

Wednesday, 22nd February, 1950



# PARLIAMENTARY DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

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VOLUME I, 1950

*(1st February to 13th March, 1950)*

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FIRST SESSION  
OF  
PARLIAMENT OF INDIA

1950

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## CORRIGENDA

In the Parliamentary Debates (Part I—Questions and Answers), First Session, 1950—

In Volume I,—

1. No. 3, dated the 3rd February, 1950,—
  - (i) Page 55, line 8, for "*Shiromoni*" read "*Shiromani*";
  - (ii) Page 68, line 18 from bottom, for "*Seht*" read "*Seth*";
2. No. 4, dated the 6th February, 1950,—
  - (i) Page 70, line 19 from bottom, after "*Will*" insert "*the*";
  - (ii) Page 82, omit line 10;
3. No. 5, dated the 7th February, 1950,—
  - (i) Page 98, line 4 from bottom, for "*or*" read "*of*";
  - (ii) Page 112, line 9, for "*fields*" read "*oil-fields*";
4. No. 6, dated the 8th February, 1950,—
  - (i) Page 136, last line, for "*does not go*" read "*goes*";
  - (ii) Page 139, line 21 from bottom, for "*Sadar*" read "*Sardar*";
  - (iii) Page 140, line 11 from bottom, for "*peased*" read "*pleased*";
  - (iv) Page 143, line 11 from bottom, for "*delaying*" read "*defying*";
5. No. 7, dated the 9th February, 1950,—

Page 174, last line, for "*(52)*" read "*(25)*";
6. No. 8, dated the 10th February, 1950,—
  - (i) Page 195, line 11, for "*completed*" read "*complete*";
  - (ii) Page 204, line 4, for "*lakhs*" read "*lakh*";
7. No. 9, dated the 13th February, 1950,—

Page 208, line 8, after "*in*" insert "*a*";
8. No. 11, dated the 16th February, 1950,—
  - (i) Page 280, line 3, after "*apart*" insert "*from*";
  - (ii) Page 281, insert "*IMPROVEMENT OF TOBACCO CULTIVATION*" as heading to Starred Question No. 270;
9. No. 13, dated the 20th February, 1950,—
  - (i) Page 327, line 2, for "*Wil*" read "*Will*";
  - (ii) Page 335, lines 2 and 3, for "*hydrometeorologica*" read "*hydro-meteorological*";
  - (iii) Page 348, line 18, for "*No. P-65/50*" read "*No. P-64/50*";
10. No. 14, dated the 21st February, 1950,—
  - (i) Page 386, line 3 from bottom, before "*Will*" insert "*(a)*";
  - (ii) Page 388, in heading to Unstarred Question No. 49, for "*AUD*" read "*AND*";

11. No. 15, dated the 22nd February, 1950,—  
Page 415, line 10 from bottom, for "Appendix I" read "Appendix III";
12. No. 16, dated the 23rd February, 1950,—  
(i) Page 423, line 8, for "Railway" read "Railways";  
(ii) Page 424, line 12, after "Railway" insert "survey" and line 27, for "have" read "has";  
(iii) Page 444, line 9 from bottom, for "Sum" read "Sun";
13. No. 17, dated the 24th February, 1950,—  
(i) Page 471, line 4 from bottom, for "catting" read "calling";  
(ii) Page 472, line 19, for "Government" read "Governments";
14. No. 18, dated the 27th February, 1950,—  
(i) Page 490, line 2, for "had" read "hard";  
(ii) Page 500, for existing heading to Starred Question No. 580, read "EXPORT OF MICA";
15. No. 19, dated the 28th February, 1950,—  
(i) Page 516, line 1, for "remissi of th" read "remission of the";  
(ii) Page 522, line 1, for "lik" read "likely";  
(iii) Page 526, line 8 from bottom, before "discontinue" insert "to" and for "telegram" read "telegrams";
16. No. 20, dated the 1st March, 1950,—  
(i) Page 553, last line, omit "the" before "so-called";  
(ii) Page 554, line 17, for "Gove nment" read "Government";  
(iii) Page 560, line 16, for "re-introduction" read "re-introduced";
17. No. 21, dated the 2nd March, 1950,—  
(i) Page 567, line 14 from bottom, after "put" insert "up";  
(ii) Page 578, line 2 from bottom, after "that" insert "may";  
(iii) Page 585, in heading to Starred Question No. 609, for "PPERSONS" read "PERSONS";
18. No. 22, dated the 6th March, 1950,—  
Page 616, line 1, before "limits" insert "age";
19. No. 23, dated the 7th March, 1950,—  
Page 640, lines 1 and 2, for "Infomation" read "Information";
20. No. 24, dated the 8th March, 1950,  
Page 658, line 3, for "ot" read "to";
21. No. 26, dated the 10th March, 1950,—  
Page 717, line 14, for "not" read "note";
22. No. 27, dated the 11th March, 1950,—  
(i) Page 749, line 10, for "pudchase" read "purchase";  
(ii) Page 755, line 2 from bottom, for "corruption" read "consumption";
23. No. 28, dated the 13th March, 1950,—  
(i) Page 787, line 8, for "outpt" read "output";  
(ii) Page 788, line 17, for "is" occurring after "There" read "are";

## In Volume II,—

24. No. 1, dated the 14th March, 1950,—  
 (i) Page 825, line 6 from bottom, for "February" read "February";  
 (ii) Page 833, line 16 from bottom, for "Far" read "far";
25. No. 2, dated the 15th March, 1950,—  
 Page 857, line 16, for "Boys" read "Boy";
26. No. 4, dated the 17th March, 1950,—  
 (i) Page 899, for line 22, read "that if he was invited he would be prepared to come again, and, if so, is there";  
 (ii) Page 901, omit line 9 from bottom;  
 (iii) Page 918, in heading to Starred Question No. 944, for "COMMUNICATN" read "COMMUNICATION";
27. No. 5, dated the 20th March, 1950,—  
 Page 927, line 11 from bottom, for "instalments" read "instalmental";
28. No. 6, dated the 21st March, 1950,—  
 Page 969, for existing last two lines read "Dr. S. P. Mookerjee: I think that question will arise after the Institute comes into existence";
29. No. 8, dated the 23rd March, 1950,—  
 Page 1020, line 14 from bottom, for "moring" read "morning";
30. No. 9, dated the 24th March, 1950,—  
 Page 1059, line 21, for "pltased" read "pleased";
31. No. 10, dated the 27th March, 1950,—  
 (i) Page 1075, line 5 from bottom, for "go" read "got";  
 (ii) Page 1082, line 3 from bottom, after "of" insert "the";  
 (iii) Page 1101, last line, for "strinency" read "stringency";
32. No. 11, dated the 29th March, 1950,—  
 (i) Page 1125, omit line 5 from bottom and after line 3 from bottom, insert "Appendix VI, Annexure No. 5";  
 (ii) Page 1131, line 1, after "block" insert "grant";  
 (iii) Page 1138, line 20, for "Cindhya" read "Vindhya";
33. No. 12, dated the 30th March, 1950,—  
 (i) Page 1172, omit line 16 and in line 17, for "1848" read "1948";  
 (ii) Page 1177, in heading to Starred Question No. 1252, for "IMMI-GRANTS" read "INSURGENTS";
34. No. 13, dated the 31st March, 1950,—  
 Page 1213, line 23, for "1:74 and 1:17" read "1·74 and 1·17";
35. No. 14, dated the 1st April, 1950,—  
 Page 1242, line 13 from bottom, for "1325" read "1025";

36. No. 15, dated the 3rd April, 1950,—
- (i) Page 1254, line 1, for "**Dr. P. S. Mookerjee**" read "**Dr. S. P. Mookerjee**";
  - (ii) Page 1268, line 16 from bottom, for "*rehbiwalas*" read "*Rahriwalas*";
  - (iii) Page 1271, line 9 from bottom, for "*Ministry*" read "*Minister*";
37. No. 16, dated the 4th April, 1950,—
- (i) Page 1282, line 2 from bottom, for "*happend*" read "*happened*" and line 1 from bottom, omit "*here*";
  - (ii) Page 1291, line 5 from bottom, after "*that*" insert "*may be*";
38. No. 18, dated the 6th April, 1950,—
- (i) Page 1358, in heading to Starred Question No. 1467, for "**EXPERTS**" read "**EXPORTS**"; line 21, for "*4*" read "*41*" and line 6 from bottom, for "*spending*" read "*sending*";
  - (ii) Page 1354, line 4, for "*hunred*" read "*hundred*";
  - (iii) Page 1372, line 1, for "*(i)*" read "*(ii)*";
39. No. 19, dated the 8th April, 1950,—
- (i) Page 1379, line 16, after "*fact*" insert "*that*";
  - (ii) Page 1388, line 5, for "*ond*" read "*and*" and line 15, for "*held*" read "*help*";
40. No. 20, dated the 10th April, 1950,—
- Page 1488, last line, for "*of broadcasting is completed*" read "*devolved upon the Government of India?*";
41. No. 21, dated the 11th April, 1950,—
- Page 1460, line 11, for "*No. II*" read "*No. 11*";
42. No. 22, dated the 12th April, 1950,—
- (i) Page 1486, lines 2 and 1 from bottom, for "*intstituted*" read "*instituted*";
  - (ii) Page 1496, between lines 12 and 13 from bottom, insert "**STATEMENT BY MINISTER OF STATE FOR TRANSPORT re EXPENDITURE IN ASSAM**";
  - (iii) Page 1499, in heading to Starred Question No. 1664, for "*NDORE*" read "*INDORE*";
  - (iv) Page 1501, line 9 from bottom, for "*Telgu*" read "*Telugu*";
43. No. 23, dated the 14th April, 1950,—
- Page 1505, line 8, for "**Homes**" read "**Home**";
44. No. 25, dated the 17th April, 1950,—
- (i) Page 1572, line 8, for "*acrerage*" read "*acreage*";
  - (ii) Page 1594, line 5, for "*Project*" read "*Projects*";
  - (iii) Page 1597, line 3 from bottom, after "*to*" insert "*a*";
  - (iv) Page 1598, line 20 from bottom, for "*1773*" read "*1788*";
  - (v) Page 1608, in heading to Starred Question No. 1794, for "**SERDS**" read "**SEEDS**";

In Volume III,—

45. No. 1, dated the 18th April, 1950,—

- (i) Page 1622, line 2 from bottom, for "28,73" read "28,739";
- (ii) Page 1634, in heading to Starred Question No. 1795, for "INCUME-TAX" read "INCOME-TAX";
- (iii) Page 1636, in heading to Starred Question No. 1827, for "KAMPUR" read "KAMALPUR";

46. No. 2, dated the 19th April, 1950,—

- (i) Page 1657, line 3 from bottom, for "loging" read "losing"; and
- (ii) Page 1670, line 9, for "kutch" read "Kutch".

