

LOK SABHA DEBATES

(Part I—Questions and Answers)



(Vol. I contains Nos. 1—20)

LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA

Tuesday, the 1st March, 1952

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

CUSTOMS HOUSES

***340. Sardar Hukam Singh:** Will the Minister of Finance be pleased to state:

(a) whether the Indian Merchants' Chamber has urged Government to appoint a committee to review the functioning of the customs houses so as to formulate proposals for reforming their procedure and practice; and

(b) if so, whether any committee is proposed to be appointed?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): (a) Yes, Sir.

(b) The matter is under consideration.

Sardar Hukam Singh. May I know whether the Chamber has brought to the notice of the Government any definite defects in the functioning of these customs houses?

Shri A. C. Guha: Yes; the Chamber has brought forward primarily two matters: one is to have a review of the whole procedure and for the setting up of an expert committee for the work, and the second is to have some independent appellate body. At present, the appeal is heard by the Board itself. The Chamber has suggested that there should be a separate appellate

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body. Both the matters are under sympathetic consideration.

Shri S. C. Samanta: May I know whether any drastic change has been made in the rules of procedure during the last six months?

Shri A. C. Guha: I cannot understand what the hon. Member means by drastic change. The rules of procedure are periodically changed according to changing circumstances.

विदेशी भाषाओं का विद्यालय

***२४९. श्री भक्त वर्मा :** क्या रक्षा मंत्री यह बताने की कृपा करेंगे कि ऐसे व्यक्तियों की संख्या क्या है, जो सरकारी सेवा में नहीं थे, पर जिन्होंने विदेशी भाषाओं के विद्यालय में इसके खुलने के बाद से अब तक विभिन्न श्रेणियों में शिक्षा पाई है ?

रक्षा उपमंत्री (श्री सतीश चन्दा): १९४९-५१ में ४, १९५२-५४ में ६ और चालू वर्ष में ०।

श्री भक्त वर्मा : मंत्री महोदय के उत्तर से स्पष्ट है कि अब तक इस विद्यालय से बहुत कम संख्या में गैर सरकारी व्यक्तियों ने लाभ उठाया है, क्योंकि अब इस वर्ष में विदेशी भाषाओं का ज्ञान प्राप्त करने के लिए उत्कण्ठा बढ़ रही है, अतः माननीय मंत्री महोदय गैर सरकारी व्यक्तियों को और अधिक संख्या में पढ़ाने के लिए किस तरह का प्रोत्साहन दे रहे हैं ?

श्री सतीश चन्दा : यह विद्यालय विशेषतः सैनिक कर्मचारियों की शिक्षा के लिए खोला गया है। उनके साथ दूसरे विभागों के

कर्मचारी भी इसमें शिक्षा पाते हैं। जितना रुपया डिफेंस मिनिस्ट्री इस पर खर्च करती है और जितनी जगह हमारे पास है उसमें बहुत बड़ी संख्या में हम दूसरे लोगों को इसमें भर्ती नहीं कर सकते। यह बात तो माननीय शिक्षा मंत्री से कहनी चाहिए।

श्री भक्त वर्मान : जहां तक मुझे ज्ञात है अभी तक इस विद्यालय में शिक्षा का माध्यम अंग्रेजी है यानी अंग्रेजी जानने वाले व्यक्ति ही इसमें प्रविष्ट हो सकते हैं, क्या मैं जान सकता हूं कि केवल हिन्दी जानने वाले शिक्षार्थियों को भी कोई सुविधाएं दी जा रही हैं ?

श्री सतीश चन्द्र : इस विद्यालय के कई अध्यापक दूसरे देशों से आये हुए हैं, रूसी भाषा के लिये रूस से, चीनी भाषा के लिये चीन से, इत्यादि। इसीलिये केवल ऐसा ही माध्यम हो सकता है जो अध्यापक भी जानते हैं।

Shri T. S. A. Chettiar: May I know the number of students studying language-wise?

Shri Satish Chandra: I have got the break up of the language-wise figures for service officers, Civilian gazetted officers and others for various courses. It is a long table and I shall show it to the hon. Member if he so desires.

Shri Heda: Question No. 384 may also be taken up along with question No. 342.

Shri Datar: Yes; it may be done.

Mr. Speaker: Yes; both the questions will be taken up together.

MERGER OF MINISTRIES OF STATES AND HOME AFFAIRS

*342. **Shri Dabhi:** Will the Minister of Home Affairs be pleased to state what are the new arrangements consequent on the merger of the Ministries of States and Home Affairs regarding the staff at present working in the States Ministry and the various mat-

ters at present dealt with by the States Ministry?

The Deputy Minister of Home Affairs (Shri Datar): As a result of the combination of the Ministry of Home Affairs and the Ministry of States, all business formerly transacted by the two Ministries has been allocated to the Ministry of Home Affairs to which has been added the necessary complement of officers and staff from the Ministry of States.

MERGER OF STATES AND HOME MINISTRIES

*384. **Shri Heda:** Will the Minister of Home Affairs be pleased to state:

(a) the reasons for the merger of the Ministries of States and Home Affairs; and

(b) the savings thus effected?

The Deputy Minister of Home Affairs (Shri Datar): (a) The special functions entrusted to the Ministry of States have now been largely settled, and it was therefore decided that with effect from the 10th January 1955, the Ministry of Home Affairs and the Ministry of States should be combined in one Ministry to be known as the Ministry of Home Affairs.

(b) A saving of about 1½ lakhs is expected to result as a consequence of this step. A further saving of Rs. 6,50,000 is expected in respect of subordinate organisations.

INDUSTRIAL FINANCE CORPORATION

*343. **Shri Jhulan Sinha:** Will the Minister of Finance be pleased to state how many companies owing money to the Industrial Finance Corporation of India have closed down and what has been the approximate loss to the Corporation by such closure?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): Four companies owing money to the Corporation have closed down.

It is not possible at this stage to say, even approximately whether any loss and if so, what will be incurred by the

corporation in regard to any of these four Companies as the securities obtained by the Corporation for the loans have not yet been disposed of.

Shri Jhulan Sinha: May I know if the lending authority ever considered the question of the stability of the companies before lending out money to those companies who have since closed down?

Shri A. C. Guha: Every loan was guaranteed by some securities and those securities have not been disposed of. All precautions are taken before money is given.

Shri S. N. Das: May I know the number of companies which have been taken over by the Industrial Finance Corporation?

Shri A. C. Guha: Four companies have been taken over by the Industrial Finance Corporation.

Shri Ramachandra Reddi: What are the four companies that have been closed down?

Shri A. C. Guha: The Sodepur Glass Works, The Solar Batteries and Flash-lights Ltd., Bombay, The Punjab Vanaspati and Oil Mills, Lucknow and Shri Vikram Cotton Mills, Ltd., Lucknow.

Shri Kasliwal: May I know if it is a fact that the Industrial Finance Corporation proposes to auction up the Sodepur Glass Works and it is quite possible that because of this auction, the Industrial Finance Corporation will suffer a great loss?

Shri A. C. Guha: I think I have stated on previous occasions that this transaction of the Industrial Finance Corporation has practically failed and the Industrial Finance Corporation tried to dispose of the thing. First, they tried by some private negotiation; then they advertised publicly, asking for tenders, and I think while closing up that affair, the Industrial Finance Corporation will have to incur some loss.

Jama Masjid, DELHI

***345. Shri Bishwa Nath Roy:** Will the Minister of Education be pleased to state:

(a) whether Government's attention has been drawn to the fact that the Jama Masjid in Delhi needs repair; and

(b) if so, whether any scheme is under consideration for its repair?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das):

(a) Yes.

(b) Yes

Shri Bishwa Nath Roy: May I know whether there is any scheme under consideration for the improvement of the surroundings?

Dr. M. M. Das: No scheme is under contemplation now for the improvement of the surroundings, so far as I know. But for the repair work of the Jama Masjid, there is a scheme.

Shri Bishwa Nath Roy: May I know the estimated expenditure for these repairs?

Dr. M. M. Das: Two estimates were prepared: one was for a special repair amounting to Rs. 1,13,800 and another for annual repairs amounting to Rs. 17,390.

Shri Bishwa Nath Roy: May I know the time by which these repairs will be completed?

Dr. M. M. Das: I cannot give the hon. Member the time when they will be completed, but the repair works will be taken up three or four months hence.

ORDNANCE FACTORIES RE-ORGANISATION CITIZEN'S

***347. Shri Gidwani:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the Ordnance Factories Re-organisation Committee have submitted their report;

(b) if so, what are their recommendations;

(c) whether the recommendations have been considered by Government; and

(d) if so, which of the recommendations have been implemented so far?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes, Sir.

(b) to (d). Matters under investigation by the Committee were mostly of a secret nature and it will not be in the public interest to disclose the Committee's recommendations. They are under active examination and Government hope to take decision thereon as soon as practicable.

Shri Gidwani: May I know what are the reasons for considering these things as secret?

Shri Satish Chandra: This Committee has gone into details of the production of defence stores in the country, the maximum utilisation of those factories for greater production of defence stores, etc. It includes information which should not be disclosed in the interests of national security.

Shri Gidwani: Is it a fact that the Committee has made suggestions for improving and ensuring maximum efficiency in production, with a view to produce a large variety of specialised defence stores, and if so, what steps have been taken to implement those recommendations?

Shri Satish Chandra: This report was received only about two months ago. It is being studied in the Ministries of Defence and Finance by the services headquarters and in the office of the Director-General of Ordnance Factories when all the comments have been received the Government will consider the Committee's recommendations one by one and come to certain decisions.

Shri Gidwani: Has it also recommended the maximum utilisation of the surplus capacity of Ordnance factories for civil production?

Shri Satish Chandra: Yes, Sir. The Committee has made some recommendations about the greater utilisation of

Ordnance factories for certain items of civil production; it has discouraged such utilisation for certain other items.

WELFARE OF AIR FORCE PERSONNEL

***348. Shri D. C. Sharma:** Will the Minister of Defence be pleased to state:

(a) what steps have been taken by Government towards the welfare and morale of officers and their families in Air Force Establishments since 1947; and

(b) what further measures are proposed to be taken in the near future?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). The following facilities are available to officers and their families at most of the stations:

- (1) Child Welfare and Maternity Centres as well as Ladies Clubs.
- (2) Cinemas and Canteens run by units inside the camps.

In addition to the above, married accommodation is also provided. Moreover, additional domestic accommodation is under construction at Agra, Poona and Palam. Government have recently sanctioned the provision of squash courts in some of the I.A.F. stations. The question of providing further amenities is now engaging the attention of Government.

Shri D. C. Sharma: May I know what further amenities are going to be provided to these Air Force personnel; what is the nature of those amenities?

Sardar Majithia: I have already referred to some of them. As yet, married accommodation is not upto the scale. The House will realise that after partition most of the Cantonments and the buildings were left over in Pakistan while most of the Army personnel and the Air Force personnel came to India. That meant a major problem of building accommodation for the Other Ranks and the officers, which is being looked into.

Shri D. C. Sharma: May I know how much money has been spent during the current year on the steps for the welfare of these Army personnel?

Sardar Majithia: I want notice for that.

Shri D. C. Sharma: How long will it take Government to provide adequate accommodation to these officers?

Sardar Majithia: It depends upon the finances available.

Shri Bhagwat Jha Azad: May I know by what percentage the accommodation facilities fall short of the present requirements?

Sardar Majithia: It is roundabout one-third in the case of officers and about two-thirds in the case of Other Ranks.

AMERICAN AID

***350. Shri Radha Raman:** Will the Minister of Finance be pleased to refer to the reply given to starred question No. 98 on the 17th November, 1954; and state:

(a) whether Government have worked out with the U.S. Embassy in New Delhi details of the American Aid for various projects from July, 1954 to June, 1955;

(b) if so, the total allocation made; and

(c) the terms and conditions of the aid?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) Yes, Sir.

(b) Approximately \$75 million for both developmental and technical assistance.

(c) As already stated in reply to starred question No. 98, a major portion of the development assistance of \$60.5 million is in the form of a loan and approximately 50 per cent. of the total development assistance will be in the shape of wheat and cotton.

Shri Radha Raman: May I know whether the amount allocated during the

current fiscal year under the revised agreement has increased or is it the same as it was in the previous year?

Shri B. R. Bhagat: It is more or less the same.

Shri Radha Raman: May I know what is the quantity of wheat and cotton which the Government has received from U.S.A. as part of the aid?

Shri B. R. Bhagat: Received under this scheme or received in previous years?

Shri Radha Raman: Received under this scheme.

Shri B. R. Bhagat: We have not yet received, but the allocation made is 18 million dollars worth of wheat and 12 million dollars worth of cotton.

Shri Radha Raman: As regards the assistance which the Government will receive, the hon. Parliamentary Secretary has said that it will be in the form of loan as well as in the form of grant. May I know what is the amount of the grant?

Shri B. R. Bhagat: The loan is 45 million dollars. The rest is grant.

Shri Radha Raman: May I know if there will be any other commodity except cotton and wheat which the Government propose to receive from U.S.A. in the shape of assistance?

Shri B. R. Bhagat: No other commodity except wheat, cotton and fertilizers.

Shri Heda: Besides the aid in the shape of materials or equipment, are we getting any quantum of the aid in the shape of dollars—I mean currency and cash?

Shri B. R. Bhagat: The 60.5 million dollar worth of aid is in the shape mainly of equipment and commodities and fertilizers etc. No cash aid is involved.

TRAINING OF ARMED FORCES PERSONNEL ABROAD

***351. Shri Amjad Ali:** Will the Minister of Defence be pleased to state:

(a) the total number of officers and subordinates of the Army; the Navy

and the Air Force sent to foreign countries for training during the year 1954-55 till the 31st January, 1955;

(b) the criterion for their selection;

(c) the names of the countries to which these trainees were sent; and

(d) the total expenditure incurred on them?

The Minister of Defence (Dr. Katju):

(a) The total number of officers and subordinates of the three services sent to foreign countries for training is as below:—

Army—33 officers and 10 J.C.Os.

Navy—22 officers, 9 cadets and 70 Ratings.

Air Force—57 officers and 24 Air-men.

(b) Selection of an individual for training abroad is based on his suitability, merit and utility to the service.

(c) U.K., U.S.A., Australia and Canada.

(d) Rs. 17.46 lakhs upto 31st January, 1955.

Shri Amjad Ali: In view of the fact that our Army is already modelled on European fashion, how long does the Government of India want to continue this practice of sending our Armed Forces to outside countries for training?

Dr. Katju: For as short a period as possible.

श्री अजय वर्मा : जहाँ तक मैं समझता हूँ पिछले सात या आठ वर्षों से यह अफसर बाहर ट्रेनिंग के लिये भेजे जा रहे हैं, क्या मैं जान सकता हूँ कि क्या हमारा देश में अभी तक ऐसी सुविधाएँ नहीं हो पाई हैं कि यह ट्रेनिंग इसी देश में भी जा सके ?

डा० काटजू : देश में जितनी सुविधाएँ हो सकती हैं उतनी दी जा रही हैं और आंशिक की जा रही हैं कि कम से कम अफसर वहाँ भेजे जायें, लेकिन नौसल

डिपार्टमेंट के अफसरों का भेजना जरूरी होता है, क्योंकि हमारा यहाँ उस की सुविधाएँ कम हैं।

Shri Velayudhan: The hon. Minister said that we are sending about Rs. 17 lakhs for the training of these officers. May I know whether we are spending any amount towards fee for the training or whether we are giving only the salary? Is Government spending anything for these trainees there?

Dr. Katju: We pay salaries, passage allowance and daily allowance; also we have to pay the tuition fees for training in the institutions to which they are sent, unless there are reciprocal arrangements with those countries.

BASIC EDUCATION—EXPANSION

***352. Dr. Ram Subhag Singh:** Will the Minister of Education be pleased to state:

(a) whether any decision to grant additional money to various State Governments for the expansion of Basic Education has been taken recently;

(b) whether any grant has been given to State Governments for training of craft teachers and production of teaching material; and

(c) if so, how much grants have been given and to which states?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das):
(a) Yes.

(b) Yes.

(c) A statement is laid on the table of the House. [See Appendix III, annexure No. 1]

Dr. Ram Subhag Singh: May I know whether in giving these grants the Government of India see that the expansion of basic education is done on a uniform scale?

Dr. M. M. Das: Yes, Sir, the uniformity is an object of the Government of India.

Shri S. N. Das: May I know what was the basis of allotment, and whether the recipient States have to fulfil any conditions to entitle them to receive these grants?

Dr. M. M. Das: There are seven schemes under this scheme. The State Governments just refer to certain schemes and send them to the Central Government. The Central Government approve those schemes and pay the money, a certain percentage of the total expenditure.

Shri N. B. Chowdhury: In a recent, quarterly publication of the Government it has been said that some of the States have reacted favourably towards basic education and some other States they have not reacted favourably. May I know whether the Government have taken into consideration the views of those States that have not reacted favourably with regard to the basic education schemes?

Dr. M. M. Das: Most of the schemes of the Government of India are on a matching basis. The Central Government pays a certain percentage of money and the State Government has to pay the remaining share. Sometimes, the State Government finds it difficult to pay their share. Those States cannot take advantage of the scheme as enthusiastically as other States do.

Shri Kelappan: From the statement I find that the Madras Government has not been given any grant. May I know why?

Dr. M. M. Das: It is not the only scheme under basic education. There are other schemes which are being implemented for the last 2 or 3 years. It may be that the Madras Government has taken advantage of the other schemes, but have not taken advantage of the present additional scheme.

SETTLEMENTS IN ANDAMANS

***355. Shri Sarangadhar Das:** Will the Minister of Home Affairs be pleased to refer to the reply given to unstarred question No. 812 on the 16th December, 1954 and state:

(a) the total number of displaced families shifted to the Andamans for settlement till the 31st December, 1954; and

(b) whether all the families, which have so far gone there, have been allotted land for agriculture?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). 882 families, comprising 3,421 East Bengal displaced persons, have been settled in the Andamans. All these families have been allotted land for cultivation.

Shri Sarangadhar Das: May I know the number of acres of land allotted to each family?

Shri Datar: Each family has been allotted 5 acres of land for agricultural purposes. Further, five acres of land for building a house and for horticultural purposes are also given.

Shri Sarangadhar Das: May I know the financial aid given to them to buy bullocks, implements, etc.

Shri Datar: A sum of Rs. 2,000 is given to each family for house-building, purchase of bullocks, agricultural implements, seeds, manure, etc.

Mr. Speaker: I think these questions about settlement of displaced persons in Andamans have been asked a number of times.

Shri Datar: Quite a number of times.

SETTLEMENT OF NOMADIC TRIBE

***356. Shri Heda:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the nomadic tribe of Gadulya Lohars refuses to settle in any village;

(b) if so, the reasons therefor; and

(c) the measures Government have adopted to persuade them to settle?

The Deputy Minister of Home Affairs (Shri Datar): (a) to (c). I take it that the hon. Member refers to the settling of Gadulya Lohars in Rajasthan State. This is a matter primarily for the State Government. However, the information is being collected from the State Government and will be placed on the Table of the House in due course.

Dr. Ram Subhag Singh: May I know whether the Prime Minister has accepted to go there and persuade them to settle in Chittorgarh.

Shri Datar: I am not aware.

Mr. Speaker: Shri R. S. Tiwari: absent. Next question.

Shri Ibrahim: 358.

The Minister of Natural Resources (Shri K. D. Malaviya): Question No. 381 may also be taken up.

Mr. Speaker: Yes.

SULPHUR DEPOSITS IN BIHAR

***358. Shri Ibrahim:** Will the Minister of Natural Resources and Scientific Research be pleased to state the names of the places in Shahabad District (Bihar) where Sulphur deposits have been discovered recently?

The Minister of Natural Resources (Shri K. D. Malaviya): Deposits of pyrites which contain 40 to 45 per cent. sulphur and which have to be chemically processed for the manufacture of sulphur are known to occur at Amjor in Shahabad District.

SULPHUR IN BIHAR

***381. Shri Sarangadhar Das:** Will the Minister of Natural Resources and Scientific Research be pleased to state whether it is a fact that recently a large deposit of sulphur has been found in the Bihar State by the Geological Survey of India?

The Minister of Natural Resources (Shri K. D. Malaviya): Deposits of

pyrites which contain 40 to 45 per cent. sulphur and which have to be chemically processed for the manufacture of sulphur are known to occur at Amjor in Shahabad District, Bihar.

Shri Bhagwat Jha Azad: May I know what attempts have been made to exploit this sulphur that is found in Shahabad district?

Shri K. D. Malaviya: We have enquired from the State Governments and miners regarding the exploitation of pyrites there. The main source of manufacture of sulphuric acid is free sulphur. The present plants in the country are made in such a way that sulphuric acid can be made from free sulphur. These plants have to be modified in order to use pyrites in place of free sulphur. As soon as industry agrees to modify their plants, more of pyrites will be exploited.

Shri Ibrahim: May I know what is the annual production of sulphur in India?

Shri K. D. Malaviya: Unfortunately, free sulphur is not produced in any appreciable quantity in India.

BRIDGE OVER NARBADA

***359. Shri Damar:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the Central Government have undertaken to advance to the Government of Madhya Bharat the money needed for the construction of a bridge over River Narbada near Barwani in Nimer District; and

(b) if so, the total amount to be advanced to the Madhya Bharat Government for this purpose?

The Deputy Minister of Home Affairs (Shri Datar): (a) The Central Government have approved the proposal of the Madhya Bharat Government for the construction of a bridge at an estimated cost of Rs. 21 lakhs over the Narbada river at Rajghat near Barwani

and have agreed to meet 50 per cent. of the cost.

(b) No amount has yet been paid as the plans and Estimates have not yet been received from the State Government. I may add that this grant is being given under article 275(1) of the Constitution relating to Scheduled Tribes and Scheduled Castes.

श्री डामर : क्या मैं जान सकता हूँ कि इसका निर्माण कार्य कब से शुरू होगा ?

श्री दातार : अभी तक प्लैन और एस्टीमेट नहीं आए हैं ।

श्री डामर : इस का निर्माण कार्य विदेशी कम्पनियों के जिम्मे किया जायेगा या भारतीय कम्पनियों के ?

Mr. Speaker: That is problematical at this stage.

Shri N. M. Lingam: May I know if this bridge connects any national or provincial highway and if so what it is?

Shri Datar: That lies in the Scheduled areas in Madhya Bharat and will be of considerable importance to Adivasis in Damar and Jabua.

व्यय में बचत

*२६०. श्री विभूति मिश्र : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार केन्द्रीय सरकार के व्यय में बचत करने के हेतु साधन और उपाय सुझाने के लिये किसी जांच समिति को नियुक्त करने का विचार कर रही हैं ; और

(ख) यदि हां, तो उसके निर्देश-पद क्या होंगे ?

राजस्व और अर्थनिक व्यय मंत्री (श्री एम० सी० शाह): (क) जी, नहीं ।

(ख) प्रश्न उत्पन्न नहीं होता ।

श्री विभूति मिश्र : सरकार अपनी आमदनी को बढ़ाने के जरिये तो सोचती हैं, क्या

सरकार अपने खर्च पर नियंत्रण लाने की बात भी कभी सोचती हैं ?

श्री एम० सी० शाह : नियंत्रण लाना चाहती हैं और लाती भी हैं ।

श्री विभूति मिश्र : क्या सरकार को पता है कि सरकारी खर्च पर नियंत्रण लाने के लिए महात्मा गांधी ने सरकार को पत्र भी लिखे और इसके लिए अल्टीमेटम भी दिया, उसके बाद से आज तक केन्द्रीय सरकार के खर्च में कोई कमी नहीं की गई ?

Shri T. K. Chaudhuri: In this connection, may I know if, some time ago, a special re-organisation unit was appointed to suggest economies in the various departments by various measures of re-organisation? Is it a fact that most of the recommendations of this body which were accepted by the Government could not be given effect to due to practical difficulties?

Shri M. C. Shah: It is not so. There is a Re-organisation Economy unit which had begun work from 1st February, 1952. That unit has already examined 7 Ministries out of 19 and they had suggested economies to the extent of Rs. 131 lakhs. The authorities concerned accepted recommendations estimated to result in a saving of Rs. 54 lakhs and the rest of the recommendations are still under the consideration of those Ministries. The unit has to examine the other 12 Ministries.

Shri S. N. Das: In view of the slow progress made by this Committee, may I know whether the strength of this Committee is going to be reinforced?

Shri M. C. Shah: Already they have got very senior officers, a Joint Secretary in the Finance Ministry, one Deputy Secretary from the Home Ministry and one Deputy Secretary from the Finance Ministry and there is one Under Secretary. I think that strength is sufficient for the time being.

Shri M. L. Dwivedi: What is the establishment cost of this unit?

Shri M. C. Shah: I have not got these figures. It is very insignificant compared with the savings suggested.

Mr. Speaker: Th. Jugal Kishore Sinha: Absent. Shri V. P. Nayar.

Shri V. P. Nayar: 362.

Shri Jaipal Singh: Q. 385 may also be taken up.

Mr. Speaker: Can this be taken also?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): Yes, Sir. There is also another: No. 395.

Mr. Speaker: Yes. 362, 385 and 395 will be taken up.

CENTRAL OLYMPIC ORGANISATION OF INDIA

***362. Shri V. P. Nayar:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that according to the International Olympics rules, it is necessary that the Central Olympic Organisation of India should be a paramount body subject only to the control of the International Body; and

(b) how the control of the National Sports Council set up by Government will affect the relation of Indian Olympic Association with the International Olympic Body?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes.

(b) The National Sports Council, being purely an advisory body, does not control the Sports Organisations, and its establishment does not affect the relation of the Indian Olympic Association with the International Olympic Body.

SPORTS AND GAMES

***385. Shri V. P. Nayar:** Will the Minister of Education be pleased to state:

(a) whether Government have incurred any special expenditure on the re-organisation and control of Sports and Games in the country during 1954; and

(b) if so, the total amount thus spent?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das):

(a) No.

(b) Does not arise.

INDIAN ATHLETES

***395. Shri V. P. Nayar:** Will the Minister of Education be pleased to state:

(a) whether Government have enquired into the reasons which prevent Indian Athletes coming out successful in world athletic competitions;

(b) if so, what are they; and

(c) whether the U.S. Athletic coaches, viz., Messrs. Hamilton and Dohertz, who were in India in December, 1954 and January, 1955 were asked to study and report on the causes of the failure of Indian Athletes to attain world class?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das):

(a) No.

(b) Does not arise.

(c) No.

Shri V. P. Nayar: It was stated by the hon. Parliamentary Secretary that the National Council is only an advisory body. May I know whether the Government of India have the powers that are competent to reduce the financial aid which is recommended by the Sports Council? Do Government have powers to make cuts from the demands made?

Dr. M. M. Das: Certainly. Government can accept the recommendations and advice of this body, or they may not accept their advice.

Shri V. P. Nayar: Is it a fact that the National Sports Council had asked its constituent bodies to forward to them their demands for finances for the next year? Is it also a fact that Government are not going to meet all the demands?

Dr. M. M. Das: We have got not yet any information on this point.

Shri V. P. Nayar: Do Government consider that when the demands are made by the Sports Organisations, and when cuts are made from such demands, that amounts to a control not only over the administration but also over the programmes of the various associations?

Dr. M. M. Das: It appears that the hon. Member is labouring under some erroneous conception. The Government of India have no intention at all to control or regulate the Sports Organisations in this country. All that they want to do is to see that the standard of sports and games in this country is raised, and for that reason, they want to give some pecuniary help whenever possible.

Shri V. P. Nayar: If the help is to be decided by Government, and if based on their help the various bodies have to reorganise their sports, does the hon. Parliamentary Secretary consider that it will not amount to a control?

Mr. Speaker: Order, order. This is an argument as to what control is?

Shri V. P. Nayar: Are Government aware that all the organisations which are represented through their presidents in the National Sports Council together constitute the Indian Olympic Association? Are Government also aware that though four places have been given for the Government of India in the Indian Olympic Association, the Government of India's representatives never choose to attend the meetings of the Indian Olympic Association, or when they attend, they make it impossible for the body to function?

Dr. M. M. Das: These are matters of an internal nature.

Mr. Speaker: These are matters relating to the internal autonomy of that body.

RECRUITMENT TO GOVERNMENT SERVICES

***363. Shri M. S. Gurupadaswamy:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that in appointment to Government services, candidates having political record are given preference; and

(b) if so, the reasons therefor?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). The selection is made strictly on the basis of merit. All things being equal, however, and if selection has to be made between candidates of equal calibre, participation in national work is taken into consideration in making final selection.

Shri M. S. Gurupadaswamy: Is it not a fact that in the name of national work, persons who are associated wholly with the Congress and its activities are being recruited to various services?

Shri Datar: No, that is entirely wrong.

Shri M. S. Gurupadaswamy: May I know whether there is any instance which has come to the notice of the hon. Minister to show that persons, who were once associated with some of the Ministers in their political work before, have been recruited to service?

Shri Datar: No. No such instance has been reported to Government.

श्री भक्त वृद्धन : क्या गवर्नमेंट के ध्यान में यह बात आयी है कि स्वाधीनता संग्राम में जिन राजनीतिक पीढ़ियों ने भाग लिया था उन्हें सरकारी नौकरी मिलने में अभी भी अड़चन होती है और इस पर उन्हें असंतोष है ?

श्री दत्तार : जब यह बात सरकार की नजर में आती है तो इस पर विचार किया जाता है ।

Shri N. M. Lingam: May I know whether this regulation applies to appointments made by Government only, or whether they apply also to appointments made by the Public Service Commission?

Shri Datar: To appointments made by Government; and whenever the matter is to be referred to the Public Service Commission, the Public Service Commission also takes this into account.

COUNCIL OF SECONDARY EDUCATION

***364. Shri Randaman Singh:** Will the Minister of Education be pleased to state:

(a) whether there is any proposal to establish a Council of Secondary Education;

(b) if so, whether any decision has been taken in this regard; and

(c) what will be the main function of this Council?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) and (b). Yes, it has been decided to establish a Council.

Mr. Speaker: The answer may be read in Hindi. The hon. Member does not understand English.

Dr. M. M. Das: But the hon. Member has not given notice in Hindi.

Mr. Speaker: I believe last time also he had committed the same mistake. He tables his questions in English, but he wants answers to be given in Hindi.

شکشا تنہا پر اک انک سدا دھن اور
ویگیا انک گویشدا ملتروں (مولانا آزاد) -
اگر آپ ہندی میں چاہتے ہیں تو
میں پڑھ دیتا ہوں -

[The Minister of Education, Natural Resources and Scientific Research (Maulana Azad): If you want it in Hindi, I shall read it out.]

