



Wednesday,
3rd December, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Wednesday, 3rd December, 1952

*The House met at a Quarter to Eleven
of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

RADIO LICENCES

*874. **Sardar Hukam Singh:** Will the Minister of Communications be pleased to state

(a) the number of premises licensed for radio reception as on the 1st September, 1952; and

(b) whether there are separate figures for household and industrial premises?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) 7,01,638.

(b) Separate figures are available for Domestic Broadcast Receiver Licenses but not for licenses issued to Industrial Premises as such.

Sardar Hukam Singh: What was the number of unlicensed premises detected during the year?

Shri Raj Bahadur: For that I would require separate notice. But I think I gave that information in the last session.

Sardar Hukam Singh: Does the Government have any authentic information as to the relative sizes of the listening audiences in respect of the various programmes?

Shri Raj Bahadur: That is a matter which can be put to the State Governments.

Shri Veeraswamy: How many community radio sets are installed in the Madras State?

297 PSD.

Shri Raj Bahadur: I cannot give the figures Statewise, but all over the country there are as many as 6,271.

Sardar Hukam Singh: Is there any listener research unit attached to the All India Radio?

Shri Raj Bahadur: That is a question which should be put to my hon. colleague the Minister for Information and Broadcasting.

Shri B. S. Murthy: Can Government give us any idea as to the increase or decrease in the number of non-licensed radios?

Shri Raj Bahadur: There were separate questions tabled on that subject before. I would require separate notice for this question.

**UNEMPLOYED GRADUATES AND
MATRICULATES**

*875. **Dr. Ram Subbha Singh:** Will the Minister of Labour be pleased to state the numbers of unemployed graduates and matriculates registered with various Employment Exchanges at present?

The Minister of Labour (Shri V. V. Giri): At the end of October 1952, there were 16,055 graduates and 1,10,443 Matriculates registered as unemployed with the various Employment Exchanges.

Dr. Ram Subbha Singh: Has Government any idea of controlling this menacing growth of unemployment among the educated youth of the country?

Shri V. V. Giri: Of course, that position is always there before Government.

Dr. Ram Subbha Singh: What are those ideas, Sir?

Mr. Deputy-Speaker: The hon. Minister said that the matter is constantly before the Government. The hon. Member wants to know what are the ways in which Government are going to control it.

Shri V. V. Giri: Because so many people rose I did not know....

Mr. Deputy-Speaker: The hon. Member may repeat his question.

Dr. Ram Subhag Singh: Has Government any idea of controlling the menacing growth of unemployment among the educated youth of the country?

Shri V. V. Giri: The Planning Commission is at work, and apart from it new industries are being started; and various other measures have to be taken to relieve unemployment.

Shri S. S. More: Has Government any institution or agency for assessing the volume of unemployment among the uneducated, particularly people coming from the rural areas, and, if not, does Government contemplate installing any such agency?

Mr. Deputy-Speaker: How does it arise? This is about unemployed graduates and matriculates. The hon. Member wants to know about those who are not either graduates or matriculates, who are not even literates. It does not arise.

Dr. Ram Subhag Singh: Has any demand been made on the Employment Exchanges for supplying agricultural workers?

Shri V. V. Giri: Yes, Sir.

Dr. Ram Subhag Singh: How many agricultural workers?

Shri V. V. Giri: Notice, Sir.

Shri B. S. Murthy: May we know the ratio between the applications of these unemployed graduates and matriculates registered, and the employment secured?

Shri V. V. Giri: I am collecting those figures and I shall soon place them for the benefit of the hon. House.

Shri H. N. Mukerjee: Some months ago the Chief Labour Commissioner of the Government of India, Mr. L. C. Jain, referred to certain figures in Bombay regarding unemployment. And according to his figures at the end of May 1952, out of 366,596 unemployed persons registered with the Exchanges, 14,828 were graduates. And out of these graduates, 563 had Engineering and 1,223 Medical degrees. Has Government any schemes specially to absorb these engineering and medical graduates who could be taken into all kinds of nation-building services which we want to promote?

Shri V. V. Giri: Yes, they are taken into consideration.

Dr. Ram Subhag Singh: Would it be possible for Government to improve the agricultural workers' conditions so that agriculture may be in a position to absorb more and more educated youths?

Mr. Deputy-Speaker: There are endless suggestions.

Shri N. Sreekantan Nair: Are Government in a position to know the total number of unemployed graduates and matriculates and the proportion of these people who apply to be registered in the Employment Exchanges?

Shri V. V. Giri: I think I have given that information. But if you want it province by province I can place that information for the benefit of the House later.

Shri Nanadas: How many of these unemployed graduates and matriculates are scheduled caste candidates, and what steps have Government taken to employ these scheduled caste candidates?

Shri V. V. Giri: I would like to have notice of that question.

Shri M. S. Gurupadaswamy: May I know whether Government has received any report from any State that the continuation of these Employment Exchange offices is not useful and that they should be terminated?

Shri V. V. Giri: No, Sir.

Shri Bahadur Singh: May I know whether the Employment Exchanges have any option in the grant of introductory cards to the candidates registered with them?

Shri V. V. Giri: They have no option.

Shri K. K. Basu: May I know whether Government has ascertained the possibility of engaging these engineers instead of importing foreign qualified foreman-standard experts?

Shri V. V. Giri: That view is always there before Government.

Sardar Hukam Singh: Has Government received complaints from any quarters as to the discretion exercised by the Employment Exchange officers in refusing to give introductory chits to some of those registered with them?

Shri V. V. Giri: Now and then there may be some complaints, but not often.

Sardar Hukam Singh: Have those officers been proceeded against?

Shri V. V. Giri: Yes, Sir.

Shri Achuthan: Have the Government any idea of persuading the State Governments to restrict the growth of the Arts colleges for some years in view of the increase in the number of unemployed graduates?

Shri V. V. Giri: He may refer it to some other Ministry.

COTTON CULTIVATION

*876. **Dr. Ram Subbag Singh:** Will the Minister of Food and Agriculture be pleased to refer to the answer given to a supplementary question to starred question No. 1101 asked on the 23rd June, 1952 regarding cotton cultivation and state the acreage of land diverted under cotton cultivation last year?

The Minister of Agriculture (Dr. P. S. Deshmukh): In the absence of exhaustive field to field surveys of land, it is not possible to arrive at any firm estimate of the extent of land that was actually diverted from foodgrains to cotton during 1951-52. On the basis, however, of the available data, it is roughly estimated that the maximum amount of net diversion of land from foodgrains to cotton during 1951-52 is likely to be of the order of 3.17 lakh acres. The actual diversion is, in fact, likely to be appreciably less as the above estimate is based on the extreme assumption that all the addition to the acreage under cotton was at the expense of foodgrains and not of other crops or of fallows nor due to inter-cropping.

Dr. Ram Subbag Singh: May I know what percentage of our total requirement of cotton is met by internal production?

Dr. P. S. Deshmukh: The percentage may go up to about eighty.

Dr. Ram Subbag Singh: What are the steps taken by Government for increasing cotton production so that the country may be self-sufficient in cotton?

Mr. Deputy-Speaker: He wants to know whether there will be increased acreage under cotton cultivation so as to make India self-sufficient in cotton.

Dr. P. S. Deshmukh: We are depending more upon intensive cultivation to produce more from the same acreage.

Dr. Ram Subbag Singh: May I know whether the prices of cotton produced here and of those purchased from foreign countries are different?

Dr. P. S. Deshmukh: There is very great difference, Sir.

Dr. Ram Subbag Singh: What is the difference between the two prices?

Dr. P. S. Deshmukh: It will depend on variety to variety. It is difficult to say.

Mr. Deputy-Speaker: I think we are going to another subject.

Shri S. N. Das: What is the final estimate for production for 1951-52 and what is the overall increase over the 1947-48 production?

Dr. P. S. Deshmukh: For 1951-52 we have got revised figures, and that comes to over 36 lakh bales.

Mr. Deputy-Speaker: He wants the comparative figures of 1947-48 also.

Dr. P. S. Deshmukh: I think it is more than double that.

Shri K. G. Deshmukh: May I know whether there has been any increase in the area under irrigation of cotton?

Dr. P. S. Deshmukh: Not very much, but there are a lot of people very keen to have irrigated cotton cultivation.

Shri K. G. Deshmukh: May I know whether the Government of India has proposed to the State Governments to have a protected area for cotton?

Dr. P. S. Deshmukh: That is a matter which rests with the State Governments. So far as Madhya Pradesh is concerned I think the Government is taking up the question.

Shri Kelappan: In view of the fact that we are exporting cotton and cotton yarn, is it not the inference that we are producing more than our requirements?

Dr. P. S. Deshmukh: So far as a particular variety viz. the short staple variety is concerned.

Shri Velayudhan: May I know whether diversion to cotton cultivation was responsible for decrease in the cultivation of foodgrains?

Mr. Deputy-Speaker: It was already answered.

Dr. P. S. Deshmukh: To the limited extent that I have stated.

Sardar Lal Singh: The hon. Minister said that the difference in prices is due to the varieties.....

Dr. P. S. Deshmukh: I never said that. I did not say that the difference was due to the varieties. I said there are so many varieties that it is not possible to state in one the difference in the prices because it would be necessary to go into details.

Mr. Deputy-Speaker: This relates to cotton cultivation. Anything about prices here?

Sardar Lal Singh: Cotton cultivation will depend upon the price that is given for cotton.

Mr. Deputy-Speaker: I won't allow the question.

Shri B. S. Murthy: Has the Central Government issued any directions to the State Governments asking them not to allow as far as possible the diversion of land under foodgrains to cotton cultivation?

Dr. P. S. Deshmukh: No directions are issued but the State Governments are aware of the Government of India's policy.

VANASPATI RESEARCH PLANNING COMMITTEE REPORT

*877. **Shri S. N. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Report of the Vanaspati Research Planning Committee has been received and considered by Government; and

(b) if so, the important recommendations accepted and rejected by Government?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) The report has not yet been received. The Committee has, however, furnished the results of their researches and these have been considered by the Government.

(b) The important conclusions of the Committee were:—

(1) In comparative feeding experiments carried out at four different research centres, on rats for three generations with raw groundnut oil, refined groundnut oil and vanaspati of melting points 37°C. and 41°C., the results indicate that there is no deleterious effect produced by vanaspati as compared with the raw or refined oil.

(2) Human feeding trials carried out at four different centres also indicate that vanaspati of melting point 37°C. has no harmful effect as compared with raw groundnut oil.

(3) As regards comparative Nutritive Value of (i) Ghee, (ii) Raw groundnut oil, (iii) Refined groundnut oil, (iv) Vanaspati of melting point 37°C. and (v) Vanaspati of melting point 41°C., ghee is the best, raw groundnut oil, refined groundnut oil and vanaspati of melting point 37°C. are next best to pure ghee and vanaspati of melting

point 41°C. comes third in nutritive value.

The Government of India have accepted the conclusions arrived at by the Committee and have banned the production of vanaspati of melting point higher than 37°C. under the Vegetable Oil Products Control Order, 1947.

Shri S. N. Das: May I know whether this Committee will submit any final report or it will continue for a long time?

Dr. P. S. Deshmukh: It will depend upon the Committee, Sir.

Shri S. N. Das: May I know the centres where the researches are being carried on?

Dr. P. S. Deshmukh: I have not got the information here.

Shri S. N. Das: When this Committee was appointed in 1947, was it the intention of the Government to continue it for a long time or any specific time was fixed?

Dr. P. S. Deshmukh: No specific time was fixed? The Government will determine in consultation with the Committee when it terminates its work.

Shri S. N. Das: May I know whether any expenditure is being incurred for this purpose? If that is so, what is the amount?

Dr. P. S. Deshmukh: I would like to have notice.

Shri Namdhari: Will Government consider discouraging the use of vanaspati ghee with a view to reducing the number of T.B. patients and further to eliminate the risk of the production of war quality children?

Dr. P. S. Deshmukh: In view of the fact that scientific research has shown that there is no bad effect, I do not think the question arises of discouraging the use of Vanaspati ghee.

Sardar Hukam Singh: May I know whether the conclusions arrived at by this Research Committee are identical with the conclusions arrived at in other countries?

Dr. P. S. Deshmukh: Yes, Sir. The decisions arrived at by this Committee are similar to those arrived at in foreign countries. I believe that was the question.

Sardar Hukam Singh: Did they carry out the research independently or were they provided with the results that were arrived at in different countries?

Dr. P. S. Deshmukh: They were not influenced in any way by the research outside. They depend upon their own research investigations.

Sardar Hukam Singh: Who were the Members? Any foreign experts?

Dr. P. S. Deshmukh: I have not got the information to answer here.

TREASURY CONTRACTOR OF POST OFFICE

*878. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Communications be pleased to state what action has been taken against the agent of the Treasury Contractor of the Post Office, who did not deposit Government money to the extent of Rs. 1,03,500/- between September 1948 to January 1950?

(b) Which officials of the post office and the Imperial Bank have been found involved in the above case?

(c) What action has been taken against the Post Master and other officials involved?

(d) Is there any chance of any portion of Government money being recovered?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) The agent is being tried by a Special Court at Allahabad.

(b) The Supervisor of the Accounts Branch and the Accountant of the Post Office are suspected of criminal acts and are being tried in a Court of Law. Two officials who had held charge as Postmasters were found guilty of negligence in their duties. No official of the Imperial Bank is criminally involved.

(c) The Supervisor and the Accountant mentioned in (b) above are under suspension. One of the Postmasters has been reverted and the question of reducing the pension of the other, who has since retired, is under consideration. Action against other delinquent officials will be taken after the judicial proceedings are over.

(d) Yes.

Pandit Munishwar Datt Upadhyay: May I know what amount has been recovered?

Shri Raj Bahadur: According to the terms of the contract, the contractors have got to make a deposit of 20 per cent. It comes to Rs. 33,500 in this case which has been forfeited and according to the contract, the contractor is bound to indemnify Government to the full extent. We are trying to realise the balance.

Pandit Munishwar Datt Upadhyay: May I know whether this was due to non-existence of rules on this point or non-observance of them?

Shri Raj Bahadur: Not on account of non-existence of rules but on account of laxity in observance of the rules.

Pandit Munishwar Datt Upadhyay: May I know whether the rules are up to the mark?

Shri Raj Bahadur: The efficacy of rules in order to prevent the occurrence of such incidents is always under review from time to time and reconsideration will be done after the result of the trial is known.

Pandit Munishwar Datt Upadhyay: May I know whether there is any relation between the amount of security and the amount of money that these people are allowed to handle?

Shri Raj Bahadur: 20 per cent. of the average daily amount handled in the post office.

Shri S. N. Das: May I know whether, as a result of the enquiry made by the Department, any official entrusted with the duty of supervising was found negligent?

Shri Raj Bahadur: I have already replied to this question. That is in the main reply.

Shri M. L. Dwivedi: How long has the question been pending?

Shri Raj Bahadur: It came to light round about April 1949 and it was entrusted to the Special Police Establishment for investigation. Now the case is before the special court.

CHINESE GIFTS TO INDIA

*879. **Shri S. N. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether some Chinese gifts for relief of the distressed in India were received and subsequently returned;

(b) if so, the circumstances which led to the return of the said gifts; and

(c) what was the source of the gift?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): (a) to (c). On the 19th August 1952 the Bank of China, Calcutta, informed the Indian Red Cross Society, Delhi, that a sum of Rs. 4,21,940 had been received by them for the Indian Red Cross Society from the People's Relief Administration of China, Red Cross Society of China, All-China Democratic

Youth's Federation, All-China Democratic Women's Federation and All-China Federation of Labour. This was followed by a telegram from the donors to the Indian Red Cross Society asking them to hand over the amount to the Andhra Provincial United Famine Relief Committee in response to whose appeal the money had been donated. While acknowledging the receipt with thanks, the Indian Red Cross Society informed the donors that it is their practice to organise relief through their own agencies and, therefore, the money could not be handed over to the Andhra Provincial Famine Relief Committee. Thereupon the donors requested the Indian Red Cross Society to return their money through the Chinese Embassy, New Delhi, and this request was complied with.

2. On the 18th September, 1952 the Chinese Charge d' Affaires informed the Ministry of External Affairs that his Government had instructed him to inform the Government of India that the Chinese organizations had decided to give the money to the Indian Red Cross for famine relief in South India. He also sent the amount to the Minister of Health, who is the Chairman of the Indian Red Cross Society.

Shrimati Renu Chakravarty: The principle as enunciated in the answer is that any gifts received from abroad cannot be given over through private organisations. I want to ask how it is that American gifts are being distributed to refugees by private organisations in India.

Shri M. V. Krishnappa: American gifts are distributed through Government agencies and Red Cross: not by any un-recognised organisations.

Shrimati Renu Chakravarty: No, Sir. There are organisations in Calcutta which are distributing American gifts to the refugees.

Shri M. V. Krishnappa: No. Only through recognised organisations and Government agencies are all the food gifts from abroad distributed in India.

Shrimati Renu Chakravarty: Pictures have come out of the Rotary Club, Calcutta distributing.....

Mr. Deputy-Speaker: Order, order. Are we entering into an argument?

Shrimati Renu Chakravarty: This is wrong information.

Mr. Deputy-Speaker: Order, order, please. When the Speaker or the Deputy-Speaker is standing, no other hon. Member need stand. The hon. Minister has said that wherever any individual is distributing, primarily he is the agent either of the Government or the Red Cross Society who are

entrusted with that work. What the hon. Minister has said is that there is no direct dealing between the Americans and any other individual persons.

Shri M. V. Krishnappa: Yes, Sir.

Mr. Deputy-Speaker: It is only through these agencies that gifts are distributed. If however the hon. Members want a debate, this is not the forum for that.

Shri H. N. Mukerjee: Is the Rotary Club of Calcutta, for example, an agency of the Government or an organisation employed by the Red Cross?

Shri M. V. Krishnappa: All the food gifts that we receive from abroad are being distributed by Government agencies and recognised organisations like Red Cross, Ramakrishna Mission and other recognised organisations in India.

Shrimati Renu Chakravarty: On a point of information, Sir, I would like to ask whether this is only in the case of gifts that are coming to Government or any gifts come directly from abroad to individual private organisations.

The Minister of Revenue and Expenditure (Shri Tyagi): Political parties?

Shri M. V. Krishnappa: They would be sent through the Government to recognised Relief organisations here in India. Individuals cannot receive them and distribute them except through Government or recognised organisations.

Shrimati Renu Chakravarty: May we know how the All India Women's Conference has been distributing American gifts in Calcutta to the refugees?

Shri M. V. Krishnappa: The Red Cross Society may take the help of all other organisations in the distribution.

Shri K. K. Basu: Is the Government in a position to contradict that relief organisations which are not predominated by Congress people are never recognised to give relief?

Mr. Deputy-Speaker: Order, order. Need not be answered.

Shri Namblar: May I know whether any part of these gifts is distributed as wages by the Government authorities in the State of Mysore?

Shri M. V. Krishnappa: No. Regarding gifts distributed in Mysore, I want to bring this to the notice of the House. There is some doubt in the mind of the hon. Member that in Mysore they are taking work for the

gifts distributed. The real fact is this. In Mysore, there are some people who think it below their dignity to accept gifts that are doled. They are in distress on account of the continuous failure of rains during the last four years. In some villages, even middle-class men are in distress. They are not prepared to take help in the form of doled gifts. They are prepared to work in the community projects or common works such as silt clearance in tanks, construction of roads to villages etc. They are prepared to work and take food: not from doles.

Mr. Deputy-Speaker: Next question.

Shri Nambiar: Some more information is necessary.

Mr. Deputy-Speaker: Enough has been asked. Next question: Pandit Munishwar Datt Upadhyay.

Kumari Anale Manjappa: On a point of order, Sir, when a questioner feels that the answer given to the question is not correct, is there any remedy for that?

Mr. Deputy-Speaker: I can only say, further questioning is not the remedy. Next question.

Shri Raghavaiah: One more question, Sir.

Mr. Deputy-Speaker: I have called the next question.

Shri Raghavaiah: It is directly relating to the question.

Mr. Deputy-Speaker: I know, I have passed on to the next question.

CULTIVATION AND PRODUCTION OF CROPS

*880. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Food and Agriculture be pleased to state what are the estimates of cultivation and production in the years 1950-51 and 1951-52 of rice, wheat, gram, sugarcane, potato, arhar, groundnut, mustard, linseed, cotton, jute, tea, coffee and tobacco in the whole of India?

(b) By what time the crop estimates of Rabi and Kharif crops are finalised and published?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) Statement I giving the available information is placed on the Table of the House.

(b) Statement II containing the required information is placed on the Table of the House. [For (a) and (b). See Appendix V, annexure No. 23.]

Pandit Munishwar Datt Upadhyay: May I know whether the decrease in estimate in respect of rice, wheat, gram, groundnut, linseed and tobacco,

is confirmed by actual production also?

Dr. P. S. Deshmukh: In many respects it has been, Sir. The decrease is generally due to adverse climatic conditions and weather conditions.

Pandit Munishwar Datt Upadhyay: May I know whether it is possible to have an almost accurate estimate of the crops three or six months before they are sown, and if that is so, what is the agency giving information as to what is going to be produced, on which this estimate is made?

Dr. P. S. Deshmukh: Estimates are estimates after all. Every care is taken to see that the estimates are correct. We have to depend on the agencies employed by the State Governments.

Pandit Munishwar Datt Upadhyay: I want to know the principle according to which these estimates are made.

Dr. P. S. Deshmukh: They are collected by village officers. I do not think there can be any principle.

Pandit Munishwar Datt Upadhyay: Is the postwar the agency who gives all this information or is there any other officer?

Dr. P. S. Deshmukh: I would like to have notice.

Pandit Munishwar Datt Upadhyay: May I know whether there is any periodical conference of the officials who give these estimates, for comparing them with actuals for future guidance?

Dr. P. S. Deshmukh: I am not aware.

DOCKYARD AT GEONKHALI

*881. **Shri S. C. Samanta:** (a) Will the Minister of Transport be pleased to state how far the Scheme of West Bengal Government to construct a Dockyard at Geonkhali on the Hooghly, 30 miles from Calcutta Dock and also to start a Salt Works there, has materialised?

(b) How far is Kolaghat Railway Station (Eastern Railway) from Geonkhali?

(c) How far will the coal traffic congestion be alleviated if a rail link is established between Kolaghat and Geonkhali?

(d) Have the Government of West Bengal given any information or submitted any proposal to the Planning Commission about the above-mentioned Schemes?

(e) If not, when are the Schemes expected to come before the Planning Commission?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) At the instance of the Government of West Bengal the question of developing a port at Geonkhali was considered in 1949 and early in 1952. The proposal was not pursued.

The Government of India are not aware of any proposal to set up a salt works at Geonkhali. The West Bengal Government are contemplating the setting up of a salt works at Contal, some 40 miles from Geonkhali.

(b) 25 miles.

(c) The effect on railway transport would be negligible as the bulk of the coal for export will still have to move to Calcutta via Burdwan.

(d) and (e). The Planning Commission have no information on the subject.

Shri S. C. Samanta: May I know whether the Port authorities at Calcutta are also discussing about the establishment of a satellite port in Geonkhali, and if so, how far they have proceeded?

Shri Alagesan: This question has been considered by the Government in all its aspects. The Port Commissioners have also expressed their views in the matter. There is no justification for establishing a port at Geonkhali just now.

Shri S. C. Samanta: May I know how Government are trying to relieve the serious coal congestion in the Calcutta port by not diverting the railway line from either Kolaghat or Bhogpur or Machhada to Geonkhali? What are the alternative proposals?

Shri Alagesan: At present sufficient facilities exist at Calcutta port to handle coal. There are about 8 berths for handling coal at present. Recently two cargo berths have been converted into coal berths. And the Calcutta Port is able to handle coal to the extent of 12,000 tons per day.

Shri S. C. Samanta: May I know Sir, whether Government is aware of the presidential address delivered by Mr. D. C. Driver of the Coal Consumers' Association in which he said that a foreign firm is going to establish a shipyard near Geonkhali?

Shri Alagesan: Some experts also have considered the case of Geonkhali, but they were of the opinion that Visakhapatnam is a more suitable site.

Shri S. C. Samanta: My question was whether a foreign firm has approached the Government of India or the West Bengal Government to start any such port here?

Shri Alagesan: I have no information on the subject.

Dr. S. P. Mukerjee: Will Government place on the Table the latest report of the Calcutta Port Commissioners on this subject?

Shri Alagesan: If it is the desire of the hon. Member, it can be placed on the Table of the House.

Dr. S. P. Mukerjee: May we know briefly what their latest recommendation was as to how it was essential for the proper development and integration of Calcutta port?

Shri Alagesan: I do not have detailed information on the subject.

Shri S. C. Samanta: May I know Sir, whether there was any proposal for the establishment of an oil refinery also at Geonkhali?

Shri Alagesan: Yes, Sir. That was also considered, and Messrs. Caltex Limited have chosen Visakhapatnam port for the establishment of an oil refinery.

Shri H. N. Mukerjee: Has Government considered the desirability of proceeding with this Geonkhali scheme because that would incidentally help the process of rehabilitating refugees to a very considerable extent?

Shri Alagesan: The scheme is not suitable in several respects as there is no safe anchorage and all ships would have to proceed to docks necessitating a complete port set-up of pilots, tugs etc. It was also estimated that the annual turnover of the new port would not exceed 80,000 tons, and hence it was not a financially feasible proposition.

Shri Damodara Menon: Is it a fact that Indian ship owners have represented to the Government that there is a great deal of congestion in Calcutta and additional coal berths must be provided?

Shri Alagesan: I have already answered this question.

TUBE-WELLS IRRIGATION SCHEME

*833. **Shri S. C. Samanta:** Will the Minister of Food and Agriculture be pleased to state:

(a) how many tube-wells have so far been sunk according to the Tube-wells Irrigation Scheme started at the instance of the Central Government;

(b) the number of tube-wells that are proposed to be sunk in different parts of India (State-wise);

(c) the names of firms that are constructing tube-wells;

(d) how long it will take to complete the Schemes; and

(e) the total amount that has been sanctioned for the Scheme?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) 378

(b) 1. Uttar Pradesh—1245

2. Bihar—520

3. Punjab—505

4. Pepsu—300.

Total 2670

These are in addition to 595 tube-wells still to be constructed by M/S. Associated Tubewells Ltd. in U.P., Bihar and Punjab and 392 wells by National Tubewells Ltd. in Bombay.

