it is vested in the State executive, by an amendment of the ordinary law—it does not require any constitutional amendment whatever—by an ordinary amendment of the law, may re-invest that power in the Central executive. That is article 162.

Then, we come to article 155. A new article 155A is intended to be introduced:

"Having regard to the circumstances obtaining in a State, the President may, along with the warrant appointing a Governor or at any time after the appointment of a Governor, issue an 'Instrument of Instructions' to him containing directives in general or specific terms regarding the carrying on of Government and the conduct of Government business in that State."

I do not think it is excessively precise. All that the President has to do is to issue an Instrument of instructions and write whatever he intends to write, indicate as to what is to be included and what is to be excluded, containing a directive in general or specific terms—it may be perfectly general; no limitation of any kind. After that is done, that Instrument of instruction issues. Clause 2 says:

"Notwithstanding....."

Mr. Deputy-Speaker: Order, order; The hon. Minister must sit down (Shrimati Tarkeshwari Sinha): Not Shri Hajarnavis.

Shri Hajarnavis: "Notwithstanding anything contained in this Constitution, a Governor, whenever he feels it necessary, may act in his discretion and take such steps as he deems proper to give effect to the Directives contained in the 'Instrument of Instructions'."

That is to say, first of all, unlimited executive power is given to the Governor. Apparently, I assume that this means that the sphere is the same as the sphere of the State executive. That power having been given, he has been further given authority to override the whole of his Government, formed by the elected representatives of the people. Thirdly, that authority he has got to exercise on his own responsibility. He is not responsible to the legislature. If this was not clear, it has been made clear in clause 3:

"The Governor shall be the sole judge as to the scope of the Directives contained in the 'Instrument of Instructions'."

Lest it be said that there was any suggestion that this authority with which the Governor is to be endowed is to be exercised under the President or under the authority of the President or subject to the control of the President, the proviso makes clear the extent of his obligation to the President. The proviso reads thus:

"Provided that all cases in which the Governor acts at his discretion shall be reported by him to the President."

So, only a report has to be made. As to what the President is to do after he receives the report, no one knows.

Then, coming back now to the four propositions which I submitted for the

consideration of the House, the first thing is that here we are constituting an authority which is not responsible either to the State or to the Centre, an absolutely irresponsible authority. I am not the only person who is making that observation. My hon. friend Shri Harish Chandra Mathur has already alluded to it; in a very thoughtful and thought-provoking speech, he has said 'To whom is this Governor going to be responsible?' Therefore, we create a thoroughly irresponsible authority. He owes no allegiance or no responsibility to the Central Legislature and acts independently of it. And then, to the President all that he owes is making of a report, and after the receipt of the report, as I have already said, the President will probably file it in his record and keep it there, and after he considers the report, I believe, if he thinks that the Governor is not acting in a very satisfactory manner, he may get rid of him. That is all probably that can be done.

The assumption in all this is that if there is an elected executive, that is irresponsible, and that is subject to pressures, as I understood the hon. Mover's observations when he moved the Bill for consideration. But this particular individual will be such a paragon of virtues, and he will not be a human being subject to bias, subject to his own inclinations, and he will not be subject to making any mistakes, but he will be so chosen that his administrative action will meet with the approval of everybody. But if it does not meet with the approval of anyone, there is no forum in which his action could be called into account.

I have always understood, and I understand that that is the complaint of the hon. Mover also, that power corrupts. But the further corollary to that is that absolute power corrupts absolutely. So, finding or his observation being, that the power which has been constitutionally entrusted to the elected Ministers may be misused

even though they are responsible to the Legislature and to public criticism, he thinks still that if an irresponsible authority is created, then that power or that authority shall be exercised in a most responsible manner. On what basis and on what logic he bases his deduction, I, for one have not been able to follow. But that is not the lesson of history. We have seen the cases of despotic rulers. The mere fact that there is no check on them, the mere fact that they are not called to account by any elected representative, the mere fact that they have no members of the Assembly whom they ought to please in order to maintain their position, has not enabled them in all cases to do what the people regard as right. It has not met with the approval of any right-minded people at all.

Therefore, his solution that the executive must be relieved of any checks or of any responsibility to an elected legislature in order that the administration may be improved, in my opinion, is based on entirely an erroneous assumption.

Then, secondly, in clause 3, what does he say? Suppose once a decision has been taken by the Council of Ministers; there is provision under article 167 of the Constitution that if the Governor receives the report of any action, any executive action, taken by a Minister, he has the power, of course acting in his discretion, to refer it back to the Council of Ministers, and in the Council of Ministers it will be considered, and such action as the Council of Ministers thinks proper will be taken. Here the suggestion of the hon. Member 'or to submit for reconsideration of the Council any matter in which a decision has been taken by the Council'. He says further that after such consideration or reconsideration as the case may be, with special reference to any points to which the Governor may have referred, the matter shall be resubmitted to the Governor who may give assent or may act in discretion under clause 2 of article 155A or may reserve it

[Shri Hajarnavis]

for a direction from the President. I do not know how it will work. If he has the power under the first clause to act in his discretion, if he himself will be capable of making a decision which will be carried out, when he will himself be able to direct what executive action may be taken in a particular case, I do not know what function the proposed clause (c) of article 167 is intended to perform. For, after all, if he has got the power, if the President has already given him a wide authority to interfere as he likes, I do not know why he should also be invested with a power to seek instructions from the President. I do not see how the two powers can be worked simultaneously, because there is no classification suggested, and there is no indication in the two clauses about the class of cases in which the first authority shall be exercised, and the class of cases in which the second authority shall be exercised.

As I said earlier, the first proposition which I submitted for the consideration of this House is that there ought to be the common sovereignty of India which has been upheld in a judicial pronouncement of a strong Bench of the Supreme Court in a recent case where a claim was set up on behalf of a State that the State was sovereign in respect of a matter which was committed to its charge; the Supreme Court completely negated this proposition and said as follows. I shall read out from the judgment....

Shri Paliwal (Hindaun): Nobody disputes it.

Shri Hajarnavis: All right. If that is so, why has the hon. Mover not made this Governor, this authority whom he intends to create subordinate to the President? Of course, I will agree with him if he says that the answer to that is that he derives authority from the President.

Shri Paliwal: Yes.

Shri Hajarnavis: But that is no answer, because the two things are different; the President cannot have no authority to control how it is exercised. He will not get the authority till the President has given it. But after the President has given it to him, the manner of its exercise....

Shri Paliwal: He has to report every action.

Shri Hajarnavis: I have already said that mere reporting does not mean authority to cancel that action or supersede that action, if the President disagrees with him.

Shri Paliwal: The President can dismiss him.

Shri Hajarnavis: Then, the second proposition that I submitted for the consideration of the House is that it is the Government of India which has to bear overall responsibility for the whole of this territory, to protect it from external aggression and grave internal disturbance. But, subject to that, there shall always be provincial autonomy, and there must be provincial autonomy. I shall not repeat what has fallen from a most respectable Member of this House, Dr. M. S. Aney. He has already stated: 'If you do not like provincial autonomy, if you think that provincial autonomy has not worked well, then, surely, come forward with a straight amending Bill trying to abolish the States altogether'. But this sort of an indirect attempt to interfere with the provincial autonomy when the States exist is an insidious attempt to undermine the fundamentals of the Constitution. If you want to demolish provincial autonomy, say so. But it is obvious that such a proposition will never be entertained. In a country which is so vast as this where we have different languages, it is our experience that with the best will in the world we are not able even to complete the legislative business we contemplate. The other day we heard a

complaint from Shri Kamath that we had not come forward with the legislative programme on which we had set our heart. That is because we are pressed for time.

Shri Hari Vishnu Kamath: It is not a question of time. It is Government's very bad planning of business. Let him not revert to that. The Minister of Parliamentary Affairs has already replied to that.

Shri Hajarnavis: I have my own views and I am entitled to them. The point I am making is that our own responsibilities are so great that we have to sit long hours everyday. Though we sit for the major part of the year, we find it difficult to pay adequate attention to each measure before the House and to finish our business in time. If in addition we are going to be entrusted with the responsibilities which each State legislature discharges, then what business Parliament can transact can better be imagined than described. I do not think anyone who is serious about working the democratic institutions effectively would dare to suggest that the matters which are now being discussed and disposed of by State legislatures should come up here. For instance, how many members should constitute a particular municipal committee? Is it a matter which can be discussed here in this House?

The integration of this country is a fact which has existed through the centuries. It will persist. Though empires have come and empires have gone, this country has remained.

Shri Prabhat Kar (Hooghly): It will remain.

Shri Hajarnavis: It will remain.

Shri Paliwal: That way every country has remained.

Shri Hajarnavis: It will certainly remain. As industrial integration progresses, we are coming nearer and nearer. When an electric grid of one

part becomes connected with a grid from the other part, there is nothing which can put this country asunder. That is bound to happen.