In Volume I,—

1. No. 9, dated the 13th February, 1950,—

- (i) पृष्ठ २१२, पंक्ति २ पर "भेज" की जगह "भेजे" पढ़ें।
- (ii) पृष्ठ २१२, पंक्ति नीचे से ऊपर को ६ पर "हे" की जगह "है" पढ़ें।
- (iii) पृष्ठ २१३, पंक्ति ५ पर "जारी" की जगह "जारी" पढ़ें।

2. No. 11, dated the 16th February, 1950.—

पृष्ठ २६७, पंक्ति ३२ पर "मंजूर" की जगह "मंजूर" पढ़ें।

3. No. 12, dated the 17th February, 1950,—

- (i) पृष्ठ २९५, पंक्ति १० पर "ह" की जगह "हर" पढ़ें।
- (ii) पृष्ठ २९५, पंक्ति ११ पर "इसक" की जगह "इसके" पढ़ें।
- (iii) पृष्ठ २९७, पंक्ति २९ पर "जवान" की जगह "जवाब" पढ़ें।
- (iv) पृष्ठ २९७, पंक्ति नीचे से ऊपर को ४ पर "पूछना" की जगह "पूछना" पढ़ें।
- (v) पृष्ठ ३०२, पंक्ति ५ पर "गोविन्द" की जगह "गोविन्द" पढ़ें।
- (vi) पृष्ठ ३०२, पंक्ति ६ पर "मै" की जगह "मैं" तथा "बज्ञानक" की जगह "वैज्ञानिक" पढ़ें।
- (vii) पृष्ठ ३०२, पंक्ति १३ पर "बिठई" की जगह "बिठाई" पढ़ें।
- (viii) पृष्ठ ३०२, पंक्ति २३ पर "।" की जगह "?" पढ़ें।
- (ix) पृष्ठ ३०३, पंक्ति २९ पर "रिफमर्सेशन्स" की जगह "रिफर्मेसेशन्स" पढ़ें।

4. No. 14, dated the 21st February, 1950,—

- (i) पृष्ठ ३६०, पंक्ति ३१ पर "कोर्टस" की जगह "कोर्ट्स" पढ़ें।
- (ii) पृष्ठ ३७१, पंक्ति २४ पर "उसस" की जगह "उससे" पढ़ें।

5. No. 16, dated the 23rd February, 1950,—

- (i) पृष्ठ ४२८, पंक्ति २ पर "पढा" की जगह "पढ़ा" पढ़ें।
- (ii) पृष्ठ ४२८, पंक्ति १० पर "भाजी" की जगह "भाजी" पढ़ें।



- (iii) पृष्ठ ४२८, पंक्ति ११ पर " वक्त " की जगह " वक्त " पढ़ें ।  
 (iv) पृष्ठ ४२८, पंक्ति नीचे से ऊपर को ९ पर " राखन का " की जगह " राखन काई " पढ़ें ।  
 (v) पृष्ठ ४३१, पंक्ति १४ पर " बड़ढी " की जगह " कुड्डी " पढ़ें ।

6. No. 17, dated the 24th February, 1950,—

पृष्ठ ४७१, पंक्ति नीचे से ऊपर को ११ " यूनिवर्सिटी " की जगह " यूनिवर्सिटी " पढ़ें ।

7. No. 20, dated the 1st March, 1950,—

पृष्ठ ५६०, पंक्ति १९ पर " सविसेज " की जगह " सविसेज " पढ़ें ।

8. No. 23, dated the 7th March, 1950,—

पृष्ठ ६४८, पंक्ति २३ पर " गवर्नमेंट " की जगह " गवर्नमेंट " पढ़ें ।

9. No. 26, dated the 10th March, 1950,—

पृष्ठ ७२७, पंक्ति नीचे से ऊपर को ५ पर " उन ो " की जगह " उनको " पढ़ें ।

In Volume II,—

10. No. 2, dated the 15th March, 1950,—

(i) पृष्ठ ८४०, पंक्ति नीचे से ऊपर की ओर ८ पर " गोविन्ददास " की जगह " गोविन्द दास " पढ़ें ।

(ii) पृष्ठ ८४०, पंक्ति नीचे से ऊपर की ओर ७ पर " गाइंस " की जगह " गाइंस " पढ़ें ।

(iii) पृष्ठ ८४४, पंक्ति २० पर " नहीं " की जगह " न ही " पढ़ें ।

11. No. 6, dated the 21st March, 1950,—

(i) पृष्ठ ९५०, पंक्ति नीचे से ऊपर ४ पर " ट्रेड " की जगह " ट्रेड " पढ़ें ।

(ii) पृष्ठ ९६८, पंक्ति १८ पर " रीडिंग रोड " की जगह " रीडिंग रोड " पढ़ें ।

12. No. 15, dated the 3rd April 1950,—

पृष्ठ १२६५, पंक्ति ३ पर " है " की जगह " है " पढ़ें ।

13. No. 17, dated the 5th April, 1950,—

पृष्ठ १३३२, पंक्ति २६ पर " बहुत " की जगह " बहुत " पढ़ें ।

14. No. 18, dated the 6th April, 1950,—

पृष्ठ १३५३, पंक्ति २२ पर " जितनात " की जगह " जितना " पढ़ें ।

15. No. 24, dated the 15th April, 1950,—

(i) पृष्ठ १५४३, पंक्ति नीचे से ऊपर ५ पर " ओर " की जगह " ओर " पढ़ें ।

(ii) पृष्ठ १५४७, पंक्ति १९ पर " अनुसन्धान " की जगह " अनुसंधान " पढ़ें ।

16. No. 25, dated the 17th April, 1950,—

(i) पृष्ठ १५७२, पंक्ति ४ पर " जेक " की जगह " जॉक " पढ़ें ।

(ii) पृष्ठ १५७२, पंक्ति ५ पर " याजना " की जगह " योजना " पढ़ें ।

In Volume III,—

17. No. 1, dated the 18th April, 1950,—

पृष्ठ १६१६, पंक्ति १० पर " करें " की जगह " करेंगे " पढ़ें ।

In Volume I—

1. No. 7, dated the 9th February, 1950.

صفحہ ۱۵۷ - نہچے سے سطر ۱۱ - دد مانی ۴۴ کے بجائے دد مانئید ۴۴ پڑھیں -

2. No. 9, dated the 13th February, 1950.

(۱) صفحہ ۲۱۰ - نہچے سے سطر ۴ - دد آف ۴۴ کے بجائے دد آیف ۴۴ پڑھیں -

(۲) صفحہ ۲۱۱ - سطر ۱۱ - دد ارو ۴۴ کے بجائے دد اور ۴۴ پڑھیں -

3. No. 12, dated the 17th February, 1950.

صفحہ ۳۱۲ - سطر ۱۶ - دد ائہ ۴۴ کے بجائے دد الاء ۴۴ پڑھیں -

4. No. 14, dated the 21st February, 1950.

(۱) صفحہ ۳۷۷ - نہچے سے سطر ۱۶ - دد الٹھی ۴۴ کے بجائے دد اکتھی ۴۴ پڑھیں -

(۲) صفحہ ۳۷۸ - سطر ۱۱ - دد تسم ۴۴ کے بجائے دد تمام ۴۴ پڑھیں -

5. No. 17, dated the 24th February, 1950.

(۱) صفحہ ۳۶۵ - سطر ۲۰ - دد کھ ۴۴ کے بجائے دد کا ۴۴ پڑھیں -

(۲) صفحہ ۳۶۷ - نہچے سے سطر ۴ - دد مولاما ۴۴ کے بجائے دد مولانا ۴۴ پڑھیں -

(۳) صفحہ ۳۷۶ - نہچے سے سطر ۳ - دد الللا ۴۴ کے بجائے دد اللہ ۴۴ پڑھیں -

6. No. 20, dated the 1st March, 1950.

(۱) صفحہ ۵۵۳ - نہچے سے سطر ۱۷ - دد آران ۴۴ کے بجائے دد آزان ۴۴ پڑھیں -

(۲) صفحہ ۵۶۳ - سطر ۱ - دد ضروری ۴۴ کے بجائے دد ضروری ۴۴ پڑھیں -

7. No. 21, dated the 2nd March, 1950.

صفحہ ۵۸۷ - سطر ۱۸ - دد ہوتے ۴۴ کے بجائے دد ہونے ۴۴ پڑھیں -

8. No. 23, dated the 7th March, 1950.

(۱) صفحہ ۶۳۱ - سطر ۱۷ - دد مریکہ ۴۴ کے بجائے دد امریکہ ۴۴ پڑھیں -

(۲) صفحہ ۶۳۷ - نہچے سے سطر ۴ - دد سے ۴۴ کے بجائے دد سب ۴۴ پڑھیں -

(۳) صفحہ ۶۳۷ - نہچے سے سطر ۷ - دد دیہجانی ۴۴ کے بجائے دد دیہجاتی ۴۴ پڑھیں -

9. No. 26, dated the 10th March, 1950.

(۱) صفحہ ۷۲۵ - سطر ۷ - دد شمنجھی ۴۴ کے بجائے دد سمجھی ۴۴ پڑھیں -

(۲) صفحہ ۷۲۵ - سطر ۸ - دد پھلنگ ۴۴ کے بجائے دد پھلنگ ۴۴ پڑھیں -

(۳) صفحہ ۷۲۷ - سطر ۵ - دد جی - ایس - مسافر ۴۴ کے بجائے دد گیانی جی - ایس - مسافر ۴۴ پڑھیں -

(۴) صفحہ ۷۲۷ - سطر ۱۰ - دد رقم ۴۴ کے بجائے دد رقم ۴۴ پڑھیں -

(۵) صفحہ ۷۲۸ - سطر ۲ - دد بھی ۴۴ کے بجائے دد بھی ۴۴ پڑھیں -

(۶) صفحہ ۷۲۸ - نہچے سے سطر ۱۵ - دد الللا ۴۴ کے بجائے دد اللہ ۴۴ پڑھیں -

(۷) صفحہ ۷۲۸ - نہچے سے سطر ۱۵ - دد کرے ۴۴ کے بجائے دد کرنے ۴۴ پڑھیں -

(۸) صفحہ ۷۳۰ - نہچے سے سطر ۶ - دد ساہتے ۴۴ کے بجائے دد ساہتہ ۴۴ پڑھیں -

(۹) صفحہ ۷۳۰ - نہچے سے سطر ۷ - دد نوکرہوی ۴۴ کے بجائے دد نوکرہوی ۴۴ پڑھیں -

(۱۰) صفحہ ۷۳۰ - نہچے سے سطر ۱۲ - دد ہادے ۴۴ کے بجائے دد بارے ۴۴ پڑھیں -

(۱۱) صفحہ ۷۳۵ - نہچے سے سطر ۱۰ - دد انوار ۴۴ کے بجائے دد افراد ۴۴ پڑھیں -

(۱۲) صفحہ ۷۳۵ - نہچے سے سطر ۱۳ - دد گوارا ۴۴ کے بجائے دد گوارا ۴۴ پڑھیں -

10. No. 27, dated the 11th March, 1950.

- صفحہ ۷۵۱ - نیچے سے سطر ۳ - دہ اور وہ ۴۴ کے بجائے دہ اور وہ ۴۴ پڑھیں -  
In Volume II—

1. No. 2, dated the 15th March, 1950.

- (۱) صفحہ ۸۵۳ - نیچے سے سطر ۹ - دہ + دہ کے بجائے دہ ۴۰ پڑھیں  
(۲) صفحہ ۷۵۳ - سطر ۱۶ - دہ پڑھئے ۴۴ کے بجائے دہ پڑھئے ۴۴ پڑھیں