(ए) और (बी) इसका जवाब हां में है।
गवर्नमेंट ने फैसला किया है कि एक
ऐसी काउन्सिल बनायी जाय।

(सी) एक स्टैटमेंट रख दिया गया है
जिससे तफ़्तीली बातें मालूम होंगी [बीसवें
परिशिष्ट २, अनुबन्ध संख्या २]

श्री रनधमन सिंह : क्या यह काउन्सिल
बुनियादी शिक्षा का खास ख्याल रखेगी ?

مولانا آزاد . آپ کا سوال اس
بارے میں تھا کہ سیکنڈری ایجوکیشن
کے لئے کوئی کونسل بنائی جائیگی
یا نہیں۔ یہ اس کا جواب دیا گیا
ہے -

[Maulana Azad: Your question was whether any council will be set up for secondary education or not. This is a reply to that question.]

अध्वक्ष महोदय : आपका सवाल स्पष्ट नहीं
था। आप माध्यमिक शिक्षा के बारे में पूछना
चाहते हैं या बेसिक शिक्षा के बारे में ?

श्री रनधमन सिंह : माध्यमिक शिक्षा के लिए
जो काउन्सिल बनाई जाएगी उसके कब तक बन
जाने की सम्भावना है ?

مولانا آزاد - وہ بھیسک تعلیم کو
بھی دیکھے گی - یعنی بھیسک تعلیم کا
جتنا حصہ سیکنڈری ایجوکیشن سے
تعلق رکھتا ہے اُس پر غور کیا جائے
گا -

[Maulana Azad: It will also attend to basic education, that is, that part of the basic education which concerns secondary education will also be considered.]

Shri N. B. Chowdhury: May I know the nature of the composition of this Council?

Dr. M. M. Das: Three members of the Central Advisory Board of Education are there. Then, six members have been selected from the State Education Departments. Six educationists have been nominated by the Chairman of the Board; and there are

representatives of the principals of the training colleges, and also representatives of the All India Council of Technical Education, and the Inter-University Board.

DACOITS

***365. Shrimati Ila Palchoudhury:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware of the depredations and murders committed and the terror caused by the dacoit gangs known as 'Man Singh Gang' and 'Lakhan Singh Gang' operating in the States of Uttar Pradesh and Madhya Bharat in the ravines of the river Chambal and the adjoining areas of Rajasthan and Vindhya Pradesh, reports about which appear in the newspapers every now and then;

(b) if so, whether the Governments of the States so affected have been asked to submit reports as to the number of people killed, the property looted and other losses caused; and

(c) facts contained in such reports?

The Deputy Minister of Home Affairs (Shri Datar): (a) Yes.

(b) No. The State Governments concerned, however, keep the Government of India informed.

(c) Any matter of importance is mentioned.

Shrimati Ila Palchoudhury: May I know since when these gangs have been operating in these districts?

Shri Datar: May I point out to the hon. Member that as many as nine gangs were there? Six gangs have been completely routed, and the question remains only with regard to two gangs. There also, considerable action with great success has already taken place.

Shrimati Ila Palchoudhury: Have Government any idea as to how many people have been actually killed by these gangs?

Shri Datar: A considerable number of persons has been killed; that is true. But the number is not so large as the hon. Member possibly thinks.

Shri Bhagwat Jha Azad: May I know how many times successful battles were raged by our police, but which resulted in the escape of these gangs?

Shri Datar: As many as 68 encounters had taken place; and our police have succeeded in a number of them.

Shri G. S. Singh: The hon. Minister stated that six gangs have been routed. But is it not a fact that those gangs have dispersed and joined the other two gangs?

Shri Datar: There is no question about that; I said that they have been completely routed, and not merely dispersed.

SILVER REFINERY PLANT

***366. Shri T. B. Vittal Rao:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 1065 on the 13th December, 1954 and state:

(a) whether the construction of the building for the Silver Refinery Plant has been completed; and

(b) if so, whether the installation of the plant has commenced?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): (a) The buildings work of the project is still in progress; it is expected to be completed by the end of 1955.

(b) Does not arise.

Shri T. B. Vittal Rao: May I know whether the third instalment of equipment to be shifted from West Germany by the end of January 1955 has not since been received by us?

Shri A. C. Guha: The firm undertook to supply the machinery in three instalments. Out of that, two instalments of machinery have already been received. But as the building is not complete, they are now kept there.

Shri T. B. Vittal Rao: May I know whether there is any time-limit by which this factory should go into production?

Shri A. C. Guha: There was no time-limit as regards the factory going into production. Our obligation is to return the lend-lease silver to the U.S.A. I think we shall have to ask for extension of time, since the factory will not be able to start production before the end of 1956.

FERTILIZER CASE

***367, Shri K. C. Sodhia:** Will the Minister of Home Affairs be pleased to state:

(a) the total amount of fee actually paid to the special counsel for conducting the fertilisers case during 1954-55 for which a supplementary grant was required;

(b) for how long the case is pending and how long it is likely to be pending; and

(c) who is the opposite party and what is the broad nature of the case?

The Deputy Minister of Home Affairs (Shri Datar): (a) Rs. 50,677/6/- (upto 5th December, 1954).

(b) After decision on the 19th January, 1955 the cases are now pending in appeal filed in the High Court by the accused against their convictions. It is not possible to say how long the High Court will take to dispose of the appeals.

(c) The opposite party in the first case consists of—

1. Shri S. Y. Krishnaswamy
2. Shri C. S. D. Swamy
3. Shri R. M. Nanavati
4. Shri N. K. Sahane
5. Shri R. V. Shah
6. Shri R. D. Apte
7. Shri D. N. Anwikar
8. Shri J. R. Kapadia.

In connection with the procurement of fertilisers for the 'Grow More Food

Campaign', Messrs. Nanavati and Company Limited offered to get supplies from Russia and with the assistance and connivance of the accused officers managed to obtain very high rates for such supplies. The officers concerned were bribed and Government were put to a heavy loss.

In the second fertilizer case against Sarvashri S. Y. Krishnaswamy and C. S. D. Swamy the charge was that the two accused officials in conspiracy with each other accepted various sums of money and valuable articles by showing undue favour to several firms in the purchase of sulphate of ammonia and other fertilizers.

Shri K. C. Sodhia: When was this case started?

Shri Datar: The date of the institution of this case was 4-4-1952.

Shri K. C. Sodhia: What has been the total cost up till now?

Shri Datar: I should like to have notice so far as the total costs are concerned.

Shri T. B. Vittal Rao: The hon. Minister stated that these officers took bribes. Could we know the total amount of bribes taken by these officers?

Shri Datar: It is very difficult to give the total amount of the bribes, because in the other case it was held that there was no sufficient evidence about taking bribes.

EIGHTH INTERNATIONAL BOTANICAL CONGRESS

***368, Shri S. C. Samanta:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether it is a fact that India participated in the Eighth International Botanical Congress;

(b) if so, who were the representatives sent;

(c) whether it is a fact that a

scheme for research and technical information for the proper maintenance of the world's tropical gardens was taken up; and

(d) if so, whether India is connected with the scheme?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) and (b). Yes, Sir. The Congress was held in Paris from the 2nd to the 13th July 1954 and the following represented India at the Congress:

- (1) Dr. B. P. Pal, Leader, Director, Indian Agricultural Research Institute, New Delhi.
- (2) Dr. P. Maheshwari, Professor of Botany, Delhi University, Delhi.
- (3) Prof. K. N. Kaul, Director, National Botanical Gardens, Lucknow.
- (4) Dr. K. A. Chowdhury, Wood Technologist, Forest Research Institute, Dehra Dun.

(c) and (d). Yes, Sir.

Shri S. C. Samanta: May I know what is the scheme of research, and how India is connected with it?

Shri K. D. Malaviya: Various problems relating to advancement of the science of Botany were discussed in this international conference, and some of our representatives presided and participated in the sub-Committees of the conference. Especially in the botanical gardens section, meetings were held in which our representatives were present; better organisation of the botanical gardens of the world was considered there and an exchange relations committee was set up in which our representative has also been represented.

Shri S. C. Samanta: May I know whether it is a fact that the International Association of Botanists that was formed in the Congress was entrusted with matters relating to India and Malaya, whether our representatives, whose names have been mentioned by the hon. Minister are there,

and whether Malaya has been associated with it, and if so, what is the name of the person?

Shri K. D. Malaviya: Yes. My hon. friend is right. The exchange relations committee, which was set up for the tropical zone, consisted of two scientists, one, our representative, Prof. Kaul, and the other, perhaps the Director of National Botanical Gardens, Singapore—I do not possess his name.

Shri N. B. Chowdhury: May I know whether Government have since prepared any concrete scheme for the development of botanical gardens in India? If so, is there any scheme which relates to botanical gardens at Shibpur in West Bengal?

Shri K. D. Malaviya: Yes. Schemes of developing national botanical gardens is under the consideration of Government. One of them has already been set up in Lucknow, and more are proposed to be set up in the country.

Shri S. C. Samanta: May I know whether the research work that is being done in our national botanical gardens at Lucknow is of help to this Association?

Shri K. D. Malaviya: I cannot say.

MILITARY DAIRY FARMS

*369. **Shri Hem Raj:** Will the Minister of Defence be pleased to state the number of spare calves in the Military Dairy Farms at present?

The Deputy Minister of Defence (Sardar Majithia): The number of surplus calves on 31st December, 1954 was 465.

श्री हेम राज : क्या मैं जान सकता हूँ कि यह मिलेटरी डेरी फार्म कहां कहां पर हैं और उन में फालतू जानवरों की तादाद क्या है ?

Sardar Majithia: I require notice for that. That is a long list and I do

श्री हेम राज : क्या मैं जान सकता हूँ कि यह जो फालतू जानवर हैं उनको किसानों को दाने का कोई प्रबन्ध किया जा रहा है ?

Sardar Majithia: Yes, they are given free to those interested in breeding. Actually they are handed to State Governments, semi-official or religious institutions and members of the public who are interested in the rearing of calves.

श्री हेम राज : क्या मैं जान सकता हूँ कि अभी तक कितने जानवर द दिए गए हैं ?

Sardar Majithia: Between the 1st July and the 30th September 1954, 1280 calves have been given.

सेठ जचन सिंह : क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि भारतवर्ष में कितने मिलेटरी डरी फार्म हैं और सन् ४४-४५ में कितने बछड़े और बछीइयां उनके द्वारा दी गयीं ?

Sardar Majithia: To the first part, I have already replied, that I require notice. As for the other, I can say that approximately 4,000 calves become surplus every year.

INCIDENCE OF CRIMES IN DELHI

*370. **Shri Chaudhri Muhammed Shaftee:** Will the Minister of Home Affairs be pleased to lay a statement on the Table of the House showing:

(a) the number of crimes committed in Delhi State during the year 1954, under the following heads (i) murder (ii) dacoity (iii) abduction (iv) kidnapping and (v) criminal assault;

(b) the percentage of such crimes which remain undetected; and

(c) the number of cases where the accused were acquitted and strictures passed on the police under the various heads referred to in part (a)?

The Deputy Minister of Home Affairs (Shri Datar): (a) to (c). A statement

is laid on the Table of the House. [See Appendix III, annexure No. 3]. I may add for the information of the hon. Member that in one case, the Magistrate passed strictures against two police officers for unsatisfactory investigation.

Shri Chaudhri Muhammed Shaftee: May I know Sir, what measures are taken to improve crime detection?

Shri Datar: Government are taking necessary steps to improve the tone of investigation,

Shri Chaudhri Muhammed Shaftee: May I know Sir, what is the strength of the police on duty in Delhi?

Shri Datar: The number is in the neighbourhood of 10,000. If I remember correctly.

Shri Radha Raman: How does the percentage which the hon. Minister has mentioned just now compare with that of the previous years?

Shri Datar: Gradually, there has been a decrease in crime and an increase in detection and proper investigation.

Shri Kelappan: In how many cases the offenders were punished?

Shri Datar: I have not got those figures.

फोर्ड प्रतिष्ठान से सहायता

*३७१. **सेठ गोबिन्द दास :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में १९५४ में फोर्ड प्रतिष्ठान ने कुल कितना व्यय किया था;

(ख) किन-किन राज्यों में इसमें से अधिकांश राशि व्यय हुई थी ;

(ग) इस राशि का उपयोग प्रायः किस कार्य के लिये किया जाता है ; और

(घ) विस्तार योजनाओं में कितने विदेशी न्यास (ट्रस्ट) सहयोग दे रहे हैं ?

वित्त मंत्री के सभासचिव (श्री बी० आर० भगत): (क) से (घ). इच्छित जानकारी

प्राप्त की जा रही हैं और उसे यथा समय सभा में प्रस्तुत किया जायेगा।

सेठ गोबिन्द दास : जहाँ तक फोर्ड प्रतियोगिता का सम्बन्ध है, सन् १९५२ में हम को जो सहायता मिली, उससे १९५४ में अधिक मिली या कम मिली है और १९५५ की क्या स्थिति है ?

श्री बी० आर० भगत : यह सारी सूचनाएँ तो जब तक सारी बातें उपलब्ध नहीं हो जायेंगी तब तक नहीं दी जा सकती हैं।

सेठ गोबिन्द दास : क्या सरकार के पास समय समय पर इस सम्बन्ध में आंकड़ें नहीं आते हैं और इकट्ठी यह सूचनाएँ मंगायी जा रही हैं या समय समय पर सरकार के पास इनके आंकड़े उपस्थित होते हैं ?

श्री बी० आर० भगत : अभी जो फोर्ड प्रतियोगिता से मदद मिली है, उसका जो हिसाब किताब होता है उसमें राज्य सरकारों की, केंद्रीय सरकार की और फोर्ड प्रतियोगिता की मदद मिली जुली होती है और जिन योजनाओं में इनसे मदद मिली है वह सार्वजनिक में फैली हैं, आंकड़ें जब तक इकट्ठे न किए जा सकें कि अब तक उनको कहाँ कहाँ से मदद मिली है, यह सूचना देना मुश्किल है ?

सेठ गोबिन्द दास : मैं यह जानना चाहता हूँ कि समय समय पर इसके आंकड़े सरकार के पास आते हैं, या अब मंगाये जा रहे हैं ?

श्री बी० आर० भगत : आते हैं। ५२-५५ के लिए यदि माननीय मंत्री अलग से सूचना दें तो वह सूचना दी जा सकती है।

FIVE YEAR PLAN

*372. **Shri N. B. Chowdhury:** Will the Minister of Finance be pleased to state:

(a) what steps have been taken by

Government to meet the Five Year Plan targets of short-term, medium-term and long-term rural credit supply; and

(b) what amounts of different categories of credit were supplied during the first three years of the Plan period?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): (a) The following steps have been taken by Government—

(i) The Reserve Bank has extended the period, widened the scope and liberalised the procedure for obtaining short-term accommodation at concessional rate by State Co-operative Banks. There is a steady increase in the utilisation of these facilities. The total amount availed of by the State Co-operative Banks which was Rs. 5.37 crores in 1950-51, that is the first year of the Plan, rose to Rs. 14.71 crores in 1953-54.

(ii) The Reserve Bank of India Act was recently amended to enable the Bank to grant medium-term loans.

(iii) Large funds are being allotted under the Grow More Food Schemes through the State Governments.

(iv) The Reserve Bank has for several years been subscribing to the approved debentures of Central Land Mortgage Banks. It has recently been decided that such subscription may be upto 20 per cent. each by the Bank as well as the Government where the Central Land Mortgage Bank follows approved policies in regard to financing increased production.

(v) The Reserve Bank recently organised a comprehensive Rural Credit Survey, the report of which Survey was published in December 1954. The recommendations, which envisage a vast expansion of credit facilities in rural areas, are under the active consideration of Government, at present. One of the more important recommendations relating to the State Bank of India has already been accepted, in principle, by Government.

(b) Necessary information has been called for from the State Governments concerned. A statement would be laid on the Table of the Lok Sabha on receipt of the information.

Shri N. B. Chowdhury: May I know whether the conversion of the Imperial Bank into the State Bank will reduce the wide disparity between the rate at which rural credit is supplied by the Reserve Bank and the rate at which co-operative societies give this credit to the primary members of such societies?

Shri A. C. Guha: There is no direct connection between these two. But, if the branches of the Imperial Bank function properly in the rural areas, then there may be some indirect reaction on the interest now charged by the co-operative banks from the primary members.

Shri N. B. Chowdhury: May I know what are the reasons for not providing the amounts recommended by the Planning Commission for the early years of the Plan period?

Shri A. C. Guha: It is not possible simply to hand over the money unless there is some definite organisation to handle that money. So long it was the co-operative banks through which the Government have been distributing these credit facilities. But, the co-operative banks in most States are not properly developed as yet in spite of the repeated reminders and helpful suggestions from the Reserve Bank to the different State Governments and to the Central co-operative banks of the different States.

Shri N. B. Chowdhury: May I know whether Government attach any condition to such credits given by the Reserve Bank that such loans would have to be paid off next year compulsorily by the primary members of the co-operative societies?

Shri A. C. Guha: This is a short-term loan and it is for seasonal agricultural operations extending, I think, over 18 months.

Shrimati Tarkeshwari Sinha: Can the Government give an idea of the gap left in the working of the co-operative machinery for this rural credit in the villages and how Government proposes to fill up this gap?

Shri A. C. Guha: This would require a very lengthy reply. I can only say that the rural credit survey report is now being examined and a considerable portion of this report would suggest some improvement in the co-operative organisations. The Reserve Bank and the Government are quite keen on this matter. I can only draw the attention of the hon. Members to this fact that in 1950-51, it was only Rs. 5 crores that the co-operatives could draw from the Reserve Bank, in 1953-54, it was about Rs. 15 crores that had been drawn and in 1954-55 the amount is something more than that. It is a question of the gradual development of the co-operative organisation.

RECRUITMENT

*373. **Shri M. L. Agrawal:** Will the Minister of Finance be pleased to state:

(a) the manner in which the Central Excise Inspectors and the other Revenue Staff are recruited; and

(b) whether Government will lay the relevant Rules on the Table of the House?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha):

(a) By other Revenue staff the hon. Member presumably refers to other staff in the Central Excise Department, gazetted and non-gazetted. On this assumption the position is that non-gazetted posts including those of Inspector are filled partly by direct recruitment through the Employment Exchange and partly by promotion of suitable departmental employees from the lower grades; the gazetted posts are at present filled wholly by promotion or by transfer from other services.

(b) The procedure relating to recruitment is regulated partly by notifications published in the Gazette of

India which is available to the Members of the House and partly by a large number of departmental instructions issued from time to time.

Shri M. L. Agrawal: Are the Excise Inspectors who are appointed selected by some committee or by some official?

Shri A. C. Guha: Every appointment is regulated by some committee. There is no individual officer who does this appointment.

Shri M. L. Agrawal: May I know what is the composition of that committee?

Shri A. C. Guha: There is a departmental promotion committee which considers the cases of the appointments to be filled up by promotion and different Cadres have different departmental promotion committees. So, I cannot off-hand give any definite composition of the departmental promotion committees.

Shri M. L. Agrawal: Are applications invited?

Shri A. C. Guha: Surely, and generally any recruitment must have to be done through the Employment Exchange.

VISIT OF THE CHIEF OF THE IMPERIAL GENERAL STAFF, U.K.

***375. Sardar Hukam Singh:** Will the Minister of Defence be pleased to state:

(a) whether the Chief of the Imperial General Staff, U.K., (Sir John Harding) visited our regimental and training establishments in December 1954;

(b) whether he was invited to pay a visit to these Defence Institutions; and

(c) whether he left any note about his impressions of the visit?

The Minister of Defence (Dr. Katju): (a) and (b). Yes.

(c) No.

Sardar Hukam Singh: May I know whether Sir John Harding could have the time to go round all the establishments or was he taken only round a selected few?

Dr. Katju: He went only to a few establishments.

Sardar Hukam Singh: Was there any special object in extending this invitation and whether that objective has been fulfilled?

Dr. Katju: There was no special objective. It was purely a matter of courtesy.

Sardar Hukam Singh: May I know whether he has given any advice or assistance for improvement in certain institutions?

Dr. Katju: I do not think so, Sir.

DEFENCE WORKERS' DEMANDS

***377. Shri Gidwani:** Will the Minister of Defence be pleased to refer to the reply given to starred question No. 1675 on the 24th December, 1954 and state:

(a) whether a meeting between Government and the representatives of the All-India Defence Employees' Federation regarding the appointment of a Tribunal to consider the latter's demands was duly held; and

(b) if so, what was the decision taken at the meeting?

The Deputy Minister of Defence (Shri Satish Chandra): (a) and (b). The first meeting of the Negotiating Machinery, at the top level, between the Government and the representatives of the All India Defence Employees' Federation was held on 31st January 1955. As satisfactory agreement was reached on some of the demands made by the Federation, the question of appointing a Tribunal did not arise.

Shri Gidwani: Was there no further need for negotiations regarding their demands?

Shri Satish Chandra: Sir, the meeting of the Negotiating Machinery will

take place every four months. The important demands can be brought forward by the Federation from time to time. It was agreed that outstanding matters on that date will be further considered by the Government

Shri Gildwani: May I know whether any of their demands were conceded?

Shri Satish Chandra: Yes, Sir. Three important decisions were taken on that day. One was that half of the service of the E.T.E. personnel will count towards seniority and promotion. There was another decision about a conveyance subsidy being given to Defence Employees at Avadi, Dehu Road and Panagarh which are located at out of the way places. There was a further addition to the constitution of the Negotiating Machinery itself to the effect that a Tribunal may be appointed at the discretion of the Government if there is no agreement between the representatives of the Federation and the Government.

सरदार ए० ए० सिंहगढ़ : क्या मैं जान सकता हूँ कि आल इंडिया डिफेंस एम्प्लॉयीज फेडरेशन ने जितनी भी मांगें आपके सामने रखी हैं, वह सारी की सारी कल्याणवाला कमेटी की रिपोर्ट के आधार पर मंजूर कर ली गई हैं ?

श्री सतीश चन्द्र : जी नहीं, यह तो मैं ने नहीं कहा ।

Shri A. N. Vidyalkar: Have orders been issued to implement the decisions that were taken at the meeting of the Negotiating Machinery?

Shri Satish Chandra: Steps are being taken to implement the decisions. The hon. Member was present at the discussions. The preparation of the seniority lists of thousands of employees will take time.

OPIMUM

*378. **Shri D. C. Sharma:** Will the Minister of Finance be pleased to lay a statement on the Table of the House showing the amount of revenue

received from opium cultivation in India so far during 1954-55?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): A statement showing the gross revenue derived from opium during the nine months ending the 31st December, 1954 is placed on the Table of the Lok Sabha. [See Appendix III, annexure No. 4.].

Shri D. C. Sharma: May I know from which State the Government derives the maximum amount of revenue and from which State the minimum amount?

Shri A. C. Guha: It is not a question of deriving revenue from any State. We supply our opium to the States at cost price. We do not receive any revenue from the States. Most of the revenue is derived from the sale of opium to foreign countries.

Shri D. C. Sharma: May I know if it has come to the notice of the hon. Minister that a lot of smuggling is going on so far as this opium is concerned, in India?

Shri A. C. Guha: That is true. We know that and we are taking steps to prevent that smuggling.

Shri D. C. Sharma: May I know how many cases of smuggling have come to the notice of the hon. Minister?

Shri A. C. Guha: I think I would like to have notice for that.

WRITTEN ANSWERS TO QUESTIONS

CARBON PRODUCTS

*344. **Shri H. N. Mukerjee:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether it is a fact that the National Physical Laboratory has leased a process for the manufacture of Carbon products to a firm of manufacturers;

(b) if so, the conditions under which the lease has been granted; and

(c) the name of the firm which has taken the process on lease and its antecedents?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Yes, Sir. By the Council of Scientific and Industrial Research.

(b) and (c). A statement giving the required information is laid on the Table of the House. [See Appendix III, annexure No. 5].

हिन्दी

*३४६. श्री कृष्णाचार्य जीशी : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या विभिन्न प्रादेशिक भाषाओं की समाज-शिक्षा सम्बन्धी आदर्श पुस्तकों का हिन्दी में अनुवाद कराने के लिए सरकार ने १९५४ में किसी ग्रन्थालय की स्थापना की है; और

(ख) यदि हां, तो किन-किन भाषाओं से हिन्दी में पुस्तकों का अनुवाद किया गया है ?

शिक्षा तथा प्राकृतिक संसाधन और वैज्ञानिक शोधना मंत्री (श्रीलाल आचार्य): (क) नहीं ।

(ख) प्रश्न नहीं उठता ।

GLIDERS FROM YORKSHIRE

*349. **Shri Raghunath Singh:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that 32 Sedburgh Type gliders have been ordered by Government from the Yorkshire firm of Stingsly Sail Plane Ltd.; and

(b) if so, whether any tender was called for before placing the orders?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes, Sir.

(b) No, Sir.

MINING RESEARCH LABORATORY

*353. **Shri S. K. Razmi:** Will the Minister of Natural Resources and Scientific Research be pleased to refer

to the reply given to unstarred question No. 364 on the 9th April, 1954 and state:

(a) whether the Mining Research Laboratory has since been established;

(b) if so, which is the place and building selected for the purpose; and

(c) what will be the main functions of this Laboratory?

The Minister of Natural Resources (Shri K. D. Malaviya): (a) Not yet.

(b) At Dhanbad. The site for the building is being selected.

(c) The main functions of the Station will be:

(i) to improve mining of coal and other minerals in India with respect to safety, health, and efficiency.

(ii) to investigate problems of explosions, fires, spontaneous combustions, ventilation and lighting, roof supports, behaviour of the strata, rock-drills, blasting, winding, haulage and dust suppression both on the score of danger from explosion and danger to health.

CENTRAL INSTITUTE OF INDOLOGY

*354. **Shri B. D. Shastri:** Will the Minister of Education be pleased to state:

(a) whether any proposal to start Central Institute of Indology is under the consideration of Government;

(b) whether any resolution recommending the establishment of the same was also passed at the last session of Indian History Congress; and

(c) if so, what decision has been taken in this regard?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The matter is under consideration.

(b) The Government of India have no information.

(c) Does not arise.

अन्धों के लिए शिक्षा केंद्र

*३५३. श्री आर० एस० तिवारी : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में अन्धों के शिक्षा केंद्रों में किस स्तर तक शिक्षा दी जाती है, और

(ख) क्या उस शिक्षा से वे जीविकोपार्जन कर सकते हैं ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Institutions for the blind usually impart primary education and training in music and some handicrafts.

(b) the vocational training given by the existing institutions sometimes enable the blind to earn a living.

COLOMBO PLAN

*361. **Th. Jugal Kishore Sinha:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Scientific Adviser to the U.K. Government under the Technical Co-operation scheme of the Colombo Plan visited this country in December, 1954; and

(b) if so, what was the main purpose of his visit to the country?

The Minister of Finance (Shri C. D. Deshmukh): (a) Yes, Sir. He arrived in India in the last week of December 1954, and is due to be here till the last week of March 1955.

(b) The main purpose of the visit is to examine the requests for the supply of equipment to various technical institutions for which requests have been made to the U.K. Government under the Technical Co-operation Scheme of the Colombo Plan.

POPPY CULTIVATION

*374. **Dr. Satyawadi:** Will the Minister of Finance be pleased to state:

(a) the number of ex-poppy cultivators in Himachal Pradesh and the approximate financial loss suffered by them as a result of the ban on poppy cultivation there;

(b) whether any representation has been made by them to Government in this regard; and

(c) if so, the action taken in the matter?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): (a) The number of poppy cultivators in Himachal Pradesh was about 16,000. For the opium delivered by them to the Government, the payments made to the cultivators amounted on an average to Rs 1,45,000 per year. With the discontinuance of poppy cultivation, the growers will not be receiving this amount from the Government.

(b) and (c). Certain representations have been received by the Government, but since the decision to stop poppy cultivation was taken after full consideration in consultation with the State Government, there is no case for re-considering the decision.

BUILDING OF WARSHIPS

*376. **Shri Krishnacharya Joshi:** Will the Minister of Defence be pleased to refer to the reply given to starred question No. 909 on the 14th December, 1953 and state the progress made in regard to the building of warships in India?

The Deputy Minister of Defence (Shri Satish Chandra): An order for the construction of a Survey Ship for the Indian Navy has already been placed with M/s. Hindustan Shipyard Ltd., Vizagapatam. Proposals for the construction of a Mooring Vessel, Seaward Patrol Craft and some Inshore Minesweepers in India through Indian Agencies are under consideration.

DISCOVERY OF NEOLITHIC IMPLEMENTS (SUNDARGARH)

*379. **Shri Raghunath Singh:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that six neolithic implements, a group of four

caves known as USHA-KUTI containing some paintings, carvings and inscriptions and also a number of neolithic sites containing numerous flint fragments bearing clear marks of clippings have been found in Sundargarh District of Orissa; and

(b) if so, whether Government are contemplating an archaeological survey of the area in the near future?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b) Yes.

CONFERENCE OF HOME MINISTERS

*382. { Shri Madhao Reddi:
Shri Dabhi:
Ch. Raghubir Singh:

Will the Minister of Home Affairs be pleased to state:

(a) the decisions taken at the last conference of Home Ministers of Part 'A' and 'B' States;

(b) whether any discussion about the crime situation in the country and for controlling the same at any early date was also held; and

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

The Deputy Minister of Home Affairs (Shri Datar): (a) to (c). There was a general discussion on problems relating to the police, methods of investigation and maintenance of law and order.

The general crime situation in the country was also discussed.

UNIVERSITY GRANTS COMMISSION

*383. **Shri B. D. Shastri:** Will the Minister of Education be pleased to lay a statement on the Table of the House showing:

(a) the total grant, university-wise given by the University Grants Commission so far during the current year;

(b) the main purposes for which the grant has been given; and

(c) whether any report about the expenditure will be submitted to the Commission?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). A statement giving the information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 6].

(c) Yes, Sir.

INTERNATIONAL MONETARY FUND

*386. **Th. Jugal Kishore Sinha:** Will the Minister of Finance be pleased to state:

(a) whether any delegation of the International Monetary Fund visited this country in January, 1955; and

(b) if so, what was the purpose of the visit?

The Minister of Finance (Shri C. D. Deshmukh): (a) Yes, Sir.