If that is so, the subjects which are given to the State legislatures are subjects which can only be disposed of in the best possible manner locally. Take, for instance, education. Problems arise in connection with primary or secondary education in each part of India. Is it seriously suggested by the hon. Mover that this House should address itself to those questions, whatever differences of opinion he may have with the local legislatures?

Then I come to the third thing which I suggested. Here I am grateful to Dr. M. S. Aney because he, within his very short speech, put this point with great force, namely, that this Bill is a revolt against the concept of democracy. If you make the Governor an irresponsible authority, you have expressed a distrust in the democratic processes. So far as I am concerned, so far as this Government is concerned, we are completely committed to the great principle of parliamentary responsibility. Whether it is in the States or it is in the Centre, the executive shall not derive any authority unless it be in pursuance of a law made by the legislature. It will not spend any money unless it has been voted by the legislature.

I will recall something which happened about two years ago. A question arose as to whether a vote of grant could be by an ordinance. A view was propounded that it would be a law made in pursuance of the ordinance making authority; such a law is a law.

But this Government took the view that any law which invests Government with the power to spend money must have the support of the legislature. Unless the legislature votes the money, the executive will not be able to get it, will not be able to draw it. That is a dogma of our

[Shri Hajarnavis]

political life and we are not going to compromise on it, whatever may happen.

Shri Hari Vishnu Kamath: Not dogma. That is rather unsavoury. Better say a 'principle'.

Shri Indrajit Gupta (Calcutta South-West): Let him not be dogmatic.

Shri Paliwal: He means that.

Shri Hari Vishnu Kamath: I hope so.

Shri Hajarnavis: Therefore, we resolutely oppose any attempt anywhere by which any authority is sought to be created, by which any power is sought to be located, in which there is no responsibility to Parliament.

There is often a talk of creating an independent person. Independent of whom? As I read the Constitution, understand it and interpret it, basically the responsibility of every authority to the elected representatives must be there, if democracy is to function properly. Take the judiciary. It is absolutely independent. Once a Judge is appointed, he continues till he reaches a certain age. He discharges the great responsibilities entrusted to him without fear, without favour. But even so, in certain circumstances, he is liable to be removed by a vote of this House. Similar is the case of the Election Commission. He is thoroughly an independent authority. But he is also liable to be removed in the same manner. Judges of the Supreme Court are also liable to be removed likewise.

Therefore, I view with apprehension, and resist with all the strength at my command, any suggestion that here under our authority we should create, erect or introduce some authority which Parliament will not ultimately be able to call to account. It is on this principle that I object to this Bill.

Fourthly, I have already said that the Constitution enshrines the principle of the rule of law. Under article 256, the State Government has been entrusted with the responsibility to see that due compliance is shown to the existing laws both of the States as well as of Parliament. If any authority does not act in accordance with the law or acts in excess of it, power is given under article 226 by which the authority remiss in discharge of its statutory duty will be called upon by a writ of *mandamus* to discharge that authority; if it acts in excess of a law, then the High Court will certainly restrain it. Here we give an authority under the proposed article 155A to the President to give any authority that he chooses to the Governor to act in any manner he chooses, in which the authority is not defined, in which his responsibility is negated. I submit, it goes completely counter to the accepted principle of rule of law.

I know the intention and sentiments behind this Bill. But if we are dissatisfied with the present position, if we want to remove the present shortcomings, the remedy does not lie in getting rid of the democratic Constitution. We have got to live with that democratic Constitution in order that it may become better and better. We have got to see its imperfections, and to remove them. That is the essence of the democratic process. As we live through it, even though we discover its shortcomings, we are constantly improving, building up conventions, rising to a higher political level and certainly developing higher political ideas. Therefore, I submit that the remedy is not to demolish the Constitution or remove the responsibility from the elected representatives, but to give them more authority. That being so, I oppose the Bill.

16 hrs.

Mr. Deputy-Speaker: Shri Paliwal. He has got only three minutes.

Shri Paliwal: How can I reply within three minutes?

Shri Hari Vishnu Kamath: He may be given a fair chance.

Shri Paliwal: This is a very important Bill, and I must have some time.

Mr. Deputy-Speaker: What does he want to do with the Bill? He is opposed to it.

Shri Paliwal: Never mind that. I should explain my point of view.

Mr. Deputy-Speaker: He can take two minutes more.

Shri Paliwal: At least 15 minutes should be given to me.

Shri Hari Vishnu Kamath: Ten minutes may be given.

Shri Paliwal: To begin with, I beg to submit that I accept the amendment moved by my hon. friend Shri Sidheshwar Prasad. I accept that amendment in the hope that Government will, even at this late stage....

Mr. Deputy-Speaker: Does the hon. Minister accept any of the amendments?

Shri Hajarnavis: No, Sir.

Shri Paliwal:will give it a second thought and at least agree to its circulation, because even for Governments I do not think it is very unusual to give a second thought to important matters.

I must confess that I have been completely taken by surprise by the arguments that my hon. friend has advanced. I would have appreciated it if he had simply stated that for certain understandable reasons Government are not prepared at this stage to agree to this Bill, and that they might consider the matter in future and bring some alternative measures. That I could have understood, but the way in which he has dealt with the whole thing and has described it has completely taken me by surprise.

My hon. friend says that I am seeking to make the Governor an absolute authority, absolutely irresponsible, responsible to none, he will become a despot so to say. Such words falling from the lips of a Minister of the Home Ministry is something strange.

From the very nature of things, the Governor is appointed by the President on the advice of the Home Ministry. The Instrument of Instructions sought to be provided here is to be issued by the President on the advice of the Home Ministry. The Home Minister is responsible to this House, and the Governor is in every case responsible to the Home Ministry. I cannot understand his argument that the Governor will be a despot who is irresponsible and that once the Instrument of Instructions is issued, there is no control over him. The very fact that he has to report all his actions to the President implies that the Home Ministry has to be satisfied that the action taken by the Governor under the Instrument is correct, and if they feel that he has in some way acted wrongly or used his discretion in a wrong way, they can ask him to rectify it.

Shri Hajarnavis: Under what provision?

Shri Paliwal: For that my hon. friend could have suggested an amendment. He can suggest an amendment that the Instrument of Instructions can be revoked. I am prepared to accept such an amendment even now. I am prepared to give such an amendment on my own behalf, if he is prepared to face facts.

If he had said that the administration in the States is running so smoothly that there is no necessity for such an amendment, I would have appreciated it, though I would not have been fully convinced by it, but he has chosen a different line of argument which is absolutely unintelligible to me at least. Had it come from somebody else, from someone other than the hon. Minister, I would not have been so much surprised.

[Shri Paliwal]

Anyway, there have been two main attacks on this amendment. The first is that it militates against our democratic set-up or State autonomy is a I submit that our State autonomy is a limited autonomy, that we are not a federation? Ours is not a federal Constitution. For this, I have only to refer to the debate that took place in the Constituent Assembly on clause 1, article 1 of this Constitution.

Article 1 says:

"India, that is Bharat, shall be a Union of States."

When the Constituent Assembly was considering this article, several amendments were moved to bring into it the idea of a federal constitution. I may refer particularly to two amendments, one moved by Prof. K. T. Shah and the other by Shri Mahboob Ali Khan. Prof. K. T. Shah moved that in clause 1, article 1, after the words "shall be", the words "secular, federal, socialist" be inserted. The Constituent Assembly rejected this amendment. Shri Mahboob Ali Khan moved that in clause 1, article 1, for the word "Union", the word "Federation" be substituted. He wanted this article to read:

"India, that is Bharat, shall be a Federation of States."

This amendment was also rejected.

This is what Dr. Ambedkar had to say during the course of the debate on this. He said:

"Though the country and the people may be divided into different States for convenience of administration, the country is one integral whole, its people a single people living under a single imperium derived from a single source."

We ourselves can also see. Are there any characteristics of a federal constitution here? The first thing in

a federation is that there are certain sovereign States which agree to federate. Here, there were no sovereign States. This Constitution itself created these States. No States existed before this Constitution.

Then, in a federation the residuary powers always rest with the States. Here, the residuary powers rest with the Centre.

Shri Hajarnavis: It is not so. May I remind the hon. Member of article X of the American Constitution wherein the residuary powers are with the States?

Shri Paliwal: My hon. friend has referred to the American Constitution. I shall also refer to it. In a federal constitution, there are two citizenships generally, Central citizenship and State citizenship, as in the case of America. Here, there are no two citizenships, but only one.

I have no time to dilate on it, otherwise I could convince any man of ordinary intelligence that from every point of view ours is not a federal constitution.

Mr. Deputy-Speaker: Anyway, it is not necessary for the purpose of this Bill.

Shri Hari Vishnu Kamath: Ordinary intelligence is not necessary?

Mr. Deputy-Speaker: He was saying whether it was a federal or a union constitution.