2. No. 5, dated the 20th March, 1950.

- صفحہ ۹۳۹ - نیچے سے سطر ۳ - دہ آزاد کے بجائے دہ آزاد ۴۴ پڑھیں -

3. No. 11, dated the 29th March, 1950.

- (۱) صفحہ ۱۱۰۷ - نیچے سے سطر ۳ - دہ بودیر ۴۴ کے بجائے دہ بودیز ۴۴ پڑھیں  
(۲) صفحہ ۱۱۱۵ - سطر ۱ - دہ رنگناہن ۴۴ کے بجائے دہ رنگناہن ۴۴ پڑھیں  
(۳) صفحہ ۱۱۳۰ - نیچے سے سطر ۱۳ - دہ آرگھانائہز ۴۴ کے بجائے دہ آرگھانہز ۴۴ پڑھیں

4. No. 20, dated the 10th April, 1950.

- (۱) صفحہ ۱۳۰۸ - سطر ۱۸ - دہ رکہ دیہ ۴۴ کے بجائے دہ رکہ دیہ ۴۴ پڑھیں -  
(۲) صفحہ ۱۳۲۲ - سطر ۱۱ - دہ مدر ۴۴ کے بجائے دہ مدر ۴۴ پڑھیں -

5. No. 23, dated the 14th April, 1950.

- (۱) صفحہ ۱۵۰۰ - نیچے سے سطر ۱۲ - دہ ہاوس ۴۰ کے بجائے دہ ہاوس ۴۴ پڑھیں -  
(۲) صفحہ ۱۵۱۲ - سطر ۷ - دہ مولما ۴۴ کے بجائے دہ مولانا ۴۴ پڑھیں -  
(۳) صفحہ ۱۵۱۲ - نیچے سے سطر ۳ - دہ کرن ۴۴ کے بجائے دہ کر کے ۴۴ پڑھیں -  
(۴) صفحہ ۱۵۱۶ - سطر ۴ - دہ فوراً ۴۴ کے بجائے دہ فوراً ۴۴ پڑھیں -  
(۵) صفحہ ۱۵۱۶ - نیچے سے سطر ۱۲ - دہ ۷۷۱۰ ۴۴ کے بجائے دہ ۷۷۲۰ ۴۴ پڑھیں -  
(۶) صفحہ ۱۵۱۸ - سطر ۳ - دہ دالونکا ۴۴ کے بجائے دہ دالونکا ۴۴ پڑھیں -  
(۷) صفحہ ۱۵۲۵ - نیچے سے سطر ۲ - دہ ۱۹۳۱ ۴۴ کے بجائے دہ ۱۹۳۹ ۴۴ پڑھیں -

6. No. 24, dated the 15th April, 1950.

- (۱) صفحہ ۱۵۳۷ - سطر ۶ - دہ اللہ ۴۴ کے بجائے دہ اللہ ۴۴ پڑھیں -  
(۲) صفحہ ۱۵۳۹ - سطر ۴ - دہ اللہ ۴۴ کے بجائے دہ اللہ ۴۴ پڑھیں -

In Volume III—

1. No. 1, dated the 18th April, 1950.

- (۱) صفحہ ۱۶۰۸ - سطر ۱۲ - دہ آزاد ۴۴ کے بجائے دہ آزاد ۴۴ پڑھیں -  
(۲) صفحہ ۱۶۰۸ - نیچے سے سطر ۹ - دہ زہورت ۴۴ کے بجائے دہ زہورت ۴۴ پڑھیں -  
(۳) صفحہ ۱۶۰۹ - سطر ۹ - دہ آزاد ۴۴ کے بجائے دہ آزاد ۴۴ پڑھیں -  
(۴) صفحہ ۱۶۱۵ - سطر ۱ - دہ ایس ۴۴ کے بجائے دہ ایس ۴۴ پڑھیں -  
(۵) صفحہ ۱۶۱۶ - نیچے سے سطر ۱۹ - دہ آندستہریل ۴۴ کے بجائے دہ آندستہریل ۴۴ پڑھیں -  
(۶) صفحہ ۱۶۰۱ - سطر ۷ - دہ لے ۴۴ کے بجائے دہ لے ۴۴ پڑھیں -  
(۷) صفحہ ۱۶۲۱ - نیچے سے سطر ۱۷ - دہ تہو ۴۴ کے بجائے دہ تہار ۴۴ پڑھیں -  
(۸) صفحہ ۱۶۲۲ - سطر ۱۲ - دہ م ۴۴ کے بجائے دہ ہم ۴۴ پڑھیں -  
(۹) صفحہ ۱۶۲۲ - سطر ۱۳ - دہ نفریس ۴۴ کے بجائے دہ کانفریس ۴۴ پڑھیں -  
(۱۰) صفحہ ۱۶۲۵ - نیچے سے سطر ۱۲ - دہ دراید ۴۴ کے بجائے دہ درامد ۴۴ پڑھیں -

PARLIAMENTARY DEBATES  
(PART I—QUESTIONS AND ANSWERS)  
Wednesday, 22nd February, 1950.

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

[MR. SPEAKER IN THE CHAIR]

MEMBER SWORN

Shri Padampat Singhania (Uttar Pradesh).

ORAL ANSWERS TO QUESTIONS

SHOLAPUR MILL

\*427. **Shri Sidhva:** (a) Will the Minister of **Industry and Supply** be pleased to state whether the Government of Bombay, under instructions from the Government of India, had appointed a Committee to investigate into the affairs of the Sholapur Mill which made its report on or about May 1949?

(b) Has the report presented to the Bombay Government been sent to the Government of India?

(c) What are the main recommendations of that Committee?

(d) What was the total cost of that Committee and what were the recommendations of Government in this respect?

(e) Have the shareholders of this mill made any representation to Government and if so, with what result?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) The Government of Bombay appointed Inspectors under the provisions of the Indian Companies Act and not under any instructions from the Government of India.

(b) The Government of Bombay sent a summary of the Inspectors' Report to the Government of India.

(c) The Inspectors reported their findings to the Government of Bombay. It was not for them to make any recommendations.

(d) We have no information regarding cost.

(e) A section of the share-holders made a representation to the effect that the Government should intervene to secure the reopening and the better management of the Mill. As hon. Member must be aware, the Government have intervened by an Ordinance.

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**Shri Sidhva:** May I know, Sir, what was the amount that the Committee stated that the managing agents embezzled away during the period of this investigation?

**Dr. S. P. Mookerjee:** I do not think I should go into the details of the report now. The whole matter is under the consideration of the Advocate General.

**Shri Sidhva:** What steps Government intend to take in that direction?

**Mr. Speaker:** It will be premature at this stage.

**Shri Sidhva:** When was the report made?

**Dr. S. P. Mookerjee:** The report was made about six months ago I think, and as I said, Sir, the Bombay Government has referred it to the Advocate General of Bombay and in consultation with the Police authorities action is being taken in respect of some of the matters.

**Shri Joachim Alva:** Has any representation been made to Government on behalf of any other mill by the shareholders to take over their mills in the country?

**Dr. S. P. Mookerjee:** No, not yet.

**Shri A. P. Jain:** May I know how long this mill has been under the management of Government and what result is it showing?

**Dr. S. P. Mookerjee:** I believe for six weeks it has been under Government management.

**Shri Himatsingka:** May I know whether the mill has started production?

**Dr. S. P. Mookerjee:** No, Sir, it has not yet started production.

#### PROTECTION TO SILK INDUSTRY

\*428. **Shri Sidhva:** (a) Will the Minister of Commerce be pleased to state whether Government have received any representation from the Silk Manufacturers asking for relaxation of import restrictions of raw silk from Japan?

(b) If so, what is their demand?

(c) What protection is given to this Industry and has this industry increased production during the last two years on account of such protection?

(d) What are the figures of their last two years' production?

(e) Do Government intend continuing this protection and if so, why?

**The Minister of Commerce (Shri Neogy):** (a) and (b). No, Sir. No representations have been received from the silk manufacturers as such. Representations have, however, been received from certain Associations and individual merchants for the relaxation of import control on raw silk and for a reduction in the customs duty thereon.

(c) The raw silk industry is a protected one, and I place on the Table a statement showing the duties levied on imports of raw silk and silk yarn during the last two years. [See Appendix III, annexure No. 1].

As far as my information goes, grant of such protection had enabled the industry to steadily increase production up to 1948. Owing to unfavourable seasonal conditions the production during 1949 is likely to show some recession.

(d) A statement is laid on the Table giving the figures asked for by the hon. Member. [See Appendix III, annexure No. 2].

(e) The existing protection to the raw silk industry is due to expire on the 31st March, 1951. The question of further continuing this protection will be considered during the course of this year and if it is decided to continue it, the matter will be brought before this House.

**Shri Sidhva:** What is the quantity of rayon silk imported from foreign countries during 1948-49?

**Shri Neogy:** I have not got the figure for 1948-49 and as for 1947-48, I think, I have already laid them on the Table, perhaps. It is Rs. 134 lakhs odd.

**Shri Sidhva:** May I ask how many looms of the silk factory are there and whether the yarn is sufficient to run these looms?

**Shri Neogy:** I have no figure before me just now to indicate the number of looms engaged in this industry.

**Shri Sidhva:** May I ask whether the yarn is sufficient to run the looms?

**Shri Neogy:** I find the total yarn needed is about 40 lakh lbs. out of which India produced about 22 lakh lbs. a year and we have to import about 18 lakh lbs. every year.

**Shri Kishorimohan Tripathi:** May I enquire how the prices of imported raw silk compare with those of the products of the indigenous silk industry?

**Shri Neogy:** As a matter of fact, the whole idea of protection is more or less to equalize the prices.

**Shri Shankaraiya:** Has it come to the notice of the Government that with the non-importing of raw silk from Japan and Austria the plight of the weavers has become very bad and that the weavers and manufacturers find themselves in great distress?

**Shri Neogy:** Well, representations to this effect have reached Government, but as I have already stated the raw silk industry is a protected industry and we have to give some importance to the protection of the basic industry rather than to the weaving industry.

**Prof. Ranga:** Are facilities or protection given to import that much of silk yarn as is needed in the country, and subject to this protection?

**Shri Neogy:** Yes; licences have been issued for the half year to Provincial and State Governments and also to consuming mills and establishments.

**Prof. Ranga:** To what extent?

**Shri Neogy:** To the extent roughly of half the quantity needed for the half year.

**Shri Shankaraiya:** Have the Tariff Board and the Indian Silk Board recommended to the Government of India to immediately import raw silk from Japan and Austria to relieve the distressful conditions of the weavers?

**Shri Neogy:** I suppose that is no function of the Tariff Board at all.

**Shri Kishorimohan Tripathi:** May I ask whether the importation of raw silk had been banned and that the ban has been lifted now?

**Shri Neogy:** To which period is my hon. friend referring to?

**Shri Kishorimohan Tripathi:** The ban has been lifted during the current year.

**Shri Neogy:** That may be so.

**Shri Kamath:** What steps have Government taken to promote the manufacture of what is known as *Khadi* Silk?

**Shri Neogy:** Does the hon. Member refer to the yarn?

**Shri Kamath:** Yes, yarn.

**Shri Neogy:** As the hon. Member is aware a Silk Board had been set up in 1949 to take necessary steps or rather to advise Government in regard to the necessary steps for the purpose of expanding the cultivation of mulberries and improvement and expansion in the manufacture of mulberry silk yarn.

#### AGREEMENT BETWEEN SHIPPING LINES

\*429. **Shri Sidhva:** (a) Will the Minister of Commerce be pleased to refer to the answer to my starred question No. 1671 asked on 5th April, 1949 and state whether any agreement has been arrived at between the Dutch and other Shipping Lines?

(b) If so, have the freight rates been revised and brought to the former normal rate?

(c) Were the Indian lines represented in the conference and if so, by whom?