(c) 1. M/S. Associated Tubewells Ltd.

965 wells in U.P., Bihar and Punjab (440, 300 and 225 wells respectively).

2. M/S National Tubewells Ltd.

400 wells are in Bombay.

3. M/S German Water Development Corporation.

500 wells in U.P.

Arrangements for the balance number of wells are still not final.

(d) The schemes of 440 tubewells in U.P., 300 tubewells in Bihar, 225 tubewells in Punjab and 400 tubewells in Bombay are scheduled to be completed by the 31st March, 1953. 500 wells to be constructed by the German Water Development Corporation in U.P. are expected to be completed within two years of commencement i.e. by March, 1955.

(e) A total loan of Rs. 350.25 lakhs has so far been sanctioned to the States concerned for the Associated Tubewells and National Tubewells contracts.

Shri S. C. Samanta: May I know, Sir, how many of the contracting associations mentioned by the hon. Minister are foreign?

Dr. P. S. Deshmukh: So far as the German Water Development Corporation is concerned, although the contracting firm is foreign, it has certain Indian representation on it, and it is working through an Indian company.

Mr. Deputy-Speaker: The hon. Minister may repeat his answer a little louder as several hon. Members have not been able to hear.

Dr. P. S. Deshmukh: I have not got the information about all these companies, but I know for certain that the German Water Development Corporation is acting through an Indian firm here.

Shri S. C. Samanta: How many Indian contractors applied, and how many have been refused?

Dr. P. S. Deshmukh: I have not got the information.

बी एस. एस. द्विवेदी : जो दूध केस लगाये गये हैं उनमें से कितने ऐसे हैं जो पेट्रोल और डीजल बायल से चलते हैं और कितने ऐसे हैं जो बिजली से चलते हैं और उनकी कीमतों में कितना अन्तर है।

डॉ० पी० एस० देशमुख : यह इन्फार्मेशन फिलहाल मेरे पास नहीं है।

Shri Dabhi: May I know whether it is a fact that the firm which has been given the contract for constructing tube-wells in North Gujarat in Bombay has given a sub-contract to somebody else, and if so, how much profit this firm is going to get as a result of the sub-contract?

Dr. P. S. Deshmukh: I am informed that there is no sub-contract given.

Shri S. C. Samanta: May I know, Sir, the names of the States where the tube-well irrigation scheme will not be successful?

Dr. P. S. Deshmukh: Wherever we have not attempted it. We have tried in these four States, and I may inform the House that we are going to establish some exploratory tubewells hereafter, and their number will be 536. They cover almost every State.

Shri Dabhi: May I know whether it is not a fact that some days ago in reply to a certain question the hon. Minister stated that this firm had given sub-contracts to somebody else?

Dr. P. S. Deshmukh: I had added a clause "subject to correction", and that is the correction I want to make now.

श्री डबल सिंह : क्या माननीय मंत्री यताने की छपा करेंगे कि जो दूध केस बने

हैं, वे सब ठीक तरह से काम कर रहे हैं ?

डा० बी० एस० देशमुख : जी हाँ, जहाँ तक मेरे पास रिपोर्ट आई है, उससे मान्य होता है कि वह ठीक काम कर रहे हैं ।

Shri K. G. Deshmukh: In view of the absence of irrigation facilities in Madhya Pradesh, is it contemplated to construct any tubewells in that part?

Dr. P. S. Deshmukh: Twenty-eight tubewells of an exploratory nature will be undertaken there.

श्री आर० एस० सिवारी : क्या विध्य प्रदेश के लिये भी कोई ट्यूब वेल्स की स्कीम है ?

डा० पी० एस० देशमुख : यहाँ विध्य प्रदेश का नाम तो आया नहीं है ।

Shri Namdhar: Will Government consider erecting more tubewells in fertile areas in the Punjab as, besides the production of 3½ lakhs maunds of food and some quantity of fodder, it saves Rs. 55 lakhs of dollar exchange and Indian money?

Dr. P. S. Deshmukh: Government is convinced of the proposition stated by the hon. Member, and that is the reason why we are giving so much preference to Punjab.

Shri C. S. Bhatt: May I know whether it is possible to get the figures district-wise for Bombay State?

Dr. P. S. Deshmukh: I have not got the figures district-wise, but I believe most of these tubewells are going to be dug in Gujarat.

Kumari Anole Mascarene: May I know, Sir, why in the construction of tubewells, attention is confined only to the North?

Dr. P. S. Deshmukh: Because there is a very bad rocky soil in the South, and tubewells are not easily possible everywhere. I am afraid it is said that there is a vast strata where the sinking of tubewells is difficult.

Kumari Anne Mascarene: It is not our experience.

Mr. Deputy-Speaker: That is another matter.

Shri Nanadas: May I know whether Government has tried this tubewell scheme in Rayalseema, and if so, what are the results?

Dr. P. S. Deshmukh: Not so far. There are going to be 75 hewells

dug in the State of Madras when the exploratory tubewells are undertaken.

Dr. Rama Rao: May I suggest that the hon. Minister be provided with a mike and a cup of coffee?

Mr. Deputy-Speaker: I will not allow any such remarks to be made. This is not a place where one can indulge in any kind of sarcasm. It is improper. The hon. Member must withdraw his suggestion.

Dr. Rama Rao: I withdraw, Sir.

Mr. Deputy-Speaker: It is not for want of coffee that the hon. Minister is not able to speak louder.

Shri Namdar: May I know, Sir, whether, in view of the fact that there are facilities available for tubewell schemes to be successful in South Arcot District of Tamil Nad. Any enquiries were made or any attempts undertaken at all?

Dr. P. S. Deshmukh: It is likely to be made in the future.

Shri G. S. Singh: May I know whether these firms have contracts to produce water regardless of the depth through which they have to drill, or is the contract only for drilling up to certain depths?

Dr. P. S. Deshmukh: Normally, the standard depth is 300 feet in the case of most of the tubewells.

Shri T. N. Singh: May I know whether the contracts with the Associated Tubewells Limited, as well as the Bombay firm, expired once, whether they failed to keep to the contract, and whether the contracts were renewed once again, and if so, why it has been done so far like that?

Dr. P. S. Deshmukh: We have had a good deal of difficulty in making these firms act up to the schedule, and therefore sometimes we have had to extend the time given to them.

Shri T. N. Singh: Out of the 2,000 tubewells that are to be constructed by Associated Tubewells, how many have they constructed so far?

Dr. P. S. Deshmukh: The number given was only 960 and not 2,000, and I think about 350 are about to be completed very soon.

Shri T. N. Singh: I wanted to know how many have been constructed, and not how many are to be constructed very soon.

Dr. P. S. Deshmukh: Round about 300.

Shri U. M. Trivedi: May I know why no tubewells have been constructed, and why no help has been

given by the Government in their construction in Rajasthan?

Dr. P. S. Deshmukh: Tubewells have been constructed in Rajasthan, and five are going to be provided in the exploratory tubewells construction scheme.

Shri U. M. Trivedi: Is it a fact that a bill of Rs. 28,000 has been made out by the Government for the digging of a single tubewell in Khijarla?

Dr. P. S. Deshmukh: I would like to have notice.

Mr. Deputy-Speaker: Does the hon. Member think that it can be dug for Rs. 8,000?

Shri U. M. Trivedi: I said Rs. 28,000.

Mr. Deputy-Speaker: The hon. Member must know what exactly will be the cost per tubewell.

Shrimati Ammu Swamildadhan: In view of the fact that monsoon has failed for the last five years in South India and there is water scarcity in Madurai district, Dindigul and other places, is the Government thinking of constructing tubewells in places where there is a great deal of drinking water difficulty?

Dr. P. S. Deshmukh: This is not a very easy thing to solve. There is water scarcity, especially of drinking water all over the country and we have got such reports from many States. It is not possible for us to start digging tubewells only for drinking water.

Shri V. G. Deshpande: May I know the amount so far advanced to the National Tubewells Limited, and the work done by them up to this time?

Dr. P. S. Deshmukh: I want notice.

Shri B. S. Murthy: What steps have been taken to investigate the question of digging tubewells in Rayalseema? May I know also whether the Government of Madras has been consulted in the matter, and if so, the reply of that Government on this subject?

Dr. P. S. Deshmukh: I do not think Government of India has made any survey or investigations so far.

Several Hon. Members rose—

Mr. Deputy-Speaker: We have had sufficient about this. Next question.

Question No. 883, Sardar Hukum Singh.

Sardar Hukum Singh: In the list of questions supplied to us, there is no

question No. 883. It is not printed in the list, and I did not know that I had any question at all.

Mr. Deputy-Speaker: After question No. 882, there is a question on 'Railway Zones (Economy)'. It appears that Sardar Hukum Singh gave notice of that question. I understand the Press made a mistake while printing, by putting it in the name of Shri N. P. Sinha. On the 29th November, a corrigendum was issued "...for Shri N. P. Sinha", read "Sardar Hukum Singh".

Dr. S. P. Mookerjee: Another correction also is necessary. For '884', we have to read '883'.

Mr. Deputy-Speaker: This correction also has been issued in the same corrigendum:

"On page 121(1) after question No. 882 for the existing No. '884' read '883'."

I wish the hon. Member evidently had only known this. Otherwise I would have passed over to the next question.

Sardar Hukum Singh: I put the question, Sir.

RAILWAY ZONES (ECONOMY)

*883. **Sardar Hukum Singh:** (a) Will the Minister of Railways be pleased to state the economies expected to be effected, or the increase in efficiency expected from the re-grouping of the Indian Railways into Zones, and from the abolition of the I Class on Indian Railways?

The Deputy Minister of Railways and Transport (Shri Alagappa): While better co-ordination in the movement of traffic has been secured on the Regrouped Railways, it is too early to assess the full extent of the economies realized and realizable. It is only after some time has elapsed after integration has been completed that a worthwhile assessment can be undertaken. As regards the question of financial implications of the withdrawal of first class accommodation it has already been referred to the Railway Administrations concerned and their reports are awaited.

Shri Nambar: May I know the amount of money saved due to retrenchment arising out of this zonalisation?

Shri Alagappa: As I have already stated, it is too early to answer the question and give a full picture of the economy that can be realised under this scheme.

Shri Nambiar: May I know whether there are temporary railwaymen not confirmed in anticipation of retrenchment arising out of the merger?

Shri Alagasan: I am not aware of any such thing.

Shri B. S. Murthy: How many extra second class bogies are to be provided due to the abolition of the first class bogies?

Shri Alagasan: As soon as the first class is abolished, these bogies are intended to be converted into second class bogies, without any reduction of amenities or conveniences.

Shri K. K. Basu: May I know, since the regrouping, how many senior grade posts such as deputy directors and others were created?

Shri Alagasan: There has been a considerable reduction in the number of senior gazetted posts.

Dr. S. P. Mookerjee: Has the attention of the Government been drawn to certain statistics which have been recently published, indicating that there has been a steady deterioration in movement and efficiency and especially movement since the starting of the zonal system?

Shri Alagasan: Since the starting of the zonal system, there has been greater efficiency, with regard to movement. We have not moved coal so far to the extent to which we have been moving now, and for instance, at one point Moghalsarai alone, 1,185 wagon-loads of coal are moved a day and on the whole we are moving 500 wagons more on an average daily than the guaranteed minimum.

Shri Sarangadhar Das: May I know whether the congestion in the Calcutta docks is due to the increased efficiency of the zonal system?

Shri Alagasan: It is not due to the zonal system. Of course, it is well-known that we are short of wagons, and this congestion is partly due to the inadequacy of the wagons.

Shri U. M. Trivedi: How many honorary gazetted officers have been created, on account of this zonal system?

Shri Alagasan: I have no idea.

Shri Sarangadhar Das: May I know whether the Calcutta port was not congested before two or three months and whether the congestion has taken place only during the last two or three months?

Shri Alagasan: There are various reasons for that. One is the arrival of all food ships at a particular time,

resulting in a bunching of ships. It is not due to the paucity of wagons alone. There are various other causes also.

Shri B. S. Murthy: Is it not a fact that due to the zonal system in the South, the Madras-Bewdara line has a lot of congestion, and that several petitions have been received by the Government in this connection?

Shri Alagasan: We are taking very early steps to remedy that congestion.

Shri Namadas: The hon. Minister answered that all the first class carriages will be converted into second class compartments. Am I to understand that there would be no additional accommodation for the third class passengers, consequent on the cancellation of first class?

Shri Alagasan: I do not know how this arises from that. We are trying to provide more third class coaches also.

Shri Ramachandra Reddi: When the first class is abolished, what will be the name given to the highest class?

Shri Alagasan: The second will be the highest class, and we will have in addition air-conditioned coaches too.

Shri Raghavalah: As a result of this regrouping and zonalisation schemes in the Indian Railways, may I know, what is the approximate number of workers that are likely to be retrenched?

Shri Alagasan: No workers are likely to be retrenched. Yesterday I answered a question in the other House that a very small number only has been retrenched.

Shri Nambiar: Arising out of the answer given already, may I know, Sir, whether the Government have received complaints from staff about the large number of transfers from place to place, particularly on the Southern Railway?

Shri Alagasan: Government gave an undertaking with regard to the three zones which were formed in the last lap. Government did not give any such undertaking with reference to transfers in any other re-grouped zone. But even so, these transfers are restricted to the minimum possible extent.

MULTI-PURPOSE WELFARE CENTRES

*834. **Shri N. P. Saha:** (a) Will the Minister of Labour be pleased to state how many multi-purpose welfare centres for female labourers have been opened in Bihar coalfields and at what places?

(b) Do the female labourers get any stipend?

The Minister of Labour (Shri V. V. Giri): (a) Eighteen centres, a list of which is placed on the Table of the House.

(b) No.

I may add, Sir, that no stipend is paid, but female workers joining the centres are paid knitting and other charges at certain specified rates. The material is supplied by the Fund and the articles so prepared are sold to the coal-miners.

STATEMENT

List of places in Bihar coal-fields where multi-purpose welfare centres have been opened

Patherdih, Bhulanbararee, Bhowrah, Jeetpur, Industry, Bastacola, Kustore, Kankanee, Bansjora, Sijua, East Bhagatdih, Bhull, Deep-Laidih, Bokaro, Kargali, State Railway Colliery at Giridih, Bhurkunda and Religarha.

Shri N. P. Sinha: May I know, Sir, if only the women labourers are entitled to make use of these centres or even those females residing in the vicinity can make use of them?

Shri V. V. Giri: I think it is only for the female labourers, but I am not certain.

Shri B. S. Murthy: What is the total expenditure on these centres?

Shri V. V. Giri: I have not got the information here, but if the hon. Member is anxious I can give it to him later.

Shri B. S. Murthy: May I know, Sir, whether any share is borne by the employers?

Shri V. V. Giri: Employers are Government? It is maintained from the Coal Mines Welfare Fund.

Shrimati A. Kale: May I know, Sir, whether the women labourers get any maternity benefits or whether the Act is a dead letter?

Shri V. V. Giri: They do get.

Shrimati Renu Chakravarty: What are the activities undertaken by these multi-purpose centres?

Shri V. V. Giri: The report has been supplied to every Member of the House and I request the hon. Member to go through it.

Shri Namadas: May I know, Sir, whether the Government contemplate starting such multi-purpose welfare

centres for mica mines, and if so, is there any programme for Gudur mines?

Shri V. V. Giri: They have, Sir.

Shri Baghawat: May I know, Sir, whether there is any such scheme started for the female workers in the Kothagudem Coal Mines?

Shri V. V. Giri: I am not sure.

Shri Nambiar: May I know, Sir, whether this scheme will include the contract labour also or it will be confined to only those who are on the pay-rolls of the management?

Shri V. V. Giri: I think it includes contract labour also.

Shri Abdus Satter: May I know, Sir, whether any such welfare centres exist in any other coal-fields, especially in West Bengal?

Shri V. V. Giri: Yes, in other coal-fields also.

HYDROPONIC CULTIVATION

*333. **Shri Dabhi:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that experiments in hydroponic cultivation have been made in Kalimpong in West Bengal;

(b) if the answer to part (a) above be in the affirmative, whether the experiment has been successful; and

(c) if so, to what extent?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) Yes.

(b) and (c). It has been demonstrated that plants can be successfully grown to maturity through this technique but the expense is far too high.

Shri Dabhi: May I know, Sir, if it is a fact that 'hydroponics' is useful in deserts and stony places, and if so, whether Government contemplate making any experiments in that direction?

Dr. P. S. Deshmukh: It is nowhere demonstrated that this can be done cheaply. The only thing that can be found from the experiments is that there is a possibility of doing it, but the cost is very heavy.

Shri B. C. Samanta: May I know Sir, the technique—how it is done?

Shri V. P. Nayar rose—

Mr. Deputy-Speaker: Hon. Members must look around before putting questions.

Dr. P. S. Deshmukh: There is nothing new about the technique of hydroponics or soilless agriculture. Plant physiologists discovered it almost a century ago that it was possible to grow plants successfully without soil with their roots in water in which salts had been dissolved or in pure sand watered with a solution of certain salts. This technique, known as water culture, is still found very useful in investigating the requirements of plants for mineral nutrients. In fact, this technique may be regarded as the basis of modern fertilisers.

Shri V. P. Nayar: May I know, Sir, whether as a result of experiments in hydroponics, it is possible for agricultural crops also to be raised that way in our country?

Dr. P. S. Deshmukh: Yes, Sir. It is possible to do that, but the experience everywhere is that the cost is prohibitive.

Shri V. P. Nayar: May I know, Sir, the inland water area available in India for soilless cultivation?

Dr. P. S. Deshmukh: I could not say, Sir.

HEAT AND SOUND INSULATING MATERIAL

*886. **Shri Raghavaiah:** (a) Will the Minister of Food and Agriculture be pleased to state whether it is a fact that a process has been invented for the production of heat-and-sound-insulating material from a waste product of sugar manufacture?

(b) If so, what is the process and what is the average cost of production of one pound of the material under factory conditions?

(c) Have the Government of India any steps under contemplation for starting or encouraging the starting of a factory for the production of the above material?

(d) What are the main sources of sound-and-heat-insulating material that is consumed in India at present?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) Yes.

(b) A description of the process of manufacture is laid on the Table of House. [See Appendix V, annexure No. 24.]

The present cost of production is, however, not known.

(c) Not from bagasse. The Government have, however, under contemplation and is encouraging setting up of a hard and insulating board factory using bamboo as raw material.

(d) Major portion of the demand is met by imports from U.K. and Scandinavia. Part of the requirements of heat-insulating material is available from indigenous production also.

Shri Raghavaiah: May I know, Sir, what is the post-war cost of manufacturing 7/16" thick bagasse fibre?

Dr. P. S. Deshmukh: As I said in the reply, that cost has not been made available.

Shri Raghavaiah: In the statement laid on the Table of the House only the pre-war cost of manufacture has been given and not the post-war cost of manufacture.

Dr. P. S. Deshmukh: I have not got the information.

Shri V. P. Nayar: It is seen from the statement that 500 lbs. of boric acid will be required for preservation of one stack of bagasse. May I know, Sir, whether any experiments have been conducted to reduce the cost of storage of stacks of bagasse?

Dr. P. S. Deshmukh: I do not know, Sir, if any experiments were conducted.

Shri B. S. Murthy: Have Government received any information from the "Vuyyur" sugar factory whether this experiment is going on?

Mr. Deputy-Speaker: Have the Government got any information that in the "Vuyyur" sugar factory—in Madras State—this experiment is going on?

Dr. P. S. Deshmukh: I am not aware.

Shri V. P. Nayar: May I know, Sir, what is the total quantity of bagasse available?

Dr. P. S. Deshmukh: I want notice.

Shri V. P. Nayar: What is the total cost of storage of bagasse per stack?

Dr. P. S. Deshmukh: The total cost is known to the mills, Sir. I do not think I can reply to that.

HOSPITALS RUN UNDER COAL MINES WELFARE FUND

*888. **Dr. Rama Rao:** Will the Minister of Labour be pleased to state:

(a) how many hospitals are run under the Coal Mines Welfare Organisation. In which centres, how many beds

and other facilities each of them possess;

(b) whether Government have been receiving regular reports of the working of these hospitals;

(c) whether Government have received any reports regarding behaviour on the part of the staff of any of these hospitals, towards the workers and their families and what steps have been taken in this connection; and

(d) whether Government have received the report of the non-admittance of a miner's wife at the Dhanbad Hospital, resulting in her death and what steps have been taken in this connection?

The Minister of Labour (Shri V. V. Giri): (a) One Central Hospital at Dhanbad, Four Regional hospitals and child welfare centres at Tisra, Katras, Chora and Searsole and one dispensary at Bhuli. For other details attention is invited to the printed Memorandum on the activities of the Coal Mines Labour Welfare Fund for the year 1950-51. Copies of this report are available in the Library of the House and have also been supplied to all Members.

(b) Yes.

(c) No

(d) No specific complaint was received by Government but the attention of Government was drawn to a report published in local newspapers. An investigation has been ordered and is in progress.

I may add that the moment the report is received, I shall be prepared to answer. If necessary, a Short Notice Question on this subject, if admitted.

Dr. Rama Rao: May I know, Sir, whether the Labour Welfare Advisory Committee have received any reports about the treatment accorded at these hospitals, and if so, are they considered at the quarterly meetings of the Committee?

Shri V. V. Giri: The reports are received and the treatment accorded is good.

Dr. Rama Rao: Have the Government any inspection or supervision over these hospitals?

Shri V. V. Giri: There is a tripartite Committee representing the workers, employers and Government.

Shri B. S. Murthy: Who are the persons in charge of this investigation, Sir?

Shri V. V. Giri: We have directed the Coal Mines Welfare Commissioner to investigate and send a report.

Shri Gangadhar Siva: May I know, Sir, whether the Government is aware that these hospitals are closed during working days?

Shri V. V. Giri: I am not aware.

Mr. Deputy-Speaker: The Question-hour is over.

Short Notice Question and Answer

FAILURE OF MONSOON IN RAYALASEEMA

Dr. Gangadhar Siva: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that Rayalaseema has been affected by drought this year also;

(b) whether it is a fact that the millet crops and other crops in Rayalaseema have withered to a great extent;

(c) how many fair price shops have been opened in Rayalaseema and are working to-day; and

(d) whether the stock of foodgrains in the fair price shops in Rayalaseema is adequate to meet the shortage of foodgrains in the said area?

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnaappa):

(a) to (d). Four out of five districts of Rayalaseema depend on the South-West monsoon rains whereas the 5th viz., Chittoor, depends on both the South-West and North-East monsoons. During the South-West monsoon period from June to September, rainfall in all these districts was much below normal. The North-East monsoon has also been deficient so far and this has adversely affected the standing crops. But showers even now will partially retrieve the position and are anxiously awaited.

The Government of Madras have arranged distribution of foodgrains in all the districts through 1,579 fair price shops. These shops are well stocked with foodgrains and further supplies will be made by the State Government as and when necessary.

Dr. Gangadhar Siva: Sir, may I know how far the Government has implemented or is going to implement, in view of the deplorable financial condition of the Madras State, to meet the sudden crisis that has befallen the most unfortunate part of the country?

The Minister of Food and Agriculture (Shri Kidwai): What is the question, Sir?

Mr. Deputy-Speaker: Has the hon. Member given an answer? What is the question?

Dr. Gangadharā Siva: May I know, Sir, how far the Government is going to implement, in view of the deplorable financial status of the Madras State, to meet the sudden crisis that has developed in that most unfortunate part of the country?

Shri Kidwai: I have not been able to follow. What has to be implemented, Sir? There are a large number of grain shops; they have got large stocks. They will be supplied with more stock if necessary. What is it that has to be implemented?

Dr. Gangadharā Siva: Financial aid.

Shri Kidwai: How does it arise out of this question, Sir?

Mr. Deputy-Speaker: To reduce the prices in the fair price shops.

Shri Kidwai: The prices were fixed two years ago and there has been no rise in the prices and the grains shall be continued to be supplied at the same price.

Dr. Gangadharā Siva: It is stated in the Press, Sir, that the Madras Government pleaded its inability to meet the sudden crisis.

Shri Kidwai: I have said that the grain shops were functioning for the last two years and will continue to function, if in any area more shops have to be opened they will be opened and what grain is required there, will be supplied.

Shri Raghavaiah: May I know whether any foreign gifts in the form of foods etc. have been given for the relief of the Rayalaseema famine-stricken people and, if so, whether they were properly distributed, and if not, why not?

Shri Kidwai: Some foreign aid was received and it was properly distributed. But if there is any complaint received it will be looked into.

Shri Raghavaiah: May I know whether the Government is aware of the fact that in these famine-stricken areas these aids are distributed through contractors and that by the time these things go to the hands of the consumers it takes a week?

Shri Kidwai: It always takes time to unload the ships and send these things to the destination, and if it has been done within a week, then I think it is not an unreasonable delay.

Shri B. S. Murthy: May I know, Sir, whether the Government of Madras have asked for any help from the Central Government and, if so, in what form?

Shri Kidwai: The Government of Madras and the Central Government share half and half all the moneys spent in relief work and the supply of grain at concession rates.

Shri B. S. Murthy: My question is, Sir, whether, due to the failure of monsoons this year, any additional grain has been requested by the Government of Madras?

Shri Kidwai: What is the additional grain? Whatever foodgrains they will require will be supplied.

Shri Raghavaiah: May I know, Sir, whether it is the policy of the Government of India to give priority to the supply of foodgrains only to Calcutta and not to the people of Rayalaseema and the dry districts of Guntur and Nellore?