Shri Hajarnavis: I hope Mr. Kamath qualifies for that description.

Shri Hari Vishnu Kamath: I do not know; it all depends on you. He is replying to you.

Shri Paliwal: After all this discussion about the federal or unitary form of Government, it is said that it is against democracy. I pointed out in the beginning that I am not introducing any new principle in the Constitution. The principle of discretionary power is already there. Had it been

against democracy, why should the Constitution contain that element already. Under article 163 the Governor is given certain discretionary powers under the Constitution. My friend has made such a big show of abhorrence against any discretionary powers to the Governor. I would refer him to the amending Bill which this House passed as late as 1956. He has made such a virtue of elected responsibility. I am referring to article 371 where it says that the President may by order..... Instead of the words 'instrument of instructions', the words here are 'by order'. I am willing to substitute my wording 'by order' if it suits him. It reads as follows;

"Notwithstanding anything in this Constitution, the President may, by order made with respect to the State of Bombay provide for any special responsibility of the Governor for....."

It provides for the special responsibility of the Governor. I am only asking that these powers for the Governor should be given at the discretion of the Home Ministry with a view to check the maladministration. What for are these powers given here? The powers are for establishing separate development boards for Vidarbha, Marathwada and the rest of Maharashtra, Saurashtra and Kutch and the rest of Gujarat with the provision that a report on the working of each of these boards will be placed each year before the State Legislative Assembly. It also refers to equitable allocation of funds for developmental expenditure over the said areas subject to the requirements of the State as a whole. Mark the word 'equitable'. It is significant. It refers further to an equitable arrangement providing adequate facilities for technical education and vocational training, and adequate opportunities for employment in services under the control of the State Government, in respect of all the said areas, subject to the requirements of the State as a whole.

What are we to think of this elected responsibility in this case. The responsibility is altogether divested and given to the Government. Why? Because under certain circumstances it was felt that the responsibility will not be discharged satisfactorily. This amending Bill was moved by our eminent and respected leader of this country, the late Pandit Govind Ballabh Pant and was accepted by this House. There was an amendment to this clause moved by Shri N. C. Chatterjee. The amendment of Shri N. C. Chatterjee was to the effect that in the place of the words "The President may, by order," the words "Parliament may, by law, provide" may be substituted. The amendment was rejected.

Mr. Deputy-Speaker: He must close now. He has already taken 15 minutes.

Shri Paliwal: I have not been able to reply to all the points.

Mr. Deputy-Speaker: The other hon. Members are waiting. Time is allotted to each Bill. We have exceeded the time by seven minutes.

Shri Paliwal: I hope, in the end, the Government will consider it seriously. It is not necessary that whatever comes from the non-official side should be considered as wrong. I am sure that today, or tomorrow, they will find it necessary to bring some measure of this nature before the House. Especially in view of the pending amendment to article 311, I thought this would inspire confidence even among the services if some such powers are reserved for the Governor to safeguard the interests and the morale of the services which is going down and which is being deliberately undermined in some of the States, as it happened in Kerala.

Mr. Deputy-Speaker: What about the Bill? Do you want the motion to be put to the vote?

Shri Paliwal: I have no other option except to withdraw it. It is no use. *(Interruption).*

Mr. Deputy-Speaker: There are two amendments. Amendment No. 1 is by Shri Sidheshwar Prasad. He is not here.

Shri Paliwal: I have accepted the amendment already.

Mr. Deputy-Speaker: Still, I have to put it to the vote. He may accept it but the House may not accept it. I shall now put the amendment of Shri Sidheshwar Prasad to the vote. The questions is:

"The Bill be circulated for the purpose of eliciting opinion thereon by the 31st July, 1963."
(1).

The motion was negatived.

Mr. Deputy-Speaker: The other amendment is barred.

Now, has Shri Paliwal the leave of the House to withdraw his Bill?

Several Hon. Members: Yes.

The Bill was, by leave, withdrawn.

16.17 hrs.

MINES (AMENDMENT) BILL

(Amendment of sections 12, 64, 66, 67, 70, 72C and 73) by Shri S. C. Samanta.

Mr. Deputy-Speaker: The House will now take up the Mines (Amendment) Bill. One hour and a half has been set apart for this. Shri S. C. Samanta.

Shri S. C. Samanta (Tamulak): Mr. Deputy-Speaker, Sir, I beg to move:

"That the Bill further to amend the Mines Act, 1952 be taken into consideration."

I seek to amend sections 12, 64, 66, 67, 70, 72C and 73 of the Mines Act, 1952. I must express at the beginning that this is not a new measure. I have given the reasons, in the Statement of Objects and Reasons, which actuated me to bring this piece of legislation. It appears from the report about the working of the penal provisions of the Mines Act, 1952, that the courts have generally taken a very lenient view of the offences under the Act. Consequently, the enactment has not had the desired effect. Hence, these provisions have been proposed for prescribing the minimum sentence.

16.19 hrs.

[DR. SARAJINI MAHISHI *in the Chair*]

Opportunity has also been taken to amend section 12 of the Act so as to provide that the Mining Board meets at least twice a year and takes decisions speedily.

This is a thing which was expressed by the hon. Minister, Shri Nanda, while he moved for the amendment of the Mines Act in 1959. While he was moving and while he was replying to the Members of this House who were so viceferous against the increase in penalty, any increase in the fines and other things, they protested—he was adamant, and he put forward so many reasons for the proposals he brought before the House.

In the course of his speech, he said:

"Having observed the working of the Act, i.e., the Mines Act, and the outcome of the prosecutions according to the Act, has been felt that considering the serious nature of the risks involved and the stakes of a large number of workers engaged in the industry, it is very necessary that the sanctions should be strengthened—sanctions for more penalties."

You will be astonished to hear that at that time the penalties were proposed to be increased two-fold and

three-fold even and he defended that by saying these words.

In this respect, he gave some statements also. He said:

"But before I proceed to show what exactly is the perspective regarding the statistics about accidents, I may just draw attention to one very important fact. In relation to the question of penalties, I have a table here indicating the amounts of fine imposed in rupees. I have figures for 1954, 1955, 1956, 1957, 1958 and part of 1959, as far as I could obtain. There is a very striking revelation here. The figures show that the large bulk of decisions on the prosecutions resulted in fines of Re. 1 to Rs. 100. If you include fines from Rs. 101 to Rs. 200, that will possibly constitute the overwhelming majority of those cases. Then there are some cases between Rs. 201 and Rs. 300 and more. Above Rs. 500, there may be in the whole course of these six years not more than 8 or 9. Between Rs. 401 and Rs. 500, there are in all about 25 or so. Between Rs. 301 and Rs. 400 also, there is practically almost the same number and the rest are mostly below Rs. 200 and some between Rs. 201 and Rs. 300."

These are the figures about fine.

What about imprisonment? There is hardly any case of imprisonment of an owner or manager, the Minister told us. If that is the case that even by increasing the punishment in the form of fine and imprisonment, the condition as was apprehended by the Labour Minister at that time did not improve, it is the duty of the Government now to look to it. So, I have prescribed the minimum sentence of fine or imprisonment.

There are sections 64, 66, 67, 70, 72 (3) and 73. It will be found from

the body of the Act that in every case I have tried to prescribe the minimum sentence. There should be some minimum sentence. It should not be a fine of one rupee. Madam, you know how hazardous, how risky the life of a mine worker is. He is risking his life, he is risking accidents, and where the mine-owners or managers neglect the rules and regulations which may save the lives of miners, what is the fine that has been provided? Whatever may be the offence, how can it be a fine of one rupee? I am not saying this; it has been told by the hon. Minister in this House that the fine may be one rupee also. So it is our duty to prescribe this fine. It should have been the duty of the Government. They should have brought this enactment to prescribe a minimum sentence, a minimum fine and a minimum imprisonment. They have not done so. I have now brought it. It is the duty of the Government to accept. I am going to help them in this respect.

Madam, the other day, when a non-official Bill was accepted by this House I requested the Government that where the Bills that are brought forward by non-official Members have some demerits or defects the Government should call the Members and advise them how to do the thing. Sir, I accuse none. If there be any defect or any flaw in the Bill, why should not that have been detected by the Government earlier. If the Government now comes forward and says that my Bill has this defect or that defect and that is the reason why it cannot be accepted then what my hon. friend said just now that because this is a non-official Bill and therefore it cannot be accepted by Government will come true. I think Government has given thought over this matter.

Shri Warior (Trichur): The Government can bring forward amendments.

Shri S. C. Samanta: Let us wait and see what the Government says about it. Sir, in 1959, when the Mining Bill was being discussed, at that time I was against this penal provision and I asked why it should be increased two-fold or three-fold. I wanted that instead of increasing the punishment if the Government could spend some money on the training of the workers they would know how to avoid accidents and what are their duties and thereby the number of accidents will become less. When we were going to increase the period of incarceration and punishment, I said I was not against it but, at the same time, those who were the victims of accidents should be trained. I pleaded for training. I accepted the penal provisions that were brought before us, but, at the same time, I wanted training to be given to the miners. I would like to know from the hon. Minister what has been done since 1959 for the training of miners.