(d) Who were the representatives of the Government of India?

**The Minister of Commerce (Shri Neogy):** (a) Yes, a settlement was reached by May 1949.

(b) Yes. The freight rates have been brought back to the normal level.

(c) At the discussions preceding the settlement with the Dutch Lines the two Indian Lines *viz.*, the Scindia Steam Navigation Company Limited and the India Steamship Company Limited were represented by Mr. M. A. Master and Mr. J. N. Bhan respectively.

(d) The question of sending any representative of the Government did not arise as the discussions were purely between the Conference Lines concerned.

**Shri Sidhva:** May I know whether one of the disputes was that the Dutch Line wanted a predominant share in German ports and the Indian companies objected to this? I want to know whether in the settlement reached the Indian companies' rights prevailed or the rights of the Dutch Line prevailed.

**Shri Neogy:** In the settlement the Dutch company has been assured of a specific percentage of the trade and that has been fixed on the basis of a slab, the proportions varying according to the quantity of the trade. That is all that has happened. So far as other companies are concerned they are at liberty to function just as they can.

**Shri Sidhva:** May I know whether a larger portion goes to the Dutch companies or Indian companies?

**Shri Neogy:** As I have said the proportions have been fixed on a slab basis. The Dutch lines were guaranteed a 45 per cent. share of the trade from India to Holland, Belgium, etc. for the first three lakh freight tons and

then there is a decreasing proportion as the trade goes beyond three lakh freight tons. It is a long list. That is all that I can tell my hon. friend.

**Shri Sidhva:** Will that list be available to the Members of this House?

**Shri Neogy:** Oh, yes.

**Shri Sidhva:** Was the total percentage that went to the Indian companies less than 55 per cent?

**Shri Neogy:** I have already said that so far as the other companies are concerned (those other than the Dutch) they have been left to carry on in the usual manner and no specific percentages have been fixed for them.

**Shri T. T. Krishnamachari:** May I know if the attention of Government has been drawn to an item of news in the newspapers that the Continental lines have raised their freight rates by 15 per cent. and, if so, how is the position of Indian Shipping affected by it?

**Shri Neogy:** I have seen that statement but I am not in a position to state immediately as to how the position would be affected thereby.

**Shri S. N. Sinha:** Are Government aware that the freight rates from the Continental ports have been increased by 15 per cent. and that the U.K.-Indo lines have been excluded from this increase?

**Shri Neogy:** It is the same question which I have just answered.

**Shri S. N. Sinha:** If so, what is the reason for this exclusion of the U.K.-Indo lines?

**Shri Neogy:** I have not yet been able to make enquiries on the subject.

**Shri Joachim Alva:** The hon. Minister's reply to part (b) indicates that there was a freight war between the companies. Does it mean that the Government was watching the situation during the freight war?

**Shri Neogy:** The freight war has abated. The Government kept a very careful watch so long as the freight war lasted and the companies concerned were in the closest touch with the Government. Whatever they have done has been in strict accordance with the consultations they have carried on continuously with the Government.

#### RENT COLLECTED BY PAKISTAN FROM EVACUEE PROPERTY

\*430. **Sardar Hukam Singh:** (a) Will the Minister of Rehabilitation be pleased to state what amount of rent in cash has been collected by the Government of Pakistan from the property left behind by the displaced persons up to date in West Pakistan?

(b) How do the rents recovered in Pakistan by the Custodian compare with the rents determined by Government before partition for the purposes of the Rent Restriction Act?

(c) What is the policy of the Government of India so far as collection of rents from displaced persons here is concerned?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) No information on the point is available. The six monthly statements of account, as provided for by the Karachi Agreement, have not yet been exchanged.

(b) So far as the Government of India are aware the Government of Pakistan have drastically scaled down rents of evacuee property.

(c) To collect normal rents.



**Sardar Hukam Singh:** To what extent has the Government of Pakistan scaled down the rents?

**Shri Mohan Lal Saksena:** Regarding agricultural property the Government of Pakistan replied in April 1949 that it would probably be impossible for them to recover more in rents than land revenue and cesses. Again a report appeared in the *Dawn* dated 4th December, 1949 to the effect that the West Punjab Government had, with the concurrence of the Ministry of Refugees and Rehabilitation (Pakistan) decided that half the rent of *Kharif* 1948, realisable from refugees would be remitted altogether, bringing the actual realisations to be made, to one and a half times land revenue.

Regarding urban immovable property the Government of Pakistan have reduced the recorded rents by 80 per cent. (in the case of refugees) and 33½ per cent. (in the case of non-refugees). In addition, the occupants of evacuee property have been given ten per cent. rebate for making prompt payment.

**Sardar Hukam Singh:** Have the Government of Pakistan allowed any remittances to be made to India on account of the rents received from the refugees?

**Shri Mohan Lal Saksena:** No.

**Sardar Hukam Singh:** How much by way of rent have we allowed to be remitted to Pakistan?

**Shri Mohan Lal Saksena:** We have also not remitted anything.

**Sardar Hukam Singh:** Is it not a fact that large amounts of money were being allowed to be remitted to Pakistan evacuees, such as Mr. Liaquat Ali Khan, before the Government of India Ordinance No. XXVII of 1949 was issued.

**Shri Mohan Lal Saksena:** No sums of money were remitted by the Custodian. The hon. Member will remember that the property of Mr. Liaquat Ali Khan was being managed by his own manager and it was not taken over by the Custodian in U.P. and therefore the remittances were allowed.

**Sardar Hukam Singh:** Has the Government any information about the amount of money so remitted, not by the Custodian, and received by Pakistanis who have since been declared evacuees since the new Ordinance No. XXVII of 1949 was promulgated?

**Shri Mohan Lal Saksena:** No money has been remitted since then.

लाला अचिन्त राम : क्या आनरेबल मिनिस्टर साहब फ़रमावेंगे कि उनके पास ऐसे शरणार्थियों की कितनी दरखास्तें आई हैं कि वे उन मकानों का किराया नहीं दे सकते जो कि मुस्लिम यहां छोड़ गये हैं और वह किराया कम किया जाय ?

**Lala Achint Ram:** Will the hon. Minister be pleased to state how many applications of such displaced persons have been received by him who allege that for the houses left by the Muslims they cannot pay so much rent and hence it should be reduced?

श्री मोहन लाल सक्सेना : जहां तक मकानों का ताल्लूक है मेरे पास ऐसे शरणार्थियों की दरखास्तें आई हैं कि वह पूरा किराया देने को तैयार हैं और वे सब शरणार्थी हैं। हम जो किराया वसूल कर रहे हैं वह वह किराया है जो म्युनिसिपैलिटी

में दर्ज है और हम सबको याद रखना चाहिये कि वह किराया कम हुआ करता है।

**Shri Mohan Lal Saksena:** As far as the houses are concerned I have received applications of such refugees also who are prepared to pay the full rent, and all of them are *bona fide* refugees. The Government is realizing as much rent only as is recorded in the Municipal Board registers and we must know that the recorded rent is always less than the actual one.

**लाला अचिन्त राम :** मैंने जो सवाल किया उसका जवाब फ़रमाइये। क्या आप को ऐसी इत्तिला मिली है कि कम रेट करने के लिये दरखास्तें आई हैं और आई हैं तो कितनी आई हैं ?

**Lala Achint Ram:** Please answer the question put by me. Have you any information if such applications praying for reduction of rent have been received and if so then how many?

**श्री मोहनलाल सक्सेना :** कुछ दरखास्तें जरूर आई हैं, वह कितनी हैं मैं नहीं बता सकता।

**Shri Mohan Lal Saksena:** Yes, I have received some applications, but I cannot tell the number.

**Shri Soudhi:** Is the Government aware that instead of sending remittances the Muslims here are now sending goods to Pakistan for which there is no return in money from Pakistan?

**Shri Mohan Lal Saksena:** I am not aware of that.

**Prof. Ranga:** May I know whether these reductions made in rents applied to the properties left there by our own displaced people or was it general to all properties there?

**Shri Mohan Lal Saksena:** They had not made any reduction in the case of the properties belonging to non-evacuees. That is why we have protested.

**Shri Kamath:** Was this scaling down of rents by Pakistan a purely unilateral action on the part of that Government and, if so, was the matter taken up at any of the Inter-Dominion Conferences held subsequent to that date?

**Shri Mohan Lal Saksena:** Yes, this was a unilateral action and was taken up in the Joint Commission as well as in the conferences.

**Shri Kamath:** What was the result of those conferences?

**Shri Mohan Lal Saksena:** No result.

**Shri Sidhva:** May I know if the hon. Minister has any idea of the rent that has been recovered by the Pakistan Government and whether he is aware that in several cases their refugees are allotted houses without charging them any rent? If so, what steps has the Government taken?

**Shri Mohan Lal Saksena:** I have already informed the House that there was a proviso in the Karachi Agreement that within a certain period of time a statement of the collections of rent will be exchanged and we have not so far exchanged any such statements. It is difficult to say how much rent has

been collected. We have gathered from newspaper reports as well as from our liaison officers there that these remittances were made but we have no information about the actual collection.

**Shri Sidhva:** My point was whether any houses were given free of rent.

**Mr. Speaker:** I am not allowing that question. Next question.

#### PROPERTY VESTED IN CUSTODIAN OF EVACUEE PROPERTY

\*431. **Sardar Hukam Singh:** Will the Minister of Rehabilitation be pleased to state:

(a) the value of property that became vested in the Custodian of India under the Administration of Evacuee Property Ordinance (XII of 1949); and

(b) the value of the property out of that referred to in part (a) above which the Custodian General was divested of on account of the Administration of Evacuee Property Ordinance 1949 (XXVII of 1949) promulgated on 18th October 1949?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) and (b). Approximate value of urban immovable evacuee property that became vested in the Custodians of Evacuee Property up to 31st October 1949, in Bombay, Delhi, U.P., Madhya Pradesh, Madras, Orissa, Rajasthan and Vindhya Pradesh is estimated at a little over Rs. 9½ crores. Returns have not yet been received from the other States.

**Sardar Hukam Singh:** Was any new property taken over by the passing of this Ordinance No. XXVII of 1949 or its only effect was to release certain properties taken over?

**Shri Mohan Lal Saksena:** As a matter of fact properties are being taken over as they are discovered and many properties have been taken over since the passing of the Ordinance.

**Sardar Hukam Singh:** Will the hon. Minister kindly state the value of the properties that have been taken over in consequence of this Ordinance?

**Shri Mohan Lal Saksena:** I have already informed the House that the returns received relate to properties taken over up to 31st October. If further properties are taken over I will give the information.

**Shri Lakshmanan:** May I know whether any out of the properties vested in the Custodian was acquired by Government under the Land Acquisition Act?

**Mr. Speaker:** Perhaps there is some confusion. The question of acquisition does not appear to arise here.

**Shri Lakshmanan:** For rehabilitating . . .

**Mr. Speaker:** Order, order.

**Shri Sidhva:** Is it not a fact that the hon. Minister promised in the last December session of this House that the figures in respect of evacuee property under the Act would be made available in the Budget Session, and may I know whether any attempt has been made in view of this promise to get this information at least up to December?