(b) The Mission came for consultations under Article XIV of the Articles of Agreement of the I.M.F. regarding the retention of restrictions by India on payments for current international transactions. These are routine consultations held every year.

RESEARCH CO-ORDINATION ADVISORY COMMITTEE

*387. **Shri K. C. Sodhia:** Will the Minister of Natural Resources and Scientific Research be pleased to state the number of meetings of the Advisory Committee for co-ordinating scientific work held during the current year?

The Minister of Natural Resources (Shri K. D. Malaviya): Two.

संज्ञ में हिन्दी

*२५८. **संज्ञ गीतिम्ब शस्त्र :** क्या राज्य मंत्री यह बताने की कृपा करेंगे कि संज्ञा के किन-किन क्षेत्रों और क्षेत्रों में हिन्दी सीखने की सुविधा नहीं है ?

रक्षा मंत्री (श्री क. ड. मलवीया): भारतीय सेना के सर्व क्षेत्रों तथा क्षेत्रों में हिन्दी सीखने की सुविधायें उपलब्ध हैं।

INDIAN SCIENCE CONGRESS

*389. **Sardar Hukam Singh:** Will the Minister of Natural Resources and Scientific Research be pleased to state whether Government invited any foreign scientists to participate in the Indian Science Congress Session held in Baroda in January this year?

The Minister of Natural Resources (Shri K. D. Malaviya): Yes, Sir.

SECOND REVIEWING COMMITTEE OF THE C.S.I.R

*390. **Shri Krishnacharya Joshi:** Will the Minister of Natural Resources and Scientific Research be pleased to state how far the recommendations of the Second Reviewing Committee of the Council of Scientific and Industrial Research regarding the Boards and Committees of the Council set up to improve liaison between the different organisations have been implemented till now?

The Minister of Natural Resources (Shri K. D. Malaviya): A statement giving the required information is laid on the Table of the House. [See Appendix III, annexure No. 7].

ESTATE DUTY

*391 { **Shri D. C. Sharma:**
Seth Govind Das:

Will the Minister of Finance be pleased to state:

(a) the number of cases of Estate Duty registered in 1954;

(b) the number of cases disposed of during the same period; and

(c) the revenue realised during the same period?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): (a) The total number of cases registered in 1954 is 1760.

(b) The number of cases disposed of in 1954 is 951.

(c) Out of the total demand of Rs. 66,85,570, an amount of Rs. 32,14,850 has been realised in 1954.

FREE EDUCATION FOR CHILDREN

*392. **Shri Gidwani:** Will the Minister of Education be pleased to state:

(a) whether the attention of Government has been drawn to a memorandum submitted by the All-India Primary Teachers' Federation to the President of India that the Constitution should be amended so as to place the entry about education in the Concurrent List;

(b) if so, whether Government have considered the same; and

(c) whether Government propose to take any steps to see that the free and compulsory education is made available to all children upto the age of 14 years within the period specified in the Constitution?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b) Yes.

(c) The Government of India have already taken steps in the matter.

मिशनरी स्कूल

*२६२. श्री रघुनाथ सिंह: क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि:

(क) पूर्वोक्त सीमावर्ती अनुसूचित क्षेत्र के मनीपुर और इम्फाल प्रदक्ष में ईसाई मिशनरियों द्वारा कितने स्कूल चलाए जाते हैं, और

(ख) इनमें से कितने स्कूल विदेशी मिशनरियों द्वारा और कितने भारतीय मिशनरियों द्वारा चलाए जाते हैं?

शिक्षा तथा आर्थिक संसाधन और वैज्ञानिक गवेषणा मंत्री (मौलाना आजाद): (क) और (ख). इस सम्बन्ध में आवश्यक जानकारी प्राप्त की जा रही है जो मिलने पर सभा के सामने रख दी जाएगी।

PRIVY PURSLS

*394. { Shri Madhao Reddi:
Shri R. S. Tiwari:

Will the Minister of Home Affairs be pleased to state:

(a) whether any conference of Governors and Rajpramukhs to discuss the question of continuing Privy Purses of former rulers of the princely States is to be held in the near future;

(b) if so, whether there is any proposal to stop the system of privy purses; and

(c) what are the other items of discussion in this proposed conference?

The Deputy Minister of Home Affairs (Shri Datar): (a) The President held a conference of Governors and Rajpramukhs on the 25th and 26th February. The question of the continuance of privy purses was not discussed.

(b) No.

(c) I regret that it would not be in the public interest to disclose the subjects discussed at the conference.

RESEARCH IN INDUSTRIAL PROBLEMS

*396. Shri K. C. Sodhia: Will the Minister of Natural Resources and Scientific Research be pleased to state the specific items of Research concerned with industrial problems that are being conducted at present in the National Chemical Laboratory, Poona?

The Minister of Natural Resources (Shri K. D. Malaviya): A statement giving the required information is laid on the Table of the House. [See Appendix III, annexure No. 8].

CONFERENCE OF SOCIAL WELFARE

*397. Th. Jugal Kishore Sinha: Will the Minister of Education be pleased to state what action Government have taken on the resolutions of Indian Conference of Social Welfare passed at the Lucknow Session?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): A copy of the Resolutions has been received only recently.

OVERSEAS SCHOLARSHIPS

83. Shri Karni Singhji: Will the Minister of Education be pleased to state:

(a) the annual average number of students from Rajasthan going to various foreign countries for higher and technical education who were awarded Central Scholarships since April, 1949 to the 31st March, 1954; and

(b) the amount spent so far on them during the period?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Nil.

(b) Does not arise.

INDIAN ADMINISTRATIVE TRAINING SCHOOL

84. Sardar Hukam Singh: Will the Minister of Home Affairs be pleased to state:

(a) the number of Indian Administrative Service Probationers so far trained in the Indian Administrative Service Training School, Delhi; and

(b) the number of such officers undergoing training at present?

The Deputy Minister of Home Affairs (Shri Datar): (a) 386.

(b) 41.

BASIC EDUCATION IN PUNJAB

85. Shri D. C. Sharma: Will the Minister of Education be pleased to state:

(a) the amount of aid given to the Government of Punjab for primary, secondary and higher education respectively in the year 1954-55; and

(b) whether any amount has been earmarked for Basic Education in the above aid?

The Minister of Education and Natural Resources and Scientific Re-

search. (Maulana Azad): (a) and (b). A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 9].

किसी

८६. श्री रघुनाथ सिंह: क्या रक्षा मंत्री यह बतान की क्या करेंगे कि:

(क) भारत में प्राचीन स्मारकों के रूप में माने जाने वाले किलों को शामिल करते हुए किलों की कुल संख्या क्या है; और

(ख) इनमें से उपेक्षित और बंकर किलों की तथा काम में आने वाले किलों की संख्या कितनी है?

रक्षा मंत्री (डा० काटजू) : (क) २१२.

(ख) कोई दुर्ग बिना दखल भाल के नहीं पड़ा है। १५० किसी व्यवहार में नहीं लाए जाते और ६२ कई प्रकार से व्यवहार में लाए जाते हैं।

BASIC SCHOOLS

87. { Shri M. S. Gurupadaswamy:
Pandit D. N. Tiwary:

Will the Minister of Education be pleased to state:

(a) the total number of new basic schools opened during the years 1952, 1953 and 1954;

(b) the total cost of establishing a basic school;

(c) whether it is a fact that the number of new schools established is very small in comparison with the expected number; and

(d) if so, the reasons therefor and the measures that Government have decided to adopt to overcome the difficulties?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a)

Year	No. of basic schools opened.
1951-52	475
1952-53	819*
1953-54	Information not available

*figures are provisional

(b) The cost would vary from place to place depending upon the type of crafts to be introduced the number of students studying in the school for which craft provision both of recurring and non-recurring nature has to be made, as also the salary grades of the teachers, cost of labour and material etc. etc.

(c) and (d). It concerns primarily the State Governments.

PAY SCALES IN BANKS

88. Kumari Annie Mascarene: Will the Minister of Finance be pleased to state the scale of pay received by the bank employees, class-wise?

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): The pay scales of bank employees are a domestic matter and they are settled by each banking company for itself having regard to the award of a Tribunal if any such award is in force in respect of its establishment. The Government of India do not have the information relating to all such bank employees.

ALL INDIA SAHITYA AKADEMI

89. Shri D. C. Sharma: Will the Minister of Education be pleased to state the basis on which aid is given to authors by the All India Sahitya Akadami?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): The Sahitya Akadami does not give aid (financial) to any other as such. Financial assistance may, however, be given for the publication of a literary work, if the work is deemed to be of sufficient value and importance as to be sponsored by the Akadami.

SOCIAL WELFARE BOARD (PUNJAB)

90. Shri D. C. Sharma: Will the Minister of Education be pleased to state:

(a) the names of the members of the State Social Welfare Board of

Punjab with their antecedents in the field of Social Welfare Work; and

(b) the life of the Board?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The information is given in the attached statement. [See Appendix III, annexure No. 10].

(b) The life of the State Board is one year, in the first instance.

LITERARY WORKSHOP (WESTERN REGION)

91. Shri D. C. Sharma: Will the Minister of Education be pleased to lay on the Table of the House a statement showing:

(a) the names of the persons who got training in the Literary Workshop of the Western Region during 1954; and

(b) the languages in which the training was imparted to them?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). A statement is laid on the Table of the House. [See Appendix III, annexure No. 11].

DEVELOPMENT OF KULU VALLEY

92. Shri D. C. Sharma: Will the Minister of Home Affairs be pleased to refer to the reply given to starred question No. 1641 on the 24th December, 1954 and state:

(a) the amount spent during 1954 for the development of Scheduled areas in the Kulu Sub-Division of the Kangra District; and

(b) the purpose for which it was spent?

The Deputy Minister of Home Affairs (Shri Datar): (a) The State Government have reported that an amount of Rs. 4,75,178 has been spent from out of Central grants from the 1st April, 1954 to the 31st December, 1954.

(b) The amount has been utilised as follows:—

	Rs.
1. Cottage Industries.	85,121
2. Irrigation.	34,943
3. Forest.	10,188
4. Agriculture.	1,822
5. Medical and Public Health.	7,110
6. Communications.	3,95,994
	<hr/> 4,75,178

AID FOR VARIOUS SCHEMES TO PUNJAB

93. Shri D. C. Sharma: Will the Minister of Education be pleased to state:

(a) whether any request was made by the Government of Punjab to the Central Government for assistance on the following items:

- (i) improvement in Primary Education;
- (ii) training of the illiterate adults; and

(b) if so, the amount of assistance sought and the amount sanctioned by Government in this regard?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes.

(b)

	Amount of assistance sought as central Govt. Contribution	Amount sanctioned as Central Govt. share
	Rs.	Rs.
1. Primary Education	40,68,780	38,67,734
2. Training of illiterate adults.	94,125	94,125

INTEGRATION OF PEPSU STATE FORCES

94. Shri D. C. Sharma: Will the Minister of Defence be pleased to state:

(a) whether any officers of the PEPSU Army were granted pensions

at the time of integration of the PEP&U Defence Forces in the Indian Army;

(b) if so, their number;

(c) whether their pension cases have been settled; and

(d) if not, whether there is any time limit for settling them?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir.

(b) 116.

(c) All excepting 17 have been settled.

(d) Every effort is being made to settle the outstanding cases as quickly as possible. In a number of cases it was necessary to determine how far service in a civilian capacity as well as in the Reserve should count towards military pension. The details of their service had also to be verified in audit. In some cases it has been found necessary to ascertain the presumptive pay which the officers would have drawn but for the merger of the individual State Forces into the overall PEP&U Forces. The above factors have caused delay in the settlement of some of the cases.

DISCIPLINARY CASES

95. **Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state:

(a) the number of cases of disciplinary action dealt with since the 15th August, 1947 so far as the I.C.S. and I.A.S. Officers are concerned; and

(b) the nature of the disciplinary action taken in these cases?

The Deputy Minister of Home Affairs (Shri Datar): (a) 17.

(b) A statement is laid on the table of the House. [See Appendix II, annexure No. 13].

SEPARATION OF THE JUDICIARY FROM THE EXECUTIVE

96. **Shri D. C. Sharma:** Will the Minister of Home Affairs be pleased to state:

(a) the names of the States where the separation of the Judiciary from the Executive has taken place; and

(b) the measures, if any, that Government propose to take to complete the process?

The Deputy Minister of Home Affairs (Shri Datar): (a) Separation of the Judiciary from the Executive has been introduced either wholly or partially in the States of Assam, Andhra, Bombay, Bihar, Madhya Pradesh, Madhya Bharat, Madras, Uttar Pradesh, Hyderabad, Rajasthan, Saurashtra and Travancore-Cochin.

(b) The matter is really one for the consideration of the State Governments but the Government of India are in close touch with them on the progress made by them.

IMMORAL TRAFFIC IN WOMEN

97. { **Shrimati Ila Palchoudhury:**
Seth Govind Das:

Will the Minister of Home Affairs be pleased to state:

(a) the names of the States in India where there is legal provision for the suppression of immoral traffic in women and girls;

(b) the number of women or girls rescued in each such State during the last three years;

(c) the number of successful and unsuccessful prosecution of persons dealt with under the law for the suppression of such immoral traffic in each of the States, during the last three years; and

(d) the number of Rescue Homes in each of the States where a law for

the suppression of immoral traffic in women and girls does exist?

The Deputy Minister of Home Affairs (Shri Datar): (a) to (d). The information is being collected and will be placed on the Table of the House as soon as it is available.

THIRD DIVISION CLERKS

98. Shri Gidwani: Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that the Central Government Third Division Clerks' Union has decided to ob-

serve a protest week from the 1st March, 1955, as the demand for the revision of pay scales of the clerks has not been accepted by Government; and

(b) if so, what action has been taken in the matter?

The Deputy Minister of Home Affairs (Shri Datar): (a) Government's attention has been drawn to certain reports appearing in the Press to this effect.

(b) No action has been taken in respect of this reported decision of the Union.

1st March, 1955

LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)

VOLUME I, 1955

(21st February to 12th March, 1955)



सत्यमेव जयते



NINTH SESSION, 1955

(Vol. I contains Nos. 1—15)

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NEW DELHI

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Sardar Hukam Singh	1844—46
Shri B. N. Misra	1846—47
Shri M. D. Joshi	1847—48
Shri Alagesan	1848—57

Medicinal and Toilet Preparations (Excise Duties) Bill—Passed, as amended—

Motions to consider and to refer to Select Committee.	1857—1914
Shri A. C. Guha	1857—61, 1908—14
Shri Bansal	1862—68
Shri Dabhi	1869—73
Shri S. C. Samanta	1873—74
Shri Dhulekar	1874—77
Pandit Thakur Das Bhargava	1877—88
Dr. Rama Rao	1889—91
Shri N. Rachiah	1891—93
Shri Sinhasan Singh	1893—1897

	<i>Column.</i>
Shri Nand Lal Sharma 1897—1900
Shri C. R. Iyyunni 1900—03
Shri N. M. Lingam 1903—08
Clauses 1 to 21 and the Schedule 1915—22
Motion to pass 1922-23
Shri A. C. Guha 1922-23
Sea Customs (Amendment) Bill—Not concluded—	
Motion to consider	1923—28, 1929—40
Shri A. C. Guha 1923—28
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LOK SABHA DEBATES Date 09.12.20/4

(Part II—Proceedings other than Questions and Answers)

687

LOK SABHA

Tuesday, 1st March, 1955

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12 Noon

ELECTION TO COMMITTEE
CENTRAL ADVISORY COMMITTEE OF
NATIONAL CADET CORPS

The Deputy Minister of Defence (Shri Satish Chandra): Sir, I beg to move:

"That in pursuance of clause (i) of Section 12 of the National Cadet Corps Act (Act XXXI of 1948) as amended by the National Cadet Corps (Amendment) Act (Act No. LVII of 1952), this House do proceed to elect, in such manner as the Speaker may prescribe, two members from amongst themselves to be members of the Central Advisory Committee of the National Cadet Corps for a term of one year."

Mr. Speaker: The question is:

"That in pursuance of clause (i) of Section 12 of the National Cadet Corps (Act XXXI of 1948.) as amended by the National Cadet Corps (Amendment) Act (Act No. LVII of 1952), this House do proceed to elect, in such manner as the Speaker may prescribe, two members from amongst themselves to be members of the Central Advisory Committee of the

National Cadet Corps for a term of one year."

The motion was adopted.

Mr. Speaker: I have to inform Members that the following dates have been fixed for receiving nominations and withdrawal of candidatures, and for holding an election, if necessary, in connection with the Central Advisory Committee of the National Cadet Corps, namely,

Date for nomination	Date for withdrawal	Date for election
3-3-55	4-3-55	7-3-55

The nominations for the Committee and the withdrawal of candidatures will be received in the Parliamentary Notice Office upto 4 p. m. on the dates mentioned for the purpose.

The election, which will be conducted by means of the single transferable vote, will be held in Committee Room No. 62, First Floor, Parliament House between the hours 11 a. m. and 1.30 p.m.

RESOLUTIONS RE: EXPORT DUTY ON GROUNDNUTS, GROUNDNUT OIL CAKE, DEOILED GROUNDNUT MEAL AND DECORTICATED COTTON SEED OIL CAKE ETC.

Mr. Speaker: The House will now resume discussion on the Resolutions regarding Notifications for the enhancement or levy of export duty on certain commodities. One of these Resolutions was adopted by the House yesterday and the remaining three are now under the consideration of the House.

Thereafter, the House will take up discussion on the Supplementary De-

[Mr. Speaker]

mands for Grants and other items set out in the List of Business for today.

I should like to know what time the House would like to be fixed for the Supplementary Demands. I have received a suggestion of two hours.

Shri Tulsidas (Mehsana West): Three hours.

Mr. Speaker: Would not 2½ hours do?

Shri Tulsidas: Three hours will be needed.

Mr. Speaker: All right, have it as three hours.

Let us now start with the discussion of the three remaining Resolutions. Shri Karmarkar will continue his speech.

The Minister of Commerce (Shri Karmarkar): Yesterday, I permitted myself a few preliminary observations regarding the subject matter of the three Resolutions now before the House. Regarding the position of the subject matter of the Resolutions I shall be brief.

First of all, regarding the Resolution at item 2 of today's agenda paper, I shall content myself with saying this. In view of the easy position in the wholesale market, we released a quota of 10,000 tons of handpicked groundnuts on the 28th November, 1954 and again another 10,000 tons on the 9th January, 1955.

This is a small specialised trade to meet the requirements of our customary markets. This is a costly variety of grounds, for which the demand comes from the dollar markets for table use and for manufacture of confectionary and it has been our endeavour to keep this demand alive.

Before the second release was made, it was noticed that there was considerable disparity between internal and external prices and even after allow-

ing for prices to rise, there was scope for mopping up the extra profits. The export duty was therefore raised from Rs. 150 per ton to Rs. 300 per ton with effect from the 9th January, 1955. I will not tire the patience of the House by going into details as to how we arrived at this duty, except that it is a reasonable way of seeing that the disparity can be mopped up.

[SARDAR HUKAM SINGH in the Chair]

Coming to the second Resolution about groundnut oil cake and de-oiled groundnut meal, I shall content myself with a few observations. It has been found advantageous to make a limited export of groundnut oil cakes because in return we get useful fertilisers at an advantage. For instance, if we spend Rs. 300 on one ton of groundnut cake, we get 1.35 tons of ammonium sulphate, the normal import cost of which would be about Rs. 400 per ton, and in respect of this also we decided to release a small quantity for export by the trade. With a view to see that there was no rise in internal prices, an export duty of Rs. 230 was fixed on groundnut oil cake and Rs. 175 on groundnut meal. Here again I shall deny myself the luxury of going into the details.

Regarding the subject matter of the third resolution, namely, decorticated cotton seed oil cakes and other oil cakes, I shall be brief. Soon after we decided upon the policy of allowing exports of groundnut oil cake to the extent of 25,000 tons on the 4th February, 1955 for shipments by the end of March, on the same date we decided also that a small quantity of de-oiled groundnut meal (solvent extracted variety containing less than ½ per cent. oil) was also to be released till the end of March 1955. As the latter part of the third Resolution implies, the definition of groundnut meal was later revised on representations from the industry to enable groundnut meal

(solvent extracted variety containing less than 1 per cent. oil) to be exported. Soon after, export of cotton seed oil cake and other oil cakes was also allowed. We released cotton seed oil cake decorticated and undecorticated to an extent of 10,000 tons, linseed oil cake to an extent of 5,000 tons, Kardiseed oil cake, copra oil cake, etc. to an extent of 5,000 tons. All these cakes are being used for edible purposes as also cattle feed. Exports were allowed on the same grounds as for groundnut of cakes. Simultaneously export duties were also imposed and we calculated what would be the proper export duty, and accordingly, an export duty of Rs. 100 per ton was levied on decorticated cotton seed oil cake and of Rs. 50 per ton on all other cakes.

That, Sir, is the position regarding these three Resolutions. The method of calculating the export duties or decrease or increase or fixation of the duties is an accepted one and we stick to it as much as possible. We take the internal prices, we leave a margin for the exporter and then we fix the export duty. I have nothing more to add.

Mr. Chairman: Resolutions moved:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 113, dated the 9th January, 1955 by which the export duty on groundnuts was enhanced from Rs. 150 to Rs. 300 per ton of 2,240 lbs. with effect from the date of the said notification."

(2) "In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby ap-

proves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S. R. O. 332, dated the 5th February, 1955, by which an export duty of Rs. 230 per ton of 2,240 lbs. on groundnut oil cake and an export duty of Rs. 175 per ton of 2,240 lbs. on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent. oil) were levied with effect from the date of the said notification."

(3) "In pursuance of sub-section (2) of section 4A of the Indian Tariff Act 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 386, dated the 15th February, 1955 by which—

(1) an export duty of Rs. 100 per ton of 2,240 lbs. on decorticated cotton seed oil cake and an export duty of Rs. 50 per ton of 2,240 lbs. on all oil cakes, other than the following namely, groundnut, copra, mowha, tobacco seed, neem seed and decorticated cotton seed oil cakes were levied; and

(ii) the export duty levied on deoiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent. oil) was made applicable to de-oiled groundnut meal (solvent extracted variety containing less than 1 per cent. oil)

with effect from the date of the publication of said notification in the Gazette of India."

All the three Resolutions are now before the House and they are open for discussion.

Shri Sarangadhar Das (Dhenkanal-West Cuttack): I rise to oppose these

[Shri Sarangadhar Das.]

three Resolutions. In order to remove any misunderstanding, I must say right at the beginning that I do not oppose the increase in the export duties that has been necessitated owing to market conditions abroad. But I oppose the principle of exporting groundnuts and oil cakes of all kinds out of the country. In this scientific age when members of the Government beginning from the Prime Minister always talk about doing things scientifically, I do not know how it has escaped the attention of the Government and also their agricultural advisers. Groundnuts or any kind of oil seeds or oil cakes have plant food that came into the seeds from the soil. In cakes also and in the seeds they are there, and if they are exported the plant food that should be returned to the soil is being sent out.

I did not quite catch the hon. Minister when he said something about the advantage of exporting groundnut cakes because thereby we get a larger quantity of ammonium sulphate. That is a fallacious argument because ammonium sulphate is only a chemical fertilizer; it does not have any organic elements in it while the oil cakes have organic elements which benefit the soil. They stimulate bacterial action and keep the soil in a better physical condition. That is the reason why in Germany the Germans never exported anything that contained plant food that came out of the soil. For instance, their molasses which they get out of the beet-sugar industry was used to distil alcohol for driving small tractors and then they used to take the remaining material and dry it and put back to the soil. It is the same thing in China. The Chinese are farmers of over forty centuries and they have been returning all the human and cattle refuse and also the oil cakes of whatever oils they made, back to the soil.

It might be stated that we did not have any industry to take care of cotton seed oil or any industries that would utilise the groundnuts or the cakes which are used to some extent in making certain confectionaries in Europe. It may also be said that groundnut cake and coconut cake are taken to Europe as cattle feed or that our farmers are not able to utilise profitably or do not have the money to buy the cake and use it for cattle feed. I do not agree with this kind of Argument. It should be the duty of the Government to preserve all the plant food materials that have come out of the soil and put them back into the soil instead of putting more and more sulphate of ammonia although it is necessary to supplement organic manure. At the same time, organic manures should be kept in the country and should not be sent away. If we do not have facilities to utilise these cakes and oil seeds, it should be the duty of the Government to encourage people to put up factories so that the plant food will not be exported out of the country. I know there are people here in India who always think of making money out of something. Some merchants may be getting a lot of money by exporting groundnut cakes and our Government wants to get a big share out of it. But Government should go into this from a scientific point of view and see whether the Rs. 200 per ton gained by us is more valuable in the long run than the manure that would be available to the soil to keep the soil in good condition.

It is well known that the Indian soil, because human refuse does not go back to the soil, because only a little quantity of cow dung goes back, has been impoverished. Cow dung is wasted in various ways. During the last quarter of a century there is so much export of oil seeds and cakes that our soil gets

poorer and poorer every day. It is no matter how much sulphate of ammonia is produced and how many factories you put up. It alone cannot increase the yield. It is necessary to have all kinds of organic manures. It is a good thing that compost is becoming very popular. But at the same time we should not lose the materials that are in our control in the country. As I said earlier, in Germany they never exported any plant food or any material containing plant food out of their country excepting potash from their Stassfurt mines, which are inexhaustible. I, therefore, instead of condemning the Government for what they have failed to do so far—I do not wish to do that—make this constructive proposition that Government, both in the Commerce and the Food Ministries, should go into this question and take the advice of their agricultural scientists and act accordingly so that our soil could be enriched by all the materials that we are exporting today.

Dr. Rama Rao (Kakinada): I beg to oppose these Resolutions, particularly the one on groundnuts. Only recently we reduced the export duty on groundnut because the prices of groundnut and other agricultural products were falling very steeply. After export permits were given and the export duty was reduced, there was some small firmness, though short-lived. The prices have not substantially improved, if at all they have improved. The prices of groundnut (bold) shown here are as follows: in October it was Rs. 26; in November it was Rs. 24-4-0 and in December it was 23-7-0, according to statistics available. I agree with the hon. Minister when he says that we have to take a number of factors into consideration. First, there are the growers; then there are the consumers both individual consumers and those in the villages who use this oil and then the small-scale consumers who manufacture soaps and other things. Then there are the big

monopolists like Lever Brothers and the Vanaspati wallahs. There is also the foreign market.

Shri Karmarkar: We are now on the groundnuts, I suppose.

Dr. Rama Rao: Yes; but it has an indirect effect. The present condition of the agriculturists who grow this groundnut has not at all improved. Their good condition is short-lived, and therefore, probably if that concession is continued, that is, if the lower export duty is continued, it may give a fair price or at least a better price to the groundnuts. The speech of the hon. Minister has not made clear, as far as I am concerned, why this has been reversed so soon while the prices of the groundnut have not at all improved. Therefore, while we are talking of supporting the prices of agricultural products, here, in a practical manner, we are preventing any stability or rise in agricultural prices. Of course, I do not say that the prices of agricultural products should rise to an unlimited level because the consumers and the people in general should also be kept in view, but the present level of groundnut is almost in a critical position. So, if the Government think that the shippers are netting a huge profit and if the Government wants to have a share of that, the proper course for the Government is to buy up the groundnut and take up other general state trading. There are so many countries in the world who deal with this, and in which case we can lend this groundnut on Government account. Instead of doing some such thing, I think the Government is taking to the easy course of raising this export duty which directly will affect the agricultural producers. Therefore, I oppose this resolution for raising the export duty on groundnut.

Shri S. S. More (Sholapur): I am trying to understand the working of Government's mind. As far as the

[Shri S. S. More.]

different Ministries are concerned, under the Constitution they are collectively responsible, but my real question is, do they do some collective thinking?

An Hon. Member: No.

Shri S. S. More: I find, as a humble student of the acts and policies of Government that every department has its own method of approach to the different problems that the country is faced with. Take, for instance, the Commerce and Industry Ministry. It is controlling the import policy and the export policy. You are well aware that these two instruments, import and export, can be utilised by Government, if they are properly utilised, for the purpose of giving some security to the internal producers for the purpose of rehabilitating or gingering up the economy of this country. Regarding this groundnut, you know it is one of the raw materials that we are producing. As far as the Government is concerned, it is the responsibility of this Government to give protection to the producers of raw materials. What is the plight of the producers of the raw material? We have had a debate on the economic conditions in the country, and even when the motion of thanks to the President was discussed, many Members were very particular to refer to the precipitate falling of prices of agricultural produce, both food-grains and those which constitute the raw materials. What is happening now? Is Government doing anything to ginger up the prices which are coming to a level where they are ruinously uneconomic to the producer? Government is not doing anything. Take, for instance, this groundnut. I am referring to the Journal of Industry and Trade—February issue, on page 305 of which journal the Indian commodity prices have been tabled. For groundnuts—bold, Bombay, the price in January, 1954, was Rs. 35-10-0

per cwt. In January, 1955, it came down to Rs. 22-2-0. The price of machine-shelled groundnuts was Rs. 24-10-0 per maund in January, 1954, and in January, 1955, it was Rs. 16-4-0. The fall has been in a period of one year. The prices have slumped to the extent of about one-third of the prices which prevailed in the month of January, 1954. Government were very particular to observe this fall as far as the groundnuts and the allied products were concerned, and therefore, Government, on the 4th November, 1954, came out with a notification by which the export duty on groundnut oil and others was reduced from Rs. 225 per ton to Rs 100 per ton. Not to lay myself open to the charge of mis-stating, I am referring to the *Agricultural Situation in India*—December issue. At page 570 of this publication, it is said thus:

"The oilseeds and oil markets ruled generally easy during the month of November, 1954. A major event in the oilseeds and oil markets during the month under review was the Government's announcement on the 4th November, 1954, regarding the reduction in the export duty on groundnut oil from Rs. 225 per ton to Rs. 100 per ton. The effect of this reduction in export duty seems to have however been only short-lived and the oilseed and oils prices again tended to move down particularly towards the end of the month. With a view to affording some stability to prices an additional quantity of groundnut oil and a small quantity of H. P. S. groundnut kernels were released for export on 28th November, 1954."

The next page refers to the reduction in the export duties brought about by Government on the 2nd of September. So, during the year 1954, Government, realising that the prices of groundnut

and groundnut oil and other products were slumping to a very terrible extent, came down with the export duty with the ostensible purpose of gingering up and giving some stability or sum 'uprise' to the prices of this particular raw material.