At that time, Shri Aurobindo Ghosal, while moving his motion for reference of the Bill to a Select Committee said:

"Even the hon. Labour Minister said in the Informal Consultative Committee that in 90 per cent of cases the magistrates impose very small punishments on the persons who violate mining regulations."

It was not contradicted by the hon. Minister. When he accepts it that the magistrates award small punishment for the violation of rules and regulations even when the life is in danger, I feel that we must prescribe a minimum penalty.

I apprehend some difficulty in this also. My lawyer friends might say that by this provision we are interfering with the powers of the judiciary. Especially when a layman proposes a Bill, they will come forward with such arguments. I would respectfully beg of them to consider another aspect. When we say in an

Act that the maximum punishment will extend to that much, are we not restricting the discretionary power of the magistrate to go beyond that? In every Act you will find it mentioned that the punishment will extend to so much fine or imprisonment. If that is not interfering with the discretion of the judiciary, why should it affect the discretion, prestige or independence of the judiciary when we fix a minimum limit also? I simply cannot understand it is a layman. Those friends of mine may feel that they are confronted with some difficulties in prescribing a minimum limit, but I find no difficulty. Though I have gone through many Acts, I have noticed that only the maximum penalty is prescribed everywhere. I would request the hon. Minister to consult the Law Ministry and accept this proposal, or let us know the difficulties they are faced with. I would rather request the House to consider whether the inherent power of the Legislature will not be interfered with if this provision is not accepted by the Law Minister. So, in my view, this is a simple Bill.

My next amendment relates to the Mining Board. According to section 12 of the Mines Act, the Mining Board has been formed. But what do we find? One year it sits and next year it cannot find time to sit. So, I have proposed by my amendment Bill that every Mining Board, constituted under this Act, shall meet at least twice a year, which is neither in the rules, nor in the regulations, or in the body of the Act. So, now they can do as they like; they may sit or may not sit. Therefore, I have proposed an amendment to section 12.

Last time we were told that we are very harsh towards the managers, towards the mine-owners. Still, I claim that there should not be intermediaries. We have abolished zamindari in the country. Why? Because, it is in our interests not to have so many intermediaries.

It is a fun to know that the owner of the mine can escape. The manager is the man who gets the punishment and not the owner. The owners pay much heavy amounts to the managers. When accidents and infringement of laws and other things come, the managers come forward and save the owners. So, however, strict provisions we may make—we may increase the period of imprisonment or the amount of the fines—the owners are left out. Therefore Government should consider this whether the intermediaries should not go. There should be Government or mine-owners and labour so that there will be no risk of accidents, there will be less accidents and there will be good relations between the workers and the owners and we will not have to increase the quantum of punishment in the Acts.

I think, I have expressed my feelings before you and the House which compelled me to bring forward this piece of legislation and I would request the Government and my hon. friends here to see that this is taken up by Government and is turned into action.

With this, Madam, I move.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Mines Act, 1952 be taken into consideration."

Shri S. M. Banerjee: (Kanpur): Mr. Chairman, I rise to support the Bill moved by my hon. friend, Shri Satis Samanta. The amendment of the Act which he has suggested is based on his vast experience which he had at the time when he acted as an assessor in the worst mine disaster known as the Chinakuri mine disaster. I have watched the various amendments put forward by him at the time of any discussion on the working of coal-mines and, I am sure, the hon. Minister who comes from an area where there are mines will accept this harmless amendment which, I am sure, is going to minimise, if not eliminate, the growing accidents in the mining area.

This morning in reply to a calling attention notice the hon. Deputy Labour Minister who is to reply to the debate said that two accidents took place in mines in the Raniganj area when in a particular mine Safety Week was being observed. The mine cage was overloaded—that is my information; I speak subject to correction—and naturally as a result of this overloading the mine cage hit the ground in a way that one worker was seriously injured and, I am told, two workers died.

The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya): In another accident and not that one.

Shri S. M. Banerjee: In another accident two workers died. Just before that there was another accident in Balihari mine where six workers, I am told, died. Now you will appreciate the sentiments expressed by my hon. friend, Shri Samanta, or by us when we discuss the various aspects of this Bill. We have discussed in this House as to how the conditions of the mine workers could be improved. Accidents have become a regular feature in these mines. The hon. Deputy Minister, while he addressed a conference in the Dhanbad area said something about safety measures. It was surprising that at the time when safety week was being observed in that particular area, these accidents took place. These are not the only instances. A proper analysis, a yearly analysis will reveal that accidents in the mines, whether major or minor, are on the verge of increase. The hon. Minister may deny and quote statistics. In the 7 or 8 days in that particular area,—Dhanbad area—nearly 5 accidents took place. What is the reason?

During the emergency, when the call was given by our Prime Minister and the Labour Minister, the mine workers increased production. I am told by the leaders of the mine wor-

[Shri S. M. Banerjee]

kers, who were here recently that they have increased production to the maximum. Taking advantage of the cold and callous attitude of the Mining Inspectors and the Labour Ministry,—I am sorry to use this expression—they started taking more work from the workers. They did not care about their fatigue and when the workers refused to work or expressed their unwillingness, reported the matter to the various unions and they were threatened with dire consequences that there will be dismissals or discharges. I want to know from the hon. Minister whether during the emergency, production has gone up, whether with the rise in production, accidents have also gone up. Actually, the mine-owners have been requesting the Government—I am sorry to use this expression—they are actually using bullying tactics and every time they demand a price increase. I was told in this House many times that at the time when price is likely to be increased by the Government, proper steps will be taken to see that wages also are increased and the working conditions also improved. Nothing has been done so far. Bi-partite and tripartite agreements have been openly flouted by the mine-owners without the least respect either to the unions or the Government and they are doing whatever they like. This can only be checked if the penal clauses are improved upon. Here is my hon. friend Shri S. C. Samanta who has moved certain amendments.

What are these amendments? Page 2, clause 3:

"In section 64 of the principal Act, for the words "shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both", the following shall be substituted, namely:—

"shall be punishable with imprisonment for a term which may extend to three months but shall not be less than one month or

with fine which may extend to one thousand rupees but shall not be less than three hundred rupees, or with both."

In the same manner, he has also suggested certain other amendments. For the information of the House, I would like to read with your permission one or two more. In the original Act, the provision was:

"which may extend to two years or with fine which may extend to five thousand rupees".

The following shall be substituted:

"which may extend to two years but shall not be less than six months, or with fine which may extend to five thousand rupees but shall not be less than one thousand rupees".

In another amendment, he has also suggested "which may extend to one year but shall not be less than three months or with fine which may extend to Rs. 3000 but shall not be less than Rs. 1000".

These are the few amendments which the hon. Member has proposed to move in this Bill, and I am sure that if the hon. Minister is interested in seeing that the accidents in mines are minimised, if not eliminated, he should have no ground and shall have no basis to reject these amendments.

Another amendment which he has proposed in this particular Bill is this. He has provided here that every mining board constituted under the Act shall meet at least twice in a year. He has mentioned clearly that sometimes there is no quorum, and because there is no quorum, the meeting does not take place. So, there is no purpose in having this board. So, he has suggested a provision that provided that if there is no quorum at the adjourned meeting, all questions shall be decided by the majority of the persons present and voting. Now, what is the composition of this board? The composition of the board is that there are representatives, and there can be representatives of the workers. If there

are one or more registered trade unions having in the aggregate as members not less than one-quarter of the miners, the said persons shall be nominated by such trade union or unions in such manner as may be prescribed. I want to know from the hon. Minister how many Members are there on this particular board on behalf of the trade unions, that is, on the existing board which is known as the mining board, and whether the representatives of those unions which command the confidence of the majority of the workers have been taken on this board.

I am sure, that at present, taking advantage of this emergency, the mine-owners are not at all ready to discuss any matter across the table or round the table, with the result that there is a growing discontent in the mining area which is resulting in more accidents, and this may also result in many more accidents if proper action is not taken.

Since there are other hon. Members who would like to speak I would not say anything further except to say that I support this Bill and I hope that Government will not hesitate to accept this Bill which has come from Member who has had much experience in this particular matter and who has seen much disaster in mining.

Mr. Chairman: Now Shri Dinen Bhattacharya.

Shri Mohammad Elias (Howrah): I wanted to speak. Shri Dinen Bhattacharya has sent my name for speaking.

Shri C. K. Bhattacharyya (Raiganj): There is a Bhattacharya to your left and a Bhattacharya to your right also.

Mr. Chairman: It was Shri Dinen Bhattacharya whom I had called. If
309 (A) LSD—7.