**Shri Mohan Lal Saksena:** Efforts are being made in this direction. And the Budget Session is not yet over.

## DEMOLITION OF GURDWARAS IN LAHORE

\*432. **Sardar Hukam Singh:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether Government are aware of the resentment in the minds of Sikhs over the reported demolition of certain parts of the Sikh Gurdwaras (Baoli Sahib and others) in Lahore; and

(b) whether Government would consider the advisability of securing correct information on this matter from their Deputy High Commissioner at Lahore?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) and (b). A statement giving the necessary details is laid on the Table of the House.

## STATEMENT

The Secretary to the Deputy High Commissioner for India in Pakistan has personally visited Gurdwara Baoli Sahib and others at Lahore and has reported on their condition as follows:

*Gurdwara Baoli Sahib.*—During the disturbances in 1947 most of the outer portion was destroyed by fire, or damaged. Displaced persons took possession of the buildings inside the compound which were also considerably damaged. Subsequently the West Punjab Government have had the outer compound wall rebuilt and the property has, therefore, been enclosed. Along the compound wall shops for displaced persons have been built. These shops face outwards and abut on the streets. Displaced persons have been removed from the inner buildings, and entrances into the compound closed. The main Gurdwara block is in fair condition, but some of the adjoining buildings are in a damaged condition.

*Gurdwara Shahid Ganj.*—The entire Gurdwara buildings are so far intact and have not been damaged. The outer compound wall is also in the same condition as was left at the time of partition. The West Punjab Police have closed the main gate and a small police force is stationed inside the Gurdwara for its protection. The bones, etc., of the *Shahids* are lying in glass cases which are undamaged. The premises were in a neat and clean condition.

*Gurdwara Mozang.*—During the disturbances in 1947, except for the outer portion of the Gurdwara, the inner buildings were destroyed by fire, or damaged. Refugees have been settled in the outer buildings attached to the Gurdwara. The shops facing the Gurdwara are intact and are occupied by Muslims.

The West Punjab Government has stationed a small detachment of the police to look after the Gurdwara.

*Gurdwara Janam Asthan Guru Ramdass.*—This Gurdwara was badly damaged during the disturbances. The inner buildings were destroyed and looted. The premises are being used by the refugees. The West Punjab Government are being addressed on the subject.

*Gurdwara Dera Sahib.*—This Gurdwara has been visited twice by the Sikh Pilgrims. It is in a good condition, and the damage done to Gurdwara at the time of disturbances has been repaired by the West Punjab Government.

**Sardar Hukam Singh:** Did our Deputy High Commissioner go to see those gurdwaras or temples there and find out for himself whether some of them have actually been brought down?

**Shri Mohan Lal Saksena:** The Secretary to the Deputy High Commissioner has visited these places and he has sent his report after personal inspection of the gurdwaras.

**Sardar Hukam Singh:** Can we know the number of such religious places that have been demolished?

**Shri Mohan Lal Saksena:** I have given in this statement information about five gurdwaras.

**Shri Syamnandan Sahaya:** Have the Government made any protest to the Pakistan Government about the demolition of these gurdwaras, and if so, with what result?

**Shri Mohan Lal Saksena:** Repeated protests have been made and certain action has been taken by the West Punjab Government in repairing certain of these gurdwaras, as will appear from the statement.

**Sarda Hukam Singh:** What is the number demolished in Karachi alone—press reports say that about a dozen gurdwaras have been demolished in Karachi alone.

**Shri Mohan Lal Saksena:** It is not only a dozen. We have received information about 800 and more—not only gurdwaras but all places of worship. We have written to the Pakistan Government, as well as to the West Punjab Government, and our High Commissioner and Deputy High Commissioner have already taken up that question with them.

**Dr. M. V. Gangadhara Siva:** May I know whether this Government has informed the Pakistan Government that adequate safeguards and maintenance are being given to the mosques and other Muslim saintly Dargahs in India, and if so what is the reply?

**Shri Mohan Lal Saksena:** The question is that we have taken care of the mosques here and what the Pakistan Government is doing in this respect in regard to the places of worship there. There is an agreement to that effect and we have drawn the attention of the Pakistan Government to that particular provision. And the reply has been that in certain cases, of course, repairs have been made. In regard to others no information has been received so far.

**Dr. M. V. Gangadhara Siva:** May I know why the Pakistan Government has not taken the same step as the India Government has taken?

**Mr. Speaker:** Order, order.

**Shri Deshbandhu Gupta:** May I know the number of protests made by the Relief and Rehabilitation Ministry to the Pakistan Government and the results obtained from same?

**An hon. Member:** Innumerable!

**Shri Mohan Lal Saksena:** The Government of India have addressed a number of letters to the Pakistan Government. Apart from this, our High Commissioner and Deputy High Commissioner have made representations to the Pakistan Government and to the Provincial Government, and it is very difficult for me to say as to the number of times that they have protested.

#### TRADE WITH SPAIN

\*494. **Dr. M. M. Das:** (a) Will the Minister of Commerce be pleased to state the value of trade carried on between Spain and India during the year 1948-49?

(b) Is there any existing trade relation between the two countries?

**The Minister of Commerce (Shri Neogy):** (a) The value of trade carried on between India and Spain in 1948-49 amounted to Rs. 1,76 lakhs. A statement showing the trade between the two countries in the principal articles is placed on the Table [See Appendix III, annexure No. 8].

(b) I presume the hon. Member means a Trade Agreement between the two countries; if so, the answer is in the negative.

**Dr. M. M. Das:** May I know whether it is a fact that tea which forms one of the main items of our trade with Spain is exported to Spain not directly from India?

**Shri Neogy:** Well, I do not know, because in the list that I am placing on the Table, indicating the principal articles of trade, I do not find tea mentioned as one of the principal items.

**Dr. M. M. Das:** I want to know whether tea is exported from India to Spain through London.

**Shri Neogy:** That I cannot say. We do not export tea to London specially for Spain.

**Dr. M. M. Das:** May I know whether tea is exported to other European countries through London?

**Shri Neogy:** London has been a great *enterpot* centre of trade and a lot of different countries used to get their supplies from London.

**Prof. Ranga:** Who is the Consul General who is expected to promote our trade with Spain and where is he posted?

**Shri Neogy:** We have no Consulate in Spain yet, but we have our organisation in Portugal, and the idea is to depute our Commercial Secretary attached to the Embassy of India, Paris to Spain to survey business conditions there and make suggestions as to how best our trade with Spain could be increased.

**Shri Kamath:** During the last two years has the Spanish Government made any approach, or overture, to the Indian Government for establishing any trade relations or any trade treaty?

**Shri Neogy:** Not that I know of.

#### WORKS COMMITTEES IN MILLS AND FACTORIES

\*437. **Pandit M. B. Bhargava:** Will the Minister of Labour be pleased to state:

(a) whether there exist Works Committees uniformly in all Mills and Factories existing in the Centrally Administered States of Ajmer, Delhi and others;

(b) the manner in which the representatives of labour were selected for these Committees, particularly, in those factories where there exist more than one labour organisation;

(c) what functions these Works Committees are discharging at present and whether any record is kept of their meetings;

(d) whether Government have any supervisory control over these Works Committees and whether Government have any machinery to see that the recommendations of these Works Committees are duly implemented by the factory owners; and

(e) whether Government call for any periodical report on the functioning of these Committees from different factories and if not, why not?

**The Minister of Labour (Shri Jagjivan Ram):** (a) Works Committees under the Central Industrial Disputes Act 1947 have been set up in all mills and factories in the States of Delhi and Ajmer. There are no mills or factories employing 100 or more workers in Coorg. As regards the new Chief Commissioners' Provinces, the Act was extended with effect from the 1st January, 1950 and the question of setting up Works Committees will be taken up by the Administrations concerned.

(b) The representatives of the workers are elected in accordance with the procedure laid down in the Industrial Disputes (Central) Rules, 1947. In the case of establishments where there exist more than one labour organisation it is obligatory on the employer to consult all the registered unions regarding the number of workmen who are members of the unions and the distribution among the different sections, or departments of the establishment. The representatives are then to be divided into two groups, *viz.*, (1) those to be elected by the workmen of the establishment who are members of the unions and (2) those to be elected by the workmen of the establishment who are not members of the unions. The number of representatives to be elected by each group is proportionate to its strength in the establishment. This grouping is not made where more than half the workmen are members of a single union.

(c) The main function of a Works Committee are to promote measures for securing and preserving amity and good relations between the employer and the workmen. The Committees generally discuss matters of common interest like wages, allowances, hours of work, leave, housing, etc. A record of the proceedings of the meetings held is maintained by the Committees.

(d) Government have no supervisory control over Works Committees and have, therefore, not kept any machinery to see that the recommendations of these Committees are duly implemented. In case of failure to implement any particular recommendation of a Works Committee, it will be open to either of the parties to treat the matter as if it were a dispute under the Industrial Disputes Act, 1947.

(e) The appropriate Governments generally receive copies of the proceedings of the meetings of the Works Committees. The Central Government also receive periodical reports from the various Governments in regard to the functioning of Works Committees.

**Pandit M. B. Bhargava:** Does the Government receive any periodical report as to whether the recommendations of these committees are actually implemented by the factory owners or not?

**Shri Jagjivan Ram:** As I have explained in my reply to part (d), it is not obligatory on our part to watch how far the recommendations of the Works Committees have been implemented. If any of the recommendations have not been implemented, it is open to the parties concerned to declare it as a labour dispute and the machinery of the Government under the Industrial Disputes Act is set in motion.

**Shri A. P. Jain:** From such information as Government may happen to possess, may I know whether the institution of the Works Committees has been a success?

**Shri Jagjivan Ram:** The information that we have in our possession is encouraging and that is why we are laying great stress on the establishment of Works Committees in larger numbers.

**Shri A. P. Jain:** May I know what steps Government is taking to improve the working of these committees?

**Shri Jagjivan Ram:** Well, we have been impressing upon both the employers and the workers that it is in their mutual interests to give more and more powers to the Works Committees and utilise the services of the Works Committees on more occasions.

**Shri Sidhva:** Arising out of part (d), may I know whether the attention of the hon. Minister has been drawn to complaints made by various labour organisations that working hours under the rules are not maintained by the factory owners and that they keep a bogus record of working hours? Is that a fact and, if so, what steps have Government taken on it?

**Mr. Speaker:** The question really does not arise.

**Shri Jagjivan Ram:** Sir, even if it does not arise I am prepared to answer it. I will draw my friend's attention to the provision of the Factories Act which says that any employer who contravenes any of the provisions of the Factories Act is liable to prosecution. If there is any such complaint let it be brought to the notice of the Inspectorate staff and I am sure prosecution will be launched if there is any clear instance of violation of the provisions of the Act.

#### IMPORT PERMITS

**\*438. Pandit M. B. Bhargava:** (a) Will the Minister of Commerce be pleased to state the number of applications received during the year 1949 for permits to import goods from foreign countries (soft and hard currency areas)?

(b) How many were granted and how many were rejected?

(c) What is the highest amount of permits given to one individual or firm and what is the lowest?

(d) On what basis is the selection of the persons for grant of permits made?

(e) Was any deviation therefrom made in any particular case, and if so, for what reasons?

†**The Minister of Commerce (Shri Neogy):** (a) The number of applications for import licences received during the year 1949 is about 2,43,010. This figure is based on receipt registers in which all applications for import licences, irrespective of the currency area from which imports have been applied for are entered. The licences actually issued are classified in accordance with different areas. Furnishing of details in respect of applications would therefore involve a considerable expenditure of time and labour.

(b) The total number of licences granted was 65,772 and the total number of applications rejected was about 1,40,272. The balance of applications are pending.