I am surprised to find that in the year 1955, Government have reversed their policy and they have now thought it advisable to raise the export duty. I agree with my friend, Shri Sarangadhar Das, that such a raw material should not be allowed to go out of the country. I would rather say that we are trying to industrialise the country, and it is Government's responsibility to see that all the raw materials that are produced in the country are consumed in this country and manufactured into some finished goods so that the margin between the prices of raw material and the prices of manufactured goods would go to the indigenous labour or to the indigenous manufacturer. But when we are talking about industrialising the country we see, at the same time, the pitiable sight of the necessary raw material being sent out in larger and larger export, and with what purpose? Due to the fall of prices in the raw material, due to the fall of prices of agricultural produce, the indigenous manufacturer or possibly the indigenous exporter was benefiting to that extent. It was the duty of the Government to see that the producer was not robbed by any one, was not unduly exploited by any one and for that purpose, they have to come out with some control measures, restricting or putting a stop to the downward trend of the prices. But, instead of doing that part of their duty, they are themselves now joining in the campaign of pillaging and robbing the peasant and the small producer who is producing groundnut and such other articles. The exporter is benefiting, and the peasant has already been ruined, and the margin of

profit of the middlemen is getting inflated. So, they thought why not join in the game and take a slice of that profit. This is not a good argument for the Government which pretends to be a welfare government and which, at the same time, declares that it is time to reach a socialistic pattern of society. If the socialistic pattern of society has to be reached, then a balance between industries and agriculture has to be struck. Then, the agricultural producers have to be given some security and some margin of profit. Because what is the result? Agriculturists have lost everywhere. They are the largest customers for all the indigenous products, for the manufactured goods we get. They having lost their purchasing power terribly every other manufactured commodity is losing its prospective purchasers; with the result that, though the prices of manufactured goods are still ruling at a high level, there is no purchaser, there is no customer for them. I had a talk with a good many small traders and others and they told me they open their shop and announce their wares but there is nobody to purchase, because the peasantry is suffering from a terrible economic crisis. We must see to it that the raw materials maintain a steady remunerative price for the producer and all of them are utilised, are consumed in this country.

If the soap manufacturers and other manufacturers who use groundnut and other raw materials need some help, I am even prepared to go to the extent of suggesting that they be given some aid. But allowing things to go out of the market is not correct, and particularly when, as Mr. Sarangadhar Das suggested, not only our peasantry but even our land is being pauperised; land is becoming poor, the peasant is becoming poor; possibly the trader will become poor; and the manufacturers who thrive on the peasantry and other toilers, they too

[Shri S. S. More.]

consequently will be forced to be poor. Then who is going to remain rich? Not even the Government. Not even the Ministers will be able to enjoy the cosy comforts of the Treasury Benches.

Therefore I would say that it is for Government to apply their mind in a scientific well integrated manner to all these problems. They cannot apply some remedy in a piece-meal manner. Whenever there is some ulcer they try to apply some ointment without considering what ailment the body suffers from, the internal machinery suffers from, which is giving rise to all these boils and ulcers.

I would not take much time of the House. But I would make a very earnest request that when Government come out seeking the approval of the House, it is for the Government, for the information of the Members of this House and the public at large, to come out with a detailed note as to why, at a particular time when they were talking about reducing the export duty, conditions have changed necessitating a rise in the export duties. Unless we have got all these facts scientifically stated for our consumption we find ourselves lost. And Government can get through its resolutions, not because the Members on the opposite side understand the problems, the economic forces which are operating behind this phenomenon, but because they are under a whip, they are under a sense of loyalty to the party, and whatever the Minister says must go through; it goes like a bull in a china shop. (*An hon. Member*: Never). That should not happen.

I would in a very humble manner request the Minister to come out with a periodical literature which will give us a complete picture of the whole economic situation prevailing in the country. It might be said that the

different Departments are coming out with heaps of literature. But I do not find a well integrated picture. Every Department in its own way applies its mind to the problems faced by it and comes out with a solution which is acceptable to it, but it is rejected by other Departments. So let us have something which will be well integrated and which will fit in with the whole picture as it is.

With these remarks, I am at a loss to say whether I should support this resolution or I should oppose this resolution. The interest of the peasant demands that I should oppose it, because if the export duties are permitted to be raised, the volume of export will necessarily go down. Because, on the last occasion Government came out with a reduction of export duty with the declared purpose of enhancing the quantum of material to be exported so that there shall be better prices for the raw material. That consideration directs me to oppose this rise in export duty. But on the financial considerations, if our producer is losing here and the margin between the prices prevailing in the other countries to which we export and the prices prevailing here leave a wide gulf and the whole margin goes to the pockets of private middle men, I desire that there should be some taking away of a slice of that profit which is earned at the cost of the peasantry. But this is not the way Government can share in the profit, and I would rather support the proposal made by Mr. Sarangadhar Das that Government should purchase, for a remunerative price, all these products and they should, on their own responsibility with a fair margin for themselves, export these to countries outside. They should be regulating and controlling this as far as export trade is concerned, and they should not use this very blunt weapon of export duty or import duty for

the purpose of going to a socialistic pattern of society. If they are really serious about socialistic pattern, then they should not only use these excises or customs; they should step into the bazar purchase all the stock for proper price and then on their own responsibility and of their own bat they should send all these raw materials, which are not wanted in this country, to countries outside, so that they can get a fair share of the profit which the private middle man is at present earning at the cost of the peasant.

Shri Ramachandra Reddi (Nellore): I am constrained to oppose the resolutions under discussion in this House, unlike my friend Mr. More, who is able neither to support nor oppose the resolutions (*Shri S. S. More: I am in Hamlet's position.*) I am definitely of the opinion that the policy now thought of by the Government is likely to hamper the position of the producer of groundnut. Government seems to be looking more at the prosperity of the dealer and Government's own profits rather than at the adversity of the producer.

Government has realised since a few months back that groundnut prices have been falling down and that some price support has to be given to it. You might remember in the month of September or so, a resolution was brought before this House asking for an enhancement of the export duty on groundnut oil and a reduction of the export duty on groundnut. Then we were told that the reduction was conceived for the purpose of helping the producer of groundnut. But now the groundnut position has not been in any way bettered. As a matter of fact, all over the country there seems to be a general decline in groundnut prices. For instance, in South India, especially in South Arcot, I heard recently that a *candy* of about five hundred lbs. or so of groundnut, which was being sold at Rs. 200 last

year, is being quoted at less than Rs. 95. That shows there is a decline of more than fifty per cent.

Then the Government seems to have suddenly changed its mind and started decreasing the export duty on groundnut oil, and now they have come to the conclusion that they should increase the duty on groundnuts themselves from Rs. 150 to Rs. 300. That shows how far the policy of the Government is consistent or inconsistent and how far they have been able to understand the plight of the producer all over the country. This shows that there has not been much of co-ordination of work between the Food and Agriculture Ministry and the Commerce and Industry Ministry. Even with regard to rice exports, we see that there has not been much of co-ordination. This is another instance where co-ordination seems to be lacking. We would only suggest that they should take into confidence the producers as well as the dealers in this connection and have a discussion with them before coming to any conclusion hereafter regarding export duties or import duties.

In the month of August or September last, they found that the price of groundnut was falling and having noticed the nervousness in the groundnut market, they have reduced the export duty on groundnuts. No reason is now given for increasing the export duty on groundnut. The prices have been falling down consistently. Further, I have to point out that the internal price of groundnut last year was between Rs. 1,000 and 1,120, and the external price was Rs. 1,800. Noticing the disparity between the internal price and the external price, the Government, I think, came to the conclusion that the export duty on groundnut should be increased. Unfortunately, the prices have gone down considerably now. The price

[Shri Ramachandra Reddi.]

seems to have touched the lower margin of about Rs. 850 or so in the internal market and from Rs. 1,800 to Rs. 1,100 in the external market. These figures show that there is absolutely no case for enhancing the duty on groundnut.

One ought to understand the close link between groundnut oil and groundnut itself. Last time, we protested against the increase of export duty on groundnut oil. But, the protest was not heeded to and the Government continued to levy a higher duty on groundnut oil. Now, I find that twice or thrice, probably thrice, they have reduced the export duty on groundnut oil. This policy does not seem to be understandable at all. Another point has also been pointed out by some of the previous speakers about the utilisation of the groundnut oil and groundnut cake, which is the parent of the groundnut oil. There is no increased off-take of groundnut oil in this country for the simple reason that vanaspathi factories have either not been started, or probably they are not likely to be started and also perhaps some of those that are working will have to close down very soon. It is also noticed that soap manufacturers are finding it difficult to cope up with the increased production of soap and there is likely to be a slump in the soap market. That only shows that the off-take of groundnut oil will decrease in India itself and the prospect of increasing groundnut oil consumption lies only in the export of it to other countries.

There are one or two matters which are worth mentioning. While they have announced a reduction of export duty on groundnut last year, they have not increased the quota to individual shippers. They seem to have put a ceiling of 400 tons per individual shipper. Unless the individual shippers had an opportunity of send-

ing more and more outside India, there was very little possibility of their purchasing more and preventing a decline in the groundnut market. They have not done that. Further the closing of the quotas by the end of March seems to be a peculiar process. The closing down of the existing quotas by the end of March only makes the market very nervous and the producers would like to sell away their produce as early as possible and as quickly as possible. So much so, the dealers who are not able to export more than 400 tons will not be in a position to purchase more and more of groundnut oil or groundnut whatever it may be, for export purposes. Unless there is a steady increase in export, there cannot be steadiness in the price of groundnut. Unless the Government are in a position to extend the time by another six months from the end of March for the export of the existing quotas, and unless there is some margin of time, there will be no possibility of the producer keeping the produce with him, for the simple reason that he will be heading on hectic times and he would like to sell away as much as possible at whatever low a price it may be. These two suggestions will have to be taken notice of and probably the Export Advisory Committee will have to be consulted. To what extent consultation has been made and to what extent the Export Advisory Committee has advised on this matter, are yet to be revealed by the Government to the House. In the existing conditions in the country regarding groundnut production, Government have to think more liberally about it and see that the producer is given more incentive to produce more and also to see that the producer gets a fair price for his produce. In the Five Year Plan we are thinking of fixing targets. The targets have been reached in certain cases. Now there is a decline. Un-

less this decline is prevented, it would go down once again very much below the targets that we have been able to fix. These conditions have to be studied by the Government more carefully and a proper approach has to be made, not with a view to harm the dealer, but with a view to help the producer, in whatever part of India he might be.

It is suggested that the Government might purchase groundnut whenever the price is sagging and sell it away or deal in it by securing orders from elsewhere. But, our experience has always been that whenever Government have thought of dealing in a particular produce or product, they have awefully failed. Past experience clearly shows that Government is not the proper or competent authority or channel for trading purposes.

Shri S. S. More: Efficient.

Shri Ramachandra Reddi: I quite agree: not only not efficient; I shall put it negatively also: the most inefficient. By entrusting this work of dealing in groundnut to the dealers and by trying to support the price by handling the export policy carefully, the Government will be able to help the groundnut producer to a larger extent than they are today, by means of the several resolutions that are sponsored by the Government. I therefore oppose these resolutions and I request the Government to reconsider the position, in consultation, if necessary, with other experts either on the production side or on the dealers' side and see that proper justice is done to the producer to a larger extent than it is today.

Shri Tulsidas: I had no intention to participate in this discussion, but in view of the debate that has taken place so far, I feel, that I should clarify the position in regard to groundnut and groundnut oil pri-

ces. These Resolutions merely seek to increase the export duty on groundnut cake, groundnuts and other qualities of cake. I thought the proper occasion for a debate on this question of export and import policy would have been when the Imports and Exports Bill came up before the House, and therefore, I did not think that it was worthwhile discussing this question at this stage.

Shri Karmarkar: You can finish it now.

Shri Tulsidas: But since the question has been raised now in regard to groundnuts and groundnut oil cakes, I feel that I should clarify the position. The intention of Government in bringing forward these measures for the export duty on groundnut oil and cake has been to stabilise the prices of groundnuts etc., so that the farmers may benefit thereby. But I am at one with most of the speakers here when they say that the policy of Government has completely failed to stabilise the prices. The reasons for that are so many, and I shall certainly like to enumerate them, but there is no use mentioning them now in a discussion on these Resolutions, for the matter will come up again when the export policy comes up for discussion.

However, I may point out that the history of the export of oil cake is as follows. Since the last fifteen years, or even since the war started, no exports of oil cake were allowed in this country. It was only last year that oil cake was allowed to be exported. Oil cake had been considered to be a very good manure for our agricultural produce, and therefore, it was not allowed to be exported.

Shri Achuthan (Cranganur): Fodder also.

Shri Tulsidas: But last year, the Food Ministry thought it best to allow a certain amount of oil cake to be

[Shri Tulsidas]

exported from this country, and therefore, they entered into a barter deal with a foreign firm who were allowed to purchase about 15,000 tons of oil cake on an entirely monopoly basis—for, not one exporter was allowed to export oil cake from this country—and in return, they were to give $2\frac{1}{2}$ tons of ammonium sulphate as against one ton of oil cake free.

Shri N. B. Chowdhury (Ghatal): What is the name of that firm?

Shri Tulsidas: I do not wish to say that, but I would only say that it is a foreign firm. This was the decision of the Food and Agriculture Ministry.

Shri Karmarkar: Now you have also joined them.

Shri Tulsidas: Excuse me, I do not want to say anything on that. But I would like to say that this was not in the interests of the country. This was pointed out to the Commerce and Industry Ministry, which has now taken charge of the exports of oil cake. But at that time, this was out of the purview of the Commerce and Industry Ministry; and this was done by the Food and Agriculture Ministry. And in view of the contract which had been entered into with the foreign firm in regard to the supply of oil cake, and the supply of $2\frac{1}{2}$ tons of ammonium sulphate in return for one ton of oil cake, an export duty was imposed on groundnut oil cake. As the hon. Minister has told us just now, Rs. 300 of duty will cover about $1\frac{1}{2}$ tons of ammonium sulphate. So you can see that even with this duty, the available benefit to the country would be only about $1\frac{1}{2}$ tons of ammonium sulphate as against one ton of oil cake. That shows that even the former deal was better suited to the country, for they got $2\frac{1}{2}$ tons. Anyway, I am not objecting to the imposi-

sition of the duty, because I feel that when the external prices are at a high level, Government must take the entire benefit, if at all any commodity is allowed to be exported, so as not to allow the shipper to take the maximum benefit. To that extent, I fully agree with Government. But side by side, if the prices also have to be stabilised within the country, then we must also see that we get the maximum benefit in the foreign countries as well. But what has been the policy? The policy has been to allow a particular quantity of groundnut oil or cake to be exported for a short period of two months only. The result is that the entire corpus of shippers go and dump the goods in the foreign countries, with the result that the prices in the foreign countries go down, and no one benefits thereby except the foreign buyer. The prices here also do not improve. On the other hand, you will find that in spite of the allowing of exports of groundnut oil and oil cake, the prices of groundnut oil etc., have come down. This would not have been the case but for the fact that the short period for which the export quota was allowed has resulted in the prices coming down in the foreign countries. This is the main reason why the prices have not got stabilised in our country; it is not that the margin of profit of the shipper has gone up either; on the other hand, the margin of profit of the shipper also has gone down considerably by as much as 75 per cent. in many cases.

So, the result of this policy has been that the foreign buyer benefits, though the market conditions in those countries are such that our people would have been enabled to take the maximum advantage of the prices ruling those countries. That is where the whole trouble has come. I do not think that I should oppose on any

point the levy of the export duty, but the point at issue is that the export quotas must be for a longer period. That has been the recommendation of the Import Control Enquiry Committee, and that has been the policy before. I do not know why that policy has been changed and this new policy has been framed, which has not resulted in any benefit to the country. This is the only point that I wanted to draw the attention of the hon. Minister to.

Shri Rane (Bhusaval): I come from a district which grows groundnut, and as such, I am interested in the prices of groundnuts being stabilised in the interest of the growers. My hon. friend Shri S. S. More has argued that Government are trying to rob the producers or that they are joining to rob the producers by its present policy. I do not agree with his view.

Shri S. S. More: I did not say that Government are trying to rob the producer. I only said that they are trying to have a share in the robberies.

Shri Karmarkar: Robbing and pil-laging.

Shri S. S. More: Somebody else is robbing. It is a bargain with the thief.

Shri Rane: I do not agree with my hon. friend Shri S. S. More's view.

My hon. friend Shri Tulsidas had also said that the policy of Government in exporting groundnut, groundnut oil and groundnut oil cake has failed to stabilise the prices. I for one think that the present policy of Government has contributed towards the stabilisation of prices in the interest of the growers. The quota of export in 1950-51 at least in regard to groundnut oil was fixed at about 70,000 tons. In 1951-52 also, it was about the same quantity. In 1952-53 also, Government wanted to export the same quantity. But in the midst

of July 1953, the prices of oil soared very high, and I think the price of oil per maund rose to nearly Rs. 100. Then, Government, therefore changed its policy, and did not allow export either of oil or of groundnuts in the interest of consumers. The result was that in 1953-54, the quantity that was allowed for export did not exceed 2,000 tons. In the year 1954-55 till last November (1954) also export did not exceed 2,000 tons. So, the gap between the export figures of 1950-51 and 1953-54 and 1954-55 (November) was about 68,000 tons. Taken as a whole for the two years, the gap exceeded more than 100,000 tons.

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The result was that prices of groundnut fell enormously, and to my knowledge, at least in the markets of my locality, the prices fell by 50 per cent. This hit hard the growers and something had to be done in the matter to save the growers. I happened to be a member of the Export Advisory Council. In May last, I pressed the Government to increase the export quota for oil and groundnut. The same view was expressed by the Oilseeds Committee at Hyderabad, and as far as my knowledge goes, the Andhra Government pressed the Central Government to increase the export quota of groundnut and groundnut oil. Even the public and the growers also, as far as my knowledge goes, pressed the Government that oil should be exported. In November last, when the Export Advisory Council met, I think there was a unanimity of opinion that the Government should export groundnut oil in the interest of growers, and also other oils so that the prices may stabilise. I do think that this policy of exporting oil and groundnut will stabilise prices in the interest of growers. Of course, Government are not, to my knowledge, willing to announce

[Shri Rane.]

at once what quota will be exported or allowed for export because that may give an advantage to the businessmen. Government are, therefore, cautious in not announcing this quota at once. Apprehensions were expressed by my friend, Shri Ramachandra Reddi, on this score and he said that Government should extend the time for export beyond March, 1955. I do hope that Government will allow more quota for export after March, 1955 also; that will benefit the growers. The policy of export of groundnut oil etc. is in my view in the interest of growers.

Shri Bogawat (Ahmednagar South): As regards this Motion, I humbly bring to the notice of Government that at this juncture it will not be in the interest of the agriculturists to raise this export duty. There is an economic crisis and prices of foodgrains and oilseeds have gone down.

Shri Karmarkar: Export duty on what?

Shri Bogawat: I am coming to that. The prices have fallen to such an extent that there is a catastrophe. I have experience about the production of groundnut. Even the price of the seed that was paid by the agriculturists could not be recovered. The price of the seed was so high that they purchased the seed and cultivate their lands, this being a cash crop, thinking that they would get good cash. But now they have come to such a loss that they have to suffer for the cost of irrigation, weeding and even of digging the groundnut. They are now repenting. At such a juncture, I do not know what prompted the Ministry to raise the export duty. They fully know, and are aware, that the agriculturists are heavily in losses and they ought not to raise the export duty, but on the contrary, should look to the interest of the agriculturists. If they do not look to the interests of the agriculturists, it

will be a fault or mistake even on the part of the Government. They will not gain much, but the agriculturists will lose much.

I humbly submit that instead of raising the export duty, the Government should allow more export, more quantity, and reduce the export duty and give a chance to the agriculturists to get at least the cost of production. The cost of production is such that even allowing export free of duty, they will not be able to make up the losses. Such is the condition in the country, and if things are done in this way, there will be an economic crisis and there will be more catastrophe falling on the agriculturists. The traders have lost; I do not mind it. But if the agriculturists lose.....

Shri S. S. More: The country loses.

Shri Bogawat:.....it will not encourage them to cultivate groundnut next year. I can surely say that there would be a very big fall in the production of groundnut. The policy of the Government should be such as to be in the interest of the agriculturists. The Government do try, but I do not know what made them do this at this juncture, in January 1955, when the prices were continually falling. They must have reports from the villages and the districts and must understand what are the prices, what are the conditions in which agriculturists work, whether there is an economic crisis or not. Unless these conditions are well studied, it will be a big risk to increase the export duty. I humbly submit that in the interest of the agriculturists, it will not be proper on our part to raise this export duty at such a stage. On this occasion, I request Government to withdraw their notification and the Motion. This is my humble submission. The agriculturists are in difficulty and they are losing in all the foodgrains and other agricultural products, because the prices have gone down

more than by 50 per cent in certain cases. So, considering all these points, I humbly submit that the Government should encourage more export and reduce the export duty.

Dr. Krishnaswami (Kancheepuram): I am glad that this debate has been taken out of the net of a narrow consideration of the ethics of an export duty levied on groundnut. My friend, Shri Tulsidas Kilachand in his speech, pointed out that the Government had failed signally in stabilising the prices of many agricultural commodities. I should like to correct him by suggesting that it is not a question of stabilising prices that is the point at issue. Where the Government have failed is in not stabilising the incomes of the weakest sections of our community, the agricultural community, and it is from this point of view that I propose to consider this question.

This increase in export tax levied by the Government may be quite appropriate in the present circumstances, especially as world prices are very high, and a portion of the surplus received by the dealer should be lopped off by the Government. But the main issue that I should like to place before the Government is that in allotting export quotas, proper consideration has not been paid hitherto to the claims of the producer. In the case of oilseeds and groundnuts, the announcement effects of an export policy are probably more important than the levying of a tax. Thus, if the announcement of an export quota is delayed, is made, after the harvest has been garnered, the peasant, unable to retain it, is forced to sell in distress to dealers. I should like our Government also to make a statistical inventory of the oilseeds kings who are at present ruling the roost in the markets of India. It is time we made a detailed inquiry into their ways and methods of cornering

and rigging the market. I would like to point out that this very policy of giving export quotas inevitable no doubt to a certain extent, strengthens the monopolistic position of these kings. By our having export quotas, it is only four or five of these people who rule the market. In ordinary circumstances, if there were no export quotas, there would be free entry, and the high rates of profits would be lowered as a result of such entry. But as a result of export quotas being given, it is only these four or five kings who are able to rule the roost, and make windfall profits. Government, in making its announcement of export quota, should take into account the interests of producers. I know the practical difficulties that are involved in the suggestion that an export quota should be announced well in advance. For instance, the Food and Agriculture Department can legitimately point out that we have to take time to find out what the quantum of crops is likely to be. There is, as is well known, a time lag between the sowing of crops and the first estimate of crops and that estimate is not likely to be accurate. We have to wait for another two or three months for the second estimate which is probably accurate. But, just before harvest is gathered, if Government could make the announcement of export quotas, we would probably strengthen the position of the producer. He would be able to get a larger amount of income from the speculator or the dealer by bargaining. Those who have watched the trend of prices, particularly between the months of October to about February or thereabouts, can easily realise that there is a great deal of speculative activity which is indulged in by these dealers who are in charge of the market. I say that in the present circumstances more especially when we are having controls,—we ought to consider that controls have an important effect in

[Dr. Krishnaswami]

transferring incomes from one group to the other, and at present there seems to be a transference of income from the lower income groups to the oilseeds kings—care should be taken to announce quotas in advance and limitations should be placed on the period for which such quotas are valid. Probably, the effects of control measures are more far-reaching than even taxation measures. It is time Government revised their policy of announcement of export quotas so that the agricultural producer might have a larger share of the income instead of his being driven to the wall. Today, I am glad that a portion of the surplus of the dealer has been lopped off but if you wish to improve the lot of the agriculturist, you must take into account these factors which I have mentioned and not merely allow him to be exploited by monopolists. I do think that, particularly in the present circumstances when there are only about 5 monopolists in the oilseeds trade, we ought to consider how we are going to have these quotas announced in time so that we might strengthen the position of the producer. A more active interest ought to be displayed by the Government of India in the welfare of the peasant and I do hope it will be possible for the Commerce and Industry Ministry and the Food and Agriculture Ministry to co-ordinate their activities.

I can understand my friend Mr. Kilachand's point that these export quotas being valid for a two months' period, create difficulties for the dealers. But this cannot be helped I suppose and the difficulties are exaggerated. I am putting primary emphasis on the announcement effect, which ought to be made just before the harvest so that the producer might have a chance of getting as much as possible from Mr. Kilachand and his

friends who are in the market. It is time we thought of the agriculturists; it is time we thought of the primary producer. My hon. friend who preceded me pointed out that it was difficult for people to continue in the business of agriculture. The sharp catastrophic fall in incomes, associated with a fall in prices has led to agriculturists thinking that it has ceased to be a business, and that they should leave their land fallow.

I do not propose to go at length into the export and import policy of the Government of India. When the time comes for a discussion on that subject, I shall intervene and I shall return to the charge that I have made today that the Government of India has not taken into account the interests of the agricultural producer as they should have done and that they are thereby doing violence to the concept and continuance of a Welfare State to which we profess loyalty.

Shri Karmarkar: Sir, the debate has taken a very interesting turn. Before I go to the various points raised on the merits, it strikes me as something interesting. Every individual is bound to react to his environment. For instance, my friend Mr. Sarangadhar Das thought that the export of oilcakes to any extent whatever would be suicidal because he is naturally interested in greater production and that he thought that whatever oilcake is available should be used as a fertiliser.

Then my hon. friend Mr. Reddi raised a very interesting point. He was worried about the export duty itself. He did not think it proper to apply his mind to the position as to whether in case there is great disparity between the foreign prices and the internal prices, without prejudice to the return that has to be made to the producer, whether it would not be proper under

these circumstances for the State to step in, and mop away the extra profits, which otherwise some would make. Naturally, so far as I could gather from his speech, he would like the prices to rise as high as possible. If the external prices are high and the internal prices are low and if export quota is permitted, naturally, the internal prices will rise high. That appears to be his point of view. I was really doubting whether he was representing the grower or the trade also.

Shri S. S. More: He is sitting by the side of Tulsidas.

Shri Ramachandra Reddi rose—

Shri Karmarkar: On the export and import policy, he will have another chance as Dr. Krishnaswami has threatened. I am not exactly sure now whether my friend Mr. Reddi moves only in the atmosphere of the growers or is also contaminated by the atmosphere of the dealers because he is sitting by their side. Anyhow that was my reaction.

Shri Ramachandra Reddi: It is a wrong reaction.

Shri Karmarkar: It may be a wrong reaction.

Shri S. S. More: Reactions are always wrong.

Shri Karmarkar: Reactions are wrong. That was exactly the point I was going to make.

When I listened to Mr. More I felt that reactions are always wrong. Because, as I tried to analyse Mr. More's arguments, he said something about something and he said we are pillaging and robbing. In my carefully taken notes these are the most important parts of his speech.

Shri S. S. More: I only suggested that the unduly large profits of the middlemen are being shared by the Government.

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Shri Karmarkar: I have taken down the words correctly. They are pillaging and robbing.

Another point which he made was that whenever such proposals are made all the possible material is not made available. My friend Mr. More, I am quite sure, knows that there is rich material on this subject, about internal prices and external prices. In fact, we are supplying the rather richly produced journal, *Industry and Trade*, which is supplied free to all Members of Parliament and I am happy that he tries to find out something from it, when it is convenient to himself. But I was pained that Mr. More raised the point that this policy is wholly irrational. To make a rational interpretation of what he said, I suppose his point of view was that we are not steady in our policies, that we are not rational in our policies.

Shri S. S. More: You are not consistent.

Shri Karmarkar: We are not consistent in our policies as he would like to say. I wish he was as moderate in his remarks when he made his speech. In a matter like foreign trade, in a matter of export quotas and all that, it is the ABC of policy that it cannot be consistent because we have to take into account not only things within the country but also things that obtain in the whole world. That is a point which Mr. More doubtless knows.

When I was coming to Mr. Tulsidas my friend Mr. More obstructed my course and demanded my attention to his points. I find that my friend had nothing much to say about the quantum of export duties not anything to say about of the quantum of export quotas but his complaint is about the time lag between the announcement and the fulfilment. The principal complaint that he had to make was that

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the time available for exports after the export policy is announced is much too short. I suppose that is a point which we fully take into consideration whenever we want to be definite as to how much is going to be exported. We are very particular that so much and nothing more and nothing less is exported. In a matter like the groundnut oil or other commodities, we have to take into consideration as to what utilisation the dealers concerned would make of the opportunities given. If my friend has any just complaint about any particular period, I wish he communicates that to us. In fact, we have benefited very largely from the report of the Import Control Committee over which he presided.....

Shri Tulisidas: I was one of the members.

Shri Karmarkar: He has contributed to the report and his contribution was very definite and you will easily agree that he was in touch with the problem and that he was competent to give advice. It is just a possibility that if there are any errors in the Government policies, they are perhaps due to that report.

Coming now to the subject proper, which is really a small one, the extent of discussion has been narrow. My friend, Mr. Bogawat, is pinning himself to the farmer, or rather the prices of the farmer. The handpicked variety is only 20,000 tons out of 22 lakh tons and it has nothing to be very much affected thereby. During my recent tour in Maharashtra, I met agriculturists and they pleaded for the export of handpicked groundnuts and things like that. 20,000 tons out of 22 lakh tons is not going to make a material change so far as the prices are concerned. I have got proof here: we have the figures continuously from December 1954, week by week, and I do not find that after the increase of

this duty from Rs. 150 to Rs. 300 the prices have in any way fallen. On the other hand they have increased.

Shri Bogawat: They are falling down.

Shri Karmarkar: I have got the figures with me and I know the position. On 12.1.55, the prices, for instance, of handpicked variety were Rs. 480 per ton and on 22.2.55 after a little rise and a little fall, we find that the figure is Rs. 505. At least, those are our figures. The principal question in the matter of handpicked groundnuts is that we look to the external prices and internal prices. The external price as was given to us was Rs. 1233 per ton and we found that the profit margin at the internal current rate should be about Rs. 415. So we stepped in and said that instead of having the duty as Rs. 150, we should better raise it to Rs. 300. Regarding the foreign prices and things like that, this particular item has not much of a bearing and as observed rightly by my hon. friend, who spoke a little earlier, in fact, the Government policies have also been to look after the interests of the grower. I think it was Shri More—I forget exactly who it is, but I think it is Shri More because of the destructive character of the argument, and I may say it is destructive in the good sense of the term, and not in the censorial use of the word. Let him not wear that cap unless it fits him.