Shri C. K. Bhattacharya wants to speak he will also get a chance.

Shri C. K. Bhattacharya: Thank you.

Shri Mohammad Elias: I congratulate my hon. friend Shri S. C. Samanta for having brought forward this Bill to amend the Mines Act. I need not speak much about the life and conditions of living of the mine-workers. The hon. Deputy Minister himself comes from this field, because he is a very experienced trade union leader of mine-workers and he himself knows very well what the conditions of the miners in our country are. In our country, the conditions of the miners most probably are the worst in the world. I have got my personal experience of the life of the mine-workers in other countries. Recently, I visited Czechoslovakia and I had an opportunity to go to the mines and see the life of the miners of Czechoslovakia. There, day and night, the authorities are working on how to prevent accidents in the mines, and it is only on a rare occasion that accident takes place in those countries. You will be surprised to hear that in regard to the salaries and other things, the highest paid workers are the miners in Czechoslovakia. They are given even more salary than what a Minister of that country would get. But as far our country, the position is well known, and I am not going to discuss the question of wages and other things in any detail now. But with regard to safety measures, in our country the employers never observe those measures. All the time, they violate the minimum safety measures which are there. If I had drafted this Bill, I would have proposed a more severe punishment for employers because they are responsible for the death of hundreds of miners of our country. But in the provision which my hon. friend has made, he has taken a lenient view and has proposed only a little enhancement in the punishment. I hope the hon. De-

[Shri Mohammad Elias]

puty Minister will not hesitate to accept this minimum amendment.

I would here draw the attention of the hon. Minister to the functioning of the board of inquiry, the mining inspectors' office. Hundreds of complaints are being received by Government regarding the functioning of the mining inspectorate.

16.52 hrs.

[MR. SPEAKER in the Chair].

These people go to the mines. I do not know what happens in their office. After inspection, they come to the office. They have some talks with the employers and the inspectors remain silent. They do not take any action against those employers, knowing full well that very soon there would be a major disaster or accident. Even knowing all that, the inspectors do not take any action against the employers.

So it is necessary to overhaul the mining inspectorate. There should be some measures devised to ensure the proper functioning of the inspectorate so that accidents can be prevented.

At the same time, we would like to know from the hon. Deputy Minister what particular measures are being taken in the research section of the mining industry to prevent accidents in our country so that we may understand that Government is doing something in that regard.

With regard to representation in the Mining Board, it is provided in the Act:

"if there are one or more registered trade unions having in the aggregate as members not less than one-quarter of the miners, the said persons shall be nominated by such trade union or trade unions in such manner as may be prescribed".

This is very much necessary because if the representatives of the workers are not represented on the Board, the inquiry cannot be conducted properly. Here although there is some provision in the present Act to the effect that the Government can appoint any trade union representatives in the Board, sometimes we find that inter-union rivalry stands in the way. That is why many real representatives are not taken on the Board. So I would request the hon. Deputy Minister to see that the real representatives of workers are taken on the Board and that inter-union rivalry does not come in the way of that being done.

With these words, I support the Bill. As I said in the beginning, the hon. Minister has himself got vast experience about the life of the mining workers and I hope he will not hesitate to accept this small amendment to the Act.

Shri C. K. Bhattacharyya: I was much impressed by the emotion and fervour with which my hon. friend, Shri S. C. Samanta, was moving his Bill. Usually, he is not given to emotion, but in this case when I found him speaking with such emotion, I thought he must have felt the dire need of moving a Bill like this. In fact, the provisions of the Bill as drafted here do not make any change in the Act itself, so that it should not be difficult for the Government to straightaway accept it. In fact, what he does is to prescribe a minimum sentence in every case. I have gone through all of them. Whenever there is a penalty clause provided, instead of merely stopping with the statement that the penalty may extend to a certain term of imprisonment or a certain amount of fine, he has prescribed the minimum. He has stated not less than this term or this amount of fine.

From this I feel that a close student that he is of the mines, their working, their difficulties and the difficulties of the workers, he must have

felt that the mining law as administered by the courts is not sufficient to prevent what the law intends to prevent, because the penalty imposed on the breakers of the law is not such as would deter them from repeating what they did. That is why he has prescribed in this Bill the minimum penalty that should be there in the penal clauses of the Act.

But at one place I believe he has missed providing a part of it. In amending section 73 which says, "for a term which may extend to three months or with fine which may extend to one thousand rupees", he merely makes the minimum term three months, but does not amend the portion relating to fine. There also the minimum fine should be prescribed as not less than Rs. 300, as he has done in other cases. If the Government is of a mind to accept the Bill, they may fill in this lacuna themselves.

There is another clause which amends section 12 of the Act. It only provides that the Mining Board should meet at least twice a year. I have not the experience of my hon. friend Shri Samanta to know what the Mining Board does, how long it meets, whether it meets or not, whether at its meetings it does any effective work. But he has made provision for a quorum and stated that in the case of a second adjournment, the decision should be taken by a majority of those present and voting. From this I believe that what the Mining Board does is that it meets and for want of quorum it adjourns, and no work is done. I believe that is what he wants to prevent. That is why he has provided that if there is no quorum the meeting shall be adjourned, but added another proviso that if there is no quorum at the adjourned meeting, all questions shall be decided by a majority of the persons present and voting. When the Mining Board meets, it should do some effective work as enjoined upon it by law. That, I believe, is the intention of the Bill. There is nothing in the intention or

in the provisions of the Bill which would put any difficulty in the way of the Government accepting it and putting it into effect.

17 hrs.

Shri K. N. Pande (Hata): Mr. Speaker, Sir, whatever may be the wording of the Bill which has been introduced by Shri Samanta, the purpose for which he has brought forward this Bill is justified. Serious accidents are taking place in the mining areas. That shows that the present Act is not competent enough to punish the responsible persons or it is not being implemented well and properly. To remove this, this Bill has been brought forward. I fully agree with Shri Samanta that effective measures are needed. We know that the workers have to work under the earth in order to have coal or any other thing from mines. They are surrounded by danger at every step and much more protection should be given in order to safeguard their interests and their lives. If Government finds it difficult to accept this Bill, they should see that the present Act is implemented in such a way that the workers' interests are served. That will serve also the purpose of the hon. Mover. If the present Act is not enough to meet the requirements of the workers, the Ministry should bring a comprehensive amendment so that these dangers may be avoided. I have seen coal mining areas myself; sometimes 20-40 people die under the earth. Often roofs collapse and the Government say here that they are taking every possible measures to stop these things. So, something has to be done in this regard. The Mover deserves our support. Maybe, some technical difficulty is there for the Ministry to accept it or not to accept it. But I hope they will take into account the proposal made in this Bill and they will bring forward a comprehensive amendment taking all these factors into account.

Shri R. K. Malviya: Mr. Speaker, my hon. friend, Shri Samanta has sought to amend the Mines Act with respect to two sets of problems. He finds some difficulty in the procedure and he seeks to add certain amendments to section 12 of the Mines Act. Other part of the amendment deals mainly with penalties. My hon. friend wants minimum penalty to be fixed. My hon. friend has probably forgotten that along with the Act there are also rules framed under the Act which cover provisions for all the amendment to section 12 of the Act.

I will take first the clauses one by one and will try to explain that every one of the provisions which he seeks to incorporate through the amendments is already present in the rules, and sometimes it is present in a better form and provides a better relief. I will draw the attention of the House to the rules which have been framed under Chapter II of the Act which deals with the Mining Board. My hon. friend wants in sub-clause (a) that "every Mining Board constituted under this Act shall meet at least twice in a year." I will draw his attention to rule 11 of the Mines Act which reads as follows:

"The Board shall meet at such places and times as may be appointed by the chairman."

So, there is no restriction on the number of meetings which may be held by the Mines Board during the year. My hon. friend wants to restrict it to two meetings a year.

Shri S. C. Samanta: At least two in a year.

Shri R. K. Malviya: Then it meets his requirements. There can be more than two meetings also. So, rule 11 meets the requirements of my hon. friend. It gives full scope to the chairman to call any number of meetings during the year.

Shri S. C. Samanta: In spite of this rule, the Board is not sitting, as a matter of fact. So, I have been forced

to specifically mention that at least two meetings should be called. The chairman has the power. But he is not calling. That is the position. So, I have brought this amendment.

Shri R. K. Malviya: The amendment of hon. Member in sub-clause (b) is as follows:

"The chairman or, in his absence, any person chosen by the said persons shall preside at a meeting of a Mining Board."

I will draw his attention to rule 13 of the Mining Rules. It reads thus:

"The Chairman shall preside at every meeting of the Board at which he is present. If the Chairman is absent from any meeting, the members present shall elect one of them to preside over the meeting and the member so elected shall at the meeting exercise all the powers of the Chairman."

Dr. M. S. Aney (Nagpur): Who will convene the meeting? Who has got the right to convene the meeting?