Mr. Deputy-Speaker: Order, order. It is really unfortunate. I would not allow the hon. Member to put any more questions merely because the hon. Member stands up. If he is really interested in Rayalaseema, he will not rub the Government this way, but would give suggestions to them how it ought to be done, or in case there is any deficiency point it out to the hon. Minister. These are not the questions which I can allow.

Shri B. S. Murthy: May I know, Sir, whether the military will be used for running these gruel centres regarding the running of which there are many scandals?

Shri Kidwai: Government have made satisfactory arrangements. There have been no complaints so far. If any complaint is made, I will send that complaint to the Government of Madras for proper redress.

WRITTEN ANSWERS TO QUESTIONS

RESTORATION AND CONSTRUCTION OF RAILWAY LINES IN BIHAR

*887. **Shri L. N. Mishra:** Will the Minister of Railways be pleased to state:

(a) the recommendations made by the Government of Bihar in the current year for restoration and construction of new Railway lines in Bihar; and

(b) the steps taken on them?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahawar Khan): (a) No speci-

fic recommendations have been made by the Government of Bihar during the current year.

(b) Does not arise.

FOREIGN LAND TENURE EXPERT

*889. **Shri Mohana Rao:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether any foreign land tenure expert recently visited India;

(b) if so, who he is, which country he belongs to, through which agency he toured the country, what is his experience of land tenure in India or in other countries and what was the expenditure incurred by the Government of India on his account;

(c) what was the purpose of his visit;

(d) which parts of India he visited; and

(e) whether he submitted any Report or made any recommendations to the Central Government or State Governments or any of their departments and if so, what was the nature of his report or recommendations?

The Minister of Food and Agriculture (Shri Kidwal): (a) to (e). Dr. Kenneth H. Parsons, Professor of Agricultural Economics, in the University of Wisconsin, U.S.A., and Mr. W. Ladejinsky, Agricultural Attaché to the U. S. Embassy at Tokyo recently visited India on a short study tour under the auspices of the T.C.A. with the object of studying the land tenure problems in this country. The Government of India have not incurred any expenditure on their account. Dr. Parsons is an expert on land tenure problems and was one of the organisers of the World Land Tenure Conference held in the U.S.A. in October, 1951. Mr. Ladejinsky has made a special study of agrarian problems in the countries of the Far East e.g., Philippines, China, Korea, etc., and was actively connected with land reforms measures in Japan. Dr. Parsons visited Uttar Pradesh, P.E.P.S.U., Bombay and Madras and has submitted a report to the Ministry of Food and Agriculture and the Planning Commission. A summary of his report is placed on the Table of the House. [See Appendix V, annexure No. 25.]

Information about Mr. Ladejinsky's reports will be placed on the Table of the House in due course.

SHELLAC

*890. **Shri Jasani:** (a) Will the Minister of Food and Agriculture be pleased to state what are the current rates of shellac?

207 PSD.

(b) What were the rates in the corresponding period last year?

(c) Is it a fact that the shellac market has been adversely affected by the activities of speculators?

(d) Is it also a fact that on account of the shellac market having been adversely affected, cultivators and producers have suffered heavy loss?

(e) Have the shellac producers made any representation to the Government of India about this?

(f) If so, what are the findings of Government and what steps have so far been taken in the matter?

The Minister of Food and Agriculture (Shri Kidwal): (a) The average monthly price of T. N. Shellac at Calcutta during October, 1952 was Rs. 71 per maund.

(b) Rs. 159 per maund.

(c) Yes.

(d) Yes.

(e) Yes.

(f) The matter is under consideration, in consultation with the Ministry of Commerce and Industry and the Indian Lac Cess Committee.

IMPORT OF FOODGRAINS

*891. **Shri Balakrishnan:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether a cut in the imports of foodgrains has been made in the year 1952; and

(b) if so, what are the reasons for the cut?

The Minister of Food and Agriculture (Shri Kidwal): (a) Yes, Sir.

(b) The reason for the cut is an overall satisfactory food position in the Country.

RAILWAY ADVISORY COMMITTEES

*892. **Shri Krishna Chandra:** Will the Minister of Railways be pleased to state:

(a) whether there is any proposal to appoint Railway Advisory Committees in every region and to appoint Members of Parliament thereon;

(b) whether Local Advisory Committees exist at present in which Members of State Legislature are represented; and

(c) whether Members of Parliament are permitted to inspect Railway workshops, Railway Stations and other Railway Institutions?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The Government have decided to establish Railway Users' Consultative Committees on a regional basis in place of the existing Advisory Committees. The answer to the second part of the question is in the negative.

(b) Yes.

(c) Arrangements are usually made for Members of Parliament to be shown round railway workshops, etc. when a request is received from them by the authorities concerned.

FOOD POSITION

*893. Shri Basappa: Will the Minister of Food and Agriculture be pleased to state:

(a) the present stock of food grains in India;

(b) the position as regards supplies of food grains from foreign countries;

(c) the procurement of food grains so far in those State Governments where there is control; and

(d) whether any new contracts for import of food grains have been entered into after May, 1952 and if so, with whom and for what quantities?

The Minister of Food and Agriculture (Shri Kidwai): (a) 21.81 lakh tons on 15th November 1952.

(b) From 1st January to the 31st October, 1952 about 37.24 lakh tons of foodgrains have been imported from abroad and during the remaining two months of the year viz., November and December, about 1.6 lakh tons are expected to arrive.

(c) 31.73 lakh tons upto 15th November 1952.

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

STATEMENT

The contracts made for imports of foodgrains with Foreign countries from 1st June, 1952 to the end of October, 1952

Name of Country	Commodity	Quantity in long tons
(1) Australia	Wheat and flour	50,000 tons (12,500 tons of this will be in the form of flour)
(2) Argentina	Wheat	Quantity can not be disclosed
(3) Canada	Wheat	300,000 tons
(4) U. S. A.	Wheat	95,000 tons
"	Milo	57,000 tons
(5) Burma	Rice	50,000 tons
(6) China	Rice	40,230 tons
(7) Pakistan	Rice	37,700 tons

METRE GAUGE RAILWAY LINES

*894. Shri Basappa: Will the Minister of Railways be pleased to state:

(a) whether there are any proposals to connect the metre gauge lines running between Bangalore and Mysore, or between Bangalore and Poona with broad gauge lines; and

(b) if so, when Government will take up these works?

The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shobuawaz Khan): (a) and (b). The Metre gauge lines running between Bangalore and Mysore and Bangalore and Poona are already connected with broad gauge lines.

EXPORT OF RICE FROM MANIPUR

*895. Shri L. J. Singh: (a) Will the Minister of Food and Agriculture be pleased to state whether Government have statistics firstly of the procure-

ment of rice by the Manipur Government in the year 1952, secondly tonnage of rice exported through Supply Office after procurement and thirdly the tonnage of rice exported by private individuals by permits, by making collection from local markets?

(b) If the answer to part (a) above be in the negative, do Government propose to maintain such statistics in future?

(c) Is it a fact that rice was indiscriminately exported by Government after the Manipur Government began seizing rice on account of scarcity?

(d) If the answer to part (c) above be in the affirmative, what steps have Government contemplated against those officials who were responsible for such export?

The Minister of Food and Agriculture (Shri Kidwai): (a) Yes.

(b) Does not arise.

(c) No Sir, only 58 tons were exported to Kohima which is generally fed by Manipur.

(d) Does not arise.

COACHES AND WAGONS

*896, **Shri Viswantha Reddy**: Will the Minister of Railways be pleased to state whether the wagons and the passenger coaches that are imported as complete wagons or coaches, or, in parts, and assembled in this country?

The Parliamentary Secretary to the Minister of Railways and Transport (**Shri Shah Nawaz Khan**): Wagons are mostly imported in semi knocked down condition and are assembled in India. Passenger coaches are imported as fully erected some with and some without internal furnishing and fittings.

RAILWAY COMPARTMENT (SEATS)

*897, **Shri Tatkikar**: Will the Minister of Railways be pleased to state:

(a) whether the rule pertaining to the number of passengers to be seated in a Railway compartment, carriage, coach or bogey followed strictly; and

(b) if the answer to part (a) above be in the negative, what are the difficulties in the way?

The Parliamentary Secretary to the Minister of Railways and Transport (**Shri Shah Nawaz Khan**): (a) Although the maximum number of passengers which may be carried in a compartment in a train is exhibited in the compartment, it has not been practicable to ensure that this number is not exceeded.

(b) The principal difficulty is the paucity of coaching stock.

BANGALORE-HYDERABAD NATIONAL HIGHWAY

*898, **Shri P. Ramaswamy**: Will the Minister of Transport be pleased to state:

(a) whether the Trunk Road between Bangalore and Hyderabad via Kurnool has been included in the Scheme of National Highways;

(b) whether it is a fact that on this Highway the traffic is obstructed for want of bridges over the Rivers Tungabhadra and Krishna; and

(c) when Government propose to complete this Highway?

The Deputy Minister of Railways and Transport (**Shri Alagesan**): (a) The road between Bangalore and

Hyderabad is included in the present provisional National Highway Scheme but it has not yet been decided whether the alignment of the National Highway should run via Kurnool or Raichur.

(b) Yes, if the route via Kurnool is finally accepted. But if the final route is via Raichur, a bridge over the Tungabhadra only will be required as the Krishna is already bridged.

(c) It is expected that the National Highway will be fit for all-weather through traffic by the end of 1957-58. The Mysore State have, however, not joined the National Highway Scheme under the Federal Financial Integration arrangements and therefore, the development of the portion of the road near Bangalore in that State is the responsibility of that State and not of the Central Government.

RAMGUNJAM-BALADULA RAILWAY LINE

*899, **Shri P. Ramaswamy**: Will the Minister of Railways be pleased to state:

(a) whether Government are aware that the ex-N.S. Railway had surveyed in 1946 and 1947 track for a railway line from Ramgunjam on Central Railway to Baladula in Bastar District of Madhya Pradesh;

(b) what is the present position; and

(c) whether Government will consider its early execution?

The Deputy Minister of Railways and Transport (**Shri Alagesan**): (a) Yes, the ex-N.S. Railway carried out an engineering survey for this railway line in 1949. No traffic survey was, however, undertaken.

(b) and (c). It is not intended to proceed any further with this project at present.

MACHERA-SECUNDERABAD RAILWAY LINE

*900, **Shri P. Ramaswamy**: Will the Minister of Railways be pleased to state:

(a) whether there is a proposal to construct a Metre gauge Railway line connecting Machera on Southern Railway to Secunderabad on Central Railway via Nalgonda; and

(b) if the answer to part (a) above be in the affirmative, when will the Engineering Survey be made?

The Deputy Minister of Railways and Transport (**Shri Alagesan**): (a) The reply is in the negative.

(b) Does not arise.

RATING SCHOOL

*901. **Shri K. G. Deshmukh:** Will the Minister of Transport be pleased to state:

(a) whether it is a fact that a "Rating School", to train boys for merchant marine, is shortly to be established, in the province of Saurashtra, by the Government of India; and

(b) if so, what facilities the Saurashtra Government have agreed to provide to the Government of India in this connection?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) The question of setting up an institution for the training of Merchant Navy Ratings on the West Coast is under consideration.

(b) It is understood that the Saurashtra Government have now under consideration the facilities that they can make available in this connection.

BOMBAY-MANGALORE AIR SERVICE

*902. **Shri N. P. Damodaran:** Will the Minister of Communications be pleased to state:

(a) when the proposed air service between Bombay and Mangalore will begin to operate; and

(b) what will be the route for this service and which towns will be touched by this service?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) The date proposed is the 1st January, 1953.

(b) Bombay-Mangalore-Cochin.

FOOD SCARCITY CONDITIONS IN MANIPUR

*903. **Shri L. J. Singh:** Will the Minister of Food and Agriculture be pleased to state

(a) the area in Manipur and the number of people affected there by the recent food scarcity conditions;

(b) the causes of the food scarcity conditions there;

(c) the relief work so far undertaken by the Central Government and non-official organisations; and

(d) whether test relief works are contemplated by Government?

The Minister of Food and Agriculture (Shri Kidwai): (a) No statistics are available regarding area and number of people affected by recent food scarcity in Manipur.

(b) There were repeated floods in the State in 1952 necessitating resow-

ing twice or thrice with consequent diminution of stock.

(c) By arrangement with the Supply Department of Assam 8,000 mds. of rice were imported from Assam Government stocks for sale in Manipur at subsidised rate of Rs. 15 per md. 1402 mds. of this rice are now lying in Government godowns unsold as there is now no demand for it on account of the price of local rice having meanwhile dropped down to Rs. 10 per md. for coarse varieties which is below the procurement price of Rs. 11 per md.

(d) As there is no scarcity now and the price of rice has dropped down below procurement rate no test works are necessary.

WASTE LAND (RECLAMATION)

*904. **Shri K. Subrahmanyam:** (a) Will the Minister of Food and Agriculture be pleased to state whether the services of any Netherland's expert have been engaged for advice in connection with reclamation of waste land?

(b) If so, what are the terms of his employment?

(c) How much of waste land has been reclaimed so far as per his advice?

The Minister of Food and Agriculture (Shri Kidwai): (a) No, Sir.

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

BOMBAY TELEPHONE SYSTEM

*905. **Shri Raj Bahadur:** Will the Minister of Communications be pleased to state:

(a) whether it is a fact that the telephones in Bombay are not working efficiently;

(b) if so, what are the causes; and

(c) what steps are being taken by Government to expand and renovate the Bombay Telephone System?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) They are working fairly satisfactorily but not to the extent required. There have been temporary setbacks due to cable failure during the monsoons.

(b) A large proportion of the exchange equipment in Bombay is old and has outlived its normal life.

(c) New equipment of 6,900 lines has been installed, out of which 3,100 lines has been in replacement of old equipment. Installation of additional 1,400 lines of new equipment is in progress.

Order for 7,200 lines has been placed and the Equipment is expected in December, 1953.

BIMLI JUTE:

*906. **Shri Rajagopala Rao:** (a) Will the Minister of Food and Agriculture be pleased to state whether Government have received any representation from the Jute-growers of Srikakulam and Visakhapatnam regarding the marketing of Bimli Jute?

(b) Have Government received any recommendations from the Madras Government for the marketing of the Bimli Jute and if so, do Government propose to place them on the Table of the House?

(c) Do Government propose to improve the quality of the Bimli Jute to the standard obtained in Assam and East Pakistan and if so, how?

(d) Have Government received any recommendations from the Madras Government for the improvement and development of the Bimli Jute quality and if so, what are these recommendations?

(e) Do Government propose to place them on the Table of the House?

The Minister of Food and Agriculture (Shri Kidwai): (a) Yes. The Srikakulam District Jute-growers Association sent a representation to the Government of India in May 1952 making certain suggestions for fixing a minimum price for the crop and enforcing it by compelling millers to purchase the entire stocks from the cultivators.

(b) Yes. I shall consider placing them on the Table of the House after consulting the Madras Government.

(c) Government are already taking steps to improve the quality of Bimli Jute. In 1949, experimental cultivation of good quality jute on cultivators' plots was undertaken in the Srikakulam and Visakhapatnam Districts of Madras. The result of these experiments did not prove encouraging. If the contemplated development of the Vamsadhara and Nagavali river projects materialises, it may be possible to take up the cultivation of high quality jute in this part of Madras with success.

(d) No.

(e) Does not arise.

SEAMEN (DISCHARGE CERTIFICATES)

315. **Shri Ranupal:** Will the Minister of Transport be pleased to state:

(a) the total number of seamen to whom "continuous discharge certificates" have been given at the Ports of Bombay and Calcutta up to 31st December, 1951; and

(b) how many of these are Pakistan and Portuguese subjects?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) and (b). The system of issuing continuous discharge certificates to seamen at the Ports of Calcutta and Bombay is a very old one and there are no statistics to show the total number of C.D.Cs. issued so far since the institution of the system. Approximate figures of the Seamen actually engaged in the seagoing profession at Bombay and Calcutta and holding C.D.Cs. are however given below:—

Bombay	38,000
Calcutta	45,000

Out of these, Pakistanis and Portuguese subjects are approximately as under:—

	Pakistanis	Portuguese subjects
Bombay	1,000	12,000
Calcutta	28,500	1,500

A ban was imposed by Government on the grant of new C.D.Cs. from 1947 to April 1951. The number of new C.D.Cs. issued since April 1950 is as shown below:—

Bombay	3746
Calcutta	2338

Out of these Pakistanis and Portuguese subjects are as under:—

	Pakistanis	Portuguese (Cen)
Bombay	Nil	1088
Calcutta	25	35

RAILWAY ACCIDENTS

318. **Shri Dabhi:** Will the Minister of Railways be pleased to state:

(a) the number of Railway accidents during the year 1951-52;

(b) the number of persons injured in these accidents;

(c) the number of persons who lost their lives;

(d) the extent of damage caused to Government properties as well as to private properties;

(e) the amount of compensation paid by Government; and

(f) the number of Railway servants found guilty of these accidents and convicted in law courts or dismissed from service as a result of departmental action taken against them?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) 16 serious accidents i.e., accidents to trains carrying passengers attended with loss of human life and/or grievous hurt and/or damage to railway property to the value of approximately Rs. 20,000 or over, in each case.

(b) 209 persons were injured, viz., 40 grievously and 169 with minor injuries.

(c) 46 persons lost their lives.

(d) The approximate cost of damage to Railway property was Rs. 5,93,500. The damage to private property, as far as known, amounted to Rs. 7,600.

(e) Rs. 1,04,578.

(f) Out of the 16 accidents referred to in the reply to part (a) above, no railway staff was held responsible in 9 cases. In the remaining 7 cases, 11 members of the staff were held responsible. The position in respect of

disciplinary action against them is as follows:—

Disciplinary action—	Number of members of Railway staff—
(i) Awaiting result of Police prosecution in progress in Courts of law ...	10
(ii) In process finalisation ...	2
(iii) Already taken (a case of severe warning) ...	1
(iv) Killed in the accident itself ...	1
TOTAL ...	14

A. P. SCHEMES

317. Shri T. N. Singh: Will the Minister of Food and Agriculture be pleased to state:

(a) the number of persons on full ration in urban areas in January, 1952 and in August, 1952; and

(b) the population covered by A.P. Schemes and on full ration in rural areas respectively in January, 1952 and in August, 1952?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). A statement giving the information is placed on the Table of the House.

STATEMENT

Months	Population on full ration in urban Areas	Population covered by Rural rationing	
		By A.P. Schemes and relief quota shops	By full ration
January 1952	39,080,000	46,899,000	7,548,000
August 1952	24,101,000	60,896,000	7,703,000

FORD FOUNDATION ASSISTANCE SCHEME (TRAINING CENTRES)

318. Shri B. K. Das: Will the Minister of Food and Agriculture be pleased to state:

(a) the total number of workers trained so far in the five Training Centres under the Ford Foundation Assistance Scheme;

(b) how their services have been utilized; and

(c) whether the project areas have their workers trained in the Training Centres?

The Minister of Food and Agriculture (Shri Kidwai): (a) Seventy-nine.

(b) They have been employed in the Community Projects.

(c) The intention is that all the workers in the Community Project

Areas should ultimately receive extension training in the training centres. To begin with, however, as simultaneous training for all the personnel required in the Project Areas is not possible, some staff mainly drawn from the State Departments of Agriculture, Co-operation and Education, have been appointed to man the Projects, in addition to those trained at the extension training centres.

PIT-HEAD BATHS

319. Shri N. P. Saha: (a) Will the Minister of Labour be pleased to state what amount has been paid to the Colliery owners of Bihar by way of subsidies towards construction of pit-head baths in the years 1951 and 1952?

(b) How many pit-head baths have been made in those years in Bihar and in which Collieries?

The Minister of Labour (Shri V. V. Giri): (a) No subsidy was paid to any colliery.

(b) Six and eleven respectively at the following collieries:—

1951

Ekra Khas.
Lodna.
Bhulanbararee.
Bengal Jharis.
Josta.

Sirka.

1952

Noondh-Jeetpur.
South Balliary-Kondwadih.
Gulfarbari.
Jealgora Bararee.
Bhutgoria.
New Marine.
Kharharbararee.
Loyabad.
Saltore.
New Bansdeopur.
Dhansar.

RAW JUTE (COST OF PRODUCTION)

330. Shri L. N. Mishra: Will the Minister of Food and Agriculture be pleased to state the cost of production of raw jute per maund in India in the years 1951 and 1952?

The Minister of Food and Agriculture (Shri Kidwai): Cost of production of jute would vary from field to field and variety to variety. The Indian Central Jute Committee have compiled some data for certain centres which show that in 1951 the average cost of production of jute for those centres was about Rs. 29. The figures for 1952 are not yet available as the collection of all necessary data has not yet been completed.

THEFT FROM RAILWAY WAGONS

321. Shri N. P. Sinha: Will the Minister of Railways be pleased to state:

(a) the number of thefts of consigned goods from Railway wagons reported during the months of May, June, July and August, 1952 from Eastern Railways; and

(b) the total amount of loss caused to this Railway due to the thefts?

The Deputy Minister of Railways and Transport (Shri Alogesan): (a) The number of thefts of goods from wagons on the Eastern Railway reported during the months of May, June, July and August 1952 was 288, 267, 321 and 273 respectively.

(b) The total estimated loss on account of these thefts is Rs. 2,87,263. As claims on account of proved running train thefts will be repudiated, the actual loss to be borne by the Railway cannot be ascertained at this stage.

MINOR IRRIGATION WORKS

322. Shri Sanganna: Will the Minister of Food and Agriculture be pleased to state:

(a) the total amounts spent on the Minor Irrigation works under the Intensive Cultivation Scheme in each State of the Indian Union during the years 1947-48, 1948-49, 1949-50, 1950-51 and 1951-52; and

(b) what is the ratio between contributions of Government and those of ryots in the expenditures during the same period?

The Minister of Food and Agriculture (Shri Kidwai): (a) A statement showing the expenditure incurred by the Government of India on minor irrigation works in each State from 1947-48 to 1951-52 is placed on the Table of the House. [See Appendix V, annexure No. 26]

Figures of sanctioned expenditure have been given wherever the figures of actual expenditure have not yet become available.

(b) Contributions towards expenditure are taken from ryots only in respect of 'private' schemes. Information regarding the actual contributions taken is not available.

MINIMUM WAGES ACT

323. Shri Balwant Sinha Mehta: Will the Minister of Labour be pleased to state what are the steps taken by Government to enforce the provisions of the Minimum Wages Act, 1948, to the mining labour in India and particularly in Rajasthan?

The Minister of Labour (Shri V. V. Giri): The Minimum Wages Act 1948 is applicable to employment in any mica works. These works are in the States of Madras, Bihar, Ajmer and Rajasthan. The powers of the Central Government to fix minimum rates of wages for mica mine workers have been delegated to State Governments and they have fixed these rates under the enactment.

MICA MINES (ACCIDENTS)

324. Shri Balwant Sinha Mehta: (a) Will the Minister of Labour be pleased to state the number of casualties and accidents which occurred in mica mines in the States of Bihar, Madras and Rajasthan during the last five years?

(b) How were they compensated?

The Minister of Labour (Shri V. V. Giri): (a) A statement showing the available information is attached. [See Appendix V, annexure No. 27.]

(b) Payment of compensation for injuries or death caused as the result of accidents is governed by the provisions of the Workmen's Compensation Act, 1923, or similar legislation which may have been in force prior to 1st April 1951 in the States which now form part of Rajasthan. As this Act is administered by the State Governments, the Government of India have no precise information on the point.

FACTORIES ACT, 1948

325. Shri P. Ramaswamy: Will the Minister of Labour be pleased to state in how many States the provisions of the Factories Act 1948 relating to canteens, creches, rest houses etc., have not been enforced so far?

The Minister of Labour (Shri V. V. Giri): The administration of the Factories Act, 1948, is the responsibility of State Governments and consequently no detailed information regarding the factories which have not provided canteens, creches, rest rooms etc. is readily available. All State Governments except Bhopal and Manipur have framed rules under the above Act, and have brought them into force. The implementation of rules relating to canteens, creches, etc., involves, in many cases, the construction of new buildings requiring release of controlled building materials such as steel and cement. This naturally takes time and therefore, the Factories Rules of most of the State Governments provide for notifying the dates by which these amenities should be provided.

FACTORIES (EXTENSION)

326. Shri P. Ramaswamy: Will the Minister of Labour be pleased to state the total number of applications received in each of the Parts A, B and C States by the Chief Inspectors of factories for the erection of new factories or for the extension of the existing factories since the enforcement of the provisions of Section 8 of the Factories Act, 1948?

The Minister of Labour (Shri V. V. Giri): The information asked for is not readily available as the administration of the Factories Act falls within the jurisdiction of State Governments. The information is, however, being collected.

EMPLOYEES' PROVIDENT FUND SCHEME

327. Shri Tushar Chatterjee: Will the Minister of Labour be pleased to state:

(a) whether the State Board for West Bengal for the purpose of administering the Employees' Provident Fund Scheme has been set up; and

(b) if not, when it will be set up?

The Minister of Labour (Shri V. V. Giri): (a) Not yet.

(b) As soon as the Central Government have established the scheme on a firm footing. This will take about a year. Meanwhile a Regional Committee, as envisaged in paragraph 4 of the Scheme, will be set up. Steps have already been taken to invite nominations to the Committee.

CHOLERA, PLAGUE AND SMALL POX

328. Shri Veeraswamy: Will the Minister of Health be pleased to state:

(a) the names of States where cholera, plague and small pox frequently occur;

(b) the number of people attacked by each of these epidemics last year (1951-52) (Statewise);

(c) the number of deaths on account of each of these epidemics; and

(d) whether the incidence was on the decrease or increase over that of the previous year?

The Minister of Health (Rajkumari Amrit Kaur): (a) Cholera and small-pox occur practically in all States in India. Regular information is available only as regards Part A States and the Part C States of Delhi, Ajmer and Coorg. Plague occurs to an appreciable extent in Madhya Pradesh and Uttar Pradesh and is practically absent in Ajmer, Assam, Coorg and Delhi.