Shri S. S. More: I have already got one cap.

Shri Karmarkar: He might change it, one does not know. On this subject, I shall not comment on the colour of the cap. My hon. friend charged us by saying that we have no fixed policy and guides for fixing our export quotas and that there is no correlation as between the work of one Ministry and another. But it should be within everybody's knowledge that in the matter

of groundnut oil, oil cakes, etc., it is primarily the function of the Food and Agriculture Ministry and regarding the possibility of export, they become our senior advisers. We come in the picture because we are the exporting mechanism, but when Government moves, it moves as a whole; it does not leave behind one Ministry while the other Ministry proceeds far. If it is a question of drugs, the Health Ministry comes largely in the picture. If it is groundnut, oil cakes etc., the Food and Agriculture Ministry comes largely into the picture. We have our regular meetings between the Ministries over these questions and the House will appreciate that position. It is not only a question of the agriculturist and foreign markets, but there is an element of what is known as speculation in trade. People put things in and take them out whenever they like and I am quite sure Shri More has a better knowledge of this than I have.

Shri S. S. More: I am ignorant about it.

Shri Karmarkar: I do not say he is a speculator, but he knows a lot about speculation. Sometimes, I admit Government are a little late in taking action, but they have to wait and be sure of the ground before taking any action. They had to keep a close watch of the working particularly in the matter of varying the export duty. As you are aware, we brought down the export duty on groundnut from Rs. 350 to Rs. 225 and later on kept it as low as Rs. 100. We do not want to see any one, least of all the agriculturist, to suffer. We have also to take into consideration other things like the interests of the consumers. Ultimately we have to balance our action with a view to seeing that we not only help the agriculturist, but also the consumer. We have to be fair to both. My friend, Shri Bogawat, says that we do not worry about the agriculturist who is

going to dogs. The dealer, or the merchant, has a useful function to perform until we change into a perfectly socialistic pattern. Till then, the private dealer has a useful function to do. We do understand, though we sympathise with the dealers, that perhaps some of them try to help themselves whatever may happen to the State and therefore, it is there that we have to balance the interests of all. The agriculturist is the producer and he comes in; then comes the distributor, the dealer or the merchant. In the midst of these considerations, we do arrive at a balance after constantly watching the situation. There may be errors here and there and I do not claim omniscience for Government. Sometimes we are not in full possession of facts. By and large, however, I am quite sure that the House will agree that the Government have been quite sensitive to the requirements of the situation. That is all that I wish to say. I do not wish to trouble the House about the other things because nothing has been mentioned about them by hon. Members.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 113, dated the 9th January, 1955 by which the export duty on groundnuts was enhanced from Rs. 150 to Rs. 300, per ton, of 2,240 lbs. with effect from the date of the said notification."

The motion was adopted.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of

[Mr. Chairman]

India in the Ministry of Commerce and Industry, No. S.R.O. 332, dated the 5th February, 1955, by which an export duty of Rs. 230 per ton of 2,240 lbs. on groundnut oilcake and an export duty of Rs. 175 per ton of 2,240 lbs. on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent oil) were levied with effect from the date of the said notification."

The motion was adopted.

Mr. Chairman: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act 1934 (XXXII of 1934), Lok Sabha hereby approves of the notification of the Government of India in the Ministry of Commerce and Industry, No. S.R.O. 386, dated the 15th February, 1955 by which—

- (i) an export duty of Rs. 100 per ton of 2,240 lbs. on decorticated cotton seed oil cake and an export duty of Rs. 50 per ton of 2,240 lbs. on all oil cakes, other than the following namely, groundnut, copra, mowha, tobacco seed, neem seed and decorticated cotton seed oil cakes were levied, and
- (ii) the export duty levied on de-oiled groundnut meal (solvent extracted variety containing less than $\frac{1}{2}$ per cent oil) was made applicable to de-oiled groundnut meal (solvent extracted variety containing less than 1 per cent oil)

with effect from the date of the publication of said notification in the Gazette of India."

The motion was adopted.

*DEMANDS FOR SUPPLEMENTARY GRANTS, 1954-55

Mr. Chairman: Now we take up item 3 of the agenda, namely, submission to the vote of the House of the Supple-

mentary Demands for Grants for expenditure of the Central Government (excluding Railways), and I hope the House will agree if we proceed one Demand after another, that is, taking the Demands one by one.

Now I shall place Demand No. 1 before the House and there are certain cut motions to it—Nos. 4, 9, 10 and 5. This Demand and the four cut motions are before the House now.

Shri Bansal (Jhajjar-Rewari): May I know the total time allotted for this Demand?

Mr. Chairman: We have three hours for the whole of the Supplementary Demands and if the hon. Member desires that we should have a break-up, I have no objection.

Shri Bansal: I suggest that we have one hour for the Commerce and Industry Ministry's Demand and two hours for the rest.

The Minister of Commerce (Shri Karmarkar): Commerce and Industry is a simple one and will not require so much.

Mr. Chairman: I think that as the debate proceeds, we might see whether there is a necessity for having a break-up.

Shri T. K. Chaudhuri (Berhampore): With regard to cut motion No. 5 in list No. 2.....

Mr. Chairman: I have stated that No. 5 is included there.

DEMAND NO. 1.—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 10,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Commerce and Industry'."

Creation of new posts for National Industrial Development Corporation and development of small scale industries.

*Moved with the recommendation of the President.

Shri T. K. Chaudhuri: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,00,000 in respect of 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Failure to effect savings by reorganisation of Foreign Trade Control Establishments on recommendations of Special Reorganisation Unit.

Shri T. K. Chaudhuri: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,00,000 in respect of 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Creation of posts of Officers in connection with National Industrial Development Corporation.

Shrimati Renu Chakravarty (Basirhat): I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,00,000 in respect of 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Working of the National Industrial Development Corporation.

Shri Tulsidas (Mehsana West): I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,00,000 in respect of 'Ministry of Commerce and Industry' be reduced by Rs. 100."

Mr. Chairman: All these cut motions are now before the House. About 4, I would like to be enlightened whether it is in order. What does the hon. Member expressly mean when he says: 'Policy with regard to exhibitions, trade fairs and show rooms in foreign countries.'

Shri T. K. Chaudhuri: That is No. 7, with regard to Demand No. 4. That I do not want to press.

Shri M. S. Gurupadaswamy (Mysore): May I suggest that all the demands may be taken up and all the cut

motions may be deemed to have been moved.

Mr. Chairman: I am afraid that it might cause confusion. We will proceed one by one. We shall first take up Demand No. 1.

Shri Tulsidas: I have moved my cut motion No. 10 which is only meant for discussion of the working of the National Industrial Development Corporation. I find that this Demand is mainly for organising this Corporation and of appointing officers for this Corporation. This Corporation has been established four months back. I remember that during the last session we had certain demands for floating this Corporation and we were then told about the functions of the Corporation. I also see from the Finance Minister's speech yesterday that this Corporation has been established mainly to serve as an instrument for securing a harmonious development of industries in both the public and private sectors. The Finance Minister also said that the Corporation would not undertake financing of industries except in so far as it was incidental to the development of industries. I would only like to know from the hon. Minister whether any beginning has been made. I do not find anywhere whether any action has been taken under the new Corporation which had come to create the harmonious development in both the public and private sectors. I want to know whether any beginning has been made. That is the only point which I have to submit.

Shri T. K. Chaudhuri: Sir, I rise to speak on my cut motion Nos. 4 and 5. While doing so, I must at the outset emphatically protest against the manner in which Government brought into being these corporations for all sorts of purposes without first taking the Parliament into confidence. I might remind the House that in the case of the Industrial Credit and Investment Corporation also to which we made a grant of Rs. 17 crores in the Supple-

[Shri T. K. Chaudhuri]

mentary Grants in the last session no proper opportunity was given to this House to discuss the policy behind it. Then comes the National Industrial Development Corporation. Posts are going to be created in the Government Department or the Ministry itself for the proper conduct of this Corporation. I do not know what it means but I lay a very definite charge against the Government that this Corporation is being floated in a very objectionable manner and it has been brought into being in a manner which is highly objectionable. Government was never frank with regard to the purpose with which this Corporation, was brought into being. I would refer you to this matter as being of some importance and so I want to take a few minutes on this.

I find that on August 6th last year, Mr. T. T. Krishnamachari, the Minister of Commerce and Industry, held a meeting with top-ranking industrialists in Bombay on the establishment of the Industrial Development Corporation—this is a report published in the *Journal of Industry and Trade*—for promoting industrial development. Look at the names of those who attended the meeting. They are: Shri J. R. D. Tata, a favourite of the Government, Sir A. Ramaswamy Mudaliar, Lala Shri Ram, Shri K. C. Mahindra, Shri Kasturbhai Lalbhai—for whom, the Government provided in the last supplementary Budget for a payment of Rs. 3 crores for the Atul Products Ltd., with which he is connected—Shri V. N. Chandavarkar and Shri S. P. Jain. Apart from these there were a number of officials of the different Ministries, the Governor of the Reserve Bank, etc. Shri Krishnamachari first outlined the purpose for which this Corporation was brought into existence. He said that the essential idea was to secure the co-operation—this is a Government report and no newspaper report—of the leaders of private enterprise for the building up of industries in the country. Let us forget about the socialistic pattern of society and the Avadi resolution and all that bunkum. We

can however legitimately refer to the Finance Minister's Budget speech which we heard last evening. He said that the setting up of the Government owned National Industrial Development Corporation was an important step in the direction of promoting industrialisation. It was, he said, conceived mainly for securing harmonious development of industries in both the public and private sectors. I do not understand how this statement of the hon. Finance Minister could be fitted in or squared up or reconciled with the statement of Shri Krishnamachari. I might also refer to a note in the supplementary budget which we passed last session. It reads: "in order to quicken the pace of industrial development, it has been decided to set up a special organisation called the Industrial Development Corporation. The Corporation would be set up entirely with Government capital....." and so on and so forth. All directors would be nominees of the Government and non-officials would be serving in their individual capacity whatever that might mean. The supplementary budget was passed by us on December 17th or 18th of last year and then it was said that in order to bring that Corporation into existence certain grants were asked for. Here, in the memorandum of association of the National Industrial Development Corporation and the articles of association which is a very revealing document, we find that even before the grant was obtained by leave of the Parliament in December the Corporation was already brought into existence on the 20th of October with the President of India as a subscriber of 9,998 shares, and two officials of the Ministry with one share each. The position is that this Corporation has been registered under the Indian Companies Act. Now, Government is perfectly entitled or anybody is perfectly entitled to incorporate a company under that Act. The functions and the objectives are already laid down in the memorandum of association. I do not understand why fresh posts should be created in the Ministry itself for run-

ning this organisation. It passes my comprehension. This is going to be an autonomous Corporation. Government has already some representatives on it. So, why have new posts, new Secretaries and other officers for running this organisation? New posts are being created—a Special Secretary, Joint Secretary, Deputy Secretary, Under Secretary, etc. Whenever you appoint a secretary, he must have a Joint Secretary and a Deputy Secretary and Under Secretaries under him.

Shri M. S. Gurupadaswamy: To keep up the dignity.

Shri T. K. Chaudhuri: Whatever it is, this is an absolute waste of public money. I lay specific charges against the Government. Number one is: the Government has been dishonest in floating this Corporation.

The Deputy Minister of Commerce and Industry (Shri Kanungo): How?

The Minister of Defence Organisation (Shri Tyagi): Is the word 'dishonest' parliamentary?

Mr. Chairman: If the word is hard, of course, it may be avoided, but I do not say that it is unparliamentary.

Babu Ramnarayan Singh (Hazari-bagh West): It is true.

Shri S. S. More (Sholapur): This has become quite parliamentary now!

Shri T. K. Chaudhuri: The hon. Minister of Commerce and Industry, Shri T. T. Krishnamachari—we hope he will be soon back again here in New Delhi—said that the essential idea was the development of the private sector or private industries and so on. Then, Government comes forward with a Supplementary Demand for Grants, gets the same grants, and even before the grants are made, they float a Corporation, and then something happens at Avadi, and the hon. Finance Minister comes out with the statement that Government conceives this thing mainly as an instrument for securing the harmonious development of industries, both in the public and private sectors. So, this sort of thing should be put a stop to. Of course, with regard to the other bigger Corporation, the Industrial

Credit and Investment Corporation, the Government has been frank, because, as I understand, the objective was frankly one of helping the private sector of industries in getting the necessary finances. Government is of course free to do that. Only, I do not see how it can be reconciled with a socialistic pattern of society, but anyway, Government has been open and frank about it. But my main objection against all these things is that Government has not taken the Parliament into confidence. Please do not smuggle in these things, after indulging in tall talks about the socialistic pattern of society; you are smuggling in these things by way of Supplementary Demands for Grants, giving us no adequate time to discuss the policies behind all these things. The same observation would apply with equal force to the small Industries Corporation.

Mr. Chairman: We are confining ourselves to Demand No. 1.

Shrimati Renu Chakravarty: It mentions the development of small-scale industries also. It is all lumped together.

Shri T. K. Chaudhuri: In foot-note (a), there is mention of the development of small-scale industries. I am making a short reference to the small-scale Industries Corporation. I do not object to its purpose. I think that now Mr. Kanungo is there, we are entitled to hope that something tangible will be done in order to improve matters.

Shri S. S. More: Why this partiality?

Shri T. K. Chaudhuri: Because I know Shri Kanungo; I know something about his work.

Shri M. S. Gurupadaswamy: Divide and rule!

Shri T. K. Chaudhuri: Some day we hope to rule and we also hope to have all good men in.

Mr. Chairman: The hon. Member will address the Chair before ruling!

Shri T. K. Chaudhuri: Here again, the trouble is that this has been done by way of a Supplementary Demand

[Shri T. K. Chaudhuri]
for Grants under the budget, and the Government does not think it proper to come forward with an open policy statement with regard to the small-scale industries. Small-scale industries stand in a different category than cottage industries. As everybody knows, we invited the Ford Foundation Team—a team of experts—and they have given us a report. But the way that this thing is being done leaves many doubts to be removed. When I move the cut motion with regard to the Small Scale Industries Corporation, I will take the opportunity of dealing with it and with the objection that I take to the way in which that Corporation has been floated. But before I sit down, I hope that the Government would not treat this House so lightly.

I shall take one minute more, because what I want to say relates to this demand. There is one other thing which I forgot to mention earlier. At page 5, item No. (f) (i) says:

“A saving of Rs. 3,48,000 was anticipated on reorganisation on the basis of the recommendations of the Special Reorganisation Unit but, due to practical difficulties the recommendations could not be implemented with the result that the savings anticipated have not been realised.”.

I thought that the Finance Ministry, which is the custodian of our finances would have noted that there are certain difficulties and that these things could not be implemented. Economies were suggested, Government accepted the recommendations, but somehow or other, there were other practical difficulties. Today, this very morning, there was a question—No. 360 in the list of Starred Questions. In that connection, I asked whether a Special Reorganisation Unit was appointed to suggest economies in the various departments by various measures of reorganisation, and whether it was a fact that most of the recommendations of this body which were accepted by the Government could not be given effect to due to practical difficulties. But the hon. Minister of Revenue

and Civil Expenditure, Shri M. C. Shah, said that it is not so, and that the details of the economies have been suggested and with the acceptance of the recommendations, there would be a saving of Rs. 54 lakhs. Now, what will happen to the rest of the suggestions of Special Reorganisation Unit?

Shri Bansal: I rise to support Demand No. 1 relating to the Ministry of Commerce and Industry. I would also like to refer to the same subject to which my friend referred in much greater detail, namely, the Industrial Development Corporation. I understand that this Corporation came into being about four or five months back. I do not remember the exact date. I should have thought that when Government came before this House for such a huge sum to be sanctioned for this Corporation, they would have at least taken the House into confidence as to what has been done so far by this Corporation. I do not agree with Mr. T. K. Chaudhuri that the formation of this Corporation has been smuggled in by a back-door method. It is not at all so. This Corporation has been heralded quite loudly, and there were references to it off and on. And as he himself is reading from published documents I wonder how he can make the charge that it has been smuggled in by a back-door method.

Shri T. K. Chaudhuri: May I say a word by way of explanation? I said, ‘Smuggled in’ so far as Parliament was concerned. I know the hon. the Minister for Commerce and Industry is in the habit of taking the press, and the country, into confidence. But here there is a depressed body known as Parliament, which is not taken into confidence.

Shri Bansal: The point is this. I am not justifying what the Commerce and Industry Minister did, because he is present here, and I am sure he will take the House into confidence. But what I would like to know from the hon. Minister is as to what the Corporation has done during all these four or five months, because I know that even before this Corporation was

[Shri Bansal.]

launched some exploratory work was already going on in the Ministry. So it will not do for the Minister to say that the Corporation is even now doing exploratory work in connection with some of the industries that have to be developed or that have to be assisted under the aegis of this National Industrial Development Corporation. Therefore I would like to make a specific reference about the concrete work that has been done by the Corporation so far.

Then I would like to answer a small point made by Mr. T. K. Chaudhuri. He seems to think that all these posts that have been created, and to which a reference is made on page 4, namely Special Secretary, Joint Secretary, Deputy Secretary, Under Secretary, (Shri S. S. More: All variations of Secretary!) Officer on Special Duty and Research Officer belong to the Corporation. It is not so. If he read only the foot-note there he will find that mention is made that these posts are not only for the Development Corporation but they are also in connection with the work of the small-scale industries as well as for the planning team and survey of coffee area in the South with a view to bring more coffee under cultivation. So these posts are for all these things and not merely for the National Development Corporation.

After that I have only one remark to make in connection with another item of expense of Rs. 62,000 under the heading GATT Conference. I know that India is a member of the GATT for a large number of years and just now, as I am speaking here, the Conference is going on in Geneva. The leader of our delegation, Mr. L. K. Jha, is doing a very nice job of the representation of our country in that Conference. But I would make a suggestion and would like the Minister to make a statement if he is agreeable to that suggestion. So far, although we have been committing ourselves to the various provisions of this very important international charter—it is of course revised from year to year—Parliament has not been taken into

confidence as to what these commitments are. I would therefore very humbly suggest that if a full dress debate takes place in the House as soon as the GATT Conference is over, we can know what are our commitments and in what manner India stands to gain or lose by our commitments in that Conference.

Mr. Chairman: Mr. More. I would request hon. Members to restrict their remarks to the points.

Shri S. S. More: I will ask some questions. Mr. T. K. Chaudhuri has already referred to the creation of additional posts. I find that their total number is twelve. May I remind you, Sir, that the Estimates Committee, in a good many of its reports, did complain that there is an uncurbable tendency on the part of Government to create high posts carrying fat salaries when the work for them is not there. I would like to know whether, when these twelve posts were created, Government have taken every precaution to see that they are absolutely necessary and their creation cannot be postponed or avoided.

Then you will find that for pay of officers Rs. 1,24,000 have been demanded, while for pay of establishment Rs. 16,000 have been demanded. And no details are given regarding the scales. Only the cryptic remark is "on the usual scales of pay." I have tried to study the budget proposals on different occasions, and I find that in different Departments different scales prevail. Take for instance the Public Service Commission. A pay prevails which is not the pay given to a Member serving on the Railway Service Commission. So merely saying "on the usual scales of pay" is not enough. We shall be obliged to Government when they create any new posts....

Mr. Chairman: Are not these Secretaries, Joint Secretaries, Under Secretaries etc. in the Secretariat getting a uniform scale?

Shri S. S. More: I speak subject to correction, but as far as my knowledge

is concerned I am not prepared to accept that sort of proposition. And Government can assume that we, Members here, are not so up-to-date in our knowledge, especially when the knowledge is scattered in thousands of publications coming from Government. If they want this House to approve of any particular demand, all the break-up necessary for that demand must be given to us when all the explanation is being given to us. And it looks to me very strange that for officers Rs. 1,24,000 are being spent, while for establishment for all these officers only Rs. 16,000 are spent. Why this great disparity? It is a point on which we would like to seek some information.

Then you will find that Rs. 2,27,000 are demanded for the purpose of lump provision for delegations abroad. In the foot-note (e) some particulars of the delegations have been given: cost of the delegation sent from India to attend the Review Conference on GATT Rs. 62,000; expenditure on the delegation to the U. S. S. R. and Poland to study the development of industry and agriculture Rs. 80,000; cost of delegation to tour Middle East countries etc. Rs. 60,000. May I know from the Government who were the members of these delegations, whether the delegations submitted any report describing the results of their inspection or tours undertaken by them at the cost of this Government, so that we may be in a position to know what useful purpose these delegations are serving, or are they places for certain favourites in order to allow them to have a trip to a foreign country at public cost? Because you know—I am not suggesting it as a sort of accusation—but rumours are thick floating all over the country that Government is trying to seek out a man here and a man there, even on occasions trying to use them as a means of corrupting some public workers, and giving them a chance, whether they are qualified for the delegation or not, a life's chance to go to foreign countries at our cost. In order to set at rest such sinister rumours I would say that it is for Government to come out with an

explanatory statement that "this delegation which went to the GATT Conference was composed of so many individuals, this was the allowance given to them, and this is the report which they have submitted" so that we can see whether the amount has been usefully spent.

Shri Kasliwal (Kota-Jhalawar): And the benefit derived therefrom.

Shri S. S. More: As I understand, so many delegations have been going to Russia. I know a delegation composed of industrialists and other persons went; and then a cultural delegation; so many delegations are going. Therefore I should like to know what useful purpose was served by this delegation, the composition of the delegation, the period, the emoluments or allowances received by them and the final report submitted—they must have submitted some report to Government—so that we shall be in a position to know, when we are sanctioning the particular grant, that the money has been spent for a proper purpose. We have to arrive at a mental satisfaction. It is not a question of discipline here. We have to render accounts to the constituency and see that every pie of the poor taxpayer's money has been properly utilised and we as Members have played our part of very careful watch-dogs.

2 P.M.

That is our mission.

Then, under (f) "Payment of leave salary, arrears of pay on refixation and creation of the following posts on usual scales of pay."

Three officers posts were created under some other demand. I do not know under what demand. Could they not visualise at that time that leave salary will have to be paid to them? For the creation of these posts no sanction is sought now. They are only coming now for payment of leave salary, arrears of pay, etc. You know the principles of the Supplementary Budget. If a particular thing was done under one demand, all the things necessary for that grant should have

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been anticipated and put in that grant so that we may have a complete picture. That is my grievance. I submit that Government should be pleased to give us all the necessary materials to enable us to arrive at proper conclusions as far as these grants are concerned.

Shrimati Renu Chakravartty: I want to join issue with Shri T. K. Chaudhuri on the way in which the National Industrial Development Corporation has been brought in over here.

Some Hon. Members: Join issue?

Shrimati Renu Chakravartty: Add my voice. I am sorry.

The point is the way in which these Development Corporations are coming in one after the other. One hardly knows what will be the functions of one and what will be the functions of the other. We also know that there is the Industrial Credit and Investment Corporation and also this Industrial Development Corporation.

[SHRI BARMAN in the Chair]

When the Industrial Development Corporation was formulated, we were not very clear about it and I think even the industrialists are not clear; although I must say that they have been taken much more into confidence than the Members of this House, they are not clear exactly as to how much of the cake they will be able to eat. There are people like the Tatas, Shri Shri Ram, Shri Ramaswami Mudaliar, Shri Kasturibhai Lalbhai, and Mahendras who have been invited by the Commerce Minister to have a discussion on these matters. But, we do not know what exactly is going to be the out come of this whole thing. Specially, there is a feeling and it is also widely talked about that in order to create "confidence" in the minds of the industrialists, we must pay from the public exchequer large amounts of money; otherwise, the industrialists are so "shy" that they are not prepared to go into such avenues of industries which are considered basic to our needs. Here again we

hear that once the liabilities are taken over by the public exchequer, by the people and they are set on a firm footing these industries will at that point of time be handed over again to private enterprise, for private profit. This is a point which is worrying us "Commerce" on the the 14th August, after paying a great tribute to Shri T. T. Krishnamachari for his farsightedness in giving all this public money for the benefit of industrialists whom he had invited. I suppose, says that the point however is that it is not very clear whether the Government will make over to private management the industries started by the Government with the aid of the Corporation soon after they are able to stand on their own feet."

This has been the history of certain other important State ventures. They are on a smaller scale. We heard in Faridabad that certain small industries which had been taken over—the Diesel factory, etc. by Government—have been given over now to private industrialists. We do not know what is going to happen to the Housing factory. We also do not know what is going to happen to the Sodepore Glass factory, which had taken large loans from the Industrial Finance Corporation and when it failed Government stepped in. We hear that it will now be given over to private industry. Why should the Government take over all the liabilities at a stage when actually one does not know whether that venture is going to succeed or not and then once it succeeds, it is going to be given over to private industry? That is another big point about which we remain in the dark. We do not know exactly for what we are voting. What is it that we are going to achieve out of this? If this is the type of socialism that the Avadi resolution envisages, we take strong objection to that, to vote the money, for a thing about which we have not debated, about which we do not know anything.

Not only that. I would like to point out that in this small foot-note,

here is a jumble of the National Industrial Development Corporation, development of small-scale industries on the lines recommended by the Ford Foundation International Planning Team and survey of coffee areas in the South with a view to bring more areas under coffee cultivation. We do not know what we are voting for. We want a clear statement from the Minister telling us exactly what it is that this National Industrial Development Corporation seeks to do with this additional grant, whether the liabilities undertaken by the Government are going to be made over for the benefit of private industrialists at the time when the units start functioning, successfully and also what is it that this grant envisages on the question of the development of small-scale industries. I shall deal with the small-scale industries under demand No. 2. There is the question of credit and how to cheapen production, etc. We do not know what the small-scale industries on the lines recommended by the Ford Foundation International Planning Team are and what they have to do with this particular grant.

The third point that I want to make is this. We take stronger objection to the general policy which is being followed by the Government of setting up a top-heavy administrative machinery. This is something to be stopped. Just imagine we are asked to vote for about 12 officers: Special Secretary, Joint Secretary, Deputy Secretary, Under Secretary, Officer on Special Duty, Research Officer, Section officer, Private Secretary to the Deputy Minister, Private Secretary to Special Secretary. After that you come to note (c). We are told: "Transfer of some officers to the Ministry from abroad—Rs. 15,000;

Increased expenditure on Travelling allowances of officers and non-official Members of Committees—Rs. 28,000;" etc.

All these big amounts are going for the pay, honoraria and allowances of these officers. We take very strong objection to this too. While on the one hand we see the creation of temporary posts on the usual scales of pay

in the case of stenographers, in the case of the lower grade clerks etc.,—today the fashion in the Central Government is to carry on almost all the posts, if not almost all, but a large percentage, from year to year on a temporary basis—in the case of officers, they are put there permanently and we have got to vote for them lakhs of rupees. That is something to which we are definitely opposed. Then further down we come to note (f). We are asked to vote for leave salary, arrears of pay of the additional posts of Deputy Chief Controller of Imports and Exports, etc. That is why I have in my cut motion specifically stated that we are against this creation of a top-heavy administration, while actually we find that the lower categories are left high and dry without much security of service. We would like to have from the Minister a categorical statement as to what actually is the position of the National Industrial Development Corporation, whether we are going to make over State finances for the benefit of private industrialists or are we really going to manage them ourselves and utilise any profits that may accrue for the development of other industries, and what is the connection between that and small-scale industries about which we have been told.

Shri Kanungo: I will not go into the very provocative words with which my hon. friend Shri T. K. Chaudhuri started.

An hon. Member: He said that he was your friend.

Shri Kanungo: He is my friend no doubt, and a very old friend too.

Shri N. C. Chatterjee (Hooghly): Real friend.

Shri Tyagi: He has gone astray of late.

Shri Kanungo: He will come back.

I suppose the confusion arises because the debates in the House have not been remembered. This Demand is confined to the limited purpose of providing staff for this Corporation and other services. Whenever you want to do any work, you require

[Shri Kanungo]

hands for that. Whether the hands are adequate or not is all that you have to discuss here.

We are launching upon an entirely new idea of a Development Corporation, which, as has been mentioned by some hon. Members in the course of their speeches, is going to fill up the lacunae in the balanced industrial development of the country.

Shrimati Renu Chakravartty: How?

Shri Kanungo: We know that up till now any industrial enterprise was left to the adventure and capacity of the private industrialist. But the State, after the enunciation of its policy of 1948, has decided upon going into certain specified categories of industries which will be the special preserve of the State, while the other categories the State will not touch for the time being. If balanced development does not take place, then the industrial and economic structure will be lop-sided. Take the case of the coal tar industry, for example. If coal tar industry is not started, and the intermediates and primaries are not produced here, then the ultimate products like dyestuffs, aromatics and colours, etc. will not be available here, and we shall have to depend upon imported intermediates and primaries for these purposes. It is true also at the present moment that our needs are such that, in the basic industries like metals, steel, etc. our hands will be full; and private industry may not venture to go into the production of materials, the prospects of which are not very bright. What will happen in that case? It is exactly for that purpose, as the hon. Finance Minister has mentioned already, that this Corporation has been started, so that it will explore the possibilities of setting up such industries which no one ventures into at the moment, and prove their worthwhileness and their profitability. Then, according to the desires of Parliament, it may be passed on to private enterprise on payment of all the expenses that have been incurred, or it might be run by the State, if the State feels like running it. Personally, I feel that the

State need not go into all these things which are necessary; the State need step in only for strategic materials, strategic in the sense of industrial production. I shall give an example in this regard. Take the case of machine tools, for instance. The consumption of machine tools is not such that any private enterprise will undertake a large-scale investment in the production of all the types of machine tools which are necessary. I conceive that a Corporation like this may go into that type of production, so that the demand for it can be nursed. Each item, as it comes, will be publicised, and it will be for the House to pull up Government whenever it likes, for after all the President of India is the only shareholder of this Corporation, and therefore, the House will have ample opportunity to pull up Government as and when it pleases.

The purpose of the present Grant is confined only to the staff which is necessary for the Secretariat. Some doubts have been expressed in this regard, and questions have been asked: What is the use of this staff? It is a Corporation, and the Corporation will run its own business, and what is the use of Government employing staff for that purpose. But the fact remains that the Corporation has been incorporated as a public limited company.

Shri T. K. Chaudhuri: It is a private limited company.

Shri Kanungo: It is a public company, but it is private limited because the President is the sole shareholder, so to say.