Shri R. K. Malviya: The chairman. The members can approach the chairman; they can write to him and press him to have a meeting.

Then, sub-clause (c) of clause 2 of the amending Bill reads as follows:

"All questions at a meeting of a Mining Board shall be decided by a majority of the votes of the persons present and voting."

I will draw the attention of the House to clause 15, (2), (3) and (4) of the Mining Rules.

Rule 15 reads as follows:

"(1) Every question referred to the Board by circulation of papers shall, unless the Chairman in pursuance of sub-rule (2) of rule

10 reserves it for consideration at a meeting, be decided in accordance with the opinions of the majority sending their opinions within the time allotted.

(2) All questions referred to a meeting of the Board shall be decided by a majority of votes of the members present and voting on that question.

(3) In the case of equal division of votes or opinions, the Chairman shall exercise an additional vote or opinion.

(4) Any member disagreeing with the decision of the Board may enter a note of dissent, which shall form part of the record of the proceeding."

So, the majority decision which the hon. Member seeks by the amendment is already provided for under rule 15. Over and above that, there is provision even for record of the minutes of dissent. I feel that this meets the requirements of the amendment which is sought by my hon. friend.

17.12 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Clause 2(d) of the amending Bill reads:

"(d) The quorum to constitute a meeting of a Mining Board shall be, as near as may be, one-third of the total number of the said persons;"

I draw attention to rule 14, which reads:

"No business shall be transacted at a meeting of the Board unless at least 4 members are present. Provided that at any meeting in which less than 4 members are present, the Chairman may adjourn the meeting to a date not less than 14 days later and inform the members present and notify

the other members that he proposes to dispose of the business at the adjourned meeting, irrespective of quorum and it shall thereupon be lawful to dispose of the business at such adjourned meeting irrespective of the number of members attending."

So, there is provision of quorum. I may also point out the advantage which this clause has got over the amending Bill. The amendment seeks a quorum of one-third. The Board is generally constituted of 7 members, out of whom 3 are Government representatives, 2 are representatives of the workers and 2 are representatives of the employers. If the quorum is provided in accordance with the amending Bill, it would come to 3 persons. In that case, the Government members alone can form the quorum and take decisions. But in making a provision for 4 persons, even if all the 3 Government representatives attend, there must be at least one representative either of the employers or of the workers. Without them there cannot be any meeting. So, this is an added advantage under this clause. So, I hope that the provision which has been made in the rules is a better provision than what is sought by my hon. friend in the amending Bill.

So far as clause 2 is concerned, the provision to cover all amendments is there already in the mining rules and it serves all the purposes for which clause 2 of the amending Bill is sought to be made.

Now, Sir, clauses 3 to 8 seek amendment of sections 64, 66, 67, 70, 72C and 73 of the Act which provide for penalties. These sections deal with offences such as falsification of records, omission to make or furnish plans, returns etc., required under the Act, contravention of the provisions regarding weekly rest day, hours of work etc., failure to give notice of accidents, contravention of laws resulting in loss of life or injury and contravention of provisions for which no specific

[Shri R. K. Malviya]

penalty has been provided in the Act. What my hon. friend has suggested is to provide a minimum punishment under these sections. My hon. friend is feeling that the purpose of the Act will not be served unless a minimum penalty is provided. Our experience has been the same. Under the previous Mines Act, when we found that the higher penalties were not being imposed upon the defaulters, in 1959 we sought to amend the Bill. The feelings that were working then are contained in the quotations which my hon. friend has made from the speech of the hon. Minister, and we brought about the amendment by the Act which came into effect from 15th January, 1960.

After the amendment, a study of the cases has been made and the decisions which we have examined show that the penalties awarded by the courts are very much lower than the maximum permissible under the Act. I confess that there is justification in what my hon. friend Shri Samanta has said, and the Government themselves are thinking of bringing forward a Bill to amend the Act in certain respects including the provisions for a minimum penalty after due consideration.

I may, however, submit that the Government has adopted a certain procedure which we follow before bringing any labour legislation. There is hardly any labour legislation on the statute-book which has not been enacted after consultation with the representatives of the workers and employers. We hope to call a meeting of the tripartite committee of the workers and employers where we will consider all the amendments to the Mines Act, which cover a wide range, including penalties, and after due consideration a comprehensive amending Mines Bill will be brought forth by Government. In these circumstances, I feel that the wishes of not only my hon. friend, but of those other

friends and of labour in general will be adequately met.

Certain other observations have been made by my friends with regard to training and the steps which are being taken by Government to reduce the number of accidents. I may submit that the Government is very much alive and alert to accidents and it has considered various measures for training the miners, including education and propaganda, so that the rate of accidents may go down.

Shri P. R. Chakraverti (Dhanbad): Sir, on a point of information. Is there any idea of introducing deterrent punishment for deaths resulting from these accidents?

Shri P. K. Malviya: I have already said that the penalties will be considered when we are going to amend the Act, and they will include accidents by deaths also.

I was talking of the training. So far as training is concerned, we have already taken a decision and statutory rules are being framed, making it obligatory on mine management to provide vocational training for workmen. The draft rules will be published for comments very shortly. Besides the coal mines a new code of safety regulations for all mines is being framed. The code has already been drafted and it will be published shortly.

There have been some comments about safety. There have been accidents which could not be avoided. Even then, though it is not a matter for very great satisfaction, it is of some consolation that the rate of accidents has gone down comparatively.

Shri S. M. Banerjee: Has it gone down in 1963?

Shri R. K. Malviya: 1963 figures are not available with me.

Shri S. M. Banerjee: How do 1962 figures compare with those of 1961?

Shri R. K. Malviya: They are almost the same.

An Hon. Member: Then, it has not gone down.

Shri R. K. Malviya: There is reduction in comparison to 1960. Also, the figure has also gone down very much in comparison with 1951 to 1955, when it used to be 94 per thousand. In 1961 and 1962 it was 65.

Shri S. M. Banerjee: How does the 1962 figure compare with that of 1961?

Shri R. K. Malviya: It is the same.

Shri S. M. Banerjee: Then, it seems it has not gone down.

Shri R. K. Malviya: It is 65 per thousand I am glad to state that the Government have announced the constitution of a National Council for Safety in Mines with the main objective of providing all sort of safety for the mine workers. This will come into force very soon and will operate. So far as the main Bill is concerned, I have already replied and I will request the hon. Member that under the circumstances which I have narrated he may kindly withdraw the Bill.

Dr. M. S. Aney: What arrangements are there for training?

Shri R. K. Malviya: I have just now said that statutory rules are being framed making it obligatory on mine management to provide vocational training for workmen before they enter the mine. The draft rules will very soon be circulated for comments.

Shri S. C. Samanta: Who will bear the expenses?

Shri R. K. Malviya: That will be decided.

Shri S. C. Samanta: I am glad and, I hope, all the hon. Members of the House will be glad to know that Government has decided to amend this Act again. I think, when Government is going to amend the Act further, not only these penal provisions but other things also—I mean, the opinion of the general public, specially trade unions—should be taken into consideration to see how the amended Act of 1959 has worked so that Government may bring forward another exhaustive amending Bill which will be fruitful for the country and for the industry.

Shri R. K. Malviya: In the tripartite meeting it will be considered. That will include representatives of trade unions.

Shri S. C. Samanta: I would request the hon. Minister to bear in mind the points that I have made out so that they may also be included. I was also feeling diffident because I had brought forward the amendment of some penal sections only. There are other penal sections also which should be included. So, we are thankful that Government has decided this and I would request the House, through you, to permit me to withdraw the Bill.

Mr. Deputy-Speaker: Has the hon. Member the leave of the House to withdraw the Bill?

Some Hon. Members: Yes.

The Bill was, by leave, withdrawn.

17.28 hrs.

INSURANCE (AMENDMENT) BILL

(Amendment of section 31A and 40C)

Shri Indrajit Gupta

Shri Indrajit Gupta (Calcutta South West): Mr. Deputy-Speaker, Sir, I beg to move:

“That the Bill further to amend the Insurance Act, 1938 be taken into consideration.”

[Shri Indrajit Gupta]

My object in moving this Bill is really three-fold. It seeks to remove the lacuna in the Act; it also seeks to remove a social injustice which has been done through this Act to the salaried employees of the general insurance companies and it also seeks to remove a legal disability under which they are suffering as a result of this Act, that is, regarding their right as workmen to raise a specific form of industrial dispute before an industrial tribunal as is provided for in the Industrial Disputes Act, 1947.