(b) and (c). Reliable figures of the number of victims of each of these epidemics are not available as a substantial proportion of the actual cases are not reported. Reporting of deaths from these epidemics is, however, somewhat more satisfactory. A statement showing available information regarding the number of deaths (State-wise) on account of cholera, small-pox and plague for the years 1949 and 1950 is placed on Table of the House. [See Appendix V, annexure No. 28.]

The final figures for 1951 are not yet available for all the States.

(d) As reliable figures of incidence are not available comparison is not possible.

TELEGRAPH AND TELEPHONE EXCHANGES

329. **Shri H. G. Vaidyanath:** (a) Will the Minister of Communications be pleased to state the number of new Telegraph Offices and Telephone Exchanges opened in Hyderabad State together with their locations in the years 1951 and 1952?

(b) Are these offices self-supporting and if not, what was the total extra amount of expenditure that was incurred by Government in these years?

The Deputy Minister of Communications (**Shri Raj Bahadur**): (a) A statement is laid on the Table of the House. [See Appendix V, annexure No. 29.]

(b) All are self-supporting.

TUBE-WELLS

330. **Dr. Amin:** Will the Minister of Food and Agriculture be pleased to state:

(a) the estimated cost of sinking and completing a tube-well including the cost of pumping installation for tube-wells proposed to be constructed under the Indo-U.S. Agreement; and

(b) what items can be of indigenous manufacture and what is the cost of each item?

The Minister of Food and Agriculture (**Shri Kidwai**): (a) The estimated cost of sinking a standard tubewell of 300 ft depth under the Indo-U.S. Agreement, including the cost of pumping installation and the supply of transformer costing about Rs. 1,600 is Rs. 29,000. The actual cost will, however, depend on the depth of the tube-well.

(b) Pumping set and distribution transformers can be of indigenous manufacture. The estimated costs of these two items of indigenous manufacture are Rs. 5,700 and Rs. 2,000 respectively.

DEATH RATE

331. **Shri E. Iyyam:** Will the Minister of Health be pleased to state:

(a) the annual death rate per 1,000 of population in India; and

(b) whether it is high or low when compared with the other countries?

The Minister of Health (**Rajammam Amrit Kaur**): (a) and (b): A statement, is placed on the Table of the House. [See Appendix V, annexure No. 30.]

It will be seen therefrom that death rate in India is higher as compared to the death rate in the U.S.A., the U.K. 297 PSD.

and Ceylon. However, there has been a gradual fall in the death rate in India during the last two decades; the period 1941-1950 showing a sharp fall in the rates.

POST OFFICES (SAVINGS BANK TRANSACTIONS)

332. **Shri Sanganna:** (a) Will the Minister of Communications be pleased to state the number of Post Offices having Savings Bank transactions in the State of Orissa?

(b) Is there any proposal to open Savings Bank transactions in Post Offices having no such facilities before and if so, when?

The Deputy Minister of Communications (**Shri Raj Bahadur**): (a) The number of Post Offices doing Savings Bank work in the State of Orissa is: 5 Head Offices, 189 Sub Offices and 112 Branch Offices.

(b) Yes, the question of authorising 32 Branch Offices to transact Savings Bank business for which requests have been received is under consideration.

Savings Bank facilities will be extended to these Post Offices when necessary enquiries are completed and when suitable officials to do Savings Bank work become available.

B. C. G. CENTRES

333. **Shri B. S. Murthy:** Will the Minister of Health be pleased to state:

(a) the number of B.C.G. centres in South India with the names of places where they are working;

(b) the number of persons on an average per month who get themselves treated in these centres; and

(c) the number of cases reported to have been benefited?

The Minister of Health (**Rajammam Amrit Kaur**): (a) B.C.G. vaccination programme is being carried out in the following States of South India:—

Name of State	Name of Districts where the campaign was in progress during October, 1952.
1. Madras	Madras.
2. Hyderabad	Hyderabad, Madak, Bider, Parbhani, Nanded, Karimnagar.
3. Mysore	Mysore, Bangalore, Chitradrug.
4. Travancore-Cochin.	Trichur, Trivandrum.

(b) and (c). B.C.G. Vaccination is not a treatment but a preventive inoc.

culatation. The average number of persons tuberculin tested in these States is about 1,00,000 per month. The total number of persons B.C.G. vaccinated in these States up to 31st October, 1952, is 4,40,982 and it is hoped that all these persons have been benefited.

**(NARLA ROAD AND KANDEL ROAD STATION
(BOOKING FACILITIES))**

334. Shri R. N. S. Deo: Will the Minister of Railways be pleased to state:

(a) whether Government have received any representation regarding the opening of Passenger and Goods Booking Office at Narla Road and Kandel Road Stations on the Raipur-Vizianagaram section of the Eastern Railway; and

(b) if the answer to part (a) above be in the affirmative, what action Government have taken in the matter?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Representations have been received regarding the opening of Narla Road for passenger and goods traffic but none has been received in respect of Kandel Road.

(b) Investigations in respect of Narla Road revealed that the proposal was not financially justified and it was, therefore, dropped. Although no specific representation was received in respect of Kandel Road, the proposal to open it for passenger and goods traffic is at present under investigation.

STATISTICAL DEPARTMENT

335. Shri B. N. Kureel: Will the Minister of Food and Agriculture be pleased to state the annual expenditure incurred on the Statistical Department of the Ministry of Food and Agriculture?

The Minister of Food and Agriculture (Shri Kidwai): There are two organisations viz., Directorate of Economics and Statistics and Statistical Section of the Indian Council of Agricultural Research under the Ministry of Food and Agriculture which respectively deal with (a) compilation analysis and publication of Agro-economic Intelligence and Statistics, and (b) statistical research, evolution of improved techniques of collection of data, assessment of the Grow More Food Campaign, post-graduate training of students in agricultural and animal husbandry statistics and provision of

consultative and advisory services research workers in agriculture and animal husbandry working in the States and Institutes of Research. The annual expenditure during 1951-52 of the Directorate of Economics and Statistics of which the main work is economic rather than statistical was Rs. 5.15 lakhs and that of the Statistical Section of the Indian Council of Agricultural Research which specialises in statistical work was Rs. 1.15 lakhs.

RAILWAY LINES

336. Shri N. L. Joshi: (a) Will the Minister of Railways be pleased to state which railway lines are still maintained under private hands?

(b) What is the cost of these lines?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) and (b). The required information is given in the attached statement. [See Appendix V, annexure No. 31.]

JUTE PRODUCTION

337. Shri N. B. Chowdhury: (a) Will the Minister of Food and Agriculture be pleased to state how many acres of paddy-growing lands in West Bengal were converted into jute-growing lands during the period from January, 1949 to March 1952?

(b) What quantity of additional jute has been grown as a result of this conversion?

The Minister of Food and Agriculture (Shri Kidwai): (a) In the absence of exhaustive field to field surveys of land it is not possible to arrive at any firm estimate of the extent of land that was diverted from paddy to jute in these two years. On the basis, however, of available data it is roughly estimated that in West Bengal the maximum amount of net diversion of land from paddy to jute that may have taken place during these two years is likely to be of the order of 2.25 lakh acres. The actual diversion is, in fact, likely to be appreciably less as the above estimate is based on the extreme assumption that all the addition to the acreage under jute was at the expense of paddy and not by way of utilizing fallow or waste lands nor due to double-cropping.

(b) 5 to 6 lakh bales of 400 lbs each. This is, however, subject to the same limitations as pointed out in reply to part (a) of the Question.

THE
PARLIAMENTARY DEBATES

Date.....20.11.2014

(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

1801

1502

HOUSE OF THE PEOPLE

Wednesday, 3rd December, 1952

The House met at a Quarter to Eleven of the Clock.

[**MR. DEPUTY-SPEAKER** in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-52 A.M.

Mr. Deputy-Speaker: I received a notice of an adjournment motion. It was received only at eleven o'clock. Under rule 61, the notice has to be given before the sitting commences on the day. I am sorry I cannot allow this notice of Shri Trivedi.

Shri H. N. Mukerjee (Calcutta North-East): Sir, last night we all got a circular to the effect that an address to be given by yourself has been postponed and Parliamentary hospitality, including the provision of light refreshments, is being made to a person of the name of Dr. Frank Buchman. Now, Sir, this person has a very unsavoury record particularly because of his "thank God for Hitler" speech and his subservience to big money in America and elsewhere.

Mr. Deputy-Speaker: Let us not go into details. Order please. I do not think Parliament as such is committed to any entertainment or refreshment to any particular person. The Parliamentary Group can always arrange it. It is open to any hon. Member to convince them that it ought not to be done. It is not on behalf of Parliament as a whole. Simply because notices relating to the Parliamentary Group are sent along with other notices of Parliament, it ought not to be understood that any such function is on behalf of Parliament as a whole, nor even on behalf of the Government.

It is the Parliamentary Group which will be addressed by Dr. Frank Buchman.

Shri Nambiar (Mayuram): Then how did this come into our pockets, Sir? Who circulated it?

Shri V. P. Nayar (Chirayinkil): May I take it that notices and invitations of other private institutions will be circulated by the Parliament Secretariat, Sir?

Mr. Deputy-Speaker: The Parliamentary Group is a distinct Group. It is attached to Parliament.

Shri U. M. Trivedi (Chittor): On a point of information, Sir. The notice of adjournment motion was given by me at eleven o'clock today. Will it be taken up tomorrow?

Mr. Deputy-Speaker: No. There are precedents for it. It is brought to the notice of the hon. Member that if he wishes to have discussion thereon he should take the first available opportunity to bring it before the House.

LEAVE OF ABSENCE

Mr. Deputy-Speaker: I have to inform hon. Members that I have received a letter from Shri S. G. Parikh saying that he is suffering from an attack of blood pressure and heart trouble and that he is advised to take rest. As such, he says that he will not be able to attend the Parliament during this session. He wants leave of the House to be absent from this session. Is it the pleasure of the House to grant him leave?

Leave was granted.

INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL—contd.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): When the House adjourned yesterday evening, I was replying to the remark made by Shri Tridib

[Shri Sarangadhar Das]

Kumar Chaudhuri about Anglo-American imperialism. This question is really not germane to the Bill under consideration, but inasmuch as he had mentioned it and some of our hon. friends also refer in season and out of season to Anglo-American imperialism, I wish to take this opportunity to explain why it has become necessary for those hon. friends to dwell on this matter. If you will look back a couple of months and think of the 19th Conference of the Comintern in Moscow, you will remember that Comrade Joseph Stalin in his long speech had spoken about the support which the Russian Communist Party must give to Communist parties anywhere in the world. In other words, the Communist parties in the countries outside the Iron Curtain, whenever they rebel against the Government established by law in their respective countries, will receive help from the Communist Party of Russia. This is one thing. The other thing is that Comrade Joseph Stalin expects the Communist Party of Russia to receive the support of the Communist parties in other countries. Therefore, although Russia has diplomatic relations with almost all the countries in the world, it goes out of its way and breaks new ground which had not been broken by any other nation previous to now. It helps and supports the parties of rebellion whom we might call "Russian partisans" and thereby it encourages certain groups of people to stab the patriots in the back. These parties of rebels will not fight for the freedom of their own country, but they will rather fight those people who are defending that freedom. In other words, they will fight their own kith and kin. This is a very reprehensible creed and as far as I gather from Press reports of Stalin's speech, this is what he intended to convey through it. Then again, we have it on record that Shri A. K. Gopalan, the leader of the Parliamentary Communist Party in India, who attended the Conference to which I have referred just now said that "there is not the slightest doubt that the toiling and oppressed people of the whole world including India regard the path of the Soviet people and their party and great leader Comrade Stalin as the only path leading to peace, freedom, democracy and socialism".

12 Noon

Mr. Deputy-Speaker: How is all this relevant?

Shri Sarangadhar Das: Inasmuch as Shri Tridib Kumar Chaudhuri while making an excellent speech on this Bill had referred to Anglo-American imperialism penetrating into India, and inasmuch as this sort of thing has

been said on many occasions before, I felt that it should not go unchallenged. That is why I am referring to other imperialisms which are much more dangerous, although as far as the so-called Anglo-American imperialism is concerned, I would not call it "imperialism". I do not want to dwell on this matter any more.

Shri T. K. Chaudhuri (Berhampore): On a point of personal explanation, Sir. In order that there may not be any misunderstanding on this point, I must make it clear that I did not make that statement about the World Bank being controlled by Anglo-American imperialism as a member of the Communist Party. I am not a member of the Communist Party. I belong to another party. Still, I feel that the World Bank is dominated by Anglo-American imperialism.

Mr. Deputy-Speaker: Let the hon. Member not deliver another speech. Whether he belongs to the Communist Party or to any other party, it is open to one hon. Member to refute a statement made by any other hon. Member.

Shri Sarangadhar Das: I would now like to go back for a moment to the analysis that I had made of the Bill and as to the reasons why we are handicapped in making any contribution to the discussions, unless the names of the firms that apply for loans and get them are disclosed to us. In addition to what I had stated yesterday, I want to refer now to clause 13 of the amending Bill which seeks to amend section 24 of the parent Act and raise the limit of Rs. 50 lakhs to Rs. one crore. It is very necessary for the Finance Minister to tell us why it has become necessary to raise the limit. I have a great apprehension that this revised amount of Rs. one crore will also be given away in the same manner as the previous Rs. 50 lakhs have been given away to concerns that do not deserve help. If the intention is to help a new industry, say shipping, engineering workshops that would produce machinery for industrial use or some such thing, then I would not mind it. For instance, some enterprising firm in Calcutta started in 1940 the manufacture of machinery for the sugar mills in India. I do not know whether that firm exists now and whether it has been successful. But if this amount of Rs. one crore goes towards the building up of new industries which produce not consumer articles but some other articles which are not at present being produced for industrial uses, I would appreciate it. Ship building deserves help, but if this money goes towards textiles, sugar production or manu-

facture of toilet articles, then it would be a sheer waste of money.

Then, in granting loans, I do not believe the regions have been taken much into consideration. Such regions, as one of my hon. friends said yesterday, for instance Maharashtra and Gujerat and, I can say Orissa also, which are extremely backward industrially should be given priority in granting loans and in the matter of starting various industries. That will enable the Government to disperse the industries all over the country which dispersal policy, you will remember, Sir, became absolutely necessary during the last war. If a bomb is dropped in an industrial city where all the industries of the nation are concentrated, then the whole industries system is put out of gear, while if the industries are dispersed then there is no danger of the industrial system breaking down.

Mr. Deputy-Speaker: The House fixed five o'clock today for completion of this debate and putting the motion to the vote of the House. That was done yesterday. A number of hon. Members have passed chits to me, I am only requesting hon. Members, if possible, to confine their remarks to fifteen minutes, so that a number of hon. Members may have an opportunity to speak.

May I know what time the Minister is likely to take for his reply?

The Deputy Minister of Finance (Shri M. C. Shah): I will take about 45 to 50 minutes.

Mr. Deputy-Speaker: That is, nearly an hour.

Shri M. C. Shah: So much has been said about this subject that I would like to reply to as many of the points as possible.

Mr. Deputy-Speaker: Therefore, I will call upon the hon. Minister at about four o'clock. By that time hon. Members must conclude. I would, therefore, request hon. Members not to take more than fifteen minutes, and if possible to curtail it to ten minutes.

Shri H. N. Mukerjee (Calcutta North-East): Few Members belonging to my party have spoken so far so that a time-limit of 15 minutes would be rather difficult for us to observe. Otherwise, I would like to have some kind of an assurance that more speakers of our Party would get a chance to speak.

Mr. Deputy-Speaker: As far as possible, I would urge upon hon. Members to start as early as possible in the

beginning of the debate. 'What usually happens is that the debate goes on for two or three days. On the last day the leaders of the various groups try to answer the points made in the course of the debate. Therefore, whoever wants to come in early will have a better chance of being called. I am not referring to Mr. Hiren Mukerjee. But whoever wants to speak it is better if he tries to catch the eye of the Chair as early as possible.

Several Hon. Members: We have been trying to catch your eye for a long time.

Mr. Deputy-Speaker: I will keep my eyes open.

Shri Mohiuddin (Hyderabad City): This debate has now ranged for more than two days. The general feeling of the House in regard to the working of the Industrial Finance Corporation has been an expression, on the whole, of dissatisfaction. Perhaps the dissatisfaction was due to the fact that in India the Industrial Finance Corporation was established on such a scale for the first time in 1948. The Industrial Finance Corporation that came into existence previously had grievously failed and when this Industrial Finance Corporation was established under the auspices of the Government and the Reserve Bank of India it was started with high hopes and great expectations. It was perhaps due to these high expectations not being fully fulfilled that the House gave expression to the general feeling of dissatisfaction.

The Industrial Finance Corporation is a very risky business. It has got to be run with great precaution and with great foresight. The working of the Corporation does deserve full scrutiny and criticism in all its aspects from all the Members of the House.

[SHRI PATASKAR in the Chair]

But what we find is that the criticism has mainly centred on the fact that the hon. Minister refused to disclose the names of the concerns to whom loans were granted. I believe this was rather an unfortunate turn that the debate took. There is no doubt that the House has full right to know and have full information about the activities of any corporation or body in which Government is interested, financially or otherwise. But at the same time we have got to be very careful to see that the debate is kept on a high plane and it does not come down to personalities involved in the working of the Corporation.

I believe the easiest way of satisfying the House would have been to

[Shri Mohiuddin]

place on the Table of the House all the balance sheets of the companies to whom loans had been advanced, because the balance sheets are public property and their copies can be obtained by any Member from the Registrar of Joint Stock Companies in the States. Anyhow, I do not wish to continue the discussion as to whether the names should be disclosed or should not be disclosed.

The Industrial Finance Corporation no doubt made a very small beginning with a paid up capital of Rs. five crores. But when the Corporation was launched, it was launched with high hopes. It was expected that when the Corporation approves of any scheme for industrial expansion or for starting new industries, its approval by itself would be sufficient to raise the prestige of the company whose scheme had been approved. Mr. Krishnamachari, who at that time was a private Member of the House, had said that the stamp of approval by itself would induce the financiers to subscribe to the capital of the company. But unfortunately this position has not yet been achieved by the Industrial Finance Corporation. The importance of a Finance Corporation, especially an Industrial Finance Corporation, does not consist only in the monetary help it can give. The importance of an Industrial Finance Corporation is much more than the monetary help. That importance consists of inspiring confidence in the public mind in the proposed industry which is approved by the Corporation. That importance has not yet been realized. I hope that the Finance Corporation will realize that importance, that its stamp of approval will inspire confidence in the investing public. This indirect benefit of inspiring confidence is of very great importance, and I hope the Finance Minister will take that point into consideration.

The Industrial Finance Corporation is one of the main instruments for the establishment of industries in the private sector. According to the Planning Commission the requirements of private sector of industry during the next three or four years would be about Rs. 250 to Rs. 300 crores. The finances of the Industrial Finance Corporation by themselves will not be sufficient to cope with this demand. But if the Industrial Finance Corporation were to inspire confidence, as I said earlier, it may help in bringing out the money that is required for investment in the private sector.

We might also examine the reason why the Finance Corporation has not fulfilled the high hopes and expecta-

tions that were expected of it. I feel there are two reasons. One is that unfortunately the headquarters of the Finance Corporation is in the official atmosphere of Delhi. It is highly desirable that any institution which deals with business and industry should be located in a place where there is a commercial atmosphere. It would increase in efficiency and in public contact if its headquarters were in a place like Bombay or Kanpur or Calcutta. The other reason which I could adduce from the annual reports that were placed at our disposal was that the Finance Corporation adopted more or less a passive attitude towards industrial development. It adopted a policy of wait and see. It waited for acceptable or good applications for giving them loans.

The duties of the Finance Corporation as were originally hoped were that it would have on its staff a team of experts that would check and scrutinize the proposals that are submitted to it for financial sanction. That team of staff has not yet been developed in the Finance Corporation. If the Finance Corporation is to perform its duties in the manner that it was expected to, it is necessary that it should have a certain number of highly qualified experts, industrial, chemical and business experts, with a view to check up and scrutinize the proposals submitted to the Corporation for financial help, and also to guide and advise prospective applicants as to the way in which their schemes should be prepared. As we have decided to have a planned economy, the same staff should be ready to prepare, on its own initiative, schemes for the establishment of new industries in India. In addition to that, the expert staff could also be helpful in giving advice and guidance to the State Finance Corporations. From the report we find that the Corporation is still thinking of employing a few experts. They have not yet employed any. As far as we know, they refer the applications only to the departmental experts.

The Corporation has so far accumulated only a reserve of about Rs. three lakhs. I think this is extremely insufficient. The Bill provides that the dividends or the interest payable to the Reserve Bank and the Government will be kept as a separate special reserve. Even if the Reserve Bank and the Government were to forego their part of the dividend, I am afraid it will be about fifteen or twenty years for the reserve to be built up even to the extent of Rs. 50 or Rs. 60 lakhs. This

situation seems to be rather very unsatisfactory. It is necessary that the reserves of the Corporation should increase considerably, either by contribution from the Government or otherwise.

While the reserves are so very low we propose to borrow money to a very large extent from abroad and also to increase the limit of loans to Rs. one crore instead of Rs. 50 lakhs. These two proposals, I believe, are not in conformity with the canons of sound finance—increasing the limit of loans to Rs. one crore and at the same time borrowing heavily from abroad while our reserves are so very low. I hope the Finance Minister will consider these two points and examine whether there are ways and means of increasing the reserves of the Finance Corporation.

Shri H. N. Mukerjee: We are discussing a Bill to prop up and strengthen the Industrial Finance Corporation whose object is to assist with finance the development of industries in the private sector of our economy. These discussions have made it very clear that if the working of the Industrial Finance Corporation is to be taken as a criterion, Government has actually thrown to the winds all real idea of economic development in the country and true to its role, it is befriending Indian big business which again is playing a role of a junior partner to the imperialist capitalism which stalks our land today in spite of certain observations which have been made in this House by my friend Mr. Sarangdhar Das. So, we consider that the Industrial Finance Corporation has been essentially a big business racket and that is why it is very important that in scrutinising the working of this Corporation we should find out how it has contributed to the development of our industry. Now, it is because of this that considerable importance attaches to the demand which was made in this House for the divulgence of all relevant information regarding the working of this Corporation. Now, after a great deal of cajoling, we have got some little information but actually we have not got anything like enough and that is a matter against which I also, along with so many Members, would like to raise our voice. We find that at least in one Bengali weekly called *Yuga Vani* which is edited by the author of that rather well-known book *The Mystery of Birla House*, there appears a list of those concerns to which advances had been made by the Industrial Finance Corporation and this paper alleges that most of those concerns were controlled directly or indirectly by people who were relatives

of or financially subsidiary to two important industrial magnates in this country including the Chairman of the Industrial Finance Corporation. I am sorry I have not got this paper with me at the moment but as soon as I get it, I will send a copy of it to the Finance Minister so that he might go into it and find out whether it is true or not. In any case this kind of allegation is in the aid and that is a very important reason why, in order to allay suspicion regarding the working of this Corporation, Government should have come forward with a full disclosure of all the material at its disposal.

There is also another matter to which I want to draw the attention of the House because I consider it is rather serious. Over and over again it has been mentioned in this House on the high authority of the Prime Minister himself that the Finance Minister had made certain commitments regarding this matter and therefore, in the absence of the Finance Minister, nothing could be done about it. I think this argument militates against the whole idea of collective Cabinet responsibility. The Cabinet has to shoulder responsibility for a major legislation like the Industrial Finance Corporation and it should not shove the responsibility on to the shoulders of the Finance Minister alone, who is, besides, ably represented here. After all, trunk telephone communication is not so particularly difficult or expensive. If the Prime Minister wanted to get in touch with Mr. Deshmukh, he could have done so for the asking but he did not choose to do so and that is why we naturally feel rather suspicious about the whole procedure.

And then again, as has already been pointed out in the case of the World Bank, we find that they publish full details regarding loans given. I see, for example, that in the latest annual report for 1951-52 of the International Bank for Reconstruction and Development, the loans are shown country by country and with the specification of the names of parties and the amounts lent to them. For example, on page 24 of that report, Holland is mentioned and the K.L.M., the Dutch Air Company is mentioned as a concern which got assistance from the World Bank. When this sort of thing is done there, there is no reason why, in our case, we should have been subjected to a kind of pestering, and a putting off the demand which we made so urgently from time to time.

As I have said before, we consider the Industrial Finance Corporation to have operated more or less as a big

[Shri H. N. Mukerjee]

business racket and Indian big business has entered into such subsidiary alliance with foreign big business that the whole matter is now giving rise to very grave anxiety on the score of the future of our trade. We see that on one side these capitalists are making a lot of money. For example, in the case of the Associated Cement Company, we find that certain figures show that between 1946-47 and 1949-50, the rate of dividend has increased from five to 8½ per cent., that is, the increase has been by more than 50 per cent. Now this is a period also when we see from the Government of India Labour Gazette that the accidents in factories have increased and from 1946-49 accidents per one thousand workers employed have increased from 24.68 to 31.06. This goes on along with intensification of labour and impositions on the working class. If we look at the biggest establishment we have in this country—the Tata Iron & Steel Co.—we find that between 1948-49 and 1950-51 the production of saleable steel per man-shift worked increased from 0.085 tons to 0.098 tons, more than 15 per cent. The workers did not gain anything. There was no wage increase. The consumers got no advantage out of it. A higher price had to be paid for steel and steel products but the net profits as far as the coupon-clippers were concerned, rose from Rs. 4.24 crores in 1947-48 to Rs. 5.44 crores in 1949-50, that is by 28 per cent. So labour has been intensified. The consumers' interests are being thrown to the winds. At the same time we find that all these big-wigs in the industrial world are trying to take advantage of the working of the Industrial Finance Corporation. For instance, in the last year, we see that the number of new installations in our country added up to the grand figure of 21. All these new factories produce things like wood-screws, hurricane lanterns, razor blades and motors up to 50 H.P. There is not one single factory that has been set up last year which is able to contribute to the making of India independent in regard to capital goods. This is the picture of our industrial development. This is the context in which the Industrial Finance Corporation is working. How exactly is it working? It works so inefficiently that it requires subvention from Government and other sources. We know that Government has had to pay as subvention in four years Rs. 26,81,126-4-0 just because a very small percentage of dividend is guaranteed. We see again that under the item "miscellaneous", a very large amount of money is spent by the Industrial Finance Corporation. Though we see at the same time that

establishment, Directors' fees and expenses, rent, taxes, insurance, telegraph and telephone charges, stationery, printing—everything is shown separately, yet miscellaneous expenses for one year ended 30th June 1952, come to Rs. 78,841-4-0. This is a rate of expenditure which is very high and this goes along with the inability of the Corporation to justify its existence unless it could show that in the sphere of industry, because of the operation of the Industrial Finance Corporation, some very real and beneficial results have ensued. I see, also, in the speech which the Chairman of the Corporation made on 30th August, 1952, a very plain admission that the Corporation has in some cases done certain things which were beyond the scope of its jurisdiction. He said:

"The Corporation has in some cases gone to the aid of its clientele even in respect of the provision of working capital though normally that is outside the scope of its activities."