The proposals emanating from the Corporation have got to be examined by Government. Besides, its current working has also got to be watched, and Government will have to take decisions on the proposals which are submitted by the Corporation. For that, we require staff. The point is whether it is excessive or not. As you will find, we are having only one special secretary for that purpose.

Shrimati Renu Chakravartty: Who are the directors? Are they Government directors?

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Shri Kanungo: Coming to the board of directors, all the directors are nominated by Government. I have not got the names just now, because I did not think that all these questions would come up. But the whole thing has been published already, and there is no question of any "smuggling" or "coming in by the back-door" or anything like that every bit of it has been published in the Gazette of India, together with the Resolutions of Government on the subject; and I remember myself that in the Delhi Press it has been published. The first meeting of the Board of Directors has taken place only recently.

Regarding my hon. friend Shri Bansal's argument as to what has happened in the meantime, and how far it has progressed, I must confess that the progress has been very little, simply because in these undertaking, the largest part, the largest time and the largest caution have to be taken in collecting the right staff. For example, if you want a consultant for the chemical industry, you have got to cast your eye wide and choose the right type of man, because on his advice, you are going to sink crores of rupees. Therefore, I believe that during the short period that has elapsed since the first meeting of the board of directors they have directed the Corporation to look for a certain consulting staff, and also to go into the economics of certain industries which they want to go in for.

Dr. Suresh Chandra (Aurangabad): Why do you require so much staff?

Shri Kanungo: The staff for which the sanction is required is for the Ministry, and I have explained it already that the proposals coming in from the Corporation have got to be examined by Government.

Shri Bansal: He was outside at that time.

Dr. Suresh Chandra: No, I have been inside, and I have been listening to the debate very carefully, and I think the hon. Minister has not been able to reply to this point.

Shri Kanungo: I am sorry if I have not been able to satisfy my hon. friend Dr. Suresh Chandra, but I hope I have been able to satisfy my hon. friend on the other side. After all, if you want to have a dinner, you must have a cook, and you must pay the cook.

Shrimati Renu Chakravartty: But too many cooks spoil the broth.

Dr. Suresh Chandra: And there should not be any crooks.

Shri Kanungo: I hope my hon. friend will be more discreet in his language.

Dr. Suresh Chandra: I did not mean the Minister; but I said that there should not be any crooks in the Ministry.

Mr. Chairman: Order, order. Let the hon. Minister proceed.

Shri Kanungo: I can assure my hon. friend Shrimati Renu Chakravartty that there is absolutely no question of having too many cooks. There is just one cook, and I am afraid that unless you provide the cook with the right tools, you would not have your dinner. And when you have a cook, you must have a dishwasher also. We are having here, therefore, only a secretary and the usual staff. Some of the hon. Members of the Opposition have asked, why do you not specify the pay of each officer, and so on.

I suppose the budget is there, the big volumes are there. They give the break-up of all types of services and anybody looking into it can find it. As the time of the House is limited, as the hon. Chair has decided, we did not think it proper to burden these demands with all these details which can be referred to at any time.

In this demand, the question has been raised about the delegations, and a suggestion has been made as if the delegations are just junketing round the world. With all respect to the Member who made that suggestion, I say that it is rather insulting.....

An hon. Member: To whom?

Shri Kanungo: To the members, to the men, who accept the invitation of the Government, and in spite of their engagements spare their time energy and their money. Mind you, most of the gentlemen who are invited and accept the invitation of the Government, do so at considerable loss to themselves. It is only the spirit of public service which prompts them to accept the invitations. Therefore, I submit that the House, along with the Government, should be grateful to the gentlemen who accede to the invitation of the Government and spare their time and energy for serving in the delegations.

As for the purpose and results of the delegations, the publications of the Government do publish assessments, and in the course of debates and in the course of motions, effects or otherwise of our delegations are also brought out. But as the suggestion has been made, Government will certainly consider submitting specific reports about specific delegations like the GATT and all that for the knowledge of the House.

I need not go into the question of the small Industries Corporation as that is coming under another item. I can only assure the House, and particularly Members of the Opposition, that there is nothing like that—of public funds being put into private pockets. It cannot be done, and it is not the purpose of the Government to do so. Reports of the working of the Corporations will be placed before the House. I can assure the House that the purpose is the balanced development of industry in the country and there is no sinister or any other purpose. I would suggest that friends who have any doubts exercise vigilance and they will be amply rewarded.

Shri Bansal: As far as the GATT is concerned, my suggestion was not that a report should be placed on the Table of the House, but that a full-dress discussion should take place on the commitments that we enter into in that conference; because it is my definite knowledge that a debate takes place in the House of Commons and in the U. S. Con-

gress on the commitments that those respective governments enter into in the GATT conference. Therefore, my suggestion is that as far as the GATT is concerned, whatever commitments we enter into must be ratified by this House.

Shri Kanungo: Obviously. That will be borne in mind.

Mr. Chairman: Now, four cut motions have been moved to Demand No. 1. They are cut motions Nos. 4, 9, 10 and 5.

Shri Tulsidas: I beg leave of the House to withdraw cut motion No. 10.

The cut motion was, by leave withdrawn.

Mr. Chairman: I shall now put cut motions Nos. 4, 9 and 5 to the vote of the House relating to Demand No. 1.

The cut motions were negatived.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 10,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Commerce and Industry'."

The motion was adopted.

Mr. Chairman: Now, we proceed with Demand No. 2.

Shri M. S. Gurupadaswamy: For one Demand, we have taken nearly one hour. There are so many other Demands.

Mr. Chairman: That is for the House to decide.

Shri Tulsidas: Demands Nos. 2 and 4 may be taken together.

Shri Bansal: That will be better.

Mr. Chairman: Yes.

Shri Kanungo: May I suggest that all the cut motions may be moved together.

Mr. Chairman: I shall place the Demands before the House.

DEMAND No. 2—INDUSTRIES**Mr. Chairman:** Motion is:

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Industries'."

DEMAND No. 4—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY.**Mr. Chairman:** Motion is.

"That a supplementary sum not exceeding Rs. 7,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

National Small Industries Corporation.**Shri T. K. Chaudhuri:** I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 1,000 in respect of 'Industries' be reduced by Rs. 100."

Functions of National Small Industries Corporation.**Shri Tulsidas:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 1,000 in respect of 'Industries' be reduced by Rs. 100."

Plantation Enquiry Commission**Shrimati Renu Chakravartty:** I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 7,00,000 in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry' be reduced by Rs. 100."

Mr. Chairman: Demands Nos. 2 and 4 and these three cut motions are now before the House for discussion.

Now any hon. Member who speaks will speak to all the three cut motions.

Shri T. K. Chaudhuri: I will confine my observations to the small Industries Corporation. I think that we should welcome this Corporation. My only objection is that there should have been no full-dress discussion of small industries which are in a separate category from cottage industries. We are often apt to confuse between the two. The small industries are a class by themselves and Government did well in proceeding on the basis of the recommendations of the Ford Foundation. I might mention here that very recently the Government of West Bengal also appointed a Committee to go into the condition of small industries round about the Calcutta zone and they have also brought out a useful report and made certain valuable recommendations. My other objection is that the indications given in the foot-note on page 6 which deal with the objects of this Corporation are not only perfunctory but they are very narrow in scope and there is some difference from the recommendations made by the Ford Foundation. The Ford Foundation recommended that the Small Industries Corporation should be organised with five functions. Firstly, there should be a procurement division with power to pre-empt at least 25 per cent. of government indents; secondly, a contracting division which would in turn subcontract to the Small Industries Corporation the indents it has taken. That seems to have been done in the declared objectives of the Corporation. Then, thirdly, there should be an engineering division, and then the Inspection committee, and the most important of all, the special financing body, within the Corporation's structure, with power to direct loans to the Small Industries. This is very important because we all know that the main difficulty which stultifies the small industries is the lack of finance.

[Shri T. K. Chaudhuri]

The main purpose should have the the provision of adequate finance. Somehow or other, it also seems to me that this provision of Rs. 10 lakhs which has been made here—and that also out of savings from some other department—is too niggardly to solve adequately the purposes which the Government and the Ford Foundation have in view. I hope that Mr. Kanungo will be able to persuade the Government to come forward with more adequate help. With these words, I commend my cut motion.

Shri Tulsidas: I have a cut motion with regard to understanding the working of this Small Industries Corporation. I see the objectives which have been mentioned in the foot-note. I welcome this measure of the Government for forming the Small Industries Corporation, as my hon. friend just now said, according to the recommendations of the Ford Foundation Team. What I would like to know is this. It is mentioned in the foot-note that—

"The funds required by the Corporation in the initial stages will have to be provided entirely by the Government but it is hoped that ultimately the Corporation will be self-supporting so far as its working, expenses are concerned."

Now, this Corporation has been formed particularly to see and help in the functioning of the small scale industries and I do not know how this Corporation will be able to earn that much to meet the expenses of this Corporation. I do not understand how they will be able to do that because in the initial stages, whenever some small-scale industry has to be helped, the Corporation will have to find the money, instead of getting something from that small industry. I really do not understand how this Corporation will be able to remain self-supporting for its working expenses. As I just pointed out, this body has a number of functions to perform.

675 LSD.

As I have already stated before, with regard to the small-scale industries, it is also necessary that these industries function as supplementary to the bigger industries as well as to produce original products. The Corporation will be able to market the products of these small industries. I find from the statement that in a number of exhibitions in different parts of the world we have a sort of display of our products and I am sure the benefit will be derived by these industries.

I feel that what the small industries require is the marketing side much more than anything else. According to the objective which is mentioned here, the idea is that they will accept government contracts and sub-contract them to suitable small-scale units. Here, I would also like to draw the attention of the hon. Minister that if these contracts have to be taken from the Government and if the Corporation is to sub-contract them, and if the Corporation is going to get a margin between the two, then, I am afraid, it would not be really helping the development of the small industries. Generally, government are given to the lowest tenderers and, in this case, if the Corporation is going to get a margin, then the small industries will not be able to get the necessary help.

There is another point which I wanted to know. In (b), it is said, to provide with loans and technical assistance. I hope the Corporation will not demand a larger margin between the orders received and the sub-contract given to the small-scale industries. Then the purpose for which this Corporation is formed will be defeated and I am afraid it will not give the assistance which is required.

It should also be the function of this Corporation to see that the original type of products are produced in these small industries. We do not think it will be possible for these small industries to compete with large-scale industries and we do not want that competition. After all, competition cannot be there. If there is competition

they will not be able to continue. Therefore, the question of competition does not arise. What is necessary in the situation in this country is more and more industries. Small-scale industries have their place and can function without competing with large-scale industries and their products. They should be supplementing the large-scale industries and producing original products which are not produced by the large-scale industries, like the cottage and handloom industries. As you all know, in different countries like Japan and Germany these products are produced by the small-scale industries. I hope this Corporation will keep in view these particular problems and help the small-scale industries.

Shrimati Renu Chakravartty: Mr. Chairman, I would like to welcome this Small Industries Corporation which has been asking for some allotments of money. But, I am also rather in a quandary to understand how the small industries, many of which are today facing keen competition from large industrial establishments, will be able to survive in the competitive market. For instance, coming from West Bengal, I can say that all round Calcutta we have in Howrah and other areas a large number of belting units who are producing belts. But, today they are facing a tremendous crisis even though they have been doing this business for a number of years, because Good Year, Dunlop and others are producing large-scale beltings and these establishments have the finances of the big industry and they are outbeating these small units.

Then coming to such things as tins and kegs. These are also today the monopoly of Metal Box. These used to be manufactured by small units which really employ or use to employ large numbers of people. Obviously, there may be certain other types of industries which could be helped by the Small Industries Corporation by getting large contracts from Government

and by trying to co-relate the demands of the large-scale industries in the form of ancillaries, components and other articles. If we look at the National Income Committee's Report, we find that the value of the net output of these small enterprises are to the value of something like 910 crores. Of course, this includes, I think, the cottage industries also. Comparing that with the value of the net output of factory establishment, it is only Rs. 550 crores. When you come to the total employment potential, the Small Industries employed about 11.55 million people in 1950-51 while the factory at present has only 3 million. If we deduct a substantial amount for cottage industry workers, even then it will be quite a substantial number that will be engaged in the small industries. The amount involved here in this grant is Rs. 10,00,000. On going through the Ford Foundation recommendations, one point that will strike anybody is their inability to understand the role of the money-lenders. They say in the report that they do not know how far the money-lenders actually play their part, but we, of course, know that unless we are able to give quite a good and regular amount of credit finance to these small industries, it will be impossible to really help them, either to cheapen production or to be able to subsist. Therefore, I feel that we should be told exactly how far this Rs. 10,00,000 will be sufficient to be able to cover not only the setting up of new plants, etc., but also the fact, how far this credit, which is absolutely essential, will also be met by the Rs. 10,00,000, because according to the Shroff Committee recommendations we find that they have suggested the consortium and other things, but I think small-scale industries will not be allowed to take benefit from them. This is a very important point and I feel also that the loans and the finance, which should form a very important part of the scheme, have not been properly budgeted according to the needs, and there is also the other point whether

[Shrimati Renu Chakravartty]

this Rs. 10,00,000 will be sufficient to be able to provide the raw materials which must be cheap, because after all Government cannot go on eternally buying up stuff which will not be competitive. These are some of the points which we want to raise in order to be sure that the Small Industries Corporation, about which we have got very vague idea as to how it is going to function, will achieve its object. We hear technological institutions and marketing institutions are going to be opened, but what about the credit needs of the small industrialists credit? We do not know how this is going to function and whether there is any possibility of its functioning immediately.

On Demand No. 4, I have given notice of a cut motion regarding the Plantation Enquiry Commission. I welcome the setting up of this Commission and we would prefer this to the Tea Export Committee which it is supposed to substitute. It is very important that besides going the whole question of capital structure of tea production and ascertaining what is foreign capitalisation and what is Indian capitalisation, the whole question of the cost structure especially with regard to the wage structure including both the wages of higher categories as well as the workers should be gone into. This is absolutely important and imperative because of the terribly distressing conditions which prevail in the tea gardens. Among the tea garden workers, there has been growing discontent and there have been strikes and shootings in the usual way. We should know whether the Plantation Enquiry Commission will take this question up. Besides going into the question of financing, marketing, etc., the most important point about which we are waiting with expectancy is that for the first time we may go into the whole question of cost structure and about raising the very low level of wages which today

prevails among tea garden workers especially. While supporting and welcoming the formation of the Plantation Enquiry Commission, we should like to stress that this Commission should bring forward its recommendations at as early a date as possible.

Shri Kanungo: My task is very easy and very heartening because the purpose of the Government in the matter of small-scale industries corporation has the full support of the House. I must confess that the present Demand, which is put before the House, is only for a very limited purpose. This has been explained in the sense that the Corporation will confine itself in the initial stages to the operation of handling Government contracts. As members of the House may know, it is impossible for a small man who produces, say, 10 dozen shoes or 20 gross pipe fittings, to go in, get the tenders, submit tenders, wait for acceptance, supply goods and book orders. Therefore, the purpose of this organisation will be to enter into contracts with the Governments, both Central and State, and then give them on sub-contract to other manufacturers and lend its services in supply and getting the goods. As Shri Tulsidas has said; the expenses are not likely to be met initially out of profits. The profits, as such, will not be in the operation of trading; it will be in fact on a 'no profit, no loss' basis. The expenses are supposed to be met by the margin between the borrowing and lending. At present it is anticipated that it will be borrowing somewhere at 3 to 3½ per cent. and lending at about 5 per cent. Therefore, when the operations of the Corporation become large enough, it will be able to cover its expenses. Till then, the Government will have to find out the money for its working. The Rs. 10 lakhs which is asked for is merely the authorised capital. For the loan operations, as and when necessary, money will have to be obtained from the Government. In spite of my taking time, I might say

that the difficulty in these matters is not the availability of money—the necessity is tremendous—but it is to find out procedures, standards, norms, for assessing the requirements of credit for a particular purpose, for a particular operation, etc. We have no knowledge of that. That means that trained personnel to handle these procedures are not available today simply because no institution for this credit has been organised for years up till now here. The credit, as my friend read out from the report, which is available to these people is unconscionable and in fact, in some places people have to borrow at the rate of 72 per cent. This sort of thing happens because no attempt has been made so far for institutions of credit of the proper type. Government, with the concurrence of the House, will be prepared to extend its operations, but personally I think we should be very cautious about it till we gain the necessary experience of handling procedures, standards, etc. I am, therefore, very much obliged to the Members who have participated in this debate and have supported the Government.

Regarding the Plantation Committee's enquiry, as Mrs. Chakravarty had mentioned, the terms of reference are very wide and I think that the Committee who have been given wide powers to go into the relevant questions by the law of the land will go into these questions. When their report becomes available, it will be the first of its kind in the country and it will enable the Government and the House to decide upon the policy to be followed in that connection. With these words, I submit that the Demands may be passed.

Mr. Chairman: There are two cut motions Nos. 6 and 11.

Shri Tulsidas: I do not press.

Shri T. K. Chaudhuri: I do not press.

Mr. Chairman: There is no cut motion now before the House as it is taken that these cut motions are not

moved.

Shri Kanungo: May I submit that they have already been moved and they will have to be formally withdrawn.

Mr. Chairman: I shall ask leave of the House. Have the hon. Members leave of the House to withdraw the cut motions Nos. 6 and 11 which they had moved earlier?

Several Hon. Members: Yes.

The cut motions were, by leave, withdrawn.

Mr. Chairman: What I would suggest in future is that when hon. Members are not very serious about their cut motions they may simply say at the time when they are asked whether they will move or not that they do not want to move it but want to speak on it; that will remove the difficulty.

Shri S. S. More: Unless it is properly moved, one cannot even be competent to raise a discussion; the cut motions must be moved for raising a discussion.

Mr. Chairman: Anyhow it is a matter of procedure. Now, the question is:

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Industries'."

The motion was adopted.

Shrimati Renu Chakravarty: I do not want to press my cut motion No. 12.

Mr. Chairman: Shall I take it that it is not moved at all?

Shri S. S. More: When it is not pressed, only leave of the House will have to be granted.

Mr. Chairman: Has the hon. Member leave of the House to withdraw the cut motion that she had moved?

Several Hon. Members: Yes.

The cut motion was, by leave, withdrawn.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 7,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

The motion was adopted.

**DEMAND NO. 11—MINISTRY OF
DEFENCE**

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 55,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Defence'."

There is one cut motion No. 13.

Creation of additional posts

Shrimati Renu Chakravartty: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 55,000 in respect of 'Ministry of Defence' be reduced by Rs. 100."

There is just one point which I would like to know. It says here that this additional sum is needed for the creation of an additional post of Deputy Secretary, one Under Secretary, one Private Secretary to the new Defence Ministry, one Section Officer *plus* extra furniture, etc. What I want to know is this. We have always had at different periods of time different people but we have always had a Defence Minister. I could not understand the provision for a Private Secretary now. Not only have we had a Defence Minister but we have also had a Defence Organisation Minister; there are two Deputy Ministers. What actually happened to the various other people who were actually functioning as the deputies etc. of the Defence Minister? Why is it that we are again asked to sanction additional

sums of money for the new Defence Minister, new furniture, new typewriters, etc. We should like to know the reason for this.

Shri S. S. More: They have become a casualty!

Shri Gidwani (Thana): When the present incumbent, Dr. Katju—it is so difficult to distinguish because there are two Ministers now and so I thought it would be better to mention the name—was appointed as Defence Minister, it was thought that my friend Shri Tyagi will be relieved and displaced.....

An Hon. Member: It is very unkind of you to suggest like that.

Shri T. B. Vittal Rao (Khammam): Social Welfare Ministry is to be created.

Shri Gidwani: Subsequently it came in the papers that he will not be displaced but provided another ministerial job called the Social Welfare Ministry. So, I want to know whether both the Ministers are to be retained as Defence Ministers. If it is considered necessary—as it has been considered necessary—to appoint Dr. Katju as Defence Minister, Mr. Tyagi who was active should be given more work; otherwise it means unnecessary multiplication.....

Mr. Chairman: I think the suggestions of the hon. Member will properly come under the head 'Cabinet' and not under the Ministry of Defence. The hon. Member can speak about the particular expenditure to which he objects.

Shri Gidwani: I simply say that there is more expenditure and it is not necessary.

Shri S. S. More: We can contend that there are two occupants to the ministerial *gadi*. I do not know how they can occupy one chair together. The additional expenditure is required for that purpose. There is sufficient duplication in the different departments and I believe that is why they are also seeking permission to pur-

chase some duplicators. They also want to purchase some additional Hindi and English typewriters and duplicators. Duplicators are expected to deal with the duplication that is going on and which is very rampant in the department. They say that so many posts are being created on the usual scales of pay. When I spoke on grants.....

Shri Kanungo: This point was replied to when you were not in your seat.

Shri S. S. More: I am sorry then; I have no claim to seek further explanation; I will be very frank. If the Minister can oblige me again by adding to my knowledge, I should like him to give us why this 'usual scales of pay' is much better than the actual scales on which the jobs are to be created.

The Minister of Defence (Dr. Katju): Mr. Chairman, so far as I am concerned, as Defence Minister, I am only responsible for the post of one Private Secretary. Before my appointment, this office was held by the hon. the Prime Minister and he had a Private Secretary of his own. When I got this assignment, there was no Private Secretary available for the Defence Minister. So, one has been appointed.

So far as other Deputy Secretaries and Under Secretaries are concerned, that has nothing to do with the office of the Defence Minister at all. These were appointed for other purposes. This office of Deputy Secretary was created for four months and a Deputy Secretary was appointed as an Officer on Special Duty for the purpose of examining, simplifying and reorganising the work of the Director of Military Lands and Contonments and implementing the policy of the Government of India in regard to the cantonments and for generally improving the administration of military lands and cantonments. This office was created on the 11th of May 1954 and lasted up to the 12th November 1954 when the Director retired and the Officer on special Duty ceased to function. So far as the office of the Under Secre-

tary and others were concerned, there was an enormous quantity of work which had been created in the Ministry owing to the expansion of the Indian Navy. The Indian Navy has 23 Directors and five Staff Officers and they complained that, owing to shortage of officers in the Ministry, their work was held up. This complaint was found to be justified and an Under Secretary and a Superintendent and a Section Officer were appointed.

3 P.M.

So far as the question of other small charges is concerned, the practice is when one Minister goes to take up another work,—well, what shall I say—the Ministry of which he was in charge takes away the tables and the other Ministry has got the duty of supplying tables. So, my table was carried away, and the Defence Ministry had to get some small furniture...

Shri S. S. More: Does the Minister mean what he says?

Shri M. S. Gurupadaswamy: There is no turning the table?

Dr. Katju: ...and an extra telephone. That is how these things come to. My hon. friend, the Minister of Defence Organisation is in his old job. Please remember this: the Defence Ministry does not come very much into the light in this House except of course through the Question Hour. But it is a very expandable Ministry. It has got to deal with a lot of work, and while Shri Tyagi was functioning as Minister of Defence Organisation, the Prime Minister was the Minister of Defence. Of course, it is a matter for the Prime Minister to decide whether there should be any further adjustment. That is a different matter. But so far as this small supplementary charge is concerned, these charges are essential, and I hope that the House will approve this.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The hon. Member, Shri Gidwani, referred to all kinds of Press speculations. Well, he does not expect me—and I should advise him not to pay too much attention to this constant speculation in the Press

[Shri Jawaharlal Nehru]

about who is to be the Minister, what is to be his portfolio, the department which he is to take charge, etc.

Coming to the Defence Ministry, as my colleague, Dr. Katju, has just now said, the extent of the work of the Defence Ministry is probably not fully realised by many Members of this House: some undoubtedly do it. It is a tremendous organisation. As the House knows, a very large sum of money, nearly 40 per cent. of the budget, is spent on defence. Vast and growing industries, especially in the last few years, large numbers of new factories—very big ones, defence industries and the like—have been started. While certainly we should not waste money on any additional staff which is not necessary, as a matter of fact, saving money and wasting money in the Defence Ministry has little to do with a few persons but rather with the way in which it is managed. For instance, a false step or a slackness somewhere, may make us lose a few lakhs of rupees in a big concern somewhere, and a right method may save it. My colleague, Shri Tyagi, in the course of the last year or two, I believe,—I cannot place exact figures—saved us, in a sense, by a close scrutiny, something like a crore of rupees.

Shri Tyagi: Rs. 6 crores.

Shri Jawaharlal Nehru: He says Rs. 6 crores. Well, there are two ways of saving: one is by doing something which might result in saving; the other is doing the thing well and in a more economical way. The point is that all these things require a tremendous check and scrutiny. While I do not wish to make any invidious comparisons, so far as our Defence services are concerned, they are competent; they are efficient; they are able. There are senior officers, middle officers and junior officers, and they can stand up to anybody in any other country. They do their work efficiently and the Defence Ministry is, if I may say so, a competent Ministry. That does not mean nothing

wrong can occur, in a huge organisation, and there is always a tendency in big organisations to become static. It is for all of us to see that it does not become static. We have to deal with the labour problems on a big scale as it is a big employing Ministry, and so on. Therefore, I felt, and more especially in regard to these great industries that are rising up in the defence establishments, that Shri Tyagi's services could be extraordinarily useful to us. His experience and, if I may say so, his way of dealing with the human element, that is, with those people who are working in those establishments,—all that will be of great help, and therefore, I requested him more especially to deal with these establishments and other matters. We are making fairly big purchases. We hope, of course, to make these things ourselves very soon and not to go abroad for anything—whether it is aircraft or anything else. All these things require very much looking into. Wise men and wise step save us lakhs of rupees although we may spend a very small sum of money on that particular person.

Mr. Chairman: Has the hon. Member the leave of the House to withdraw the cut motion No. 13?

Several Hon. Members: Yes, yes.

The cut motion was, by leave, withdrawn.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 55,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Defence'."

The motion was adopted.

DEMAND NO. 23—EXTERNAL AFFAIRS

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 30,87,000 be granted

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'External Affairs'."

Policy behind decision to open new missions in Indo-China, Sudan and Spain

Shri T. K. Chaudhuri: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 30,67,000 in respect of 'External Affairs' be reduced by Rs. 100."

Appointments of persons to legations

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 30,67,000 in respect of 'External Affairs' be reduced by Rs. 100."

Necessity of continuing organisation for recovery of abducted women and children

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 30,67,000 in respect of 'External Affairs' be reduced by Rs. 100."

Mr. Chairman: Demand No. 23 and these three cut motions are now before the House for discussion.

Shri T. K. Chaudhuri: I have sought to move cut motion No. 8 in order to raise a small question which has some big implications. Our Government have decided to open missions in Hanoi, that is, Vietnam, Phnom Penh (Cambodia), Vientiane (Laos) and Madrid (Spain). So far as Khartoum and Muscat are concerned, I have no questions to ask. But so far as the three other missions are concerned, those in Indo-China, and also the mission in Madrid is concerned, I want to ask a straight question

whether the opening of missions are a prelude the formal diplomatic recognition. With regard to the missions that we are going to open in Cambodia and Laos, I have to mention that since the Geneva Agreement, there has been some confusion in the public mind as to the international status of these two States.

With regard to the two Viet-Nam States, that is North Viet-Nam which is dominated by the Viet-Minh organisation and South Viet-Nam, of course the position is a bit uncertain. But so far as Laos and Cambodia are concerned, they are parts of the Associated States of Indo-China which, under the French Constitution, form part of the French Union. And as far as I remember, even when Mr. Mendes-France was the Prime Minister of France, he also said that the Geneva Agreement has not altered in any manner the status of these associated States and their relation with metropolitan France. And there is also the other fact that all these three Associated States, which are parts of the French Union, have been accorded diplomatic recognition by the United States, the United Kingdom and many other member-States of the United Nations. Yet these are not independent States and I do not know what their status might be in terms of international law, but that confusion remains. There is also simultaneously a move, since the Geneva Conference, to get these States recognised, particularly by the Colombo Powers, and specially by India. The demand has been raised by the head of the State of Laos and by King Narodom Sinhanonk of Cambodia as well, that they want India's help, India's recognition and all that. So we want the Prime Minister to make it clear what our policy is going to be. It is no use saying, as has been indicated in the foot-note to this supplementary budget paper that "the decision to open new Missions in Indo-China was taken on account of the fluid political situation in that country and the need for establishing closer association of India with those developments". It seems that if

[[Shri T. K. Chaudhuri]

the situation is fluid, then there have been no precise developments. And the question naturally arises whether we are not pursuing a policy of drift and waiting for some specific developments to take place, and then only we would decide our policy. We want a categorical statement as to what sort of liaison our Government is to maintain, particularly with these three States.

And the same question may be asked with regard to the Mission that we are going to open in Spain. About Spain and world opinion about the present government of Spain I do not want to deal. But the opening of this Mission seems to be rather—what shall I say, I do not find the right word.....

Shri M. S. Gurupadaswamy: Unnecessary.

Shri T. K. Chaudhuri: Not unnecessary. It seems to be a bit portentous. I would be happy if at least the opening of this Mission is not a prelude to recognition of the Franco Government of Spain.

Shri M. S. Gurupadaswamy: I am participating in the debate at this stage to criticise the policy of the Government in opening new Missions abroad and, secondly, to criticise the whole manner of appointments of Ambassadors and Ministers in foreign countries (*An hon. Member:* Is it a Budget speech?) It is not a General Budget speech.

The appointments of the heads of Missions abroad have all along been the close preserve of the Prime Minister or the Minister of Foreign Affairs. The appointments have been made in his absolute discretion. This House is not aware whether any code has been evolved whether there is any basis on which the appointments of Ambassadors and other Ministers are made. Let me point out.....

Mr. Chairman: I think this is a general question which is a proper subject for discussion at the time of the General Budget, not at the time of discussion of the supplementary grants. If the hon. Member has anything to say regarding particular appointments in the present case, he can very well do so, but not about the general policy of these appointments.

Shri M. S. Gurupadaswamy: I am referring to this particular question of opening new Missions in places like Indo-China, Sudan, Madrid, and my general proposition fits in with the criticisms that I am going to make against opening Missions in these countries.

My friend just now said that it is rather premature to open any office in the three States of Indo-China, because the conditions in Indo-China are in a state of flux.

Shri T. K. Chaudhuri: On a point of personal explanation. I did not say it is premature to open these Missions. I want these Missions to be there. I only wanted to know whether the opening of these Missions would be a prelude to recognition, at least so far as Laos, Cambodia and Spain are concerned. So far as North Viet Nam is concerned, I do want that our Government should recognise it.