With your permission, Sir, I would just like to give a little background of this matter as it appears to me. Section 31A of the Insurance (Amendment) Act was inserted therein by an amending Bill of 1950. The parent Act itself dates from 1938, that is, the pre-independence days and the amending Bill later became Act XLVII of 1950 which introduced the New Section 31A of this Act. By this section 31A a provision has been inserted that a general insurance company referred to in the Act as the 'insurer' can provide for the payment of bonus—I am quoting from the Act from section 31A (c), proviso (vii)—

"The payment of bonus in any year on a uniform basis to all salaried employees or any class of them by way of additional remuneration, such bonus, in the case of any employee, not exceeding in amount the equivalent of his salary for a period which, in the opinion of the Central Government, is reasonable having regard to the circumstances of the case."

Provision was made here that any General insurance company which wished to pay bonus in any particular year to its salaried employees would have to apply to the Central Government for its approval, both as to the question whether any bonus should be paid or not as also as to the quantum of that bonus. That is the hub of the whole matter. I may point out that, despite this provision in the Act which was introduced in 1950, an overwhelm-

ing majority of these Insurance companies continued thereafter to pay bonus every year to their employees in the normal course of things. They used to have negotiations with their employees or their employees' associations and bonus agreements were entered into. That can be cited; so many examples are there. Even after the insertion of this section 31A, I would like to point out, on 20th November, 1952, that is practically two years after section 31A came into force, a Circular was issued by the then Controller of Insurance, Shri A. Rajagopalan—I have got a copy of that circular here—addressed to all insurers carrying on insurance business in India. In this circular, it is stated,—with your permission, I would just read a portion out of it.

"It has been found that every year several insurers solicit the opinion of the Central Government under proviso (vii) to subsection (1) of section 31A of the Insurance Act 1938, regarding payment of bonus to their staff, in order to make sure that the Government does not consider it excessive. I am, therefore, to give the following indications on the subject, so as to minimise references in this connection. It is the responsibility of each insurer to decide the rate of bonus that he can afford to pay his staff keeping in view the provisions of sections 40B and 40C of the Insurance Act....

No Insurer whose life insurance fund is in deficit and who has not made any profits in the preceding year in general insurance business as a whole should pay any bonus to its staff."

Having given this direction, the Controller of Insurance goes on to say in the Circular:

"Subject to these considerations,

- (i) The Central Government will not consider any bonus up to

2 months salary as unreasonable.

- (ii) If any higher bonus had been paid by such an insurer in the previous year, then, he may pay bonus at the same rate for the current year, if he thinks fit, without consulting the Central Government.

Yours faithfully,
Sd. A. Rajagopalan.
Controller of Insurance."

This circular was issued to all general insurers carrying on insurance business almost two years after the coming into operation of section 31A which shows how the mind of the Government was working: in order to minimise references, in order to give a general directive that subject to the profitability of the concern, they might without consulting the Central Government go up to the extent of two months salary as bonus for payment to the staff. This shows that the Government was taking a fairly liberal and practical view of the whole question.

Trouble began when this particular case of the Hercules Insurance came up before the Supreme Court. The reference to a tribunal had been made by the Central Government itself. A bonus dispute of the employees of the Hercules Insurance was referred by the Central Government to the Industrial tribunal at Dhanbad to adjudicate the appellant's claim for bonus for the years 1954-55. This was challenged by the company on the ground of section 31A. They claimed that such a reference itself was bad and could not come before the Industrial tribunal, because section 31A makes it imperative on any company to take the prior sanction of the Central Government, executive sanction of the Central Government for paying bonus and also for deciding the quantum of bonus and that, therefore, this was not a field in which the Industrial tribunal could intervene and give a judgment. This view was contested, of

course, before the hon. Supreme Court on behalf of the employees. I may just state it briefly, summarising the arguments that were put forward. It was argued that this proviso (vii) of section 31A is really a proviso which merely enables the Government to prescribe a maximum quantum of bonus. That is really the intention of that proviso. This was one argument.

Another argument used was that this proviso does not take away the Government's authority to refer the bonus dispute to a tribunal. It may enjoin upon it to prescribe the maximum but it does not take away its authority to refer a bonus dispute, if it so wishes, to an industrial tribunal.

The third argument used was that in a particular case Government may hold that payment of bonus is justifiable in general, but the Government itself may wish that the actual quantum should be decided by an industrial tribunal. Subject to general approval, it might even conceivably in a particular case refer the matter to a tribunal to go into the details of the position of a particular company and fix the quantum.

The fourth argument used was that in a particular case Government may decide that bonus is payable and should be paid and may even decide on the quantum, but the insurer concerned may refuse to pay; in such a case, the only remedy open would be to refer that case to a tribunal and get a binding decision of a judicial character on that.

However, despite these arguments, because of the lacuna in the parent Act itself, the Supreme Court dismissed the arguments on behalf of the employees and upheld the appeal of the company and the matter was dismissed.

The basis for my amending Bill arises from the repercussions that this judgment now has had. The effect of this judgment has been that although

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prior to the judgment, in spite of the fact that the Act was in force no complications and difficulties had arisen and the companies had in the normal course been negotiating with their employees and paying them bonuses, and although, as I have just stated a little earlier, the mind of the Government of India which was expressed in the circular of the Controller of Insurance himself showed that they were not averse to companies paying bonus even up to the extent of two months' salary per year, yet, after this judgment of the Supreme Court has been delivered, I believe, on 7th December, 1960, immediately after this, we find a marked change in the attitude of these general insurance companies towards their employees' claims for bonus. And subsequently, it was found that even companies which had been negotiating with their employees and had come to bonus settlements year after year, began to refuse to sign any type of bonus agreement, and in fact, the non-payment of bonus has now in many companies become almost a form of punishment of the employees, and constant harassment of employees is carried on on this basis and this judgment is cited every time.

The other aspect which I wish to bring to the notice of Government is this that the employees of these general insurance companies are workmen within the meaning of the Industrial Disputes Act of 1947. The Industrial Disputes Act defines 'an industrial dispute' in section 2(k) as follows:

"'industrial dispute' means any dispute or difference between employers and employees, or between employers and workmen or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or the conditions of labour of any person."

And obviously, the issue of bonus

comes within the scope of the Industrial Disputes Act. The Third Schedule to the Industrial Disputes Act is entitled 'Matters within the jurisdiction of Industrial Tribunals'. Item 5 of this Third Schedule specifically mentions the question of bonus, and relates to bonus, profit-sharing, provident fund and gratuity. That means that under the Industrial Disputes Act, it is laid down that those who are qualified as workmen under this Act have the right to raise an industrial dispute connected with the question of bonus before an industrial tribunal under the Third Schedule to that Act.

In fact, I may also point out that in this very judgment of the Supreme Court, in the case of the Hercules Insurance, the Supreme Court itself observed as follows, and I may quote from the judgment.

"Bonus under the Industrial Disputes Act is not a part of wages. But the right to claim bonus which has been universally recognised by industrial adjudication in cases of employment falling under the said Act has now attained the status of of a legal right".

This is stated by the Supreme Court in this very judgment. A peculiar position has now been reached which is an anomaly or a lacuna or anything you may call it where these employees, who are certainly workmen under the Industrial Disputes Act are now being denied their legal right under that Act because of the fact that this section of the Insurance Act has been interpreted by the Supreme Court to mean that they have no right to go at all in reference to the industrial tribunal.

This question has now created a sort of separate class, as it were, as far as these general insurance workmen are concerned, and they have

been agitating on this question for quite a long time, making several representations to Government, urging upon them that a suitable amendment should be made to the Act, so that they are not debarred from the right of agitating the question of bonus, if necessary, before an industrial tribunal. I find that on the 14th December 1961 the General Insurance Employees' Association was written to by an officer of the Ministry of Labour and Employment in which he says:

"I am directed to say that as the question of the amendment of the Insurance Act in the light of the judgment of the Supreme Court is being considered, it will necessarily take some time for a final decision to be taken".

It seems quite clear that even as long ago as December 1961, the Government had under its consideration the question of making a suitable amendment to the Act. Since then, quite a long time has passed by, but we have heard no more about this amendment.

Therefore, I have brought this Bill forward. I think the hon. Minister will agree that the only question which is at stake here is whether there is an adequate safeguard or not to see that a particular general insurance company whose financial position may not be sound, is not compelled to pay a bonus which it may not be able to bear. My reply to that would be that, that is the very purpose for which the industrial tribunal is constituted. It is for the general insurance company to satisfy the industrial tribunal, which is a judicial body, that it is not in a position to bear the burden of bonus in a particular year for its employees, and it is for the tribunal to go into the merits of the question and decide. There is no justification from any point of view for this matter to be excluded from the purview of a judicial body like a tribunal and to be left entirely at

the discretion of the executive which is what is the effect in fact of section 31A. Therefore I am proposing my two amendments which are simple. I am sure the hon. Minister has paid some attention to them. My first amendment reads:

"In sub-section (1) of section 31A of the Insurance Act..... in item (vii) of the proviso to clause (c), the following words shall be omitted, namely:—

'such bonus, in the case of any employee, not exceeding in amount the equivalent of his salary for a period which, in the opinion of the Central Government, is reasonable having regard to the circumstances of the case'."