We would very much like to know which are the instances where the Corporation has gone beyond the ambit of its normal activities and provided assistance in regard to the provision of working capital. These are matters which naturally make us very chary regarding the work which the Industrial Finance Corporation has done so far.

Government, as we all know, has been very loyal to Indian big business. If I had the time, I could show how from 1948-49 to the present day, industry has got relief to a very large extent: relief in regard to Income-tax, super-tax, Business profits tax, export duties, and all that sort of things. But, the consumer, the average man, has had to suffer increased postal charges, increased railway fares, excise on cigarettes, bidis and all sorts of things. The policy of the Government has been to please Indian big business and at the same time to fleece the Indian consumer. And now, the provision of finance also is being added to the other methods of helping big business. In order to help big business, there is a provision in this amending Bill that our country will approach the World Bank for assistance.

This matter of the World Bank, which was also referred to by Mr. Das, is a matter of which we take very serious notice, because, we do consider that the World Bank is absolutely an agency of American Imperialism. There is no getting away from that. Whoever knows anything about the character and working of the World Bank certainly knows that it is an

agency of American Imperialism. I would like to tell you a few facts in regard to this matter, and about the character of the World Bank. Everybody knows that the U.S.A. owns the largest block of shares in the World Bank. Everybody ought to know that the Bank borrows mainly from Wall Street. The President of the Bank has always been an American citizen. Loans from the World Bank can never be obtained without the support of the Government of the U.S. India has got several loans from the World Bank, amounting to perhaps 62½ million dollars, since 1949. We pay an interest rate of four per cent., which is by no means low. Then, again, the loans which we have taken are not very large if we compare India's share of 400 million dollars in the bank's capital subscribed. These loans, generally, are for expenditure in the U.S. This matter is extremely important. This World Bank has been against the industrialisation of our country. If we refer to the speeches made by Mr. Eugene Black, who was the Chairman of this Bank, we see how this Bank put its foot down, so to speak, on the idea of the building of a plant in this country for locomotive production. This Bank really tries to be a sort of a commission agent for U.S.A. capitalists, and this Bank insists that whatever loan it gives is going to be spent on the purchase of U.S.A. goods. This can be well illustrated with reference to certain matters which are of common knowledge. Some time back, the Estimates Committee of this House reported in regard to the Bokaro thermal Plant, which is an auxiliary of the Damodar Valley Project. I am quoting from the 5th Report of the Estimates Committee for 1951-52, page 31. The Committee reported:

"The Corporation in the first phase of the project seem to have given preference to the generation of electricity, and flood control and irrigation measures were relegated to the background. The scheme was originally conceived as a flood control measure, but the Corporation have thought it fit to concentrate attention on the thermal station. There is an urgent need for the supply of water to unirrigated tracts of land and effective steps should have been taken to complete the barrage. The Committee note with concern that the Central Government should have overlooked the country's need in the matter of food and agricultural produce and given their attention to a secondary matter, namely, the erection of a thermal station. The Committee feel that the work of flood control and irrigation could have

been completed at a far less cost than that incurred on the thermal station and the results would have been more useful for the country's benefit."

The construction of this thermal station was due only to the fact that it was at this point of time that the World Bank came forward with some assistance and the World Bank insisted that this thermal station should be built, that the American giant combine, the General Electric Company should get the order so far as the construction of this plant was concerned, and it also insisted that there should be another American firm, the Kuljian Corporation, which should be given the job of continuously operating, superintending and directing the affairs of the Bokaro thermal plant. This is also seen from the reports of the D.V.C. In the speech, for example, of Mr. Phulan Prasad Verma, it was made clear that it was because of the World Bank's insistence that the thermal plant ought to be built first that we gave it priority and we said ditto to whatever the World Bank wanted us to do. As a result of that, the D.V.C. plan has been postponed, and as the Estimates Committee has remarked, the production of food for this country has been adjourned in order to let our money to be sent into the coffers of our American capitalists of Wall Street.

The Kuljian Corporation, for example, which is running our Bokaro thermal plant construction, sends a two-monthly report to the World Bank, and as far as I know, our Government does not know anything about it, what it says and what it does not say. Our Government has no idea as to how it is done. The World Bank supervises these things because the World Bank has other reasons for lending money to countries including our own. In regard to this I shall quote from an authoritative journal of Wall Street, which is comparable to the London *Economist*, a journal called *Business Week*. In its issue of 10th February, 1951, the *Business Week* said:

"Today prospective customers of both banks (World Bank and Import-Export Bank) know that their chances of getting loans will be much better if their pet projects have a defence angle, that strategic materials will be specially favoured: included, of course, are power and transportation projects aimed at speeding up the output of critical materials."

Here is a Wall Street journal which says very openly that the World Bank only gives its loans on certain conditions and these conditions have always

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an eye towards the strategic needs of the U.S.A.

We find also that the World Bank has always timed its loans in accordance with the exigencies of American foreign policy. That is the reason why, yesterday, I was so perturbed when my hon. friend Mr. Tyagi got up and said that representatives of our country were negotiating for a loan with the representatives of the World Bank. I want to know clearly why it is that the World Bank should be in a position to dictate to us the time table. It should be left to us to find out when, why and where we are going to have an arrangement with the World Bank. I say so, because, the World Bank previously has timed its assistance in a fashion which shows that it is working always as a subsidiary of the U.S.A. Government. For example, the first loan which the World Bank gave us was approved only on the eve of the visit of our Prime Minister to the U.S. We all know the unsavoury story of how efforts were made at that time to woo our Prime Minister and for some time to woo him out of court, and how India was treated extremely badly in those days and how the self-respect of India was almost in the gutter. And it was only in order to secure some kind of friendly relationship with India, which would really mean effective subservience of Indian interests to American interests, that the loan was advanced on the eve of Pandit Nehru's American visit. The last loan was made in April, 1950, before India's policy in regard to China had begun to irritate the United States. The same policy is pursued in regard to other countries also. Poland and Czechoslovakia have never got a loan from the World Bank. Yugoslavia got a loan only after the State Department of the United States put out a statement that the Yugoslavian Government was approved by the Government of the United States of America. So, it is always a matter of timing as far as the World Bank is concerned, and their eyes are today on the United Nations where very important questions of international significance are being discussed. Are we have to have a suspicion on very reasonable grounds that the World Bank's loan is being conditioned on India's behaviour in a particular fashion in the national sphere as well as in the international sphere? Are we being hurried in the course of legislation in this House because the World Bank has been given a copy of whatever Bill Mr. Tyagi has produced out of his hat, and told that these are the conditions which alone are going to govern our relations with

them? If that be the case, surely we have every reason to be perturbed in regard to the World Bank and its relationship. Now...

Mr. Chairman: May I make one suggestion? The hon. Member has already spoken for 20 minutes. Of course, I know he is speaking on behalf of a group and deserves some concession, but the Deputy-Speaker had fixed about 15 minutes, and I think it would be better if he finishes in another five minutes.

Shri H. N. Mukerjee: May I submit that in view of the fact that no other Member of the group which I represent is going to speak, I may be allowed...

Mr. Chairman: The hon. Member may take about five minutes more.

Shri H. N. Mukerjee: I shall try my best to finish as soon as I can, but if I cannot, I would like you to please bear in mind that the time allotment to our group would be taken only by myself and nobody else.

Dr. Jaisoorya (Medak): What about me?

Shri H. N. Mukerjee: I refer to the World Bank at this length because I know that this is a matter of great importance. We do not quite know how much money we are going to get out of the World Bank. The *Times of India* reported some time back that we are going to have ten million dollars. Dr. Mookerjee said yesterday it would be Rs. eight crores. In any case, we do not know exactly how much money we are going to have from the World Bank. In any case, this World Bank is, to my mind, absolutely an instrument of American Imperialism and we ought to be very chary in regard to our relationship with the World Bank.

I will give you another example, and that was a very recent one: the visit of a World Bank Mission led by an American steel manufacturer, George D. Woods. This Steel Mission assured both the India Government and private steel manufacturers in this country that they would receive adequate assistance from the World Bank to expand existing steel plants, and establish new and integrated iron and steel plants. The Americans directly, and through the Japanese indirectly, are going to establish this new iron and steel plant, and they come and say that the World Bank will assist us only on condition that we give them every facility for penetrating into India, for controlling our resources and for dominating our economy. It is very interesting also that this man Woods admitted to correspondents that in a personal capacity,

he was also taking interest, as the head of a big steel firm, in the U.S.A., in the possibilities of investment in the Indian steel business. This is happening. As I said, in the guise of Japanese capital, they are beginning to penetrate. There was a so-called Japanese steel delegation, which is another name for American steel delegation, which came recently. It was sent by a Company called Atena (Japan) Company. This is a subsidiary of the Atena Engineering Corporation of Pittsburg, U.S.A. This delegation which was called a Japanese delegation was headed by an American capitalist called Swelter. This Atena Company wants to build, in partnership with Indian capital, a blast furnace in Sambalpur in Orissa. The main condition sought to be imposed is that the major part of the products of the new joint concern will be sold at cheaper than world rates to the Atena Company of America. These are the operations going on, not behind the scenes, but quite openly, unashamedly before our eyes, by the agents of American capitalism; and the World Bank is absolutely their instrument and it is with this World Bank that we are now going to get into some kind of arrangement about which I want to warn the House.

I know that every time this question of foreign money, foreign loan, aid, investment etc., comes up, friends here like Dr. Mookerjee and even Mr. Sarangadhar Das, who has come out as a champion of Anglo-American Imperialism, all come up and say: "Why are you afraid of foreign assistance?" And I am reminded of what my hon. friend the Minister of Finance said some time ago. He said in his own charming fashion that India would follow the elephant in accepting foreign assistance; that the elephant while receiving its food, scares the giver, and has almost to be cajoled into accepting the assistance. Mr. Deshmukh forgot that after cajoling and giving food to the elephant, man uses the elephant as a beast of burden, and that is exactly how we are going to be used by these foreign capitalists. I say so not because of emotional fervour, far from it. There are absolutely material, tangible facts before you which show how these foreign capitalists are working.

I have already told you about the Damodar Valley Corporation and the Bokaro Thermal Plant and the activities of the Kuljian Corporation. Then, I was very perturbed when I saw in Mr. Shah's speech, a reference to technical experts. He is going to have these technical experts come to this country and examine the working

of these plants which are going to get assistance from the Industrial Finance Corporation. And he is by no means very clear in regard to the nationality of these experts. He said—I am reading from a report in the Statesman:

"The Corporation had already got supervisory staff for the purpose of inspection of all the concerns to which it advanced loans. In order to cope with its increasing activities, it was proposed to strengthen the staff, particularly of technical experts. Thus, the Corporation would be increasingly in a better position to scrutinise the entire schemes for which the loans were to be required. It would be in the fitness of things if the agency of the Corporation"—in regard to technical experts, I expect—"was available both to the Central Government and the International Bank whenever either of them advanced direct loans to industry."

That is to say, you are sending out an open invitation to the International Bank, saying: "Look here, you send us technical experts to examine our schemes. You report on it." These people come. They send reports. The Kuljian Corporation sends reports, and we here know nothing about it. If you read about the Point Four Programme, the different reports of the United States of America published by the United States Government, you will see that on many occasions there are asterisks put "and the rest of it are not for publication." There were further reports, espionage reports, by these American agencies which are not put down in black and white, but they are referred to because, after all, these are matters which, in the set-up which they have there, they have got at least to refer to by name. So, these technical experts would create a great deal of confusion and danger, and it is here that we feel that the links between Indian big business and foreign big business are going to play a very dangerous role. There is this link; there is no doubt about it. Even Tata, the biggest industrial combine in this country are forming links with McNeil & Barry and so many other foreign concerns. McLeod & Co., of Calcutta is having an unholy wedlock with Surajmal Nagarmul. All sorts of things are happening. By these happenings from day to day, Indian big business, becoming clearly a subsidiary to foreign big business, would try to help the foreign interests, because they are subservient, because they have chosen deliberately, voluntarily, to be the junior partners of imperialism.

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Therefore, they are going to play a very dangerous role indeed.

There is another proposal in regard to shipping, that assistance is going to be given to shipping. I find in the *Indian Shipping* which is the organ of the ship-owners of this country, that they are expecting money from Government. I am quoting from the *Indian Shipping* of May, 1952, which says:

"The shipping industry had been urging Government to come to their aid with loans to buy ships."

Obviously it appears a very good thing if our Indian shipping industry buys new ships. But I would like to make it very clear that before our country goes forward to assist the shipping industry or any other industry, we must make sure about the relevance to the national interests, of the work that particular industry is going to take up. As far as the shipping industry is concerned, we find that there has been a very dangerous link-up of the shipping industry with a subsidiary of American capital, a French company. This French company was referred to in this House this session as well as in the last session—"Société Anonyme des Ateliers", etc. This French company has got into an arrangement with the only ship-building yard which we have got, namely the Hindustan Ship-building Yard, Vizagapatam, and in exchange of their technical know-how—Heaven knows what it is—they are going to get four per cent. of the turnover—mind you, not of the profits, but of the turnover. There is this link-up now between French capitalism which is today an utter subsidiary of American capitalism, and Indian capitalism. We ought to make sure about the position. We ought to make sure that our shipping industry is not going to be driven into a subsidiary alliance with foreign capital. If that assurance is not forthcoming, I am sure we shall not be able to offer our shipping industry or any other industry, any promise of assistance from the Industrial Finance Corporation.

I have almost finished, but I would like to refer again to the dangers that are involved in an unthinking adoption of the measure which is before us. In this measure there have been suggestions that Parliamentary control has been sought to be negated. I hope that the Cabinet does take a very serious note of the objections strenuously put forward in this House to the kind of procedure which it is sought to adopt. I find also that in this Bill, the old character of the Industrial Finance Corporation as a big business

racket still continues. I find that in the country there is very widespread suspicion in regard to the operation of the Industrial Finance Corporation. I find again that India's link-up with the World Bank and its subsidiary relationship with American imperialism are going to undermine our economy with results which are extremely disastrous to the interests of our country. As far as the shipping industry is concerned, we have to be clear in our minds regarding the role which it is going to play in our national life. Then again, I would like to say, as my hon. friend Mr. Guha pointed out on the first day of the discussion, that no help has been rendered, as far as we know, by the Industrial Finance Corporation to genuine seekers after industrial development. I am reminded only of one instance. We were told yesterday that the Bengal Potteries was one of the concerns which got the assistance from the Industrial Finance Corporation. I am sure Mr. Guha felt so strongly about it, because the Bengal Potteries was one of those concerns which came out as a result of the first fine rapture of the Swadeshi movement in Bengal. And that concern which was built with the patriotic self-sacrifice of hundreds of people, has been taken over later on by one of those who is now controlling the economy of this country. And perhaps it was only for that reason, only because of the relationship of Bengal Potteries Limited under a new dispensation with the Chairman of the Industrial Finance Corporation, that it got assistance. If the Bengal Potteries was being managed by humble patriots like those who started it in its early days, it is possible the Industrial Finance Corporation would have looked askance at it, and would not have taken any notice of that kind of concern. That sort of thing has gone on, the Swadeshi impulse has gone out of the picture...

The Minister of Revenue and Expenditure (Shri Tyagi): I believe it was transferred much earlier than the coming into existence of the Corporation.

Shri H. N. Mukerjee: That I know, but I take this as a symbolic instance. Here was a company which was started as a result of a wonderful patriotic impulse, but here is a concern which has been transformed into one of the many instruments for the control of Indian economy by big business, and because of the latter circumstance, this concern has now got assistance. The Swadeshi impulse has gone out of the picture altogether. Though we are independent, we now buy all sorts of things produced by foreign capital.

operating on Indian soil. And that is why I feel that as far as the basic economic interests of our country are concerned, the Industrial Finance Corporation has failed egregiously. If we are to prop it up and strengthen its structure, then we must see that it is going to change its direction, that the policy of subservience to foreign imperialism is going to be put an end to, and that really and truly the interests of our country will be the first consideration as far as this Corporation is concerned.

1 P.M.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Mr. Deputy-Speaker: Babu Ramnarayan Singh. Hon. Members will be short and sweet. There are a number of hon. Members who are anxious to speak. I will call the hon. Minister at four o'clock.

बाबू रामनारायण सिंह (हजारीबाग पश्चिम) : समापति महोदय, मैं आप के आदेशानुसार बहुत थोड़ा ही बोलूंगा।

कुछ जाननीय तथ्य : और मधुर भी।

बाबू रामनारायण सिंह : हां, कुछ लोगों को तो मधुर भी लगेगा, लेकिन यह ख़री नहीं कि जिन के हाथ में अधिकार हैं उन को भी मधुर लगे।

समापति महोदय, जिस वक्त मेरे मित्र माननीय त्यागी जी बोल रहे थे तो इतने सुन्दर तरीक़े से बोल रहे थे कि उन्होंने लोगों को कह दिया कि भाई जिस तरह से, जिस ढिल से मैं बोल रहा हूँ, उसी तरह से इस को समझो। मैं त्यागी जी को बहुत दिनों से जानता हूँ। उधर जाने से वह घुँत तो हो गया, मधुर भी हो गया। लेकिन मैं भाई त्यागी जी से कहूँगा कि काम ठीक से करो और छोड़ो मत। यह काम छोड़ दो, यह काम आप का पहले से नहीं था।

समापति महोदय, मैं एक ही बात बोलने के लिये खड़ा हुआ हूँ। कहना यह है कि यहाँ चारों तरफ से यह मांग हो रही है कि

इन्डस्ट्रियल फ़ायनेन्स कारपोरेशन (Industrial Finance Corporation) की तरफ़ से किन किन लोगों को ऋण दिया गया, उन के नाम बोल दो। सब की ओर से यह मांग है।

उपाध्यक्ष महोदय : इस के बारे में कितनी बार बोल गये हैं। Every hon. Member is referring to the same thing. I think it is a dead horse.

बाबू रामनारायण सिंह : हां, लेकिन उस की व्याख्या मैं किये देता हूँ कि यह जो लोगों की मांग है तो नाजानबूझ मांग है, क्योंकि लोगों को यह मालूम होना चाहिये कि यह जो सरकार है उस के सब काम परदे में होते हैं, गुप्त काम होते हैं। सरकार का काम आम तौर पर प्रकट रूप से और सब के लिये तो होता नहीं, कुछ लोगों के लिये होता है। समापति महोदय, आप ने सुना होगा कि इस बार बहुत सी स्त्रियों को बोट देने का अस्तिथार नहीं मिला। क्यों ? क्योंकि उन का नाम नहीं लिखा हुआ था, लिखा हुआ था जोड़े फ़लों, या बेटी फ़लों। तो यह प्रश्न तो हिन्दुस्तान में बहुत दिनों से चला आती है कि बहुत सी स्त्रियाँ परदे में रहती हैं और उन का नाम लोग पब्लिक में नहीं लेते हैं। आम तौर पर उन के बारे में कहना होता है तो कहते हैं जोड़े फ़लों, या बेटी फ़लों। बस और कुछ नहीं। तो इधर जो मांग होनी चाहिये थी वह यह होनी चाहिये थी कि यह तो ठीक है कि जो कुछ ऋण तुम ने दिया है वह मालूम होता है कि ऐसे लोगों को दिया है कि जो परदे के अन्दर रहने वाली हैं, इसलिये उन का नाम तो नहीं कह सकते हो, लेकिन कम से कम यह तो बोल दो कि हम ने जो ऋण दिया है वह जोड़े फ़लों या बेटी फ़लों को दिया है। कुछ तो बोल दो। मैं मंत्री महोदय से और

[बाबू रामनारायण सिंह]

जो सरकार के लोग हैं उन से कहूंगा कि भाई उन का कुछ नाम रखो। यह मैं मान लेता हूं कि यह ऐसे लोग हैं जो परदे में रहने वालों हैं, जिन का नाम आप नहीं कह सकते। तो यही तो सही बात है, मत कहो। लेकिन जिन का नाम नहीं कहा जाता है उन के पति या पिता का नाम तो रख दिया जाता है। तो यह नाम बोलो, यह आप को बोलना होगा। यह मैं मानता हूं कि हम परदे में रहने वालों का नाम नहीं मांग सकते हैं। लेकिन यह किस की पत्नी हैं, किस की बेटी है, यह तो कह देना होगा।

समाप्ति महोदय, यह मामूली बात नहीं है। आप इस बिल को शुरू से आखिर तक पढ़ जाइये, तो साफ़ मालूम होता है कि किसी खास व्यक्ति के लिये, खास समाज के लिये, खास गटबन्दी के लिये, यह कानून बन रहा है। कहा जाता है कि शिपिंग इंडस्ट्री (Shipping industry) को भी कर्जा दिया जाय, पहले नहीं दिया जाता था। उस के साथ साथ अभी सभी ने कहा है कि यह कानून इस अमिप्रोड से बना था कि इस देश के व्यवसाय की उन्नति हो। तो व्यवसाय की उन्नति के लिये यह कानून बना। अब किसी और व्यवसाय का नाम तो नहीं सुनते लेकिन सुनते हैं कि करीब ९५ लाख रुपया चीनी इंडस्ट्री को दिया गया है। इस का क्या मतलब है? इस बारे में मैं पहले भी कई बार इस तरह की बात कह चुका हूं कि जब कोई प्रबन्ध होता है, या किसी समाज का कोई प्रबन्ध होता है तो इस मतलब से होता है कि इतने कार्य हैं और इतने आदमी बहाल होने चाहिये। मुझे तो यह कहने में दुःख मालूम होता है। मुझे तो इस को सरकार कहने में भी लज्जा मालूम होती है। इस को सरकार नहीं कहना चाहिये। यह तो इस तरह का कुछ है ही नहीं। यह तो एक

लूटने के लिये समाज बना है। जो कानून बनते हैं यह इसलिये नहीं कि उससे देश का कोई लाभ हो। वह इस लिये कानून नहीं बनाते हैं कि देश को उस की जरूरत है और उस के लिये आदमों की जरूरत है, और उस काम के लिये किसी आदमी को ले लें। इस मतलब से कानून नहीं बनता है। बल्कि इस मतलब से बनता है कि एक आदमी है जिस की रोजगार पर लगाना है। उस के लिये कानून बना देते हैं, उसके लिये डिपार्टमेंट खोल देते हैं, पद बना देते हैं, और उस पर उस आदमी को बहाल कर देते हैं। इस काम के लिये यह कानून बनता है। अब यह कानून बनता है। लेकिन क्या डिप्टी मैनेजिंग डायरेक्टर की जरूरत थी? अभी न इस कारपोरेशन को बहुत रुपये मिले हैं, न बहुत काम हुआ है। काम हुआ है तो सिर्फ चीनी व्यवसाय को रुपया मिला है जो बिल्कुल उन्नतिशील व्यवसाय है। उस में उन्नति के लिये रुपये की जरूरत नहीं थी। ऐसे ऐसे व्यवसाय की मदद होनी चाहिये थी जो कि इस देश में हैं नहीं। यह काम तो नहीं होना चाहिये था कि जो व्यवसाय उन्नतिशील है उसी की उन्नति करो। तो, जैसा और लोगों ने कहा है, डाक्टर लंकासुन्दरम् ने भी कहा है यह जितनी कार्यवाही हो रही है वह सब इस बिल के हर एक पद से मालूम होती है, हर एक अक्षर से मालूम होती है, हर एक पंक्ति से मालूम होती है, कि यह कानून जो बन रहा है वह कुछ लोगों के लिये बन रहा है। प्रधान मंत्री भी आ कर कह गये कि वह तो नाम नहीं बतलायेंगे। वित्त मंत्री ने ऋण लेने वाले से बादा किया है कि उस का नाम प्रगट नहीं किया जायगा। समाप्ति महोदय, हम जानते हैं कि ये लोग बादा पालन करने में कितने बहादुर हैं, कहां तक बादा पालन करते हैं, कबन पालन करते हैं। यह सब हम लोग जानते

हैं। और जगह वादा किया गया था, प्राइम मिनिस्टर ने वादा किया था खूद, कि पाकिस्तान में रहने वाले हिन्दुओं की जान माल की रक्षा होगी। वह वादा कहाँ पूरा हो रहा है ? लेकिन यहाँ जिन लोगों को धन दिया है, जिन लोगों को कर्ज दिये गये हैं, उन के नाम नहीं बतलाये जायेंगे, यह वादा हो गया है और इस वादे को पूरा किया जाता है। इन लोगों को ऐसा कहने में न कुछ संकोच होना है और न जनता का कुछ भय होता है।

तो मैं अधिक इस बारे में नहीं कहूंगा। लेकिन इतना कह देता हूँ कि सरकार की तरफ से जो कार्य करने वाले हैं वे इस तरह के कार्य न करें जो लोकहित के लिये न हों, देश के भले के लिये न हों। ऐसे काम नहीं करने चाहिये। ऐसे काम करने चाहिये जो सारे देश की भलाई के लिये हों और उस में हर तरह के लोगों की भलाई हो। लेकिन कुछ लोगों की भलाई के लिये काम करना, यह बहुत बुरी बात है। तब, अधिक न कह कर, चूंकि आप ने पहले ही कह दिया है कि बहुत संक्षिप्त होना चाहिये, और मधुर होना चाहिये, मैं आप के कहे अनुसार संक्षिप्त किये देता हूँ और अपने भाषण को मधुर भी करने की मैंने कोशिश की है। लेकिन यह तो स्थानी जी ही बतला सकेंगे कि मैं अपने को कहाँ तक मधुर कर सका हूँ। लेकिन मैं इतना अवश्य कहूंगा कि हमें वह बात जो देश के भले की हो, अवश्य कहनी चाहिये। सरकार अगर कोई बात नहीं बतलाना चाहती और परदे वाली बात हो तो यह तो बतला हो देना चाहिये कि वह परदे वाली किस की पत्नी है, या किस की बेटी है, यह इस तरह से तो कह ही देना चाहिये। और अगर यह भी नहीं बतलाते हैं तो मैं कहने को मजबूर हूँ कि सरकार जो भी काम करती है अपने लाभ के लिये और अपनी गुटबन्दी के

लाभ को दृष्टि में रख कर करती है जो कि बुरा और अन्याय है और इस लिये मैं इस बिल का धोर विरोध करता हूँ।

Shri S. S. More (Sholapur): I propose to follow your direction and shall be short, but I do not know whether I shall be sweet. But with all the diffidence I shall try to be short and sweet as well.