(c) The highest amount of a licence granted to one individual was Rs. 15,06,24,000 and the lowest amount of a licence granted to one individual was Rs. 7.

(d) Licences are as a rule granted on the basis of eligibility under the relevant Import Trade Control Regulations as notified from time to time.

(e) Generally, no deviation is made from the regulations notified from time to time. Exceptions are, however, made in very rare cases on merits where it is justified on broader principles.

†See correction to this answer in Part I of Debates, dated 10th March, 1950.



**सेठ गोविन्द दास :** पन्द्रह करोड़ का लाइसेन्स किस व्यक्ति या किस फर्म को दिया गया है ?

**Seth Govind Das:** To whom or to which firm the import licence of 15 crores has been given?

**Shri Neogy:** Messrs. Ralli Brothers, for enabling them to import raw cotton.

**Shri Kamath:** What is the amount of fee that the person who got the seven rupee licence paid on his application?

**Shri Neogy:** I do not think the fees were enforceable at that time—the fees became operative only from the 1st January.

**Shri Tyagi:** I want to know why Ralli Brothers were selected. Were there no Indian companies?

**Shri Neogy:** There is no question of selection. As a matter of fact, we freely license all applicants for the importation of raw cotton from soft currency areas. I may inform the House that the total amount represented by all the licences in respect of importation of raw cotton from soft currency areas in 1949 stood at Rs. 100 crores and the Ralli Brothers' share in this represents more or less 15 per cent.

**Pandit M. B. Bhargava:** What percentage of these licences granted refer to the import of luxury goods and what percentage refer to import of capital goods?

**Shri Neogy:** There are hardly any luxury goods that are allowed to be imported now.

**Shri Karunakara Menon:** Are the applicants generally informed of the results of their applications at least before the expiry of the year?

**Shri Neogy:** Generally it is so.

**Shri Karunakara Menon:** I may bring it to your notice that generally it is not so.

**Mr. Speaker:** Order, order.

**Shri Deshbandhu Gupta:** Out of these two lakhs and odd applications may I know the number of applications which were lost in the office and for which the applicants had to supply duplicate copies of applications?

**Shri Neogy:** I have no idea.

**Shri Deshbandhu Gupta:** Is the hon. Minister aware of the fact that there is a general complaint that many applicants have to send duplicate copies because whenever they ask for action on their applications they are told that the applications are not traceable?

**Shri Neogy:** I have heard of such complaints, but I would not accept the proposition in the terms in which my hon. friend has framed it.

**Shri Sidhva:** May I know within what period the applicants are informed that their applications have been accepted or rejected?

**Shri Neogy:** As soon as a decision is arrived at.

## PAPER

\*439. **Shri Nandkishore Das:** Will the Minister of **Industry and Supply** be pleased to state:

(a) the total quantity of paper consumed in India during the years 1948 and 1949;

(b) the sources, both indigenous and foreign from which paper was obtained; and

(c) the difference in price-level of foreign and indigenous sources of this commodity?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) to (c). A statement giving the required information is laid on the Table of the House.

## STATEMENT

| Item   | Year         |                    | Remarks  |
|--|--------------|--------------------|--|
|  | 1948         | 1949               |  |
| (a) Consumption                                    | 150,000 Tons | 150,000 Tons       | Estimated annual consumption of paper and Board excluding Newsprint.   |
| (b) (i) Indigenous Production.                     | 97,905       | 103,133            |  |
| (ii) Imports                                       | 53,000       | 86,000             | Increase in imports during 1949 was due to the fact that paper was included in Open General Licence for some time. |
| (c) (i) Average Controlled Price of Imported Paper | ..           | Rs. 1-0-0 per lb.  |  |
| (ii) Average Controlled Price of Indigenous Paper. | ..           | Rs. 0-10-1 per lb. |  |

सेठ गोविन्द दास : जो कागज इस देश में बाहर से आता है उसमें न्यूजप्रिन्ट कितना है और बाकी कितना है ?

**Seth Govind Das:** Out of the imported paper how much is newsprint and how much the rest?

डा० एस० पी० मुकर्जी : इस तालिका में न्यूजप्रिन्ट कुछ भी नहीं है ।

**Dr. S. P. Mookerjee:** This list does not include any newsprint.

सेठ गोविन्द दास : तो क्या न्यूजप्रिन्ट बाहर से नहीं आता है ?

**Seth Govind Das:** Is no newsprint then imported from abroad?

डा० एस० पी० मुकर्जी : न्यूज़प्रिन्ट बाहर से आता है ।

**Dr. S. P. Mookerjee**: It is imported.

सेठ गोविन्द दास : मैं यह जानना चाहता हूँ कि बाहर से जो कागज आता है उसमें न्यूज़प्रिन्ट कितना है और बाकी कागज कितना है ?

**Seth Govind Das**: I want to know how much of the imported paper is newsprint and how much the rest?

डा० एस० पी० मुकर्जी : छः महीने में न्यूज प्रिन्ट २८,००० टन आता है ।

**Dr. S. P. Mookerjee**: The newsprint imported in six months comes to 28,000 tons.

सेठ गोविन्द दास : और बाकी ?

**Seth Govind Das**: And, the rest?

डा० एस० पी० मुकर्जी : बाकी स्टेटमेंट में दिया है ।

**Dr. S. P. Mookerjee**: The rest is shown in the statement.

लाला अचिन्त राम : क्या आनरेबल मिनिस्टर साहब बतलायेंगे कि कुल कागज जितना खर्च होता है उसमें हाथ का बना हुआ कितना खर्च होता है ?

**Lala Achint Ram**: Will the hon. Minister please state what is the quantity of hand-made paper consumed as against the total consumption of paper?

डा० एस० पी० मुकर्जी : वह खाली मिल का कागज है हाथ का कागज नहीं है ।

**Dr. S. P. Mookerjee**: This is all about mill-made paper and not about hand-made.

लाला अचिन्त राम : हाथ का बना हुआ कागज कितना खर्च होता है ?

**Lala Achint Ram**: What is the consumption of hand-made paper?

डा० एस० पी० मुकर्जी : बहुत कम है, मुझे ठीक अभी नहीं मालूम है ।

**Dr. S. P. Mookerjee**: It is very little, I cannot say precisely just now.

लाला अचिन्त राम : क्या आप जानने की कोशिश करेंगे ?

**Lala Achint Ram**: Will you try to find out?

डा० एस० पी० मुकर्जी : ज़रूर ।

**Dr. S. P. Mookerjee**: Certainly.

**Shri Kamath**: What proportion of the paper used in India is consumed in the Secretariats at the Centre and in the States?

**Mr. Speaker**: Order, order. I do not think it arises here.

**Shri Deshbandhu Gupta:** May I know whether the hon. Minister is aware of the fact that newsprint prices have gone up during the last six months, if so, what has been the extent of rise?

**Dr. S. P. Mookerjee:** Sir, this question does not deal with newsprint. There is another question on that subject and if the hon. Member likes he may put his question then.

#### AGRICULTURAL LABOUR ENQUIRY

**\*440. Shri Venkataraman:** Will the Minister of Labour be pleased to state:

(a) how many villages have been selected for the purpose of conducting the All-India Agricultural Labour Enquiry;

(b) whether the proposed survey is a random survey or a sample survey;

(c) if the latter, whether the assistance of the registered and unregistered Trade Unions relating to agricultural labour has been sought in the choice of samples;

(d) whether the scope of the enquiry is limited to agricultural labour working for wages or whether it includes agricultural labour working for a share in produce:

(e) when the enquiry will be completed;

(f) whether any report will be published; and

(g) whether the minimum wages in agriculture will be fixed within the time specified in the Minimum Wages Act?

**The Minister of Labour (Shri Jagjivan Ram):** (a) About 900 villages will be covered by the All-India Agricultural Labour Enquiry. Of these 717 villages have already been selected.

(b) The proposed survey is a random sample survey and the villages have been selected on the principles of stratified random sampling.

(c) The question does not arise.

(d) The questionnaire consists of three parts. The General Village Questionnaire will contain data relating to the village as a whole covering agricultural as also non-agricultural families. The General Family Questionnaire will contain data relating to all families in the villages selected. The Intensive Family Questionnaire will contain data relating to a sample of agricultural labour families in the selected villages. All classes of agricultural labour will be covered by this enquiry including those working for a share in the produce.

(e) The enquiry is expected to be completed within a year or so.

(f) Yes.

(g) This is for State Governments to consider.

**Shri Venkataraman:** May I know why the original number of 2,000 villages intended to be surveyed has been reduced to 800?

**Shri Jagjivan Ram:** The opinion of the statisticians was that if enquiries were held in 800 villages on the basis of stratified random selection, the results will be the same as in the case of a survey of 2,000 or more villages.

**Shri Venkataraman:** May I know what proportion these 800 villages bear to the total number of villages in the whole of India?

**Shri Jagjivan Ram:** That is a question of pure mathematics.

**Shri Venkataraman:** Is it not a matter of logic that if a fewer samples are taken the results may not be good?

**Mr. Speaker:** Order, order. He is arguing.

**Shri Rathnaswamy:** Is the Government aware that on account of the discontent among agricultural workers, even a campaign like the 'Grow More Food' campaign has not met with sufficient success?

**Mr. Speaker:** I do not think the question is relevant.

**Shri Kishorimohan Tripathi:** May I know the names of States where the enquiry has been completed?

**Shri Jagjivan Ram:** The enquiry has not been completed as yet but the villages have been selected and some enquiries in a few villages have been completed. The villages have been selected and the first preliminary enquiries have been completed in Assam, West Bengal, Bihar, Orissa, Uttar Pradesh, Madhya Pradesh, Madras and Mysore. The States where the villages have already been selected are Assam, Bihar, Bombay, Madhya Pradesh, Punjab, Hyderabad, Himachal Pradesh, Madras, Travancore-Cochin, Orissa, Mysore, Rajasthan, Uttar Pradesh, West Bengal, Ajmer, Delhi, Jaipur, Udaipur, Kotah and Bikaner.

**Shri Satyanarayana:** What is the basis on which these villages have been selected?

**Shri Jagjivan Ram:** As I have already said, it is on the principle of stratified random selection.

**Shri Tyagi:** Will this enquiry cover only wages or will it also include the hygienic and housing conditions of labourers?

**Shri Jagjivan Ram:** The questionnaire is very comprehensive, and I would refer my hon. friend to the copy which is available in the Library of the House. If he goes through it, he will find that the enquiry is a very comprehensive one.

**श्री भट्ट :** क्या माननीय मंत्री जी का ध्यान इस तरफ़ गया है कि अख़बारों में कुछ रिपोर्टें छरी थी और वह इस जांच की रिपोर्टें थीं ।

**Shri Bhatt:** Has the hon. Minister's attention been drawn to the publicity given by the newspapers to several reports in connection with this enquiry?

**श्री जगजीवन राम :** जी हां इसी जांच की रिपोर्टें थीं ।

**Shri Jagjivan Ram:** Yes, some reports have been published in connection with that enquiry.

**श्री भट्ट :** तो उसकी रिपोर्ट बाहर कैसे आ गई ?

**Shri Bhatt:** How did the reports in question leak out?

**श्री जगजीवन राम :** एक गांव में जांच पूरी हो गई है और वहां के प्रेस वालों ने ली होगी और वह आ गई। इसमें कोई गलती तो मैं नहीं समझता।

**Shri Jagjivan Ram:** The work connected with the enquiry has been completed in one of the villages. The press representatives of the area might have got the report there and hence the publicity in the papers. I do not consider there is anything wrong with it.