Shri M. S. Gurupadaswamy: I do not want to enter into a controversy with what he has said, but his entire trend of discussion was whether it would be desirable at this stage to open Missions in those places. So I am just supporting his view-point. (*Shri S. S. More:* But he does not realise it). I am saying that the affairs of Indo-China are in a very fluid condition and there are vital questions of recognition involved. That is why it would be, I say, premature to open Missions in these three constituent States of Indo-China.

Then again, with regard to Khartoum (Sudan) the explanatory note states that "the Liaison Officer is being stationed at Khartoum as a result of the constitutional changes

now taking place in that country and the desire to establish closer relations between India and Sudan". We take it that the constitutional changes are still being made; there is no constitutional settlement as yet in Sudan; we do not know the future status of Sudan. When the conditions are in such a fluid state, I do not see why we are opening a new Mission there. We do not know whether Sudan will form part and parcel of Egypt or whether this country will remain independent. I consider that the opening of a Mission in Sudan is rather premature.

About the opening of a Mission in Spain, the reason given in the Explanatory Memorandum is, that India should have some sort of representation in the Iberian Peninsula and so the Government has decided to establish a Consulate in Spain. The previous speaker referred to the dubious nature of the administration in Spain. I know that the world opinion about the political set up in Spain is not very favourable and I agree with my hon. friend that the head of the State in Spain is a dictator. By our opening a Mission there, it will not in any way mean that we are favouring the idea of dictatorship or that we are welcoming that. But, in this particular context of the word, it will not be good for us to set up any sort of Mission in that country. Therefore, I beg of the Prime Minister not to open any Mission in that country.

I refer to the question of appointments in these various Missions. I have got here figures to show that the appointments are usually made by the Prime Minister in his absolute discretion and most of the places are filled by the Indian Foreign Service officers and a few by others. I feel that no adequate representation is given to people who are in public life.

Mr. Chairman: I have already ruled that out.

Shri M. S. Gurupadaswamy: That is all right. I am making a point here. Whatever may be the Missions that are today or are opened hereafter,

the Prime Minister is making appointments to those places, without taking anybody from the public life.

Mr. Chairman: You are again on the same point. Order, order.

Shri M. S. Gurupadaswamy: I do not want to pursue the matter further. There is another cut motion also.

Mr. Chairman: If you mean by this 'Appointment of persons to legations' general policy, I shall have to disallow this cut motion No. 1. If you want to say anything about a particular appointment, I shall allow it: not otherwise.

Shri M. S. Gurupadaswamy: You can take it as a policy matter or not a policy matter as you think fit. I am coming to the next cut motion: I mean the organisation for the recovery of abducted women. This has been with us for the last 8 or 9 years.

Shri V. G. Deshpande (Guna): Against continuance: that is all right.

Shri M. S. Gurupadaswamy: I am referring to the Central Recovery Organisation. I feel that the expenditure that is proposed is rather unreasonable. The explanation that has been given to us in the Explanatory Memorandum is not sufficient to show what are the items for which such an expenditure is necessary. It is very regrettable that the Minister has not given us sufficient data for this particular demand.

Lastly, I say that there has been too much of bloating of expenditure in the administration. I feel that if enough care is taken by the Minister, he can bring about a lot of economy in expenditure.

Shri V. G. Deshpande: May I speak for a minute or two, Sir? I want to make brief observations only on two points. There is one item in this demand No. 23, Entertainment charges Rs. 5,10,000. The explanation given is that additional provision is required to meet the expenditure on the visits of the Prime Minister of China and the President of Yugoslavia to India. I have no objection to some expendi-

[Shri V. G. Deshpande]

ture being made on the entertainment of the Prime Minister of China or the President of Yugoslavia. But, I feel that the expenditure is out of all proportion and is rather too much. When Marshal Tito came to India, we did want that some fraternisation should be made. We never wanted that there should be such a long procession of receptions at every place making it so expensive. (Some Hon. Members: Why not?) That is one objection that I wanted to raise.

The second objection of mine is regarding the point which Shri M. S. Gurupadaswamy referred to: about the continuance of the special expenditure in connection with the recovery of abducted women and children. The explanation given is to meet the expenditure on the extension of the life of the Central Recovery Organisation for which provision was originally made for a part of the current year. I would like to express the opinion of a large section of this House when I say that we are not satisfied with the working of this organisation. Therefore, we are opposed to the continuance of this organisation. Recently, cases have come to our notice where not only justice is not being done, but very inhuman sufferings are inflicted on Indian women. Just now, an instance has come to my notice where a lady from India was sent to Pakistan forcibly. There, her husband whom she had divorced in 1942, refused to take her back. That lady with three or four children came to India. Then, she was again forcibly taken back to Pakistan. We made representations to the Government of India in the Home Ministry. That woman made statements before magistrates, I do not want to go back. Nobody is prepared to take me there. Her husband is here; her children are there. Such inhuman instances are coming to our notice. We are informed that the same person who was not liked by many persons has been again appointed in charge of this Recovery Organisation. In view of this state of affairs, I appeal to the Prime Minister of India

that the continuance of this organisation should not be taken up and that this organisation should be discontinued.

Shri Jawaharlal Nehru: I may take the last point first. The hon. Member who has just spoken referred to the Abducted Women's Recovery Organisation, and to a particular instance. I know nothing about this incident. I should be very grateful if he could supply me the particulars of that incident so that I can enquire because it is our definitely proclaimed policy that no woman should be sent across the border except with her consent.

Shri V. G. Deshpande: I think Shri Datar knows this. Shri U. M. Trivedi has brought it to his notice.

Shri Jawaharlal Nehru: I do not know anything about it. This is our definite policy. If any mistake has been made or an error has been committed, I am prepared to correct it.

With regard to the larger question of the entire organisation, the question of expenditure involved which the hon. Member raised is not, if I may say so, very pertinent. That is to say, if we have an organisation, we have to spend money on it. If we decide on grounds of policy that it is no longer necessary to have the organisation, that is another matter. Whether we should continue it or not is a matter which, no doubt, we will have to consider in the future. But if we continue it, we have to continue it more or less effectively and efficiently.

Shri S. S. More: When the original budget was submitted, you had decided to continue it only for part of the year; that is why you are coming again for a supplementary grant.

Shri Jawaharlal Nehru: Quite so.

Shri S. S. More: Why did you revise that decision?

Shri Jawaharlal Nehru: Because we have thought it desirable to continue it, because in fact it is doing, and it has done even lately extraordinarily good work, and certain remarkable recoveries of these unfortunate women

have taken place as a result of some years' labour, if I may say so.

Shri V. G. Deshpande: From India to Pakistan or from Pakistan to India?

Shri Jawaharlal Nehru: From both. As a matter of fact, the recoveries in Pakistan were speeded up a little, some months back.

But as I said, this question of policy is a larger question. Let us consider it. We have to consider it anyhow, because the present Act I believe, ends in about three or four months' time perhaps; so, we shall have to consider it as to whether it should be continued or not. But so long as it is there, naturally we have to spend some money. We cannot unilaterally put an end to our organisation.

Coming to the question of appointments, although you, Sir, did not allow the larger question of appointments to be raised, yet may I with your permission, say one or two sentences in regard to that? Appointments to foreign services, obviously and largely, take place from the Foreign Service. What is the Foreign Service for? Here is a specially trained band of people. When we recruit them by public examination, we are supposed to give them two and half years' special training, after they have been recruited by public examination which is competitive; we give them two and a half years' training, part in India and part of it abroad, including the learning of languages and other special studies required for their service. Here, we build up this Service specially for this purpose of diplomatic and consular representation abroad. The hon. Member wants me not to use that Service, and he says, appoint public men. Then, the Service is not really necessary, and we can appoint all persons to it. As a matter of fact, quite a fair number of public men have been appointed and are appointed from time to time; and more or less some of them might be considered to have become members of the Foreign Service in the sense that they continue there, that is to say they are not formally members of the

Foreign Service, but they continue from one post to another, although they came from the public. The House would realise that there has to be continuity of experience in all that. If a public man goes there, he goes there for some time, not for a holiday, not for a year's holiday,—for that will be absurd. He has to make a choice really that he will continue there, so long as everything suits him and suits the work that he does. Therefore, we have a number of these persons who are in our Service, who are public men, i.e. who were engaged in public activities but who were appointed to this service, and who have served in one post or another elsewhere one after the other. Normally speaking, except for a few topmost Embassies, for important posts abroad, for which we prefer to appoint public men rather than Service men, the others normally go to our Service men who are specially trained for that purpose. I hope the House realises that this business of diplomatic representation has become quite extraordinarily technical and requires specialised knowledge, not the broad knowledge that a public man no doubt possesses of public affairs, but a highly technical knowledge of the way things are done, apart from the knowledge of foreign languages. I do not say all our people abroad know foreign languages, but most of them know some other foreign language. If you go to China, you will find some of our people knowing and speaking Chinese fairly fluently. If you go to Moscow, you will find one or two of our young men speaking Russian fluently. We cannot have public men suddenly, who can speak foreign languages so fluently or even badly. So, there are all these considerations to be borne in mind.

As for appointments being made at the sole discretion of the Prime Minister or the Foreign Minister, appointments, if they are made from the services, that is to say, if they are transfers or promotions, etc. are, normally speaking, made by what is called a Foreign Service Board. It is an official Board,

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and those appointments come up to the Minister in charge for confirmation or for such advice as he may give. These are normal transfers from one place to another. Of course, appointment to an important Mission has to be considered separately. But for the other smaller Missions, Consular Offices, etc. the Minister has hardly anything to do with it, except to glance through the report of the Foreign Service Board. But important appointments are considered by the Foreign Affairs Committee of the Cabinet. They consider it; the Foreign Minister brings it before them, discusses it with them formally and informally, and then important appointments are made. This is the procedure followed.

Now, I would come to the Missions in Indo-China and Spain. Take up Spain first. The proposal is to appoint a Consul-General in Spain. That does not involve what is called normal recognition of the Government. That is so, and there is no present proposal before us for any such recognition of the Government of Spain, although in view of what the hon. Member opposite said, I might point out that in regard to the recognition of other Governments, we have often taken up the stand that recognition should have nothing to do with liking or disliking a government; in other cases, we have taken up this stand, and we still take it up. That is to say, if a government is a functioning government, we should deal with it as such, and not lay any stress on our liking its political or economic structure or not. So, there is that point. Nevertheless, the fact is that for the present, we are having a Consul-General in Spain to look after certain commercial and other interests; and there is no other proposal before us.

In regard to Indo-China, hon. Members have referred to the fluid situation there; they have referred also to Sudan. Now, I should have thought that where there was fluid situation there was all the more the necessity for us to be represented there. In Indo-China

of course, we have got a very special interest because of these Commissions. Our people are functioning in the Commissions there, and functioning well. But it was not right and proper for us to ask the chairman of the Commission to represent us on the political plane. He is occupying for the moment an international position; he is the chairman of an international Commission; and he could not deal with the government there as our agent directly. And it was very necessary that we should have representation there, because problems are arising daily. It is quite essential to have representation there, from the practical point of view.

In giving formal recognition to these governments, there is always a difficulty, because many of these cases are what might be called border-line cases. It is difficult to say whether in law they are hundred per cent independent or ninety per cent independent. Sometimes, they are going towards hundred per cent independence. Take Sudan; it is not hundred per cent independent today, but it is going towards independence undoubtedly. And we are deeply interested in Sudan and other countries of Asia. We have now appointed a person whom we call a Commissioner in Sudan; a kind of Consul-General he is really, more or less functioning under our Embassy at the present moment in Cairo. But it may very well be thought of after a year or so, when we shall have an entirely different representation and status in Sudan. Many of these countries in Africa are emerging into independence, and many of them look up to India for all kinds of advice, support, etc. And it is far more convenient for us to be represented there to deal with them, to help them, and to advise them, than to wait till some future contingency, when they can be said to be hundred per cent. independent.

In regard to Indo-China, the general principle we wanted to follow was that we should treat all these States in Indo-China in the same way. There may be a difference there, but we cannot

differentiate in this way. They are all going through a certain period of transition. In North and South Viet Nam, it has been agreed to have the elections next year, before June, and we can hardly, before that election takes place, come to a decision that we will recognise North Viet Nam and not South Viet Nam or South Viet Nam and not North Viet Nam. It produces confusion. Therefore, we cannot in that official sense recognise them. But in effect, without any official recognition, there is practical recognition all the time. We are dealing with them day to day; we have to. Not only through the International Commissions, but otherwise we are dealing with them all the time. When I went there, I paid a visit to all the four States; you may call it an official visit. One does not pay an official visit unless one recognises that country. I went to Hanoi, I went to Laos, Cambodia and South Viet Nam—all the four places. So we are appointing Consuls-General there in three of the States—Laos, North Viet Nam and South Viet Nam. In Cambodia, conditions are somewhat different, that is, in theory and in law; there is no French influence left, no French army left. Whatever other influences can be exercised, is a different matter. So it has a rather special position compared to, say, Laos. Therefore, we have sent there a special commissioner. His position is not quite determined according to the status of diplomatic representation that is, the Special Commissioner will represent us till a formal decision is made as to the nature of our representation there. Perhaps hon. Members know that the King of Cambodia is coming here in about a fortnight's time. That itself is official recognition. We shall receive him officially. If any other Head of a State or Prime Minister of any of the States.....

Shri T. K. Chaudhri: Is it the contention of the Prime Minister that the formal relation between Cambodia and the French Union has been dissolved under articles 60 of the French Constitution?

Shri Jawaharlal Nehru: I cannot answer that question precisely and definitely. But the French army has de-

parted from there, the French officers have departed and all that. Certain things, I believe, still remain to be decided and settled. How far they have gone towards settling them, I do not know; may be that something remains. But, again, all these things are rather vague. Even the Head of the State of North Viet Nam has openly proclaimed—no doubt, he claims to be fully independent—that he is prepared to be in the French Union as an independent member, and not in a subordinate sense. He has proclaimed that too.

So that, we are passing through a certain transitional and difficult stage in Indo-China, and it is desirable and necessary from our point of view to have close contacts with these States to know what is happening there. We have got a responsibility there, and therefore, we decided to appoint these Consuls-General. May be, of course, at a later stage we may appoint some other type of representative, but for the moment we have Consuls-General.

Mr. Chairman: Now, I shall put out motions Nos. 1, 2 and 8 relating to Demand No. 23 to the vote of the House.

The cut motions were negatived

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 30,67,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'External Affairs'."

The motion was adopted.

DEMAND NO. 24A—FRENCH ESTABLISHMENTS IN INDIA

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 18,96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'French Establishments in India'."

Additional expenditure following de facto transfer

Shrimati Renu Chakravartty: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 18,96,000 in respect of 'French Establishments in India' be reduced by Rs. 100."

I just have two points to make. One is that there is an expenditure to be voted upon for the office of the Chief Controller of Exports and Imports. Now, we have been wanting that there should be full integration between Pondicherry and the rest of India and as such, we hope that in the very near future this question of exports and imports will not be there. We would like to know very much from the Ministry what actually is the position with regard to this integration.

The second point is that we are glad to see that the various items of expenditure have, to a certain extent, been incurred due to changing over from French rules to Indian rules, for instance, payments to unemployed mill workers according to Indian rules, and again, payments of pensions out of the Pension Fund according to Indian rules. We hear that in a few months' time, there will be full elections and we hope that Pondicherry will become fully integrated with India.

Now, while we are voting sums which will be adding to the integration and while we are changing over from the French customs and rules to Indian rules, we should also like to again raise this question of the general administration, which is in the hands of the Municipal Commissions. I remember that the Prime Minister during the last discussion had stated that nothing could be done because of the terms of the Indo-French agreement, and that certain people, very undesirable, according to some of us, people who certainly have not got a very patriotic past—some of them even people who have been accused of corruption—were still in the Municipal Commissions because they were there in the former French communes. In view of the fact that more and more we shall be integrating the

former French possessions with India, we should specifically like to stress that these Municipal Commissions should not be allowed to function at the time of the elections which, we think, will not be fair and free unless they are removed and Government directly take over—in order to see that there are free and fair elections.

Mr. Chairman: Demand no 24A and the cut motion are now before the House for discussion.

Shri Nambiar (Mayuram): I have already pointed out to the External Affairs Ministry earlier that these Municipal Commissions are not functioning properly in the sense that these Commissioners or rather the Chairman—that is the term used—were nominated by the present Government. These Chairmen were previously helping the French Government to continue there, and these people are corrupt also. The point we have to submit here is that we are voting such a large amount for the expenses connected with Pondicherry. So we have got also to see whether these amounts go into proper hands. What we suggest is that these Commissions as such may be dissolved and the entire government taken over by the Commissioners appointed by the Central Government. The elections under him will be much better than under the Municipal Chairmen. When we speak of Municipal Commissions Municipalities in Pondicherry, it does not mean that they are like our municipalities. Here our municipalities are local boards with limited powers whereas these Municipal Chairmen have executive powers and they are governmental heads, so to say. Therefore, I submit that this thing has got to be changed and rectified before we go on with the elections. I submit the whole matter must be considered at very high level before we proceed further.

Shri T. S. A. Chettiar (Tiripur): Sir, this matter of the French possessions is in a fluid state. They have created a separate State of Pondicherry but sooner or later this will have to be merged with the Madras State (*Interruption*). There are certain questions about which the people of Pondicherry

are disturbed. They have been having a certain state of affairs. Education had been completely free. Some of them have been educated and are still being educated in certain French Universities. They are worried as to whether that state of affairs will continue or not because the state of affairs prevailing in the Madras State or the neighbouring States—whatever they are—not exactly the same and do not provide free education up to the college standards. I understand that an assurance has been given by the Prime Minister that the concessions that they are now having will be continued. It is a matter of concern as to how long that will be continued. It is a matter of time as to when they will be integrated with the bigger units that are now existing. When they are integrated, which I think will be sooner rather than later, will these concessions continue? These are some of the things that are troubling the minds of the people of the erstwhile French possessions, which have now been conceded to India. I hope that they would like to have a definite idea about the assurance which has been given by the Prime Minister about these matters.

The Deputy Minister of External Affairs (Shri Anil K. Chanda): Mr. Chairman, I first take up the question of the Municipal Commissioners. Before the 18th March, there were Municipal Commissions which were functioning and they passed a resolution asking for merger with India. As a result of that, during the last days of the French rule, they re-nominated the Municipal Commissions excluding those members who had voted for merger with India. We have just re-nominated all those members who were there before 18th March, 1954. This is a very temporary arrangement because it is our earnest desire to have the elections as early as possible. The Election Commissioner of India has recently been to Pondicherry and the registration of voters is taking place and going on still. We expect to have the elections by June positively.

Shrimati Renu Chakravarty: Who will be the administrative and executive head during the elections?

Shri Anil K. Chanda: There is the Chief Commissioner of the State of Pondicherry as in any other State.

Shrimati Renu Chakravarty: The Municipal Commissioners have the executive authority. Therefore, I want to know whether they will continue in office at the time when the actual elections are taking place.

Shri Anil K. Chanda: The Ministers in the Government of India have the executive authority and they still remain in authority when the elections take place. Why should we assume that the elections will not be free and fair only because the Commissioners are there? These were the persons who were elected to the Municipal Commissions before the 18th March and these are the people who voted for merger with India.

Shri Nambiar: They were elected when the French were there and the franchise then was restricted. When the change came they were removed and now you have put them back.

Shri Anil K. Chanda: I am sorry that the persons who generally speak so eloquently about democracy are questioning the authority of the Municipal Commissions there. The whole matter is receiving our consideration and all views will certainly be considered. What is going on in the State of Pondicherry is a very temporary phase because it is only *de facto* transfer that has been effected and *de jure* transfer has not yet taken place. I am sure every consideration will be paid to Mrs. Chakravarty's suggestions.

Shri T. S. A. Chettiar: What about the other one?

Shri Anil K. Chanda: No change has been brought about. I can assure Mr. Chettiar.

Shri T. S. A. Chettiar: May I know for how many years they will be continued?

Shri Anil K. Chanda: I am not aware of any such specific assurance.

Mr. Chairman: Now I will put cut motion No. 14 to the vote of the House. The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 18,96,000 in respect of 'French Establishments in India' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: Now, I will put the Demand to the vote of the House.

The question is:

"That a supplementary sum not exceeding Rs. 18,96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'French Establishments in India'."

The motion was adopted.

DEMAND NO. 53—CABINET

Mr. Chairman: Motion is:

"That a sum not exceeding Rs. 2,07,000 be granted to the President to defray charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Cabinet'."

Appointment of 1 Cabinet Minister and 5 Ministers of State.

Shrimati Renu Chakravartty: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,07,000 in respect of 'Cabinet' be reduced by Rs. 100."

I have brought this cut motion because I feel it is rather necessary to pin-point certain feeling in the country that we are going in for larger and larger Ministries and Ministers of State etc. at a time when the ordinary persons in the country are bearing the whole brunt of economic hardship. There is a growing feeling in the country that the administration is growing heavy on the Cabinet side and in the

State Cabinets. In my State, we have got a huge number of Ministers, Deputy Ministers and so on. We find here that we have in the appointment of Dr. Katju as—Defence Minister another addition to the Cabinet and we have also the appointment of five additional Ministers of State. Actually, I do not want to say exactly to what degree Mr. Tyagi has helped us in being a "wise man" and in saving a large sum of public money. But, there is a feeling in the country that while the expenditure for the Defence Budget has not amounted larger and larger number of Ministers and Deputy Ministers are needed to administer sums which being handled formerly by people like the late Gopalaswamy Ayyangar and just one or two Deputy Ministers. We find that a larger and larger number of Deputy Ministers and others are coming into the picture. Actually, this psychological aspect of the problem should be taken into consideration at a time when people are really bearing the brunt of economic hardship. We go on increasing the sumptuary allowance—the amount may not be very much, it may be Rs. 3,000 but even that....

The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa): In Russia there are 212 Ministers.

Shrimati Renu Chakravartty: I am very glad that you are now quoting Russia. I have been to Russia but I have not seen 212 Ministers.

Shri M. V. Krishnappa: There the Agriculture Ministry has got six Deputy Ministers, 48 Parliamentary Secretaries and they have got 15 Vice-Premiers and all that.

Shrimati Renu Chakravartty: I hope you do not compare ourselves with the Soviet Union which has no unemployment and which has rising standards of living (*Interruptions*). Take China where the standards are different. How many Deputy Ministers are there in China? What are the standards of salaries? What is the difference between the highest and lowest salaries? It is very little, not even more than four or five times. Try to find that out and compare ourselves with that.

Do not compare ourselves with a country which has no unemployment. Try to reflect the feelings of the people in the country. You want the people to tighten their belts but when you go up higher you increase the sumptuary allowance and you have more Ministers. It is said that because we have some "wise" men, they are to be catered for and they are to be put in certain posts as Ministers of Defence Organisation etc. This is my only point. I think the Government must consider this point and that too at this time when we are supposed to be having "socialistic pattern of society". When we are talking of such things we must also get ready for further sacrifices (*Interruptions*). This is a thing which I want to pin-point. It is not right for us to go on increasing the sumptuary allowance and the number of Ministers and Ministers of State.

4 P.M.

Shri M. S. Gurupadaswamy: Just now there was an interruption from the other side that the Soviet Union has got a large army of Ministers. The remark was irrelevant on this occasion because here we are concerned with our own affairs as to what we ought to do, what is right, what is wrong etc. We are not in any way concerned with what other countries are doing in the matter. Every day, in the morning or evening, we are hearing nothing but the rumour of this man coming into the Cabinet or that man going out of the Cabinet.

Shri M. V. Krishnaappa: Perhaps it is his information about their Cabinet.

Shri Algu Rai Shastri (Azamgarh Distt.—East cum Ballia Distt.—West): In every democratic country, that is the case.

Shri M. S. Gurupadaswamy: The papers also have nothing else to talk about except the continuous changes made in the Ministry. The entire news world of India today is about Ministers.

Dr. Suresh Chandra: You are contributing to it.

Shri M. S. Gurupadaswamy: Our Press has also fallen a victim to only discussing things which relate to the changes in the Ministry and Ministers.

Shri Nambiar: That is a news item for them.

Shri M. S. Gurupadaswamy: Other issues like economic and political issues are brushed aside as unimportant. Today we are seeing a large army of Ministers in front of us.

Shri Nambiar: But they never sit here.

Shri M. S. Gurupadaswamy: It is just like a miscellany of all sorts of people. The criteria for selection are not whether they know the subject or they understand the things they have to deal with. The important consideration is whether this man has got wire-pulling power or that man has.

Sardar A. S. Saigal (Bilaspur): That is incorrect.

Shri M. S. Gurupadaswamy: I want to ask the Prime Minister whether this conglomeration of Ministers is not unusually large and whether there is sufficient work for all of them.

Shri Algu Rai Shastri: Surely there must be.

Shri M. S. Gurupadaswamy: I know on good authority and I have discussed matters with so many Deputy Ministers and many of them have told me that they have not enough work and the Ministers of State or the Cabinet Ministers do not give them work.

The Deputy Minister of Communications (Shri Raj Bahadur): Question.

Shri M. S. Gurupadaswamy: I am telling you the truth.

Shri Algu Rai Shastri: This is your information.

Shri M. S. Gurupadaswamy: I have come to know from many people that the Deputy Ministers have no work to do at all. (*Interruptions*). The hon. Member knows much better than myself.

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Mr. Chairman: Let there be a little more seriousness.

Shri M. S. Gurupadaswamy: I am very serious, but they are interrupting me. I am just telling that there is not sufficient work for such a large army of Ministers.

Shri Raj Bahadur: Question.

Shri M. S. Gurupadaswamy: Most of the people are being taken in the Ministry just with a view to provide them with some sort of employment.

An Hon. Member: No, no.

Shri M. S. Gurupadaswamy: The inefficiency that is seen in the functioning of the Ministry is largely due to the incompetence of these persons and it is due to the fact that they are not the proper men to be Ministers. I am of the opinion that Ministers should not be taken *ad naumseam* without any regard to the necessity being there.

Shri M. V. Krishnappa: The hon. Member is perhaps one of the disappointed Ministers.

Shri M. S. Gurupadaswamy: I was never a claimant to the Ministry; I do not hope to be a Minister and I do not want to be one among those whom I am criticising.

Shri Nambiar: He would not like to be anywhere near Ministers.

Shri M. S. Gurupadaswamy: Lastly, I say that not a day passes without rumours that this man or that man in the Congress Party is stepping into the Ministry, and every time the work of the Parliament has suffered and the work of the Congress Party also has suffered considerably. Many of the younger Members here do not speak out their minds lest they may spoil their chances for the Ministry. The Prime Minister—a very clever man that he is—always dangles before them one place or the other in the Ministry in every session. Many of the upright or very frank young men in the Congress Party do not come and speak out their minds freely and frankly. They are afraid that they may fall out from the grace

of the Prime Minister. It is not a good or healthy sign at all. Most of the people in the Congress have been doing nothing but thinking of Ministry now-a-days. I sincerely believe that some people in the present Ministry may be conveniently dropped. I am suggesting that thereby we will not only be achieving more efficiency but also there will be adequate work for all the Ministers. Now, there is a premium on inefficiency, and hard work is at a discount. There is no proper division of work between the Ministers because there are too many Ministers. The whole Ministry should, in my opinion, be rationalised in the sense that some Members must be dropped out and that proper men must man the Ministry, and adequate care should be given to work and efficiency.

About sumptuary allowances, I wish to say this. They are unnecessary and they have been tolerated too long and I feel that the Ministers should be able to carry out their work without sumptuary allowances.

The Minister of Home Affairs (Pandit G. B. Pant): I do not think that Shrimati Chakravartty was really very serious.....

Shri A. M. Thomas (Ernakulam): Nor was Shri Gurupadaswamy.

Shrimati Renu Chakravartty: I made it in all seriousness.

Pandit G. B. Pant: If you made it in all seriousness, then I might confess that the hon. Member means that the Government and the Cabinet are both functioning so efficiently and so well that even if the number is reduced, there will be no harm; for, if she were really dissatisfied with the work of the Ministry and the Cabinet, her suggestion would naturally have been for an increase in numbers. The proposal that she had made about a reduction in numbers indicates that she has no grievance against the method of work or the achievements of this Ministry. If that is conceded.....

Shrimati Renu Chakravartty: Of course I do not concede that.

Pandit G. B. Pant: To be more serious, is it really contended that, for a country like ours with 360 million people and with so much of work to be done, not only with regard to the present everyday affairs but also in order to make up for the accumulated arrears of centuries of foreign rule, the strength of the Cabinet is excessive. Can any one possibly argue that the affairs of a country as huge as ours and with so many and so varied questions to be tackled and so many regional prejudices or tendernesses.....

Shrimati Renu Chakravartty: There are 300 State Ministers too.

Pandit G. B. Pant: Is it in any way possible for even the best of men and women to satisfy the elementary needs and demands of such a huge population with a smaller number? It may be that we are not fully able to carry out what is expected of us; but that can be an argument for having fresh talent in the Ministry and not for cutting out anybody.

I think she referred to China. I wonder if there is any information available as to the number of Ministers in China.

Shri Asoka Mehta (Bhandara): There is.

Pandit G. B. Pant: It is, I think, a huge figure.

Shrimati Renu Chakravartty: What is the difference between the lowest and the highest?

Pandit G. B. Pant: I cannot say.

Shrimati Renu Chakravartty: What is the difference between the lowest and the highest payments; that is a big point?

Pandit G. B. Pant: The two questions are different. One is: whether the number is adequate, excessive or inadequate. So far as that is concerned, I think it is conceded that the number is less than it is in China.....(Interruptions). If we were to copy China,

we would have to employ more Ministers. China is only, I think, a recent addition but if you go back to the parent or grand parent, Russia, then, we find that there the number of Ministers is much more: 48, I am told.

Shrimati Renu Chakravartty: What is the figure of unemployment, may we know?

Pandit G. B. Pant: Well, I think people are employed as Ministers so that they may be under employment.

An Hon. Member: The number of Ministers is more than 200.

Shrimati Renu Chakravartty: Will you follow that here?

Pandit G. B. Pant: At least you would like us to follow: whether we will, or not, is a different matter.

An Hon. Member: Socialistic pattern or policy is followed.

Shrimati Renu Chakravartty: So far as the Ministers are concerned.

Pandit G. B. Pant: I do not know whether it is a question worth being raised on the floor of this Parliament.