Before I proceed to make my remarks, on the present measure which is under discussion, I may voice my protest—though protests have been voiced from so many quarters—regarding the Government's attitude on the particular policy of suppressing facts from the knowledge of the House. Sir, you were pleased to say that the point is a dead horse. With due deference, I disagree with you. Parliamentary democracy is of very recent growth in this country. Therefore, the sovereign rights of Parliament have to be preserved and protected with all the assiduity and diligence at our command. But, as I have stated on the first day that I entered this House, some of the Parliamentary conventions which have been developed in England during the last 500 years are becoming casualties one after another. Under the sovereign rights of Parliament no information can be withheld from Parliament. That is one of the healthiest conventions which the Parliament in England has developed after a very long—I may say bloody—struggle and that very convention is being very blatantly flouted by the present Government in office. The Prime Minister was pleased to say that the Finance Minister had entered into a certain agreement, had given certain assurances to the loanees concerned, and he further asked us to wait till the arrival of the Finance Minister. And in spite of that fact Mr. Tyagi was pleased yesterday to reveal the names of some of the loanees, because Mr. Shri Ram, who happened to be the Chairman, permitted him to make that sort of disclosure. So, what is the necessary implication, Sir? What inference can be drawn regarding the sovereign rights of Parliament? There is only one restriction and it appears to be the sweet will of Mr. Shri Ram, who happens to be the Chairman of this Corporation. If he says, 'divulge this information' then Mr. Tyagi will be very willing and generous to give us that information. But if Mr. Shri Ram says, 'no', then we have to remain content with whatever information is doled out to us. I would refer to one of the rulings from the Chair given in 1950, on page 29, when the Appropriation Bill was before this House. He was pleased to say:

[Shri S. S. More]

"It is hardly necessary to state that, in the case of a large-scale and country-wide administration, there can hardly ever be too much of parliamentary control on Government expenditure."

I would emphasise the principle which he has laid down.

"The administration being in charge of numerous individuals, it is difficult, almost impossible for every spending authority to have an over-all picture of the financial burden on the tax-payer and, consequently, any urge for economy. At the same time, it is necessary to vest fairly wide discretion in those to whom the administration is entrusted. Parliamentary control over finance is"—and here, Sir, I emphasise it—"intended for the purpose of attaining maximum efficiency at the minimum cost to the tax-payer. It essentially means a thorough scrutiny of the accounts with a view to avoid waste and suggest ways and means for economy consistent with efficiency and the needs of the State in respect of all branches of its activity."

My submission is that when this Bill is placed before the House with some important modifications or amendments, this House is entitled to scrutinise the activities of this particular Corporation as carefully as possible. The Government is assuming that a certain section of the House is inimical to this Corporation. At least, as far as I am concerned, I can very well say that the industrial future of this country, the industrial development of this country, is an urgent necessity and we should try to over-ride party feelings, party slogans and try to help even the Government if it is really aiming at industrial development of the country. If this Industrial Finance Corporation is going to be one of our instruments for advancing the cause of industry, then it needs our help and it deserves all our sympathetic co-operation. Therefore, we sought certain information. Of course, I do understand that those who are in charge of the affairs of this Corporation are human beings likely to err and human nature is, Sir, we know what it is. I may repeat a *doha* of Kabir. He has stated:

भोजन खातर अपने शास्त्र का बमन
बुण बुण लावे ।
अपने शास्त्र का नहि मिला तो अन्य
शास्त्र का बुलावे ॥

The meaning is that it is natural, whenever any individual is in charge of any Corporation or any institution

which is dealing with crores of rupees, for him to first see to his own interests, then the interests of his relations, particularly the interests of his sons-in-law and brothers-in-law and other in-laws. Then if something is left, to see to the other interests.

Babu Ramaarayan Singh: Party men.

Shri S. S. More: So many times, complaints have been voiced on the floor of this House that favouritism and nepotism are the banes of our administration. When the affairs of a Corporation are being placed beyond the close scrutiny of this House, then, Sir, it gives foundation to a superstructure for suspicion. Therefore, it would have been much more in the interests of the Government themselves to disclose this information. I would say as a friend of the Government that they have been unwise in denying the information. In their unwise enthusiasm for securing the interests some limited concerns, they have unnecessarily given ample ground for the opponents of the Government to think that everything is not as we expected it to be and therefore Government is interested in hiding something shady behind a sort of purdah. Our ladies are discarding purdah and our Government is adopting the purdah abandoned by them. Let all transactions be in the open. If certain loans have been advanced to corporations which are undesirable, then let us have the opportunity of going through these things. The small dole of information that has been given to us speaks volumes. We expected that the person who had the charge of this will be a man who would care less for his own interest. If any one is asked to distribute the amounts, he should be one who would say "let everybody else get something and then if possible, if anything remains, I will extend my hand to get some thing for myself".

Shri B. Das (Jajpur-Keonjhar): Has anybody that power which you are enunciating?

Shri S. S. More: I think my friend will have his own opportunity to raise this question. My submission is that the information that was disclosed to this House shows that Mr. Shri Ram, who happened to be the Chairman had substantial interests, as Managing director, in some of the companies which were given some loans. Now, to justify his acts, he has advanced the argument that his are the only companies which are prompt in paying the instalments and they are not defaulting. Well, I pay them compliments for that, but I am objecting to the initial distribution of the loans themselves. I have a shrewd suspicion that all the information has not been

given to us. Mr. Shri Ram only says that he happens to be the managing partner in these three companies, but there may be other companies to which loans are advanced, in which he may be only the chairman or one of the directors. All that information is not supplied to us. I do say that he has not acted in the interests of the country. He gives ample room for thinking that he has acted more in his individual interest and that he is hardly the type of Chairman who would inspire confidence in the country at large or the industrial interests concerned.

The authority of Parliament has been flouted and it is being asked to rush through with a measure without placing at its disposal the necessary material which may enable it to subject all the transactions done by this Corporation to close scrutiny. You, Sir, were pleased to rule that Government should disclose all the information that is reasonably and justifiably asked for by some sections of the House, but Government did not even respect your ruling. Therefore, Parliamentary democracy even at the inception is assuming a sort of dictatorial tone, and this augurs ill for the future.

With these preliminary remarks, I do compliment the Government for their efforts to finance industries, but let me also subject their policy to some scrutiny. What is our objective? The Congress Party, after it came to power, issued a statement of policy about the development of industries on the 6th April 1948. It divided the industries into different categories such as basic industries, large scale industries and cottage industries. Now, this Corporation is supposed to help big business. I do want to ask the Government and particularly Mr. Tyagi what is meant by this. I would expect Government to concentrate on industries which are not yet advanced, or industries which have not yet started in this country. In this connection, let me read to you a few lines from the latest Fiscal Commission Report. After referring to the fact that our industrial progress compared with our population, area and material resources is almost negligible, the Commission proceeds to state in para. 36, page 33, as follows:

"But there are notable deficiencies. India has only a few heavy capital goods industries. Machinery and machine tools, non-ferrous metals, electrical engineering goods, automobiles, tractors, prime movers and heavy chemicals are some of the basic industries which are non-existent or still in their infancy."

My contention is that Government should concentrate their financial resources on these industries. Instead of doing that, this Corporation has advanced huge loans to the textile industry. The textile industry has been receiving protection for a long time, and it has reached a stage where there is over-production and we have to hunt out foreign markets. The same argument can be advanced as regards the sugar industry too. My suggestion is that instead of helping these industries which can stand on their own legs, Government should help others that are unable to stand on their own legs. That is the only right way in which this Corporation ought to function.

Then there is another point which I find is not being taken into account. Why are the Government and this Corporation not concentrating their resources on the production of capital goods? My fear is that we are still being dominated by world powers. Britain was one of our exploiters. America is now seeking new markets to serve as outlets for her extra production. She is holding the economic strings in its hands. We are seeking a loan from the International Bank for Reconstruction and Development. Mr. Tyagi was pleased to say that we are one of the founder-members of this Bank and therefore it would not be valid to contend that it is an imperialist organisation. Let me give you some figures. According to the latest report of this Bank for 1951-52, fifty-one States are its constituents and the total voting strength is 97,285. Out of this total, the United Kingdom has 13,250 votes, that is, 13.62 per cent. The United States has 32,000 votes that is 32.89 per cent. France has 5,500 votes. The total votes of these three imperialist countries put together come to 52.30 per cent. Thus, three countries combined together hold the controlling strings. They will see that the funds at the disposal of the World Bank are advanced to any Asian or backward country in such a manner as will stifle the growth of key industries. A contradiction always prevails between the industrial interests of the imperial countries and the interest of the struggling backward countries which are trying to get help from this Bank. These imperial countries may not say it openly but they will indirectly try to stifle the development of capital industries. Therefore, while I am not out against the foreign loans—because I do know that under certain circumstances we must have them—my submission is that this particular Bank gives room for this kind of suspicion. I do not want to condemn it, but one must concede that

[Sri S. S. More]

this international body can be an impediment in the way of our progress. All these countries are inimical to us. Since the 15th August 1947 when Congress came into power, perhaps a transformation has come over them. You know the story of Ram. The moment he touched a stone slab a beautiful lady came out of that slab. Does Mr. Tyagi contend that the moment Pandit Nehru touched the black hearts of these Imperialist Powers overnight they became white angels and they now generously and without any reservation are striving their best to make India one of the foremost industrialised countries of the world? I have got my own doubts and there are many hon. Members who entertain these doubts with some justification.

3 P.M.

Then, we wanted further information to find out whether the Industrial Finance Corporation is striving for even development of the different parts of the country. You will concede, Sir, and even the Treasury Benches will concede that all parts of India are not uniformly industrially developed, India is a vast country with different conditions prevailing in different parts. Some parts are industrially advanced and some parts are backward. Government will have to use their influence and use this particular instrument in their hands for advancing the cause of the backward territories. Whether the Corporation is discharging this responsibility is one of the points which one can very well raise in this House. In this connection I would like to quote some figures, which Mr. Tyagi was very prompt in supplying me, because the report of the Corporation is very scrappy and does not reveal any information.

Rupees four crores and 20 lakhs were advanced as loans to the Bombay State. Let us take the regional distribution of these loans. Greater Bombay got Rs. two crores and 39 lakhs distributed among eleven companies. In Maharashtra nine companies among them got Rs. one crore and 32 lakhs. In Gujarat five companies among them got Rs. 49 lakhs 50 thousand and Karnataka zero.

Sri M. C. Shah: Because there is no industry.

Sri S. S. More: Therefore, my contention would be that if you have got these funds, you must make an honest effort to start some companies in Karnataka because even Karnataka contains some material resources which can be developed.

I may in this connection remind the House that when the Industrial Finance Corporation Bill was first presented to this House in 1948, Mr. Shanmukham Chetty happened to be the Minister in charge of the Bill. He assured the House that the formation of this Corporation with its financial resources would encourage and give an incentive to the formation of public companies for the development of industries. I should like to know from Government whether this hope expressed on the floor of the House by Mr. Shanmukham Chetty has come to be realised? If Karnataka has no industries it is the responsibility, I may say the first responsibility of Government, to see that Karnataka gets some industries.

Sri Tyagi: May I here inform my hon. friend that out of the total loans advance of Rs. 15.23 crores, Rs. 5.79 crores represents loans sanctioned for new types of industries—manufacture of new lines of industrial production in India.

Sri S. S. More: That is no reply to the point I am making. They may be giving loans for new concerns, for establishing industries where industrialisation has already made some progress. If Karnataka, as the Minister was pleased to say, has no industries, what have Government done to advance the industrial interests of Karnataka?

An Hon. Member: Is it the duty of the Corporation to serve the industry?

Sri S. S. More: One learned Member is pleased to ask me whether it is the responsibility of the Corporation? I would refer him to section 6. It is said that it will be Government which will be giving instructions regarding its policy to the Corporation. Let Mr. Tyagi or Mr. Shah say that Government is not interested in advancing the industrial interests of backward areas. Let them say so for the satisfaction of the hon. Member who interrupted me.

Taking into consideration the area and population of Maharashtra sufficient funds have not been given to Maharashtra. But compared with Karnataka, I may say I am in a better position. Then I would particularly draw attention to loans granted to Greater Bombay—Rs. two crores and 39 lakhs. I need not remind this House of the saying that one should not place all his eggs in one basket. As a matter of fact, the industrial concentration in Bombay ought to be relieved. Bombay capitalists must be forced to decentralise, and take their industries out of Bombay. But they

are not doing it. The Corporation can very well use its influence and it should be one of the terms of accommodation, because the rules do provide that the Corporation can fix some conditions about the location of industries. I do not know what will happen to so much of loan given to Bombay, because we are now in the midst of a depression and possibly the number of defaulting companies will be going on increasing.

Now, I propose to make one or two observations about the measure that is before the House. In clause 2 it is proposed to add the words "or in shipping". May I ask whether agriculture is recognised as one of the industries? It is not. Take for instance the dairy industry. Supposing one starts a dairy on a big scale for the purpose of providing milk. Then what about mechanised agriculture? Now we must start looking upon agriculture as an industry. The Fiscal Commission has stated that there cannot be industrial development unless agriculture is advanced.

Mr. Deputy-Speaker: I am afraid the hon. Member is going far beyond the scope of the amending Bill. The Bill seeks to amend the Industrial Finance Corporation Act by the addition of some provisions. But to go to the root of the Act itself is not right.

Shri S. S. More: My only point is that Government should widen the scope of the definition of industrial concern so as to include agriculture. Of course, it is only a suggestion for Government to consider.

Mr. Deputy-Speaker: The hon. Member will kindly confine his remarks to the Bill under discussion.

Shri S. S. More: Now I come to clause 3. The number of directors who can be appointed by Government is being increased from three to four. When the Bill was presented in 1948, the Bill provided for two directors to be appointed by Government. When it returned from the Select Committee the number two was raised to three and the managing director was the fourth. Now another attempt is being made to add to the number. The explanatory note on page 11 says:

"In view of Government's responsibility on account of the guarantees given by the Government in terms of the Act and also to enable proper representation being given to all interests, provision is being made for the nomination of four Directors instead of three as

at present. The Deputy Managing Director of the Corporation will be included in the Board of Directors of the Corporation without voting rights."

I wonder whether by adding one member to the present number they can think of representing all interests. Either they are not disclosing all the facts or they are not giving us proper explanation for this increase. Government, I very much regret to state, seem to be out to create posts, because different interests, not industrial or bona fide legitimate interests, but other party and political interests have to be satisfied. And every time we are adding to the number of posts that are at the disposal of Government. This we must deprecate because that lends room for nepotism, favouritism and jobbery.

An Hon. Member: All sorts of cross currents.

Shri S. S. More: There is one more provision. In clause 6 it is said that the managing director shall be removed only if there is a two-thirds majority. We find a similar provision in some of the Acts relating to the management of local bodies. For instance in the Bombay Boroughs Act, the Local Boards Act etc. it is provided that the chief officer or engineer shall not be removed unless there is a two-thirds majority. Why that sort of sinister provision should be enacted here, I fail to understand. If the capital is supplied by the Government, if the whole organisation is under the control of the Government, why should not the Government have the power, without this restriction of two-thirds majority, of coming to a decision themselves about the removal of this managing director. My submission is that if this provision is kept there, possibly we shall be giving an instrument to the managing director to play one group in the Corporation against another and possibly a two-thirds majority will never be realized with the result that a man who is undesirable possibly to the majority will still continue to be hampering the work of the Corporation. I strongly object to this particular provision.

I wanted to say so many other things, but since you desire that I should be very short I would rather say that Government should take into consideration the different constructive suggestions which have been made in this House, particularly by the Members of the Opposition. It would have been well if Government had accepted the motion for referring the Bill to a Select Committee. We are out to help

the Government as far as this particular matter is concerned, provided the ground for our reasonable distress is removed by Government as early as possible.

There is one more point on which I should like to conclude my speech. I have nothing to say against Mr. Shri Ram. Mr. Shri Ram happens to be the Chairman of the Corporation. In view of the revelations made I would rather say that Government should introduce a clause in this Bill just as we have a section in the Tariff Commission Act that a person who happens to be, or who is to be appointed, on the Tariff Commission shall not have any personal existing interest in any business concern. That sort of proviso would have been much welcome to this House. Then possibly all these suspicions would not have any ground for existence. Of course, it was contended that when a loan was sanctioned in favour of a particular company and if the man interested in that company happened to be a director, he remained non-voting. But we know there are associations of persons whose policy is 'I scratch your back and you scratch mine'. That is the policy which governs such associations of capitalists. Therefore, I would say that if this Corporation is to remain, like Caesar's wife above suspicion, Government have to see to it that the Chairman of the Board or the Directors, particularly the Chairman, shall not be directly associated with any particular concern in this country. I believe that in this country even amongst the big business there are different sections. Sri Ram, Ganshyam, Ramkrishna—all these godly names are monopolised by these monopolists of different sections and they are fighting with one another. It is one of the contradictions of big business. Therefore, I would ask: why one particular section should be given this potent instrument in its hands and why the other section should not get the chance by rotation. Therefore, it is time for Government to think of replacing the present Chairman by some other person who may be equally competent. Possibly, we may get some opportunity next time when we talk about this measure. Why not a political worker who has no present financial interest in any concern? Sir, a man like you would inspire confidence.

Mr. Deputy-Speaker: I would request hon. Members not to draw in my name. I do not want to use any other word than that. Then another hon. Member will say that I am a bad fellow!

Shri S. S. More: I am sorry.

Mr. Deputy-Speaker: I am not attributing any motives. But it is rather a delicate matter and let not the Chair be brought in.

Shri S. S. More: Sir, I did not refer to you in your capacity as the Deputy-Speaker. I have the pleasure to work with you on different Committees and I do know that you have the capacity of acting above party considerations or party notions. And that is what prompted me to make this observation. But if you do not like it, I withdraw it; and with no apologies, Sir.

Shri B. Das: It is gratifying to find that except the feeble voice of my friend Babu Ramnarayan Singh the House is unanimous that there should exist a Corporation like the Industrial Finance Corporation. Even my friend Babu Ramnarayan Singh in 1948 was unanimous with us that such a Corporation should be established. I was very pleased to know from my friend Shri Gadgil that he is afraid that the control of the Government of India over the Industrial Finance Corporation and other State Corporations like the Sindri Fertilizer Factory, the Penicillin Factory, the Telephone Company and others, is not adequate. I find in this Bill that the Finance Ministry has introduced the Auditor-General to control the accounts of the Corporation. My friend Mr. Gadgil knows that this was the first big Bill introduced in 1947 when we were in the infancy of our Independence. Naturally at that time the House did not suggest, could not suggest that the Auditor-General should come in. But Mr. Gadgil may recollect that when his next Bill, the Damodar Valley Corporation Bill, was introduced some of us insisted that it should not only pay income-tax but that it should be subjected to the control of the Auditor-General. I am divulging no secret, but in the Public Accounts Committee this aspect of the question—the authority of the Comptroller and Auditor-General over State Corporations and purchase of Government shares in other Companies—we have discussed very often. We have discussed it with representatives of the Finance Ministry and we have tentatively come to the conclusion that the Auditor-General must be associated. The Auditor-General has often expressed the view that whenever the Government of India have a State Corporation they should introduce a Bill on the floor of the House, as in the case of the Damodar Valley Corporation, and every such State Corporation should be governed by a statute of

this House and the Auditor-General should have full control. It is a lacuna. If my friends in the Finance Ministry were alert and alive they would have brought earlier an amending Bill for having the Auditor-General's control although I know the Auditor-General occasionally takes notice of the accounts of the Corporation.

My friend Mr. Sarangadhar Das—I find that he is not here—referred to some textile mill named 'A' in Orissa. I wish to tell the House that I happen to be a director of one of those two concerns. (An Hon. Member: Of 'A' or 'B'?) 'A'. 'B' is not functioning. Most of my friends know that I am a strict observer of financial rules and principles. When the Finance Corporation sanctioned some loan, of course on mortgage of property—not through the charity of Mr. Shri Ram or through the charity of the managing director of the Finance Corporation—I felt that all the conditions of the Industrial Finance Corporation Act were being fulfilled. I never felt at that time—I am a very suspicious man; the Chairman of the Public Accounts Committee has to be a very suspicious man—and I never felt that any underhand work was there. This is by the by. But I wish to tell the House that at no stage, the Industrial Finance Corporation has advanced money in the air. A passage was quoted from the Chairman's speech that somewhere money had been advanced without any security or credit. It is for my friend Mr. Tyagi to examine and see why it was done. The whole Executive Committee of the Board or the Managing Director should be punished if that has been done so.

Sir, you and I, you were the Chairman of the Select Committee of the Industrial Finance Corporation Bill, made tremendous effort to see that the country is developed industrially. We were at the infancy of our Independence. In the month of November 1947 we wanted rapid industrial development in the country while our capitalist friends—some of them are in this House went to America, went all over and canvassed that the Government of India, this sovereign Government of India, will not be supported financially by the capitalist group of U.S.A. At that time we were depleted of finances just after partition. We demanded that the Industrial Finance Corporation must be established. It was established. Sir, you and I fought hard for three months. The subject was discussed. We wanted it to be a State Corporation. Mr. Tyagi was not a member of that Committee, the

Select Committee. This is the first Financial Corporation we were establishing. Mr. Shanmukham Chetty gave us the assurance that it would soon be converted into a State-owned Corporation.

Some of us are not—at least I am not—very fond of the capitalist group. We know particularly of that treachery in 1947-48 and how difficult it was to plan development of industries! But since then what has happened? We have established the Rehabilitation Finance Administration with State Finance of Rs. ten crores. Our finances are in a more liquid state. If this Bill is to be introduced today, no Member of this House, not even the Congress Party Members will support this system of financing. Outsiders will not have to be brought in.

My friend Mr. Ramnarayan Singh was always speaking against the Party when he was a member but this is not a Party Bill. This is a national Bill, in the national interest, in the interest of national economy. My friends, Dr. Mookerjee and Mr. Hiren Mukerjee, have pointed out certain defects. The defects pointed out by many Speakers, particularly by Dr. S. P. Mookerjee and Mr. Hiren Mukerjee should be analysed and examined. Of course, there were political observations. I respectfully differ in certain political observations. Mr. Shanmukham Chetty used to meet us constantly and made us happy and contented. He stated on the floor of the House that within five years the Corporation would be nationalised. Why not acquire the shares worth three crores of rupees? Why give subvention for depreciation reserve and for guaranteed interest? Why are the charges rightly or wrongly levied by various party leaders, by prominent Members of this House? I do not disagree with some of their observations. I do agree that there may have been jobbery and partiality in some cases. I examined now and then the list of directors in the Industrial Finance Corporation. My friend, Mr. Ramalingam Chettiar was a director. He represented the great Province which you represent. After that it has all gone to Bombay. I find only one representative of Bengal, Mr. B. N. Mookerjee. Accidentally all officials have come from Bombay State.

Mr. Deputy-Speaker: The hon. Finance Minister comes from Maharashtra.

Shri B. Das: I may say the hon. Minister is doing a very thankless task.

Shri Tyagi: There is also a possibility of Indians rising above provincialism.

Shri B. Das: I am very glad Mr. Tyagi says like that. My friend has still too much of over provincialism. I am a man who is above provincialism.

Mr. Deputy-Speaker: The hon. Member will kindly address the Chair.

Shri B. Das: Yes, Sir. When we were ruled by the foreigners we gave in 1934 Rs. five crores to the Reserve Bank for its Reserve Fund. If today this Industrial Finance Corporation is made into a State Bank, whatever is wanted, the Government of India should easily sanction it as Reserve Fund. When the Finance Corporation become State-owned there must be industrial advisers. Let there be a paid Chairman. Today, the Chairman and directors are getting perhaps Rs. 100 or 200 and travelling allowance, etc. My hon. friend Mr. K. K. Desai is here and he is a director. He may tell you what little remuneration he gets. It is better to have a paid Chairman. It is better to have a managing director who is under the control of the Reserve Bank of India, the Finance Department and us, Parliament, rather than have the provision that 2/3rds majority of the directors and shareholders must pass a resolution and then the managing director could be dismissed. Why this play? After all, those capitalists who worked against us in 1947-48 have got the advantage: not the people of India. Therefore, what I ask the Government of India is this. Today, it is 1952 end. The year 1953 will be the 5th year. Why do not the Finance Ministry or the advisers of the Finance Minister advise him that the assurances which Mr. Shanmukham Chetty gave—he gave these assurances here on the floor of the House, in the Lobby, outside, in the Select Committee—should be fulfilled? The former Finance Minister was as keen a Congressman as my hon. friend Mr. Deshmukh. We took him as a Congress Minister.

Shri K. K. Basu (Diamond Harbour): That was the tragedy.