After this omission, the proviso would read as follows:

"Provided that nothing in this sub-section shall prohibit the payment of bonus in any year on a uniform basis to all salaried employees or any class of them by way of additional remuneration...."

So that a general provision is there that the payment of bonus is not ruled out. Whether in a particular year in the case of a particular concern a particular quantum of bonus is actually justified or not is a matter which should be left in the normal course to decision by a judicial tribunal, in this case by the industrial tribunal.

My second amendment is to section 40C which imposes some limitations on the expenses of management in the general insurance business. I wish to make an addition to sub-section (1) of this section. I will just read the section as it is, and then the proposed addition. The section reads:

".....Provided that where an insurer has spent as such expenses in any year an amount in excess of

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the amount permissible under this sub-section, he shall not be deemed to have contravened the provisions of this section, if the excess amount so spent is within such limits as may be fixed in respect of the year by the Controller after consultation with the Executive Committee of the General Insurance Council...by which the actual expenses incurred may exceed the expenses permissible under this sub-section."

I wish to add the following:

"as well as the liability of the insurer to pay remuneration including bonus, amounting to living wages, to his workmen, as defined by the Industrial Disputes Act, 1947,"

These are my amendments. I hope the Minister will consider them sympathetically, because it seems the matter has been under consideration for almost two years now, and I think it is high time we removed the injustice which has been unwittingly perpetuated perhaps due to this lacuna on one category of employees out of the whole body of workers in India who are debarred for no fault of theirs from pressing their claims before an industrial tribunal. This restriction should be removed, and they should be brought in line with the rest of the workmen in the country.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Insurance Act, 1938, be taken into consideration."

Shri S. M. Banerjee (Kanpur): I rise to support the amendment brought forward by my hon. friend Shri Indrajit Gupta.

In the Statement of Objects and Reasons he has given an indication why this was necessary. Today all

the Central trade union organisations have unanimously adopted the industrial truce resolution, and we do not want, as trade unionists, that there should be strikes and other disturbances in any industry including the insurance industry.

We have been demanding in this House that general insurance should be nationalised because we were expecting some trouble. We expected that the tripartite agreement would be violated by the employers some day, that they would seek the protection of the Supreme Court and taking advantage of any legal lacuna would deprive the employees of their legitimate bonus or other allowances and emoluments. That has come true as was ably explained by my hon. friend Shri Indrajit Gupta.

After this judgement of the Supreme Court, it will be almost impossible for the employees to ask for an industrial tribunal. Here was a case which was referred to an industrial tribunal, and ultimately the Supreme Court has given the judgement against the interests of the employees. Taking advantage of this, the employers will never sit in future with the representatives of the various trade unions of the general insurance employees. They will never agree to anything. In the Statement of Objects and Reasons, he has written:

"The effect of the judgement of the Supreme Court of India in Civil Appeal No. 531 of 1959 between the Hercules Insurances Co. Ltd., and its workmen, is to deprive the employees of General Insurance Companies of the rights conferred on them by the Industrial Disputes Act, 1947 in respect of raising a trade dispute on the issue of Bonus before a judicial body. The purpose of the present Bill is to remove this anomaly by amending the Insurance Act, 1938, in the light of the Supreme Court judgement."

We know the working of the general insurance business. There is no time; otherwise I would have utilised this opportunity to impress upon the House the immediate need to nationalise it. Now that Government has taken a decision not to nationalise it on various grounds, some known, some unknown, I do not bring this point.

After the adoption of the industrial truce resolution it was expected that all employees, including those in general insurance, will be given the benefit of conciliation, arbitration, voluntary arbitration and adjudication. But if these rights are denied to them, what will be the outcome? Can they go on strike when the country is facing a national crisis? They do not; they will not. Before the nationalisation of life insurance, there were several strikes. After nationalisation, there was only a token strike for one day; after that, it was smooth sailing. Recently, the LIC has entered into an agreement with the employees and it is supposed to be one of the best agreements. But the general insurance employers want to take advantage of this opportunity to deprive the employees. I hope the hon. Minister who should be equally sore about such things, would accept this amendment. Every industry wants to deprive its employees of their legitimate bonus. Previously bonus was considered a reward, but it has now become an integral part of the wages, including allowances. Bonus question will be suppressed by those who control general insurance. I am sorry, Sir, when I am speaking on some important points, the Minister of Parliamentary Affairs who has to keep a particular decorum in this House is talking to the hon. Deputy Minister.

Mr. Deputy-Speaker: Order, order. Objection is taken that the Deputy Minister is not hearing.

The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat): I am listening.

Shri S. M. Banerjee: I am sorry; I never knew that he could listen to both of us and that he has that capacity. Anyhow I hope he will accept this amendment. A serious situation has arisen. The Supreme Court Judgment has far-reaching implications on the general insurance employees. Either the Government should bring forward a Bill on their own or they should accept this Bill. It would be better if this Bill were referred to the Select Committee. But since my hon. friend did not give notice of that, I feel that the Bill may be circulated. Let it be circulated at least. The amendment can be moved even now to that effect, if the hon. Minister agrees. Let public opinion be created and then this Bill can be accepted by this House. I am sure the hon. Minister who has a heart to please the employees as against the interests of the capitalists will kindly accept this measure and safeguard the interests of the toiling insurance workers.

Shri Warior (Trichur): Sir, I would also like to add a few words in support of this Bill which has been brought forward by my hon. friend Shri Indrajit Gupta. There is only one category of workers in whose case a similar instance arose formerly. We came to know that the banking industry also met with a similar situation in 1956 or before that period. The workers of the banking industry at that time were also denied the settlement of the bonus question on some legal ground which the insurance workers are now facing. At that time, the employees of the banking industry in India were so organised that they could bring forward so much pressure upon the Government and the lacuna in the Banking Companies Act was removed and the employees of the banking companies were given a chance to negotiate with their concerned employers to come to some agreement on the bonus question, and then settlements were reached. So, a similar situation has arisen in this case.

[Shri Warior]

The Supreme Court has come down upon the issue and rightly so because the courts always decide upon what is presented before them as written law, and as such the decision might be very correct, and we cannot question the authority of the Supreme Court in coming to such a decision. But it is up to the Government especially in this case, the Labour Department, to have considered it earlier. The Labour Department might have come earlier with such a proposal after considering it, because it does not take so much time after 1961 to consider it, and suggest proposals to remove whatever bottlenecks and legal difficulties there are. They should have come forward, or atleast they should have approached the Finance Ministry under whose jurisdiction these insurance companies come, and they should have effected an amendment to the parent Act so that this difficulty of getting bonus for the employees of the general insurance business could have been removed.

One difficulty in all these questions is that some other extraneous matters always creep in, which are not coming to light, to the notice of the public, and we do not know which are the hands that are pulling down these things from the natural course that they should take. In this general insurance, after nationalising life insurance in this country, we thought that automatically the general insurance also will be nationalised; the more so because life insurance companies had been doing much more work than the general insurance companies. After all, insurance is only another word for banking. In a way, the deposits are mopped up in the form of premia, and these accumulated deposits are invested in the industry.

Shri Sham Lal Saraf (Jammu and Kashmir): General insurance is very complicated.

Shri Warior: It might be complicated in the matter of settlement of issue and disputes. The deposits are from the insured and those amounts are invested in the general insurance by those who control general insurance in their own other businesses. We know all these complications and complexes created by these funds which are mopped up in the form of insurance. What actually is the pull behind, we do not know. Why is the Government fighting shy all this time, after having done so much in the life insurance business? Creditable work has been done by the life insurance companies under the Government. At first there might have been some hesitation on the part of certain people, who thought or who were doubtful whether the life insurance business under the Government would be a success or not. Many prophets predicated at that time that it would be a complete failure, because, in all these respects, the private enterprise had a better say at that time. But now it has been proved that all the funds mopped up by the Government through the life insurance department have been useful in diverting the resources for better purposes in the public sector which otherwise would have been denied to the Government. The private sector never gets hold of these resources and can never give them to the Government as the Government wish. We have seen that.

18 hrs.

Mr. Deputy-Speaker: Will the hon. Member take more time?

Shri Warior: No, Sir, I do not want to take more time. This is a simple thing and I am finishing. The question is, if the Finance Ministry stands in the way, then the Labour Ministry will be impotent in this matter. That is why I lay particular stress that the Finance Ministry must make up its mind to amend clause 31 and such other clauses as are coming in the way, and make it smooth-sailing for the employers and employees in

insurance to come to some settlement
on the bonus question.

18.01 hrs.

Mr. Deputy-Speaker: The discussion will continue on the next day for Private Members' Bills. The House stand adjourned till 11 A.M. tomorrow.

*The Lok Sabha then adjourned till
Eleven of the Clock on Saturday,
April 20, 1963|Chitra 30, 1885 (Saka).*