**Shri R. Velayudhan:** Do Government propose to take any action after the enquiry is finished?

**Shri Jagjivan Ram:** That is obvious.

**Shri R. Subramaniam:** Does the enquiry take into consideration the housing problem of agricultural labour also, or is it limited to fixation of wages only?

**Mr. Speaker:** He has already replied that the enquiry is a comprehensive one.

**Shri V. J. Gupta:** Apart from landless labourers, are those people who own lands but do agricultural work and earn wages during their spare-time also included in the category of agricultural labourers?

**Shri Jagjivan Ram:** I have already answered, in reply to part (d), that families will be covered; also those who are partly landless labourers and are small, petty landholders or cultivators.

#### LABOUR WAGES IN INDUSTRIES

**\*441. Shri Kannamwar:** Will the Minister of Labour be pleased to state in how many industries have the Government fixed the wages of labour and in how many industries it remains to be done?

**The Minister of Labour (Shri Jagjivan Ram):** It is presumed that the hon. Member has in mind the question of the fixation of minimum wages under the Minimum Wages Act, 1948. If so, I may draw his attention to my reply on the 16th February 1949 to starred question No. 418 asked by Shri V. C. Kesava Rao with which a statement was laid on the Table of the House. I am sorry it has not been possible to bring that statement up-to-date.

**Shrimati Durgabai:** May I know whether the provisions of the Minimum Wages Act are applicable to all classes of industries; if not, what are the classes of industries to which they apply?

**Mr. Speaker:** Order, order. She may refer to the Act.

**Shrimati Durgabai:** I want to know whether the provisions of the Minimum Wages Act have been brought into force.

**Mr. Speaker:** That is a different point.

**Shri Jagjivan Ram:** In the Minimum Wages Act, there are two Schedules—one for the scheduled employments and the other for agriculture. The Act has been brought into force in certain States in respect of some of the scheduled industries.

**Shri A. P. Jain:** May I know on what principles different industries are selected for fixing minimum wages?

**Shri Jagjivan Ram:** The principles were settled when the Bill was before the House

**Shri A. P. Jain:** I am not referring to Schedules *inter se*. I am enquiring about the basis on which certain industries were selected for fixing wages and others were left out within the permissible schedule itself?

**Shri Jagjivan Ram:** If my hon. friend will refer to the Schedules in the Act, he will find that most of the industries selected are sweated industries, and even among them, some are comparatively more sweated. Industries which are more sweated have been given first preference.

**Shri Kamath:** Does the minimum wage fixed by Government bear the same proportion to the cost of living, as it does in countries like England and America?

**Shri Jagjivan Ram:** Certain principles were laid down in the Act itself, and when the Bill was under discussion my hon. friend was, I think, present.

**Shri Kamath:** I was not.

**Shri Jagjivan Ram:** I am sorry for that. The principles on which wages, dearness allowance and other allowances are to be calculated are specifically mentioned in the Act itself, and the principles on which we have been determining our dearness allowance are practically the same as those in other countries.

**Shri Venkataraman:** Is the hon. Minister aware that minimum wages have not been fixed even for a single industry in Madras State?

**Shri Jagjivan Ram:** I cannot say off-hand. But I think they have fixed minimum wages for one or two industries. I am not quite definite.

**Prof. Ranga:** May I know whether minimum wages have been fixed for all the industries mentioned in Schedule I, and whether Government have considered the desirability of publication of the minimum wages that have so far been fixed for various industries?

**Shri Jagjivan Ram:** The primary responsibility for fixing minimum wages for the Scheduled industries is that of State Governments, and wherever minimum wages have been fixed, they are published in the Gazettes of the State Governments concerned. Minimum wages have not been fixed for all the scheduled industries. They have been fixed only for a few of them, and the State Governments concerned have published them in their respective Gazettes.

**Shri Tyagi:** Has the rate of minimum wages any relation to the work turned out by the labourer?

**Shri Jagjivan Ram:** That is obvious. If my hon. friend will refer to the Act, he will find that the various principles for fixation of minimum wages have been laid down there.

**Shri Tyagi:** I want to know whether a minimum standard of work has also been fixed along with the minimum wages?

**Shri Jagjivan Ram:** Of course it is there.

**Dr. M. V. Gangadhara Siva:** May I know whether the hon. Minister is aware of the fact that the bulk of labour is agricultural and industrial labour, and that for that labour even the minimum wages are not properly paid by the capitalists and whether the Minister proposes to make any arrangements for safeguarding their interests?

**Shri Jagjivan Ram:** I have not followed the question.

**Mr. Speaker:** I have followed a part of it. The question seems to be that the capitalists are not paying the wages properly and asks what means the Government have to enforce the rules?

**Shri Jagjivan Ram:** The Payment of Wages Act is enforceable in respect of many industries and if any of its provisions are violated the employers are liable to be prosecuted. But, all the same, I am also aware that in most of the industries the minimum wages have not been fixed and therefore prosecution is not possible. So far as agriculture is concerned, an enquiry is going on and will be only after the report of that enquiry is received we will take such action as may be called for in the light of the report.

#### DISPLACED COMPANIES FOR SALT TRADE

**\*442. Shri Asawa:** (a) Will the Minister of Industry and Supply be pleased to state whether it is a fact that five displaced companies have been recognised at Sambhar lake who have been granted allotment by curtailing the share of regular registered Sambhar salt traders and no displaced company has been recognised at Kharagodha and Didwana?

(b) If the answer to part (a) above be in the affirmative, what are the reasons for this differential treatment?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) Yes.

(b) No displaced company could be recognised at Kharagodha and Didwana because the displaced persons did not apply for it. However, some applications have recently been received and the matter is under consideration.

**Shri Sivan Pillay:** Has any proposal for the taking over of the salt industry in Travancore and Cochin by the Government of the State been received by the Central Government and, if so, what is the policy of the Central Government in regard to it?

**Dr. S. P. Mookerjee:** I do not think we have received any application from displaced persons from Travancore and Cochin.

#### UNEMPLOYMENT STATISTICS

**\*444. Shri Rathnaswamy:** (a) Will the Minister of Labour be pleased to state whether Government are in possession of statistics of unemployed persons in India?

(b) If so, how many skilled and unskilled persons are unemployed at present?

(c) Has there been an increase in the number of unemployed persons during the last two years?

(d) If so, how do Government propose to tackle this problem?

**The Minister of Labour (Shri Jagjivan Ram):** (a) The Government are not in possession of statistics of all the unemployed persons in India. But the Director-General of Resettlement and Employment maintains figures relating to all those unemployed who are to register their names for seeking employment through Employment Exchanges.



(b) The number of applicants, who have not been placed in employment as on the 31st December 1949 is as given below:

|                      |                 |
|----------------------|-----------------|
| Unskilled Labour     | 1,17,174        |
| All other categories | 1,57,161        |
| <b>TOTAL</b>         | <b>2,74,335</b> |

(c) The extent of increase in unemployment cannot be gauged in the absence of accurate statistics of unemployment. But the statistics maintained in the Employment Exchanges show that unemployment has increased to some extent during 1949. A statement showing the monthly figures of number of applicants on live registers at the end of the month of the last two years is placed on the Table.

(d) Complete elimination of unemployment is not practicable in the near future. But unemployment due to shortage of raw materials, accumulation of stocks, use of old machinery, and similar specific causes is receiving the attention of the Government.

#### STATEMENT

*Number of applicants on the live Registers of Employment Exchanges at the end of the month.*

| Month     | 1948     | 1949     |
|-----------|----------|----------|
| January   | 2,33,568 | 2,51,200 |
| February  | 2,16,551 | 2,49,551 |
| March     | 2,11,540 | 2,61,593 |
| April     | 2,12,869 | 2,76,309 |
| May       | 2,10,302 | 2,91,713 |
| June      | 2,19,714 | 2,12,734 |
| July      | 2,26,449 | 2,26,300 |
| August    | 2,32,738 | 3,37,002 |
| September | 2,36,368 | 3,33,897 |
| October   | 2,30,727 | 3,10,272 |
| November  | 2,28,938 | 2,91,584 |
| December  | 2,39,033 | 2,74,335 |

**Shri Rathnaswamy:** Have Government made any effort to collect statistics of unemployed graduates in the country?

**Shri Jagjivan Ram:** No, Sir. As I have stated, we have no machinery for that. At the Employment Exchanges we register the names of those unemployed persons who care to register their names there.

**Shri Meeran:** May I know whether the hon. Minister will consider the advisability of having a machinery to prepare a complete statistics of unemployed persons in the country?

**Mr. Speaker:** Order, order. That is a suggestion for action.

**Shri Harihar Nath Shastri:** May I ask the hon. Minister to state the number of employed persons who registered with Employment Exchanges during the previous two years, 1948 and 1949 and the number of persons for whom employment could have been found during that period?

**Shri Jagjivan Ram:** I am afraid I have answered that question only a few days back. I have not got the information ready at hand.

**Prof. Ranga:** How much unemployment has been caused by Government in the Labour Department itself by their own recent retrenchment of a number of training centres and employment exchanges?

**Shri Jagjivan Ram:** I am afraid we have retrenched a few hundreds of our staff as an economy measure.

**Shri Ramaswamy Naidu:** Do the Exchanges register unemployed agricultural labour?

**Shri Jagjivan Ram:** At present we try to register all the persons without any distinction who care to be registered.

**Shri Rathnaswamy:** Are the Government satisfied about the efficiency of the machinery set up by them to find employment for our unemployed people?

**Mr. Speaker:** It is a matter of opinion.

**Shri Harihar Nath Shastri:** Is it a fact that there has been a fall of about 60 per cent. in the number of persons employed through the Employment Exchanges in 1949 as compared with 1948?

**Shri Jagjivan Ram:** It is not 60 per cent. I have not got the figures ready. But, as I have stated, the employment position has recently deteriorated.

**Shri Kamath:** Do Government propose to collect statistics of those fully employed, partly employed and unemployed as a part of the ensuing census operations?

**Shri Jagjivan Ram:** That point has already been taken up with the Census Commissioner and I think something might be done in that direction.

#### EXPORT PRICES OF TEXTILES

**\*445. Shri N. S. Jain:** (a) Will the Minister of Commerce be pleased to state whether Government are aware that the textile mills are quoting fifty per cent. above the pre-decontrol prices for export since the declaration of de-control of prices for export?

(b) What is its effect on the export trade?

**The Minister of Commerce (Shri Neogy):** (a) Government are aware that higher prices are being quoted by textile mills for export purposes now that price control has been removed, but they have had no reports to suggest that the increase over pre-decontrol prices is of the order suggested by the hon. Member.

(b) Since prices were de-controlled only recently, it is too early to judge the actual effect of this action on the export trade; but Government have every reason to believe that the industry as a whole would not wish to raise prices to such an extent as to make its products unsaleable in the overseas markets.

**Shri N. S. Jain:** Have the Government any idea of the quality of cloth exported to foreign countries after the de-control?

**Shri Neogy:** Not just at the moment.

**Shri N. S. Jain:** Has it been brought to the notice of the Government that some countries like Malaya have not been importing cloth from this country because of the rise in prices?

**Shri Neogy:** The Malaya case has been very widely advertised. I am making enquiries. We have not received any report so far from our representative there.