Shri B. Das: I have noted that my hon. friend Mr. Tyagi wants that this Bill should be passed immediately in this House. I would have preferred a two days' discussion of the Leaders of Parties to settle points of difference. This has not been done. We cannot delay the Bill. We will pass it. I think the six months rule will not apply and hope that my hon. friend Mr. Tyagi will bring an amending Bill in the next session to make this Industrial Finance Corporation a State-owned Corporation. We have spent a

crore of rupees on that pre-fabricated housing factory. It has gone (An Hon. Member: to dogs.) It does not exist. Some foreigners are going to consider if it could function. Always the foreigner will come to rescue or advise! The first consideration should be our honour, the honour of Parliament and the honour of the country. The promise of the previous Finance Minister that this Industrial Finance Corporation would be made State-owned, should be fulfilled. We do not want any outside shareholders, be they bankers or insurance men. The new Banking Companies Act, gives Government complete control over bankers. They cannot wriggle out of the hands of the Finance Minister and the Reserve Bank. They will have to do what the Finance Minister and the Reserve Bank desire them to do. At that time, we had no money. But, now, we have become very well established. Financially we are a success. Thanks to Mr. Tyagi, income-tax evaders are paying up. I expect they will pay more if he applies the Preventive Detention Act and puts the evading capitalists in detention. For that the Minister will have to take courage and put them in detention under the Act, so that tax evasion could be eradicated.

Shri Tyagi: Will there not be the danger of its being used by party in power for their party purposes, if it were an absolutely governmental affair? There would again be the difficulty, with so much power and crores of rupees and patronage, perhaps the party in power might misuse that. It may not be better.

Shri B. Das: I agree that the Finance Minister must consider those aspects.

No State Government has applied the Preventive Detention Act to arrest corruptors except perhaps Bihar.

[SHRI PATASKAR in the Chair]

It was repeatedly pointed out by Dr. Katju that he would apply the Act against black-marketers and corruptors. But, this has not been done. Why are Governments afraid? The whole House—I can assure on behalf of Mr. Hiren Mukerjee also that he will give his full support—will support the Governments if they arrest black-marketers. There will then be no black-marketing or corruption in India.

Babu Ramnarayan Singh: How will you then fight election?

Shri B. Das: As if my election is in my hon. friend's hands! It will be five years hence.

Some observations have been made about foreign financing from World Bank, about limitation to one crore to one party etc. Though I agree with the limitation at one crore of rupees, I suggest that there should be an amendment that a crore of rupees should be given only to the shipping companies when the Finance Minister approves of it. I know very few shipping companies who pay any dividends. I want the Finance Minister and particularly this Corporation not to advance money as loans for ships, unless there is any hope that shipping companies will pay dividends. Some shipping companies do not pay any dividends. It is all eaten away by the managing agents; or what happens, God alone knows. That point should be carefully considered. Apart from the recommendations of the executive committee of the Corporation, the Finance Minister must examine the question of advance to shipping companies. We are all afraid of inflation. We are going to increase inflation if we go on advancing money through this subsidiary bank the Industrial Finance Corporation to concerns that will not earn profits. Of course, I recognise that shipping, banking and insurance are the three main items of yardstick of our sovereignty. Without these we cannot be a great nation. Let us give it in one lump sum grant. Let us purchase ships in addition to what we build at Vizagapatam. India did not buy in 1948-49 when good offers came from Japan. Good offers came from America also. Now, of course, we will buy ships at higher prices. Let us make a present of them and let us make the country know that it is subsidy to the shipping industry. Let us not clothe it in the language of an Act and make the Industrial Finance Corporation subject to the criticisms that I am anticipating and that I am levelling today.

I support the Bill and I hope my hon. friends Mr. Tyagi and Mr. Shah will fulfil the assurance given by Mr. Shanmukham Chetty and bring an amending Bill in the next session to make the Industrial Finance Corporation a completely State-owned institution with a paid Chairman and not with a plutocrat as a part-time Chairman.

Shri V. B. Gandhi (Bombay City—North): I wish to begin by saying a good word for the Industrial Finance Corporation. I think it is constituted on sound and enterprising lines. On an impartial assessment of its functioning during the last four years

of its existence, it will be found that it has done exceedingly well. It promises to do better in the years to come.

In the debate that has been going on here for the past few days, many things have been said in criticism of the working of this Corporation. Some harsh words have also been said about the management of this Corporation. These are serious matters and they ought to be considered, and I propose to deal with a few of them before I sit down. But, above all, let us remember one thing, that this Corporation is doing good work, that it is doing necessary work and we ought to help it in the manner proposed in this amending Bill.

Now, I will have to be a little abrupt in my approach for want of time. Among the several ways in which we wish to help this Corporation, there is one way and that is to give it increased finances. We are trying to do that by amending section 27 of the original Act. The amendment, or rather the principal amendment that matters in the amending Bill before this House is sub-section (2) of the new section 27 which we wish to substitute for the original section 27 of the principal Act. Now, this sub-section provides for power for the Central Government to guarantee loans received by the Industrial Finance Corporation from the International Bank for Reconstruction and Development. With this provision in sub-section (2) of the new section 27, the way will be open for the International Bank for Reconstruction and Development to advance loans to industries in India and for our Corporation, the Industrial Finance Corporation, to receive these loans. The absence of such a provision in the original Act has acted for all these years as a barrier against this flow of desired investment. The question that therefore arises is: how is it that this provision was not included in section 27 of the original Act? If we turn to the Statement of Objects, we look in vain for any explanation. However, the Statement of Objects, in utter frankness, makes one admission and that is, that "this Act is being amended to authorise the Central Government to guarantee the loans". Now, we are waking up to the need of this provision at this late hour. The only explanation we find is the explanation given by the hon. Minister Mr. M. C. Shah in his speech. And he says:

"When this section"—he is referring to section 27—"was drafted, however, the exact mechanism and

[Shri V. B. Gandhi]

procedure which would be involved in such borrowings were not clear."

Now, that is the explanation, and I want to suggest that this explanation does not convince this House very much because it is a thing that should have been very plain from the very beginning. Our country has been an original participant in the International Bank from its very inception. We are an important member; we are one of the five powers that have the right to appoint an executive director, and our executive directors are there in Washington all these years, and such a simple thing as the procedure, or rather, the exact mechanism and procedure, as the hon. Minister calls it, should be known. In the articles of Agreement or the Constitution on which the International Bank is based, it is clearly stated that this Bank will be empowered to advance loans only to projects sponsored by Governments. If, however, the Bank wishes to advance any loans to industries in any country, those loans have to be guaranteed by the Government of the country or by the Central Bank of the Country or by any institution equivalent to the Central Bank. This fact is there in the articles of Association, or articles of Agreement, as they call them. This fact has been repeated every year in the annual report of the International Bank for Reconstruction and Development. I shall just read here what appears in the latest annual report of the International Bank. It says here:

"In the first place, the articles of Agreement require that all loans to any non-governmental borrowers must be guaranteed by the Government or by the central bank or its equivalent of the country in which the project to be financed is located."

It has caused many of us to wonder that our Ministry and our Secretariat who are usually so circumspect and so well-informed should have allowed this slip in the original Act and should have put up this barrier that has withheld the free flow of these investments which would help our industries.

I shall not go further. But there is another statement in the Minister's speech which also indicates a certain amount of vagueness of understanding of the exact nature of the loans that the International Bank advances and which we would like to accept from that Bank

In many of the notable speeches during this debate, a lot of attention has been concentrated on the distribution or the way the funds were distributed by our Industrial Finance Corporation among the applicants for loans. There is a risk, if we concentrate too much of our attention on this aspect of the function of the Industrial Finance Corporation, of our taking a very one-sided view of the real function of the Corporation. After all, this Industrial Finance Corporation's function is not similar to that of the Postal Money Order peon who goes out every morning and distributes money. No. It has to do something else, perhaps a little more important than just this distribution of funds; and that is, this Corporation has to produce its own finance. This Corporation has to mobilise the savings of the community. This Corporation has to direct these mobilised savings for the use of industry. That is precisely what it does. This is not a Corporation like the Export Import Bank of Washington which is completely owned by the Government of the country. After all, in its Rs. five crores of paid-up capital, the Government has contributed only Rs. one crore.

Mr. Chairman: May I suggest to the hon. Member to be rather brief so that I can just accommodate another Member for some minutes more.

Shri V. B. Gandhi: So, this Corporation is after all a credit institution, and we are fortunate that we should have here men—it is a big job—big enough to handle that job. I shall only come to the last point, and that is about this usual suggestion of there being always some connection between any investments that come out of America, and imperialism. I am referring to the speech of the hon. Mr. T. K. Chaudhuri, as also of the hon. Mr. H. N. Mukerjee. Here we are not dealing with the American Government. We are only dealing with the International Bank. And the International Bank is not an American Government institution. It is owned by 54 countries; there is so much talk of American control, but let us not forget the fact that so far as control of this institution is concerned, 67 per cent. of the voting is in non-American hands, and we are an important member of the International Bank. Shri Hiren Mukerjee gave the House an impression that all these loans and advances made by the International Bank are what are generally known as tied loans, that is to say, with a condition attached that they shall be

spent only in purchasing American materials in America. Now I shall only have to quote a few figures to prove that it is not so.

Pandit S. C. Mishra (Monghyr North-East): At least this one is.

Shri V. B. Gandhi: I am quoting from the last annual report of the International Bank. It says:

"The equivalent of 49 million dollars was repayable in Belgian francs."

Which means that purchases were made in Belgium, and that the amounts will go to Belgium. It further says:

".....Belgian francs, Canadian dollars, Danish kroners, French francs....."

In all there are nine currencies in which these loans are repayable, meaning thereby that the amounts were disbursed in those countries.

So far as the raising of the capital is concerned, this Bank issues bonds not only in America, but recently it issued loans or bonds and raised 50 million Swiss francs in Switzerland, a few million dollars in Canada, and in other currencies in other countries.

Mr. Chairman: Is Mr. Jaisooraya likely to finish within ten minutes? At four o'clock, the hon. Minister is to be called.

Dr. Jaisooraya (Medak): It is now seven minutes to four, and I shall take just ten minutes, not a second less nor more.

The matter is very simple. Have we in this House got any jurisdiction over the Industrial Finance Corporation or not? Under sub-section (2) of the proposed section 27, the Central Government, may, where necessary, guarantee all loans taken by the Corporation under sub-section (1) as to the repayment of the principal and the payment of the interest. Again proposed section 27 (4) reads:

"Any loss or profit accruing to the Corporation in connection with any borrowing of foreign currency under sub-section (1) or its repayment on account of any fluctuations in the rates of exchange shall be re-imbursed by, or paid to, the Central Government, as the case may be."

In other words, the Industrial Finance Corporation, according to Mr. Tyagi, wants to eat its cake, and keep it at the same time. It wants us to

help the public, but in case anything goes wrong, we have to guarantee the loans, we have to stand guarantee for all this, and make up the losses. and yet this House is not entitled to any relevant material. I submit that if this House has to bear the responsibility—I mean the Government, and the Government is represented by this House—then we have the right to get any information we require as and when necessary. Now, Mr. Tyagi is making a very big show of it, and I am surprised at it. Under section 39 of the Act,

"Every Director, auditor, officer or servant of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule."

So, if yesterday, he read out a statement from the Chairman of the Industrial Finance Corporation, then the Chairman has broken that oath of fidelity and secrecy.

Now I shall come to another point. Here is the report of Industrial Trust Fund of the Government of Hyderabad, 1950 and I claim that we have some experience of industrial financing, since it began in 1929, when there was no Government here. (*Interruption*) I meant that our Government was not here, I think it is obvious that it meant national Government. If you will please see the report of that Trust Fund, you will find that the amount of money that has been advanced is there, the names of persons to whom they were advanced are there, the total amounts given to them are there, and the amounts returned are also there, and there is no secrecy about it.

Shri S. S. More: The Nizam is more progressive!

Dr. Jaisooraya: Certainly. It has been stated that the Industrial Finance Corporation is not an altruistic body and that it is not there for charity purposes, but that hard-headed businessmen are going to get finance, and are going to loan it out at 5½ or six per cent. interest. But I was surprised to find that the profits were only Rs. nine lakhs, and that is for an investment of Rs. eleven crores; whereas for our Industrial Finance Corporation in Hyderabad, it was only Rs. 5.07 crores, and our profits were also Rs. nine lakhs for the 1st half year 1950. That means, for exactly half the amount of investment, we got the same interest in six months, and that

[Dr. Jaisooriya]

is in what you call an inefficient Government. People say that private capital is very efficient, and I am surprised to hear that.

Secondly, we in Hyderabad never said that we are here only for the purpose of shrewd business. This Corporation of ours was formed so that the income could be utilised for the development of cottage industries, industrial experiments and exhibitions, industrial investigations and survey, grants to assist industrial and technical research and scholarships to young men to obtain industrial training in India and abroad.

Now there is another peculiar point. In 1929 when we started, we had an investment of only Rs. 58,93,000, and there were no further investments. Today, from the income of the last so many years, our capital is Rs. 5,76,81,303. I am really surprised at the inefficiency of this Industrial Finance Corporation at the Centre.

A great fetish has been made of the fact that the names cannot be disclosed, that they are secret. That is something very funny. From the report we find that cotton textiles had received Rs. 204 lakhs. We tried our best and we looked up the balance-sheets of almost all important textile mills, but we could not find in their debit side, any mention of the fact that they have taken loans from the Industrial Finance Corporation. I do not know which mills had received them. They are not, at any rate, the old established big mills that we know. It is for my hon. friend to tell us where they are from. Secondly, —he can correct me if I am wrong, and he can deny my statement if I am wrong—ceramics and glass had received Rs. 119 lakhs. Out of that the Glass Factory in Calcutta—please correct me if I am wrong—has received Rs. 50 lakhs. Kindly tell me who are the directors of that, and who were the directors of that.

Dr. S. P. Mookerjee (Calcutta South-East): I have got a telegram with me here. Hon. Member might read it out, without mentioning the name.

Dr. Jaisooriya: "Loan Forty Lakhs to Sodepur Glass Works." Then, Kirloskar—I did not want to mention the name, but I know for a fact—has received Rs. 50 lakhs. Kindly ask the Government to inquire how many oil engines Kirloskar has actually manufactured. Only some outer shells they have manufactured, and they are getting unlimited steel quota. These are things that are happening.

Shri Tyagi: This glass works has been taken over by the Government.

Dr. Jaisooriya: I have told you what I know.

Shri B. S. Murthy (Eluru): When the loan has been swallowed.

Dr. Jaisooriya: It is surprising that an oil mill has received Rs. 2,50,000, when there is a glut of oil mills. Cotton textiles have received Rs. 205 lakhs, and once again it is the same thing I am surprised at the lack of business acumen that is evident here. They say: "You stand guarantee for this, you stand guarantee for that: but we will not tell you what are going to do with your money". That is a rather surprising position. I, therefore, think that either we refuse to foot the bill or that we have the right to ask for information as and when we like.

4 P.M.

Finally, one word about this question of foreign loans. Opinions are divided. You may say what you like. Mr. Hiren Mukerjee may quote chapter and verse. There is a whole book which appeared yesterday: *American Shadow over India*. Anybody can read it. All the facts are there. But it seems to me that our Government has made up its mind. It is like that chaste young matron in Byron's *Don Juan*:

"One hand she put in his; she thought it was her own."

Pandit S. C. Mishra: I want to make a submission, Sir. I am not spoiling for a fight, but I want to make a submission. The Deputy-Speaker had said that if a Member wished to speak, he should stand up. From beginning to the end I have been standing up and sitting down, Sir. I find, that a monopoly is being created here in the House. This monopoly should not be allowed to grow.

Mr. Chairman: I sympathise with the hon. Member, that he was not able to catch the eye of the Chair. But I think it is not proper to say that there is a sort of monopoly. There is no corporation here. Of course, so far as he is concerned, I sympathise with him, but there might be many others also like him.

Shri M. C. Shah: I have heard for the last few days the speeches on this Bill of my hon. friends with rapt attention. I thought that this was a very simple Bill and perhaps it would not evoke so much discussion. I have

found that the proposals in the amending Bill have not been touched upon except by two or three hon. friends, but the whole discussion has been centred round the names to be given out to the House.

The working of the Industrial Finance Corporation has been discussed and it is quite natural that when an amending Bill comes before the House Members should discuss the working of the Corporation. But, I am sorry to find that instead of discussing the principles of the amending Bill, we have discussed a good deal about this matter. It would have given me great pleasure to disclose the names of all the industrial concerns who had taken loans from the Industrial Finance Corporation, if it were possible for me to do so. I had to follow the policy that has been accepted by this House. In 1949 a question was raised here on the floor of the House and Dr. John Matthai, the then Finance Minister, observed in the same way in which the Minister recently answered the question on this subject. Reports were published in 1951. The amending Bill was there and still this question was never raised on the floor of the House.

And so, it was very difficult for me to deviate from the policy already followed by the Finance Minister and the Prime Minister has already assured the House that after the return of the Finance Minister this question would be taken up and in consultation with the representatives of the House this matter would be decided.

I thought that the House would be satisfied with the Prime Minister's assurance and the assurance of my colleague, Shri Tyagi, that if any question was raised with regard to favouritism or nepotism or partiality, he was prepared to look into that and to satisfy the House on that subject.

I have been in office for only a short period and since the time I have taken over office I have been dealing with this Industrial Finance Corporation. The amending Bill was to be brought in. I have looked into all the papers that were absolutely necessary and I have already told the House that I am prepared to give all possible information, every piece of information that they want, except the disclosure of the names which may be held over for sometime. (Interruptions).

Shri Bhagwat Jha (Purnea cum Santal Parganas): On a point of information, Sir.....

Mr. Chairman: Order, order. The hon. Minister is not prepared to yield. Let him proceed.

Shri M. C. Shah: I have found that there has been some confusion of thought with regard to the objectives for which the Industrial Finance Corporation was established. From the speech of my friend, Mr. More, I can understand that there has been some confusion of thought. The Industrial Finance Corporation was established to help those industries which were established or were in the process of being established. The Industrial Finance Corporation never thought that it could cater to the entire industrial needs of industrial finance of the country. Therefore, in the original Bill it was provided that the loans were to be given to the joint stock limited companies—companies which had registered under an Act of the Central Legislature or under an Act of the Provincial Legislatures or under the Co-operative Societies Act and engaged in the manufacture or processing of goods, for mining and for generation of electricity or power.

Here much has been made about the industries which were given help and which were not given help. It has been said that new industries were not given help. My hon. friend, Dr. Lanka Sundaram, referred to the remarks in my speech when I said that this Industrial Finance Corporation had to supplement the capital which was not available or when accommodation could not be had from commercial banks or from the capital market. I maintain that this Industrial Finance Corporation with its limited resources—only five crores paid up capital—has tried to serve the economy of the country to the best of its ability.

I shall come to the working of the Corporation, to certain criteria and to certain questions posed by my venerable friends, Dr. Syama Prasad Mookerjee, Dr. Krishnaswamy and Dr. Lanka Sundaram, very soon. But before that, I repeat what I said in the beginning, that the Industrial Finance Corporation is to supplement the finances rather than provide all the finances of the industrial concerns. In 1946, in the post-war period, so many entrepreneurs had just established certain concerns. They had raised capital. They had ordered out capital goods. They had just purchased lands on which to construct buildings, and because of certain circumstances, because of the rise in the cost of capital goods as well as the rise in the cost of putting

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up buildings and all those things, they found that the capital was short and they could not go along with their industries. Therefore, at that time the Industrial Finance Corporation came in and just helped those industries to complete their plans and get running.

My learned friends have made so much about the working of the Industrial Finance Corporation and about the help given to the new industries and to the industries that are established. I will give the figures, which I have already given. The Corporation had up to the end of October 1952 sanctioned 103 loans aggregating Rs. 15,22,70,000. Of these, Rs. 5,78,70,000 were for new types of industries. The capital collected by these new industrial concerns was then 13,71,58,000.

Besides this, the Corporation has sanctioned loans aggregating to four crores and thirteen lakhs for new industrial establishments to add to the installed capacity in the country. For those concerns which were established and which had to change their machinery or to add further machinery or to modernise the machinery, the Industrial Finance Corporation has given five crores and thirty-one lakhs. All this, the paid up capital of all these concerns you will see, Sir, has come to Rs. 30,81,92,000. It will be seen that to the companies with an aggregate paid up capital of Rs. 30 crores, the Industrial Finance Corporation has sanctioned Rs. 15,22,70,000 and this will bear me out when I say that the Industrial Finance Corporation was meant to supplement the capital of those industrial concerns.

There are certain suggestions made by the hon. Members that the report should contain more detailed information. I entirely agree with them and the Government will issue instructions to the Industrial Finance Corporation to give this information industry-wise, State-wise and region-wise, new industries and old industries which require certain more facilities to modernise their machinery. I have got the information region-wise. Some hon. Members suggested that this help should be given to parts where it is absolutely necessary, rather to backward areas. It may be remembered that this Industrial Finance Corporation Act was passed in 1948 and at that time the Part B States were not included therein. They integrated only afterwards and so, by an Act of 1951, those Part B States became

eligible for this help. When I read out the statement, you will find out that the Industrial Finance Corporation has tried its level best to help those concerns in the backward areas too. At the same time I will read something from the report which will satisfy the hon. Members about the criterion or the policy followed by the Industrial Finance Corporation in considering the applications and granting the loans. If my hon. friends will take a clearer view of the whole thing, then they will consider that the Industrial Finance Corporation is working on sound lines.

I am giving out the figures region-wise. Bombay gets Rs. 4,15,50,000.—Textile machinery Rs. 14 lakhs, mechanical engineering Rs. 26.50 lakhs, electrical engineering Rs. 69 lakhs, cotton textiles only Rs. 28 lakhs. My friends have suggested that no cotton textiles should be given loans in Bombay and Ahmedabad and they must be located in other places where it is absolutely necessary like Bengal, Orissa and other places. So, the cotton textile industry is getting only Rs. 28 lakhs, rayon industry Rs. 50 lakhs, chemicals Rs. four lakhs, ceramic and glass industry Rs. 20 lakhs, non-ferrous metals Rs. 30 lakhs, iron and steel engineering Rs. 38 lakhs, sugar industry Rs. 40 lakhs—this amount has been passed on to Maharashtra and that also given to the co-operative societies of farmers. Then paper industry Rs. 24 lakhs, automobile tractor industry—about which it has been said that the Fiscal Commission has already stated that it should be supported—Rs. 50 lakhs.....

Dr. S. P. Mookerjee: Are these amounts paid or sanctioned?

Shri M. C. Shah: I am reading the sanctioned amounts. I will then come to the point why all these sums have not been availed of.

Then we come to Bihar. Bihar is also an industrially backward State. There, for electrical engineering we have given twelve lakhs of rupees, for ceramic and glass Rs. 50 lakhs, for iron and steel Rs. 12.50 lakhs etc. Then comes Madhya Pradesh. There, for cotton textiles Rs. 23.75,000. for ceramic and glass Rs. six lakhs. Punjab also is given for woollen textiles Rs. ten lakhs, chemicals Rs. ten lakhs. Then for Madras textiles Rs. 11.50,000. chemicals Rs. 30 lakhs, cement Rs. 40 lakhs, sugar industry Rs. 35 lakhs. My friend Shri Sarangadhar Das made a point that the sugar industry should not be helped. He said that if it is in the south he will be happy. I think

he will be happy when he knows that all this is given to the south. Then, U.P. Cotton textiles, Rs. 40.50 lakhs, chemicals Rs. 4,50,000, oil mills Rs. 2,50,000. Orissa also gets for cotton textiles Rs. 50 lakhs, electric power Rupees nine lakhs.

A point has been made by my hon. friend Mr. Guha that West Bengal was not very much looked after. If you just see this you will find that Bengal is given Rs. 2,50,00,000. Cotton textile machinery Rs. 50 lakhs, mechanical engineering Rs. 38.50 lakhs.

Shri A. C. Guha (Santipur): May I know, out of these amounts, what amounts have gone to the concerns in which some of the big men of the Corporation are interested?

Mr. Chairman: Order, order. Let the hon. Minister proceed. I find the hon. Minister is giving some information and some figures. I find that there is a sort of humming noise in the House and that Members are not listening to it with interest. I would therefore request that when he is giving facts and figures we should all be rather patient and not talk amongst ourselves. Let him proceed.

Dr. S. P. Mookerjee: He is reading very fast. We have not got the figures.

Mr. Chairman: I will request the hon. Minister to read slowly so far as the figure portion is concerned.

Shri A. C. Guha: Moreover, I submit that when some figures are given, we may ask for some clarification.

Mr. Chairman: I would make one suggestion. I find that there are some hon. Members who are very keen—and naturally so—to obtain more clarification. I do not object to it, but I am trying to see that first of all we get the fullest possible information from the hon. Minister and we proceed in a proper atmosphere. Instead of interrupting the hon. Minister at this stage when he is giving facts and figures, let us wait till he finishes and afterwards if any hon. Member wants clarification he may put a question and if the hon. Minister is able to clarify, let him clarify. If he is not prepared to do so, then let us proceed without the clarification. I think that that would be the correct procedure.

Dr. S. P. Mookerjee: I suggest that this statement may be laid on the Table so that we may refer to it later on.

Shri M. C. Shah: To continue, the figures for West Bengal are as follows:

Cotton textiles	Rs. 31 lakhs.
Chemicals	Rs. 22.50 lakhs.
Ceramics and glass	Rs. 34 lakhs.
Non-ferrous metals	Rs. 5 lakhs.
Aluminium	Rs. 50 lakhs.

Then I pass on to Rajasthan, which is a very backward area and it came into the sphere of the Corporation only in 1951. The figures for this State are as follows:

Cotton textiles	Rs. 20 lakhs.
Mining	Rs. 30 lakhs.

Then, take Saurashtra. It also came within the purview of the Corporation only in 1951. The figures for this State are as follows:

Woollen textiles	Rs. 25 lakhs.
Chemicals	Rs. 65 lakhs.
Cement	Rs. 50 lakhs.