It is really a marvellous thing how much a huge country is being managed by a Ministry the total bill of which falls short of Rs. 9 lakhs. I have before me the figures of the salaries and allowances paid to Cabinet Ministers, Ministers of State, and Deputy Ministers and the aggregate total comes to Rs. 8.8 lakhs.

Shri Nambiar: What about the State Ministers? For every State, there are Ministers.

Pandit G. B. Pant: The State Ministers, I think, are treated with greater tenderness by the Members of the Opposition.

Shri Nambiar: Not so much allowance there.

Pandit G. B. Pant: I think, if they are not receiving any sumptuary allowance, they would do better to

[Pandit G. B. Pant]

receive so that they keep all the Members of the House in good humour. I think at least we require a Minister to stand as a standby and so I am here as the latest addition.

As to the expenditure itself, the comparison with the salaries of the persons at the bottom is hardly relevant at this stage. There are many working in the Government who are receiving more than double the salary that the Prime Minister gets. So, to suggest in any way that it is the salary which attracts people to the discharge of the duty, is not very generous; there may be other considerations but it is not the salary and allowances. This substantial difference between the rates at the bottom and the top is a question which is worth considering. I do not leave it out completely. But, so far as this particular matter is concerned, it is hardly relevant. The proposals that were made yesterday by the hon. Finance Minister would, to some extent I think, take off something from what the Ministers are getting. To that extent at least, Members opposite will find some relief. I think it will not affect the allowances of the Members. If the proposals do, I, on my part, would try to intervene to see that they do not.....

Shri Nambiar: We want a reduction for Members; their pay must be reduced.

Pandit G. B. Pant: You can do so. Apart from that, even if the law remains as it is, it is open to everyone to surrender what he gets.....*(Interruptions.)*

An Hon. Member: It will not affect the entire House.

Pandit G. B. Pant: I think Shrimati Chakravartty will be good enough to withdraw her cut motion.

Shrimati Renu Chakravartty: I press my cut motion.

Mr. Chairman: The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,07,000 in respect of 'Cabinet' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 2,07,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Cabinet'."

The motion was adopted.

DEMAND NO. 113—OTHER CAPITAL OUTLAY OF THE MINISTRY OF COMMUNICATIONS.

Mr. Chairman: The motion is:

"That a supplementary sum, not exceeding Rs. 96,80,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Other Capital Outlay of the Ministry of Communications'."

Cash Compensation and purchase of new aircraft.

Shrimati Renu Chakravartty: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 96,80,000 in respect of Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

Mr. Chairman: Cut motion No. 17 is not moved. So, cut motion No. 16 is before the House.

Shri D. C. Sharma (Hoshiarpur): What about other Demands? Are they not going to be considered?

Mr. Chairman: They will come later on.

Shri D. C. Sharma: I think there are only ten minutes left. I want to speak on the other Demands also.

Mr. Chairman: The guillotine will be at 4-30 P.M.

Shri D. C. Sharma: It is already there so far as we are concerned.

Shrimati Renu Chakravartty: This cut motion—No. 16—of mine is with regard to the cash compensation and purchase of new aircraft. Actually, I remember that when we were discussing the Airlines Nationalisation Bill, we pointed out that we will have to be very careful as to the computation of the compensation, because, as we pointed out by very specific examples as to how the accounts have been inflated. We had also pointed out that the aircrafts and their spare-parts had been really bought at a very low rate from Military disposals and therefore we are really rather surprised to see that a further provision of Rs. 731.65 lakhs is now estimated against the provision of Rs. 609.37 lakhs made earlier. The total has now come to Rs. 731.65 lakhs. This is quite a big amount which has increased, and we are rather anxious about it. May be the Ministry has actually acceded to the demands of certain private companies which had really, from the very beginning, opposed nationalisation and finally when it became a *fait accompli* the companies put the screw on and tried to get as much compensation as possible. The Government said that the forms are complicated and Shri Raj Bahadur said that they had to fill up 38 forms and that therefore they could not use the money last year. It may be so, but we would like to know why, when we were already having deep-seated fears that the amount of compensation would not be computed on the actual cost, the amount has now gone up to Rs. 731.65 lakhs. That is a case about which we are anxious.

Secondly, with regard to the question of new aircraft. Actually, I remember at the time when we had raised this question of Dakotas and

various other old aircraft being taken over—at that time when they were taken over—we stressed that because they were rather old, the taking over of those old aircraft should not lead us again to further expenditure for replacing the aircraft. Again, however, we are to incur large amounts of money for replacement. We would like to know exactly why there has been increased expenditure on the escalation and delivery charges on the new aircraft and what is the reason for this particular item. These are the two points which I would like the Minister to clarify.

Shri Nambiar: I very strongly support the cut motion moved by my hon. friend who has just now spoken. I have to say that this is most surprising. I was one of those in the Select Committee which dealt with the nationalisation of the airline corporations. While we discussed the matter there, we were made to understand that they were given maximum compensation that were asked for or were allowable. So, there was no ground at all for them to demand more compensation. Here the increase is to the extent of Rs. 731 lakhs odd and it is a very serious matter. Whatever material we procured then or were transferred to our account from those companies were not of cash value at all and we took them over from the book value. Further, many of the materials were practically useless. I can say this about the Dakotas themselves. We knew that many Dakotas which we took over—which we purchased from them—were already scrap or had already crashed. Not a pie has come out of them. They went off with a few lives along with them. They went off in the crash. That was the sort of Dakotas which we purchased. Now, for all this scrap materials, so to say, are we to pay more? This is charging us very high and the public should not be made to bear the brunt of paying these companies. Therefore, I very strongly object to this method and I request that the case must be reviewed before any more grant is made.

Shri Raj Bahadur: Three minutes are there before the guillotine is to be applied to the rest of the Demands. In these three minutes I cannot say which. However, I would like to say a few words, first to assure the hon. Members opposite,—and I think they could also know it if they read the list of Supplementary Demands carefully—that what we are asking for is for the capital requirements of the two Corporations and not merely for the cash payment of compensation as such. We have already given an indication on the floor of the House that whatever we estimated at the time when the Air Corporations Bill was passed, to be the amount of compensation to be paid to the air companies, that estimate would not be exceeded. Some provision was made last year in the Supplementary Demands for the payment of compensation but that could not be paid. Assessment of compensation could not be completed and therefore, payment was not made. So, it had to be brought up this year. Because we hope that compensation is about to be paid now. So we have come forth with this Supplementary Demand.

In regard to the purchase of aircraft, certain expenses known as “escalation charges” have accumulated in regard to the purchase of the five super constellation planes that we have purchased. Two of these were of the type 1049-C. These “escalation charges” reflect the rise in the cost of labour and material during the time of manufacture. These come to Rs. 20·63 lakhs in respect of the two 1049-Cs. For the remaining three other aircrafts—which are of the model 1049-E, the rise is Rs. 30·00 lakhs. Then, for delivery charges on these three super constellation aircrafts, the charges are Rs. 2·00 lakhs. The total escalation charges amount to Rs. 52·63 lakhs. Thus there has been some increase on this account. That has to be paid. Much of the price of these aircrafts has been paid and the remainder has to be paid. Provision is being made for that purpose. These advances to the Corporation will be for capital expenditure. This has to be

provided to the Corporations, on such terms and conditions under Section 10 of the Air Corporations Act as the Government may decide. Therefore, there is nothing out of the way. It is an extra expenditure in the normal course that has to be incurred for the purpose of the normal functioning of these air corporations. I may once again repeat that the amount of compensation that we may have to pay, as already estimated, will not be exceeded.

Shrimati Renu Chakravartty: This is a question of increase of the capital requirements. This capital requirement does not include the compensation. What exactly is the reason for this increase?

Shri Raj Bahadur: We had provided that we shall advance to the Air Corporation necessary amount for the payment of compensation. That compensation was not paid during last year because the compensation could not be calculated. There was some time taken, not due to any fault on our part but because the companies furnished, their returns, which we wanted them to furnish very late. We also came before this hon. House for amendment of the Air Corporations Act for the extension of the various statutory time-limits provided in sections 22, 23, 24 and 25 of that Act. We came before the House for extension because these companies could not furnish in time all the information we required. Payments could not be made last year and therefore we have to make them now. We hope to make the payments before the end of the current year.

Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes): May I ask whether the officers who were engaged in the assessment were the same who were taken when the Corporation was started?

Shri Raj Bahadur: They were drawn from various sources. We got them from the Aeronautical Inspection Wing of the Civil Aviation Directorate, from

the Inspectorate were of the Hindustan Aircraft Limited, from former employees of the air lines who came to the Corporation and from the retired officers of the Income-tax Department.

Mr. Chairman: I will now put to the House cut motion No. 16 which has been moved by Shrimati Renu Chakravarty.

The question is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 96,80,000 in respect of 'Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

The motion was negatived.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 96,80,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Other Capital Outlay of the Ministry of Communications'."

The motion was adopted.

Mr. Chairman: All the rest of the Demands are guillotined. I will put them all together.

The question is:

"That the separate supplementary sums not exceeding the sums shown in the third column of the Order Paper be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of the following Demands entered in the second column thereof Demands Nos. 32, 35, 37, 38, 40, 47, 48, 55, 60, 71, 82, 89, 125 and 133."

The motion was adopted.

The motions for Demands for Supplementary Grants which were adopted by the Lok Sabha are reproduced below.—Ed. of P.P.

DEMAND NO. 32—PAYMENTS TO OTHER GOVERNMENTS, DEPARTMENTS ETC. ON ACCOUNT OF THE ADMINISTRATION OF AGENCY SUBJECTS AND MANAGEMENT OF TREASURIES.

"That a supplementary sum not exceeding Rs. 11,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Payments to other Governments, Departments etc. on account of the Administration of Agency subjects and Management of Treasuries'."

DEMAND NO. 35—MINT.

"That a supplementary sum not exceeding Rs. 2,75,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Mint'."

DEMAND NO. 37—SUPERANNUATION ALLOWANCES AND PENSIONS.

"That a supplementary sum not exceeding Rs. 23,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Superannuation Allowances and Pensions'."

DEMAND NO. 38—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE.

"That a supplementary sum not exceeding Rs. 1,06,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance'."

DEMAND NO. 40—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS.

"That a supplementary sum not exceeding Rs. 1,26,000 be granted

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Adjustments between the Union and State Governments'."

DEMAND NO. 47—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FOOD AND AGRICULTURE.

"That a supplementary sum not exceeding Rs. 12,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture'."

DEMAND NO. 48—MINISTRY OF HEALTH.

"That a supplementary sum not exceeding Rs. 53,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Health'."

DEMAND NO. 55—POLICE

"That a supplementary sum not exceeding Rs. 51,21,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Police'."

DEMAND NO. 60—BROADCASTING

"That a supplementary sum not exceeding Rs. 9,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Broadcasting'."

DEMAND NO. 71—ADMINISTRATION OF JUSTICE.

"That a supplementary sum not exceeding Rs. 27,000 be granted

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Administration of Justice'."

DEMAND NO. 82—SALT

"That a supplementary sum not exceeding Rs. 8,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Salt'."

DEMAND NO. 89—PRIVY PURSES AND ALLOWANCES OF INDIAN RULERS.

"That a supplementary sum not exceeding Rs. 10,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Privy Purses and Allowances of Indian Rulers'."

DEMAND NO. 125—CAPITAL OUTLAY OF THE MINISTRY OF HEALTH.

"That a supplementary sum not exceeding Rs. 76,20,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Capital Outlay of the Ministry of Health'."

DEMAND NO. 133—CAPITAL OUTLAY OF THE MINISTRY OF REHABILITATION.

"That a supplementary sum not exceeding Rs. 5,00,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Capital Outlay of the Ministry of Rehabilitation'."

APPROPRIATION BILL

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): I beg to move for leave to introduce a Bill

to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55

Mr. Chairman: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55."

The motion was adopted.

Shri M. C. Shah: I introduce* the Bill and beg to move*:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55, be taken into consideration."

Mr. Chairman: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55, be taken into consideration."

The motion was adopted.

Mr. Chairman: The question is:

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

The motion was adopted.

Clauses 1 to 3, the Schedules, the Title and the Enacting Formula were added to the Bill.

Shri M. C. Shah: I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

IMPORTS AND EXPORTS CONTROL AMENDMENT BILL

The Minister of Commerce (Shri Karmarkar): I beg to move:

"That the Bill further, to amend the Imports and Exports (Control) Act, 1947, as passed by Rajya Sabha, be taken into consideration."

As hon. Members are aware, foreign exchange control became a very important factor during the prosecution of the last war and that was a time when the then Government issued an Ordinance. But the reasons for control of foreign exchange at that time and now vary. At that time it was necessary to economise the exports in view of the internal needs of the country as also to control exports with a view to conserve the foreign exchange for the prosecution of the war. That was the relevant consideration then. But after independence the control of foreign exchange has naturally assumed an important place in the economy of the country. As hon. Members will easily appreciate, the seven or eight years after 1947 have been years of difficulty and uncertainty. As you are aware, the immediate problem after the war was to meet the various scarcities. There was scarcity of food, of consumer goods, of raw material, of capital goods. Added to the initial difficulty was also the difficulty of the uncertainty of the earnings of foreign exchange. As hon. Members can see, the availability of foreign exchange varied from year to year. I might just in brief invite the attention of the House to the varied nature of our earnings of foreign exchange during the last five years.

So far as exports were concerned, because that is the bulk of the foreign exchange earned, the House will find that during 1948-49 our earnings, in round numbers to the nearest crore, were 478 crores; in 1949-50 it was 531 crores; in 1950-51 it was 662 crores; in 1951-52 it was 742 crores; in 1952-53 it was 578 crores; and during 1953-54

*Introduced and moved with the

recommendation of the President.

[Shri Karmarkar]

it was 528 crores. So hon. Members will find that our earnings varied from year to year.

Taking the invisible earnings, they also varied from year to year. But I am happy to say that the invisibles always showed a credit to our account. For instance, in 1948 our balance, so far as invisibles were concerned, was 30.60 crores; in the calendar year 1949 it was 43.3 crores; in 1950 it was 39.2 crores; in 1951 it was 55.5 crores; in 1952 it was 95.2 crores in 1953 it was 92.4 crores and in the period January to March 1954 it was 20.1 crores. So, our principal difficulty was in adjusting our quantum of imports to the extent permitted by our exports. There was the other difficulty of our food requirements. Our food requirements naturally could not be neglected whatever else we neglected. There also, we find varying requirements from year to year. For instance, in 1948-49, we had to import, again to the nearest crore, food to the tune of Rs. 102 crores, in 1954-55, Rs. 134 crores, in 1950-51, a little less than is Rs. 81 crores, then came the year in which we had to make the largest import that is 1951-52 Rs. 230 crores, 1952-53 Rs. 163 crores and in the current year, that is the year that has passed 1953-54, it was only about Rs. 64 crores. Here again, the House will see that we had to incur expenditure of foreign exchange on food to a varying degree, which varied from Rs. 64 crores during the current year to Rs. 230 crores during 1951-52. The House will easily agree that whatever else we neglected, we cannot neglect the food requirements of the country. When there was scarcity of raw materials, we had to import raw materials for our growing industries. There was a third item, capital goods which we could not neglect. Whatever remained, we had to utilise for the requirements of consumer goods. Our import policy had to adjust itself according to the availability of foreign exchange. I shall not tire the patience of the House

by any long observations on the various periods. But, I think it will serve a useful purpose if I indicate briefly how the availability of foreign exchange has enabled us to be liberal when possible and to be restrictive when to become restrictive was absolutely necessary.

As I said earlier, our utilisation of foreign exchange naturally follows almost the trend of our balance of payments. Of course, incidentally, we have also to see to it that we take note of the fact that our foreign exchange resources were never much too ample. Therefore, we found it possible to give protection to our nascent industries. If I may take the House through the various vicissitudes of our import policy during the last 5 years I may say, during the latter half of the year 1949, import policy was sufficiently restrictive since the balance of trade position had shown sufficient signs of deterioration with heavier imports and falling exports during the last two quarters of 1949. This trend continued during the year 1949 also. During the year 1950, although the same measures of strictness in the import policy continued, sympathetic considerations had to be shown for revision or readjustment towards relieving the stringent restrictions where, in the larger interests of the country, it was considered necessary to do so.

Coming to 1951, during the first half of the year, the balance of trade position showed considerable improvement and India began to have export surpluses. Import control could now be sufficiently liberalised. In fact, the problem in that year was not of restricting imports but of securing supplies from overseas markets in which these supplies were crying up. That was an abnormal year. The year 1951 was thus a period of liberalised import policy in the context of the export surpluses and our earnings on invisible account together with the sterling releases which were made available to us by the Government of the United Kingdom.

During the year 1952, two important economic facts came to notice. Firstly, there was a large gap in the dollar earnings and expenditure of the sterling area. Secondly, as a result of the Korean peace talks, there developed a sort of world resistance for goods and prices began to sag. On the domestic front, it was noticed that over-stocking of certain imported goods had taken place and prices began to fall in several sectors. The balance of trade position was also not favourable and the adverse balance of trade by sea and air alone during the first quarter was running as high as Rs. 95 crores. However, the position should not really be considered as having been alarming, as the deficit that we incurred was described by the Finance Minister at that time as 'planned deficit' in the balance of payments while delivering his Budget speech for the year. We had to plan our import policy for that year accordingly.

During the year 1953, a large number of items were thrown open to newcomers and the minimum value of quota licences was also raised. That was possible on account of the direction of the balance of payment position. During the course of the year 1954, the foreign exchange position eased further and in view of the expanding economy under the impact of the Five Year Plan, emphasis was laid in the direction of achievement of higher levels of imports as well as exports. The import policy announced by the Government during the two half years of 1954 was directed towards further liberalisation of imports and relaxation of unnecessary restrictions which were considered no longer necessary under the changed circumstances of the country. I may also tell the House that the broad guiding principles in the formulation of policy during the year were the following:

(a) liberal provision for raw materials to remove shortages and to maintain stocks at satisfactory levels;

(b) liberal provision for the import of capital goods having due regard to indigenous production;

(c) increased provision for the import of essential consumer goods, because we could not neglect that sector;

(d) continuance of the scheme of token imports to set a standard for indigenous production; and

(e) moderate increases in the import of articles (luxury and semi-luxury goods) it still forms a very small portion of the total foreign exchange available—the import duty on which was raised with the approval of the G.A.T.T. organisation.

Thus during January-June 1954, import quotas of 22 items including betelnuts, safety razor blades, etc. were liberalised. As many as 17 new items were thrown open to new-comers.

During the latter half of 1954, the import policy was further liberalised in the context of improved foreign exchange position and in the experience gained during the preceding licensing periods. The list of items which were under the token quota scheme was considerably expanded. I shall not tease the house by any more details.

During the first half of the present year, that is 1955, for which the import policy was announced on 30th December, 1954, the Government reviewed the needs of the country's economy and found it possible to take further steps in the direction of liberalisation of the import trade. The liberal licensing scheme was extended to cover a number of important items. Quotas have been increased for certain items where shortages were being experienced. For a few items which were hitherto in the banned list, token quotas were prescribed. Further relaxations have also been made in so far as imports of goods from the dollar area are concerned, including metal working tools and machinery. That was the tendency of the policy for the first half of this year.

[*Shri Karmarkar*]

It may be stated that the present pattern of our import policy might be appropriately described as 'selective liberalisation'. We select the items where liberalisation is justified. While ample provision is made in the import policy for capital goods and raw materials of industry, as well as consumer goods, a distinct shift in our import policy is noticeable in the recent past. This shift has been dictated not necessarily by considerations of foreign exchange alone because we cannot say that even under the foreign exchange position in view of later possible requirements for developmental purposes; these requirements will be heavy—but by considerations of an economy which is fast developing. As indigenous industry progresses and new commodities are manufactured by us in sufficient quantities and of good quality, the items in question are either restricted or totally banned. One of the ways to achieve this objective is, as hon. Members are already aware, to liberalise imports while raising the import duty thereon, so that it not only gives the largest quantity that we require, but, at the same time, it acts as a healthy restriction on foreign exchange expenditure. In the future also, the pattern of import trade is bound to change. But, it should not be concluded from this that imports will take place on a lower level. With the development in the consumption of the population of this country, with the increase in the national income and social welfare, with the evolution, in short, of the socialistic pattern of society, which implies a higher standard of living and more consumption and more production, the need to import will be larger; but the need to export will also be greater. Imports and exports will, in the long run, attain higher levels than ever before.

That is our objective. I have invited the attention of the House to these considerations connected with import control, namely selection of items as also the necessity to use foreign exchange, because many a time in the

past, whenever we have taken action to restrict particular items or liberalise particular items, we have been faced with the criticism that we were too restrictive when we restricted and too liberal when we were liberalising. All that I wanted to invite the attention of the House to was to the fact that we have to have a double objective before us. One is not to exceed the foreign exchange availability so as to run a huge deficit; the other is at the same time to see to it that the foreign exchange available is spent in a proper manner. As I said a moment ago, our policies have always been dictated by the prime considerations, firstly of the necessity of food imports to the extent to which they were necessary in the past, secondly of the advisability of not stinting industry for its development either in the nature of capital goods or raw materials, and thirdly of so adjusting our expenditure of foreign exchange in respect of consumer goods as not to make the population stint in respect of the necessities. Actually, what might be considered as luxury or semi-luxury articles amount even in our liberal scheme to about Rs. 14 crores, in a budget of Rs. 550 crores; so, it comes to about Rs. 2 or 3 crores, for every Rs. 100 crores. So, that is the method by which we have been able to regulate import control. And I am quite sure that the House will appreciate the fact that as a result of all the various actions taken, sometimes stinting, sometimes liberalising, but, always going according to the requirements dictated by foreign exchange availabilities, our sterling balances are still there, so that they might be helpful to us in the few years of intense development that will follow, when we will require not only what is available of the sterling balances, we shall also have to keep a necessary minimum by way of reserves—but something more.

Regarding exports, during the time of the war, it was a question of controlling exports. Now, it would be really wrong to describe the measures that we take for exports as export

controls. In fact, it is export promotion. It is import control on the one hand, while it is export promotion on the other as a correlative. In fact, about 90 per cent of our commodities are subjected to free licensing, so far as exports are concerned. There again, the particular sector has to be taken into consideration, and we have to see whether the internal requirements of the country make it absolutely difficult for us to have free licensing in the matter of exports. Take oil, for instance, i.e. the case of edible oils. There, we have always to see that the country is not stinted of its requirements. In items like that, we can say that we do exercise a measure of export control, and that export control is a measure of control which we exercise always subject to the internal requirements of the country. I hope the House entirely agrees with me that it is not a good policy to stint our countrymen in respect of their necessities.

Our export promotion, I am happy to say, is bearing slow fruit. Hon. Members will find on a study that during the last five years, our pattern of foreign trade has been slowly changing. In the pre-war period, we were largely exporters of raw materials. Now, the swing has turned; and we have turned appreciably, to a better extent than before, to be exporters of finished products. Some of us do suffer from a sort of inferiority complex, which leads us to believe that our products are necessarily inferior to the products of foreign countries. Hon. Members will have read in a news item this morning—and it is a fact—that for our diesel engines, for instance, there has come a small order—may be a token order—from an advanced country like Germany. So, we need not have any sense or feeling of an inferiority complex, so far as our products are concerned. We are a growing country, we are a slowly developing country, and there is no need for our countrymen to lack, so far as intelligence is concerned. We may not have got the technical know-how in some sectors, but we are trying to replenish

that in the best manner possible. And I think that during the last few years, industry has achieved results that are really a credit to the country. I do not want to generalise this to every sector, and to every item of the industry; things do require improvement, but it is a healthy sign that foreigners are showing a keen interest in our goods.

I think there is very little else to say. As for the mechanism of import control also, we are learning by experience, and I am quite sure that we have made a few mistakes at the commencement. When it comes to a question of issuing lakhs and lakhs of licences, it is rather difficult. We tried an experiment three years back by keeping our licences open to newcomers. Then, we were flooded with a large number of applications for licence—I forget the exact figure—during that half year. I think the number of applications came to about a lakh and a little more, and we found ourselves in great trouble. Often, the question was asked, and the criticism was made that we were partial to established importers. Supposing, we make it open to everybody to ask for import or export licence, then it will lead to chaos. So, in the mechanism of import and export control.....

Shri A. M. Thomas (Ernakulam): Why do you not decentralise the machinery?

Shri Karmarkar: We are trying to decentralise the machinery.

Shri S. S. More (Sholapur): Chaos or corruption?

Shri Karmarkar: Corruption, so far as the hon. Member's ideas are concerned, and chaos also following corruption. But as far as we are concerned, we are coming back from darkness into light. Perhaps, the hon. Member's progress is in the reverse direction. However, that is another matter, and that is for him to decide for himself. I wish my hon. friend is a little more serious, because ultimately I have such a regard for his intelligence that sometimes that regard feels

[Shri Karmarkar]

some shock at these unmeant but careless remarks—careless is a fully parliamentary word.

Shri S. S. More: May I make a submission? As far as this licensing department is concerned, it is a matter of public scandal, and I can quote from so many Government documents to show that that sort of thing is going on. So, it is only a question of whether it is chaos or corruption. That is the only alternative.

Shri Karmarkar: So far as my hon. friend is concerned, perhaps that is the only alternative, and he can choose either of them, either corruption or chaos.

Shri S. S. More: I would rather choose chaos.

Shri Karmarkar: But that is not our alternative. As I said earlier, when the thing was new, many people took advantage of the vagueness of so many things. I can just mention one small example, where we have had a lot of difficulties. We, in our commonsense, sitting in our office, believe that what we have said will cover a particular thing, but in practice, it may not. For instance, recently, an instance occurred, which I mentioned at some other places also, where in order to give protection to the indigenous industry in a particular sector, namely pencils, we said that pencils which cost less than Rs. 16 per gross should not be imported into the country. But we did find that one consignment came in, where the price was Rs. 45 per gross; so, our Customs Collector could not hold it up. But the difficulty was that each pencil being 9" long, each pencil was 36" long; and we had not defined a pencil as being a writing instrument 9" long. This is what has happened. Now, we have taken care to define, but that is another matter. So, these are all the 'bye-difficulties', which the import control department has to meet. I wish my hon. friend—I am prepared to assist him—to carefully study the position, both with regard to the work of the utilisation of foreign

exchange as also with regard to the licensing system. I am quite sure that if the studies the question with me carefully, with perfect detachment, forgetting the fact that his study comes along with a friend,—who, according to my hon. friend, has the misfortune to sit on this side of the House,—he will entirely agree with me in my statement—when we get out of the room after the study—that those times about which my hon. friend referred to just now, belonging to the last century, have almost disappeared. I do not say that any system of import control or export control that we have evolved is hundred per cent perfect; that is absolutely impossible, when we are dealing with applications of the order of lakhs. But then I am happy to tell the House that as the industry and trade themselves have acknowledged—apart from what a few friends, (or I should say, almost a solitary friend, so far as I can see) have stated, apart from what people like my hon. friend say, despite that study, sometimes, not always.....

Shri S. S. More: Is it the privilege of Ministers to speak without study?

Shri Karmarkar: Unhappily, it has been a constant habit with me that I study before I speak. For my hon. friend, it might be otherwise. That is another matter. I do not quarrel with his practice, because the way in which he rises at a moment's notice exactly shows him out. But I am very considerate to him, and I have put it at the minimum possible, and I am very courteous to him. I would not like to make my hon. friend the subject of my observations this evening any more.

Shri S. S. More: I shall return the compliment.

Shri Karmarkar: Certainly. When I am making these observations, I am speaking about what my hon. friend's practice is; I hope, however, that he will make it a practice to study before he speaks. If he could do that, then I

am prepared to meet the worst from him. I wish that between the period between today and tomorrow, he would be able to go into something positive and definite and make a healthy contribution to the debate.

Shri U. M. Trivedi (Chittor): On a point of order. Is it a private conversation between the hon. Minister and Shri S. S. More that should go on here?

Shri Karmarkar: One interruption is bad enough by itself; to have another at this stage is worse.

I would not deal with these interruptions any more, but I would just invite the attention of the House to one important fact, and that is this. Thanks to the advice which industry and trade and Members of Parliament have given us, and the guidance which public opinion has given us, we are in a position to say that we have a mechanism of import and export control which has met with satisfaction on all sides concerned. I do not say this in a mood of complacency; there is always room to improve, but I think it is unfair to the House not to post it with facts as they are.

These are the brief observations that I should like to make in introducing this measure in regard to import and export control. Naturally, the subjects of import and export control are subjects over which hon. Members here are bound to take a deep interest.

5 P.M.

Before I sit down, I would like to repeat that we on this side are not complacent about the good results that we have been able to achieve, 'we' including all those who are in charge of management of the import and export control departments. I sincerely welcome all constructive suggestions from hon. Members on the other side. In fact, the real reason why I was at pains to give to the House figures and all that was to invite the attention of the House to these facts and to invite their comments, because ultimately we do expect to benefit by the

discussion that takes places on this Bill. We do not want to rush this Bill through as if there is nothing about this Bill. It is with that intention that I would like to say respectfully that I welcome all constructive suggestions. In any case, I am expecting my hon. friend, Shri S. S. More, to give those constructive suggestions tomorrow.

Shri S. S. More: There is no debate on it tomorrow.

Shri Karmarkar: The next day. My friend is a capable lawyer, and I am a past lawyer. So for me, tomorrow means the next day on which the discussion takes place; for him, tomorrow means tomorrow, irrespective of what comes tomorrow.

With these few observations, I beg to move that this Bill be taken into consideration.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, as passed by the Rajya Sabha, be taken into consideration."

Shri U. M. Trivedi: I have a constitutional objection to this Bill being placed before the House. This is a Money Bill.....

Shri Bogawat (Ahmednagar South): The time is over.

Shri U. M. Trivedi: I will speak again.

Shri A. M. Thomas: Let the point of order be raised.

Shri U. M. Trivedi: Section 4A of the Act provides that fees will be charged on applications also. Unless fees are charged for services rendered, they become a tax, and if it is a tax, under a very recent ruling of the Supreme Court, this, being a tax, becomes a Money Bill. This has been wrongly introduced in the Rajya Sabha and it does not bear the certificate or the recommendation of the President. Therefore, this Bill cannot be introduced at this stage I therefore oppose

[Shri U. M. Trivedi],
11. Unless the certificate is attached,
this cannot be introduced.

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Shri S. S. More: This is a matter for
the Speaker's ruling.

Mr. Chairman: Order, order. The de-
bate will continue on the next day
allotted for this Bill.

*The Lok Sabha then adjourned till
Eleven of the Clock on Wednesday
the 2nd March, 1955.*