Then, Madhya Bharat got Rs. three lakhs and 50 thousand. Travancore-Cochin got about Rs. 65.50 lakhs for electrical engineering, chemicals and cement. Mysore, although it is a very much industrialised part, got Rs. 71 lakhs. Hyderabad got Rs. 40 lakhs for the sugar industry. So, incidentally I may say that all the loans for the sugar industry have been given for the southern States.

My learned friends Dr. S. P. Mookerjee, Dr. Krishnaswami and perhaps Dr. Lanka Sundaram asked a number of questions: what is the policy of this Corporation? How are the applications discussed? How are they accepted? Is the overall economic picture of the country borne in mind? etc. etc. In reply, I would refer them to the first annual report of the Industrial Finance Corporation. I shall read the relevant portion from it, and you will see that they have made it absolutely clear how the loans are granted. They say:

"When considering applications, the Corporation generally requires information from the industrial concern with regard to various aspects of the application. It desire to know—

What the company has been producing or what it proposes to produce?

What is the value of the security offered and what is the amount of loan asked for, and the margin left in favour of the Corporation?

What are the purposes for which assistance is required by the company?

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The industrial concern is required to state its requirements under the various heads, land, buildings, plant, machinery etc.—

Is the company going to be properly equipped?

Is the factory located in a suitable place?

Has the company enough land on which it is going to erect the plant?

Has the company such title to the land as will allow it to create a charge on the land?..... etc. etc."

There are about twelve or fourteen conditions. Then they proceed to set out the criteria for sanctioning the applications.

"Applications are judged by the following criteria:

National importance of the industry.

Experience and competence of the management."

As you know, this is absolutely necessary if we take a realistic view of the whole thing. Then:

"Feasibility of the scheme.

Reputation enjoyed by the products of the company for quality.

The cost of the scheme as compared with the resources of the company.

Security offered and its proportion to the loan.

Whether the aid granted is likely to help the company to work efficiently and comfortably.

Whether the industry is one of those whose production exceeds the country's requirements."

Whenever the country is self-sufficient in a certain industry, then the Corporation does not advance loans to that industry. So, that is also there. Then:

"Whether adequate supplies or raw materials will be available over a period of years."

Thereafter, the schemes are also examined and scrutinised by experts and only after all this the loan is

granted. All these details will be found in the first report of the Industrial Finance Corporation. You can get it in the Parliament Library. I am sure the points raised by my hon. friends Dr. S. P. Mookerjee and Dr. Krishnaswami are met by the policy enunciated therein in the very beginning by the Corporation.

Then, my hon. friend Dr. S. P. Mookerjee raised the question of equity capital and he cited the example of the Industrial and Commercial Finance Corporation of Great Britain. There too, I may point out that when the parent Act was brought before this House it was not envisaged to have equity capital or risk capital or enterprise capital—by whatever name you may call it. Further, with the limited resources of Rs. five crores paid-up capital, it was not possible to do so. Besides, the Industrial Finance Corporation cannot undertake this risk. It is well-known that if the Corporation were to organise itself for providing equity capital, then naturally it would have to wait for five or six years even to pay small dividends and in the meanwhile it would have to pay interest on the capital invested by the Central Government, the Reserve Bank, the scheduled banks, the insurance companies, the co-operative societies and other investors. At the same time, the Corporation would not be in a position to get anything from these new ventures even if they were to be managed in the best fashion. I have enquired about the Industrial and Commercial Finance Corporation of Great Britain, and there too I find that they subscribe to equity capital only in the case of very well established and reputed firms. At the same time, they do not subscribe to equity capital just for promoting the industry. In this connection, I may also say that the latest report of that Corporation which I have got does not supply so much information as the report of our Industrial Finance Corporation. However, I do welcome the suggestions that have been made with regard to the incorporation of more details in the Corporation's reports.

A point was made that there ought to be a Development Bank. I think Dr. Krishnaswami made it. May I tell him that in the latest Conference—possibly in Mexico—that point was mooted. The participation by the International Industrial Finance Corporation to be formed in equity capital was taken up there, and when the proposal came to the Government of

India, the Government of India accepted it in principle, but I gather that the United States of America had opposed that scheme. So, I do not think that that scheme would be possible. There is only one Development Bank, and that in Canada, but there too all the finances are provided by the Government. The Development Bank can be brought into existence provided Government are prepared to finance it without interest, because for some time at least equity capital will not bring anything by way of return. So, I may say that it is not feasible for the Government of India at this stage to have this Development Bank.

A question was raised with regard to the controlling authority by certain capitalists. It was said that the finances are controlled by a certain group of industrialists. I am afraid, that it is an imaginary apprehension. If you look to the constitution of the Industrial Finance Corporation, it was from the very beginning envisaged that private capital should be associated in the Corporation. In five crores capital we have provided for 2,500 shares for scheduled banks, 2,500 shares for investment trusts and insurance companies etc. and 1,000 shares by the co-operative societies. At that time it was considered advisable to associate people with business experience and integrity in the management of the Industrial Finance Corporation. It requires certain technical knowledge. The Industrial Finance Corporation has to advance loans to industrial concerns and it is absolutely necessary that certain persons knowing the technique of business and industry should be associated with it. I shall presently read to the House the names of the Directors and the House will find that there are only two industrialists on the Board. The Board consists of:

Shri K. G. Ambegaokar. Nominated by Government.

Shri Bhoothalingam.

Shri Khandubhai Desai, (who was then Member of the Constituent Assembly).

Mr. Shri Ram, nominated by the Reserve Bank.

Prof. D. R. Gadgil, (It was said by some hon. Members, that economists should be associated with the management of the Industrial Finance Corporation. Prof. D. R. Gadgil is a well known economist of India).

Sir Birendra Nath Mookerjee, elected by the Scheduled Banks.

Shri H. C. Captain, Managing Director, Central Bank of India.

Shri B. K. Shah, General Manager, New India Insurance Company.

Shri L. S. Vaidhyathan, Manager of the Oriental Government Security and Life Assurance Company.

Shri R. G. Saralya, President of the Bombay Provincial Co-operative Bank, and

Shri V. P. Varde.

Mr. Sonalkar is the Managing Director.

If you see the directorate, it will be very clear and apparent that the management is not controlled by one or a fraction of the industrialists or capitalists as was alleged by certain hon. Members.

My hon. friend Mr. Sarangadhar Das spoke the other day about the Orissa Textiles. As has already been assured by my hon. colleague Shri Tyagi, if there is anything wrong we shall enquire into it and let the House have full information. It will be seen that the nett value of the fixed assets of the Orissa Textiles on the 31st March 1952 was of the value of Rupees one crore 52 lakhs and 15 thousand. The book value was Rupees one crore 66 lakhs and 50,000, less depreciation of Rs. 14 lakhs. As against that a loan of Rs. 50 lakhs has been given. Mr. Das was speaking about an A company and about a B company. No B company ever approached the Corporation for any assistance. So far as the A company—the Orissa Textiles—is concerned, the value of its assets was Rupees one crore and 52 lakhs. At the same time it was asked, because the Orissa Government had already given a loan, how can the first charge be with the Industrial Finance Corporation. Whenever the Corporation advances a loan, it takes a mortgage of all the assets. In this case the Orissa Government waived their right. They had advanced a certain loan, but they waived their right and the first charge was given to the Industrial Finance Corporation. So I submit that there is always some imaginary misapprehension based on certain information given to hon. Members. I do concede that Parliament is entitled and the Members of the House are entitled to

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get all possible information from the Ministry of Finance. As a matter of fact, under the Industrial Finance Corporation Act, the Government of India have got ample powers to control the activities of the Corporation, as was shown by Dr. Mookerjee himself. He is absolutely right and we get all the information. When the State Finance Corporations Act was discussed here some time back, the same points were raised and then Shri Deshmukh said that if there is any instance of favouritism or nepotism or anything of that sort, it was open to any Member of this House to go to him and just tell him and he was prepared to enquire into it. My hon. colleague Shri Tyagi has already categorically stated that if any hon. Member has got any information in his possession, we are prepared to enquire into all those allegations and to satisfy the Members.

My hon. friend Dr. Lanka Sundaram raised a point about Rs. 15 lakhs capital and Rs. 50 lakhs loans advanced. I have already enquired into all those eight cases which have been advanced Rs. 50 lakhs or more loans, but I have not come across a single concern which has got a paid up capital of Rs. 15 lakhs as was stated. If he has got any further information, I am prepared to enquire into it and satisfy him.

So, what I was telling the House was that there is some imaginary misapprehension that because a certain industrialist is there, he controls the activities of the Corporation. I may be pardoned if I say that it will be an insult to the intelligence and integrity of the eleven Directors who are there if they are just ruled by one Chairman. After all what are the powers of the Chairman? In the Act it has been provided that all the loan applications have to be considered by the Executive Committee. And who are on the Executive Committee? I will give you the names of the members of the Executive Committee. In the Executive Committee the Chairman is not the Chairman of the Industrial Finance Corporation. The Chairman is the Managing Director of the Industrial Finance Corporation. All the applications come before this Executive Committee. They enquire into all matters and send these applications to the various Ministries concerned, to obtain their comments. If it concerns the Commerce and Industry Ministry it is sent to that Ministry. If it is with regard to sugar or other things, it goes to the Food and Agriculture Ministry and so forth. So, it is only

after full enquiry that these loans are sanctioned. As a matter of fact I have yet to come across an instance where a Member has said that a certain concern was refused loan on certain grounds. I have not heard of any such instance. If there is nepotism or favouritism, I am prepared to assure the House categorically, that we are prepared to enquire into it. We have got full control over the working of the Corporation. But unfortunately we cannot disclose certain information; otherwise, there is nothing to be kept back from Members of the House of the People. We know that this House is a sovereign body.

[MR. DEPUTY-SPEAKER in the Chair]

The Members of the House are entitled to ask for any information they require. But there are certain limitations. The control of this House is no doubt there. But that control has also to be exercised through a governmental agency. The Finance Minister, who can look into the affairs of this Corporation, is responsible to this House.

Much was spoken about personalities. I am sorry to say that harsh words were also used, because of this imaginary apprehension. I am glad that my hon. friend Dr. Syama Prasad Mookerjee spoke rather in glowing terms about the Chairman, Mr. Shri Ram. And I must say that Mr. Shri Ram, when he heard about these things, immediately wrote to Tyagiji and asked him to disclose the interests concerned. As a matter of fact, under the Act all these applications are to be considered on merits and, as I said, yesterday, there is regulation 37. The Finance Minister has already replied to this point when the State Finance Corporations Bill was discussed. He said: "I am satisfied with this regulation 37 which imposes the condition that a director who is interested there is not allowed to be present". As a matter of fact, in the Industrial and Commercial Finance Corporation of Great Britain there are regulations. I have got those regulations, and there is no bar. If a director is there he is not barred from applying for a loan. That loan ought to be considered on merits. Yes, it is true. Perhaps that may give rise to some misgivings. But at the same time, to run down people who come forward to give public service is not fair. That is the only thing that I can say. And it will not be proper for us to say that the whole management is run by one Chairman whereas there are twelve Directors. And in this Bill, as the Government guarantees

the capital and dividend as well as the borrowed principal and interest, we want to have more of our Directors. We have therefore moved that instead of three we ought to have four.

I was just telling about the Executive Committee. And who are those in the Executive Committee which consider the applications? Mr. Ambegao-kar, Mr. Shri Ram, Mr. H. C. Captain, Mr. B. K. Shah and Mr. Sonalkar. And Mr. Sonalkar is the Chairman of the Executive Committee. So I submit.....

Mr. Deputy-Speaker: Is there any provision in the Act that when any one of the Directors borrows, the matter may be reported to the Government and the Government may scrutinize it independently?

Shri M. C. Shah: It is not so in the Act, but that is the convention. Tyagiji explained it. When Mr. Shri Ram applied, the Managing Director referred the application to the Finance Minister. So it is a well established convention. And as a matter of fact, as I said, all these applications are considered on merits. I have got with me the clauses of the Industrial and Commercial Financial Corporation of Great Britain on which there was so much emphasis laid, and if you want I can read those clauses.

So I submit that the hon. Members of this House are entitled to criticise the working of the Corporation, and we are grateful to them for certain suggestions which they have made. Government are bound to consider those suggestions and to make improvements with regard to the working. It will also help Government to be more vigilant.

As I said from the beginning, this was a very simple measure. It came before the House because there was section 27. And section 27 provided for foreign exchange borrowings. We wanted to borrow from the International Bank. There was that lacuna, because these borrowings cannot be had unless they are guaranteed by the Government of the country to which that corporation or that concern belongs. So we had to bring in this amending Bill. And when we brought this amending Bill we considered that we might just improve upon certain things. If you look from clauses 3 to 9, they concern the administrative set-up of the Industrial Finance Corporation. Then there is section 2. We wanted to include shipping. As a

matter of fact, the manufacture of ships is included already, but the shipping concerns are not included. We all know that we want to have more and more shipping tonnage. We are very short of tonnage and so we were advised that we should have this shipping. The amount of shipping capital during the last five years has been Rs. 50 lakhs, and one ship costs Rs. 58 to Rs. 60 lakhs. So we wanted to include shipping. Shipping is a key industry so far as the economy of the country is concerned. We had to pay Rs. 50 crores in freight alone during last year. If we have our own shipping we can save so much. And the tonnage can be increased only if they get financial assistance.

If we include shipping and the steel and chemical and other big industries which may require more money, we have to raise the limit. My friend Dr. Lanka Sundaram said that if we raise the limit then the meagre resources of the Corporation will be devoted to those big concerns only. His fears are without foundation. If he looks to the report, there were only eight industrial concerns which have got accommodation to the extent of Rs. 50 lakhs. There may be some. But we wanted to increase the limit of the accommodation because we thought that if there is a case then it may be difficult to accommodate it. And therefore we have raised the limit.

Now comes the International Bank borrowing. Much has been made by my friends opposite that there is going to be the rule of imperialism, that we are just going to let down the economy of the country, that the American capitalists will rule the economy of this country, and all these things. It has become a fashion now-a-days to talk like that. If we believe in the industrialisation of the country, if we believe that the private sector must be encouraged, and if we find that we cannot get enough capital from the capital market in India it is but necessary that we should have foreign borrowing. There are no conditions attached to the foreign borrowing. I may say that at present the limit is eight million dollars only. It is a small sum. But we want to open up the way. If the World Bank is just in a position to give more and more loans to the private sector, then the Industrial Finance Corporation wants to help the private sector through the World Bank. I am glad that my hon. friend Dr. S. P. Mookerjee has spoken about this World Bank loan. The reply to the

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critics on this matter has been given by him, Dr. Lanka Sundaram and Dr. Krishnaswami. And with a few exceptions on that side who make it a fashion now-a-days to decry foreign help from America, all are practically unanimous on this question.

At the same time, about the rates, that has to be discussed. As a matter of fact, everybody knows that the rates of interest go up now-a-days. The bank rate of England has been taken up to four per cent. For the borrowings of the World Bank they have to pay more than 3.38 per cent. or so. And one does not know what will be the position of the market. So we are going to secure this loan as early as possible, and therefore we have brought this amending Bill.

Mr. Deputy-Speaker: Hon. Members on the Congress side are more anxious that the Minister should sit down rather than that he should explain. I do not want those people to carry on any conversation. I said humorously. It is improper. Hon. Members cannot go on making gesticulations when an hon. Minister is replying. It is strange that this should come from this side.

Shri M. C. Shah: When the negotiations are finalised that document will be placed before the House for the information of the House. There is nothing to be kept secret about this and as a matter of fact I do not fight shy of borrowing from the World Bank. We have contributed about 82 million dollars, I mean some eight million dollars in dollars and the rest we have already deposited with the Reserve Bank of India in rupee coin as well as in our own non-negotiable and non-interest bearing securities. We are a member country. There are 51. Germany and Japan have joined recently and even the Communist country of Czechoslovakia is a member country of the International World Bank and if the International World Bank gives on terms which are not in any way less favourable than the terms which are granted to other countries, I do not think there can be any objection to taking loans from the World Bank to help our private sector. There are no conditions attached. I

say categorically that there is no interference in the working of the Industrial Finance Corporation when this loan is given. That loan will be taken not all of a sudden in a lump sum, but slowly and slowly. As we require foreign currency, as our industrial concerns require foreign currency to purchase capital goods, they will be accommodated and they will be given these loans. So, I do not think that there is any objection whatsoever with regard to the loan that is going to be raised.

About the Select Committee business, we would have certainly agreed if the matter was not urgent but, as a matter of fact, as I told you, this is a very simple measure. If you look to the provisions of the amending Bill, clauses 3 to 9 are simply about administrative set up. Then there is clause 2 which includes shipping and then there are clauses 10, 11, 12, and 13. My hon. friend, Mr. Lanka Sundaram, was kind enough to support us in clauses 10, 11, and 12. He had some misgivings about clause 13. My friend, Mr. Ramaswamy, also has got some misgivings about the raising of the limit. I may say the matter was discussed by the Finance Minister with the Reserve Bank and after long discussions, we came to the conclusion that as the cost of the capital goods, of the buildings, of the lands have all gone up, it is absolutely necessary to raise this limit in case it becomes necessary to advance a loan upto a crore of rupees to an industrial concern. I submit that those clauses are fundamental in character but they are very simple. About other clauses also 14, 18, 19 and 20—they have followed the State Financial Corporations Act. Though the State Financial Corporations Act was based on the Industrial Finance Corporation Act, the Select Committee made certain changes in those clauses and we have copied from that. The other few clauses we have taken from the Sholapur Spinning and Weaving Mills (Special Provisions) Act. We have taken powers that if there is any default in paying instalments or if it is not in the interests of the Industrial Corporation to wait any longer, and if necessary, that industrial concern should be taken over by the Industrial Finance Corporation; that was there in section 28. but how to run that and in what way? That should be rather done in a very efficient way. We have new sections 30A to 30E. They are in supersession of certain sections of the Companies Act, because, after all,

the moneys that the Industrial Corporation will advance are guaranteed by the Government of India and the Government of India are very keen to see that not a pie is lost in these loans and that is the reason why we have introduced these. If any verbal changes are required here and there or if any addition or alteration is necessary we are prepared to consider that. I submit to the House that we are thankful to the Members for making so many suggestions. We have learnt so much but, as I said before, this is a simple measure and I hope that the House will extend its fullest co-operation in just accepting this motion for consideration.

An Hon. Member: There are other clauses also.

Mr. Deputy-Speaker: There is enough time. The Bill is not closed now. There is an amendment by Mr. Gurupadaswamy that the Bill be referred to a Select Committee.

The question is:

"That the Bill be referred to a Select Committee consisting of Dr. Syama Prasad Mookerjee, Shri Umashanker Muljibhai Trivedi, Kumari Annie Mascarene, Shri S. V. Ramaswamy, Shri C. R. Basappa, Pandit Thakur Das Bhargava, Shri Arun Chandra Guha, Shri A. V. Thomas, Shrimati Renu Chakravarty, Dr. Lanka Sundaram, Shri Sarangadhar Das, Shri Radhelal Vyas, Shri Daulat Mal Bhandari, Shri M. Ananthasayanam Ayyangar, Shri Hari Vinayak Pataskar, Shri T. R. Neswi, Shri K. M. Vallatharas, Shri Jaipal Singh, Shri Hirendra Nath Mukerjee, Shri N. C. Chatterjee, Shri M. C. Shah, Shri P. N. Rajabhoj, Shri Sivamurthi Swami and the Mover, with instructions to report by the 30th January, 1953."

The House divided: Ayes, 51: Noes, 156.

AYES

Division No. 3]

[5 P. M.]

Achalu, Shri
Ajit Singh, Shri
Amin, Dr.
Baladur Singh, Shri
Bau, Shri K. K.
Buchhaiah, Shri
Chakravarty, Shrimati Renu
Chatterjee, Shri Tuskar
Chaudhuri, Shri T. K.
Chowdhury, Shri N. B.
Das, Shri B. C.
Das, Shri Sarangadhar
Dasgupta Deb, Shri
Deo, Shri R. N. S.
Deogam, Shri
Deobpande, Shri V. G.
Gidwal, Shri

Girdhari Bhoi, Shri
Gurupadaswamy, Shri
Hukam Singh, Sardar
Jaisooria, Dr.
Kishore, Shri M. B.
Mookerjee, Dr. S. P.
Mukerjee, Shri H. N.
More, Shri S. S.
Munieswamy, Shri
Murthy, Shri B. S.
Nambar, Shri
Nanddas, Shri
Nayar, Shri V. P.
Pandey, Dr. Nalabar
Purohite, Shri
Raghavachari, Shri
Raghaviah, Shri

Rajabhoj, Shri
Rameshwar Singh, Behn
Ranjana Singh, Shri
Rao, Dr. Rama
Rao, Shri P. B.
Rao, Shri P. Subba
Rao, Shri Mohana
Rao, Shri Vittal
Reddi, Shri Ramachandra
Sudrahmanyam, Shri K.
Sundaram, Dr. Lanka
Swami, Shri Sivamurthi
Swamy, Shri N. B. M.
Trivedi, Shri U. M.
Venkateswami, Shri
Verma, Shri Ramji
Waghmare, Shri

Abdus Sattar, Shri
Achuthan, Shri
Akarpuri, Sardar
Altekar, Shri
Amrit Kaur, Rajkumari
Anand, Manjuna
Balasubramaniam, Shri
Barman, Shri
Barupal, Shri
Bhagat, Shri B. B.
Bhatt, Shri C. S.
Bhonsle, Major-General
Biddari, Shri
Birbal Singh, Shri
Bogawat, Shri
Bose, Shri P. C.

Brajeshwar Prasad, Shri
Burgobahn, Shri
Charak, Shri
Chatterjee, Dr. Swalhanjan
Chandhary, Shri G. L.
Chinnaria, Shri
Choudhri, Shri M. Shafie
Dabhi, Shri
Damar, Shri
Damodaran, Shri G. B.
Das, Dr. M. M.
Das, Shri B.
Das, Shri B. K.
Das, Shri Bell Ram
Das, Shri S. N.
Das, Shri N. T.

Datar, Shri
Deb, Shri S. C.
Dholakia, Shri
Dholekar, Shri
Dhusiya, Shri
Digambar Singh, Shri
Dubc, Shri U. S.
Dutta, Shri S. K.
Dwivedi, Shri D. P.
Eiyaperumal, Shri
Gadgil, Shri
Gandhi, Shri Farooq
Gandhi, Shri M. M.
Gandhi, Shri V. B.
Giri, Shri V. V.
Gopi Ram, Shri

Gounder, Shri K. P.
Gounder, Shri K. S.
Guha, Shri A. C.
Gupta, Shri Badabahu
Hamasika, Shri J. N.
Hombrom, Shri
Iyyal, Shri E.
Jalware, Shri
Jangde, Shri
Jena, Shri K. C.
Jena, Shri Niranjan
Jethan, Shri
Jha, Shri Bhagwat
Jhunjhunwala, Shri
Joshi, Shri Jethalal
Joshi, Shri Krishnacharya
Jwala Prasad, Shri
Kakkar, Shri
Kamanga, Shri
Kandwal, Shri
Kankar, Dr.
Khan, Shri S. A.
Khangdeo, Shrimati
Kirodram, Shri
Kureel, Shri B. N.
Lal, Shri B. S.
Lalmanji, Shri
Laskar, Prof.
Lottan Ram, Shri
Madish Gouda, Shri
Mahadaya, Shri
Mishra, Shri B. C.
Mukherjee, Shri K. D.
Mullish, Shri U. S.
Masoodi, Maslana
Masuriya Din, Shri

Mehta, Shri Balwant Sinha
Mishra, Shri Bhabuti
Mishra, Pandit Lingaraj
Mishra, Shri B. D.
Mohd. Akbar, SoB
Mohiuddin, Shri
Morarka, Shri
Moro, Shri K. L.
Mudaliar, Shri C. R.
Mukno, Shri
Muthukrishnan, Shri
Nair, Shri C. K.
Nakkar, Shri P. S.
Natawadkar, Shri
Nathan, Shri
Nehru, Shri Jawaharlal
Panda, Shri C. D.
Panzalal, Shri
Pant, Shri D. D.
Parmer, Shri B. B.
Pataskar, Shri
Patel, Shri B. K.
Patel, Shrimati Maniben
Patil, Shri Shankargunda
Rachiah, Shri N.
Raghubir Sahai, Shri
Raj Bahadur, Shri
Ramesand Chastri, Swami
Rameswamy, Shri P.
Ranbir Singh, Ch.
Rane, Shri
Raut, Shri Bhois
Reddy, Shri H. S.
Reddy, Shri Janardhan
Roy, Shri B. N.
Rup Narain, Shri

Sahu, Shri Bhagabai
Sahu, Shri Ramoshwar
Sakhar, Shri
Salmona, Shri Mohanlal
Samanta, Shri S. C.
Sengupta, Shri
Sankarapandian, Shri
Satish Chandra, Shri
Shahansaw Khan, Shri
Sharma, Prof. D. C.
Sharma, Shri B. C.
Shastri, Pandit, A. R.
Shivan Kalyappa, Shri
Singh, Shri H. P.
Sinha, Dr. S.
Sinha, Shri A. P.
Sinha, Shri B. P.
Sinha, Shri Jhulan
Sinha, Shri Satya Narayan
Sinhaan Singh, Shri
Somana, Shri N.
Sutrahmanyam, Shri T.
Suresh Chandra, Dr.
Suriya Prasad, Shri
Swaminadhan, Shrimati Ammu
Telikar, Shri
Thimmaiah, Shri
Tiwari, Shri V. N.
Tiwary, Pandit D. N.
Tripathi, Shri K. P.
Tyagi, Shri
Upadhyay, Pandit Munishwar Dutt
Valshnav, Shri H. G.
Valeha, Shri M. B.
Varma, Shri B. B.
Vidyalankar, Shri

The motion was negatived

Mr. Deputy-Speaker: I shall now put the main motion to the vote of the House.

The question is:

"That the Bill further to amend the Industrial Finance Corporation

Act, 1948, be taken into consideration."

The motion was adopted.

The House then adjourned till a Quarter to Eleven of the Clock on Thursday the 4th December, 1952.