**Shri Deshbandhu Gupta:** Is it a fact that part of the textiles exported from India are re-exported to Pakistan?

**Shri Neogy:** That is what we are informed.

**Shri A. P. Jain:** May I know what the increase in the price of goods is according to the information in the possession of the Government?

**Shri Neogy:** All that we heard was that some of the mills were quoting f.o.b. prices 25 per cent. above the ex-mill prices. That is all that we have heard.

**Shri Sidhva:** May I know whether the export in March is likely to be promising?

**Shri Neogy:** Exports have been quite encouraging so far.

## WRITTEN ANSWERS TO QUESTIONS

### FOREIGN FIRMS

\*433. **Dr. Deshmukh:** (a) Will the Minister of **Commerce** be pleased to state the number of foreigners and foreign firms engaged in any kind of trade in India?

(b) What is the extent of trade in terms of rupees per annum of each of the firms or individuals?

(c) Do Government exercise any control or supervision on the coming into India of foreigners and foreign firms for trading purposes?

(d) Are there any rules governing this matter?

(e) If so, when were they framed?

(f) If not, do Government propose to take up the matter?

(g) Do any foreign Governments permit Indians to trade freely in their countries?

(h) If so, which countries give this facility to Indians?

(i) Do Government require foreigners and foreign firms to take out licences for trading in this country?

**The Minister of Commerce (Shri Neogy):** (a) and (b). The information in question is not available.

(c) to (e). A certain measure of control is exercised through the operation of (i) passport and visa regulations brought into force from 15th August 1947, and (ii) the Foreign Exchange Regulation Act, 1947 in the matter of their acquiring securities and remittance of funds abroad.

(f) Does not arise.

(g) and (h). I would invite the hon. Member's attention in this connection to his starred question No. 214 answered by me on the 8th February, 1949 regarding reciprocal trading rights in foreign countries.

The information subsequently received on the subject is laid on the Table of the House. [See Appendix III, annexure No. 4].

(i) No, Sir.

#### MANUFACTURE OF GLASS-WARE

\*435. **Dr. Deshmukh:** (a) Will the Minister of **Industry and Supply** be pleased to state what is the value of glass-ware annually produced in India?

(b) What is the value of the total annual consumption of glass-ware in India?

(c) What steps have been taken during the last three years towards increased manufacture of glass-ware in India?

(d) Is self-sufficiency in glass-ware being attempted and if so, what is the scheme?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a)

| <i>Type of Product.</i> | <i>Value in lakhs of Rs.</i> |                      |
|-------------------------|------------------------------|----------------------|
|                         | <u>1948</u>                  | <u>1949</u>          |
| Sheet and Plate Glass   | 21.89                        | 6.26 (approximately) |
| Other glassware         | 723.19                       | 796.48               |

(b) Accurate figures are not readily available. The estimated consumption is of the value of Rs. 9 crores.

(c) and (d). A statement is placed on the Table. [See Appendix I, annexure No. 5].

#### UNIONS AFFILIATED TO I.N.T.U.C., HIND MAZDUR SABHA AND A.I.T.U.C.

\*436. **Shri Kesava Rao:** (a) Will the Minister of **Labour** be pleased to state what is the number of Unions affiliated to the I.N.T.U.C., *Hind Mazdur Sabha* and A.I.T.U.C. and what is the strength of labour belonging to each association?

(b) On what basis is the selection of labour representatives to represent India in International Conferences made?

(c) Have any complaints been received about the mode of selection?

**The Minister of Labour (Shri Jagjivan Ram):** (a) The summary below gives the comparative strength of the three organisations as claimed by them in June, 1949. No later information is available.

| Organisation              | Number of Unions | Total number of members |
|---------------------------|------------------|-------------------------|
| (1) The I. N. T. U. C.    | 853              | 11,99,629               |
| (2) The Hind Mazdur Sabha | 413              | 6,46,921                |
| (3) The A. I. T. U. C.    | 744              | 5,27,862                |

These figures have not been verified by the Government of India.

(b) The selection of the Indian workers' delegation to the International Labour Conference and meetings of the Industrial Committees convened by the International Labour Organisation is made in accordance with the constitution of the International Labour Organisation, the relevant Clause of which runs as follows:

"The Members undertake to nominate non-Government delegates and advisers chosen in agreement with the Industrial organisations, if such organisations exist, which are most representatives of employers or workpeople, as the case may be, in their respective countries."

In accordance with these provisions, the Government of India have, on every occasion been inviting all the three organisations mentioned above to furnish joint lists of delegations, if possible. As, however, no organisation has found it possible to agree with any other organisation in this respect, Government have always had to accept the nominations of the most representative of the three organisations.

(c) The Credentials of the Indian Workers' delegation to the 32nd session of the International Labour Conference held in Geneva in June 1949, were challenged, but the complaint was rejected by the Credentials Committee of the Conference.

#### REASSESSMENT OF LAND UNDER QUASI-PERMANENT ALLOTMENT

\*443. **Giani G. S. Musafir:** Will the Minister of Rehabilitation be pleased to state:

(a) whether it is a fact that Government appointed a Board of Financial Commissioners in February, 1949, to re-consider the question of reassessment of circles of evacuees' land under quasi-permanent allotment of lands in Punjab and other States?

(b) the conclusions reached by the said Board; and

(c) whether the Government of Punjab have implemented the decisions of the said Board in allotting land and if not, the reasons for that?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) A Committee was appointed in March 1949 to examine the whole scheme including the allocation of areas.

(b) The conclusions of the Committee are set out in its report a copy of which I place on the Table of the House. [See Appendix III, annexure No. 6].

(c) The Scheme is in the course of implementation.

## REHABILITATION OF DISPLACED PERSONS IN PEPSU

**\*446. Kaka Bhagwant Roy:** (a) Will the Minister of Rehabilitation be pleased to state the number of displaced persons rehabilitated in PEPSU up to 31st December 1949?

(b) What is the amount allotted by the Government of India so far to the PEPSU Government for rehabilitation expenditure?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) The number of displaced persons at present in PEPSU is estimated at 3.7 lakhs. This figure includes 16,200 Bahawalpuri displaced persons who were recently sent from the Kurukshetra Camp for rehabilitation in towns of PEPSU.

(b) The Government of India have so far allotted to the PEPSU Government a sum of rupees 150 lakhs as loan for their rehabilitation expenditure.

## NEWSPRINT

**\*447. Shri Gopinath Singh:** Will the Minister of Industry and Supply be pleased to state:

(a) the total annual requirement of newsprint in India;

(b) the total quantity of newsprint at present allowed to be imported annually into India; and

(c) the quantity of newsprint at present manufactured annually in India?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) About 57,000 tons.

(b) For the current half yearly period a monetary ceiling of Rs. 180 lakhs for import of newsprint has been fixed which is expected to cover a quantity of about 28,000 tons at current prices in exporting countries.

(c) Nil.

## OVERHAULING CHARGES FOR AEROPLANES

**\*448. Prof. Ranga:** Will the Minister of Industry and Supply be pleased to state:

(a) whether the attention of the Government has been drawn to the article on "whither Hindustan Aircraft" in February 1950 number of *Caravan* published in New Delhi;

(b) whether Government have examined or propose to examine the utility of the suggestion made by "a foreign expert" invited by Government and quoted in the article that "the turbine engine aircraft" would be more useful, economical, especially in maintenance charges, than "the piston-engined aircraft";

(c) whether it is a fact that the annual overhaul charges now being demanded by the Hindustan Aircraft Ltd., for civilian planes came to Rs. 50,000; and

(d) whether there is any proposal to reduce these charges to meet the wishes of the industry?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) Yes, Sir.

(b) The suggestion is under consideration.

(c) No, Sir, the present annual overhaul charges come to about Rs. 40,000.

(d) No, Sir, as the present reduced charges were introduced only in August, 1949.

## IMPORT OF PLYWOOD TEA-CHESTS

\*449. **Shri B. K. P. Sinha:** (a) Will the Minister of **Commerce** be pleased to state whether it is a fact that applications for licences for the import of one million plywood tea-chests have been called for?

(b) What would be the approximate total price of these tea-chests in Indian currency?

(c) Did Government satisfy themselves before calling for these applications that the demand could not be met by local supply?

**The Minister of Commerce (Shri Neogy):** (a) and (c). Yes.

(b) The total price will be about Rs. 45 lakhs.

## LEATHER INDUSTRY

\*450. **Shri Ohandrika Ram:** Will the Minister of **Industry and Supply** be pleased to state whether there is any proposal for the appointment of a committee for making an enquiry into the condition of the leather industry?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** No, Sir.

## UNEMPLOYMENT AMONG LEATHER WORKERS

\*451. **Shri Ohandrika Ram:** Will the Minister of **Labour** be pleased to state whether Government have any scheme to remove the unemployment among leather workers in this country and if so, when will it be implemented?

**The Minister of Labour (Shri Jagjivan Ram):** No scheme for removing unemployment specifically among leather workers is under consideration. An Industrial Committee on Tanneries and leather goods manufactories has, however, been set up for regulation of condition of labour in these employment.

## COAL WASHING PLANT

\*452. **Shri B. R. Bhagat:** Will the Minister of **Industry and Supply** be pleased to state:

(a) whether there is any coal washing plant in India,

(b) if the answer to part (a) above be in the negative, whether Government intend installing such a plant; and

(c) if so, at what place?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) No.

(b) and (c). The question of installing coal washing plants is under consideration of Government along with other recommendations made by the Metallurgical Coal Conservation Committee in their interim report.

TEA PRODUCTION IN TRAVANCORE-COCHIN STATES UNION

\*454. **Shri R. Velayudhan:** (a) Will the Minister of **Commerce** be pleased to state what was the total quantity of tea produced in the Travancore-Cochin States Union in the year 1949 and what percentage did it form of the total tea produced in India during the same period?

(b) How much tea is exported to United Kingdom according to the latest trade agreement?

(c) Is it a fact that the export period of tea from India is not in accordance with the tea production period in the Travancore-Cochin Union?

**The Minister of Commerce (Shri Neogy):** (a) The tea production in Travancore-Cochin during 1949 is estimated at 47.8 million lbs. out of an estimated all-India crop of about 579.4 million lbs.

(b) Government have agreed to the export of 300 million lbs. of tea of 1949 crop to the U.K. under an arrangement for bulk purchases. There is no trade agreement in this respect.

(c) The total quantity of tea allowed to be exported out of India is declared on the basis of the financial year. As the tea production season in Travancore-Cochin runs all round the year, this question does not really arise.

BILLS OF DISPLACED CONTRACTORS

\*455. **Giani G. S. Musafir:** (a) Will the Minister of **Rehabilitation** be pleased to state whether it is a fact that many of the bills and securities of displaced contractors, due before partition, have not been paid so far?

(b) If so, how long will it take to settle the dues of such displaced contractors?

**The Minister of State for Rehabilitation (Shri Mohan Lal Saksena):** (a) and (b). This information is being collected by the Ministry of Finance and will be made available to the House as soon as possible.

SALT DESPATCHES FROM SAMBHAR AND KHARAGODHA

50. **Shri Asawa:** Will the Minister of **Industry and Supply** be pleased to place on the Table of the House a comparative statement showing the number of salt despatches from and the number of traders handling them at Sambhar Lake and Kharagodha?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** The statement asked for is laid on the Table of the House.

STATEMENT

| Name of the source | Total quantity of salt despatched in 1949.<br>(In thousand mds.) | Number of traders handling the trade.       |   |
|--------------------|--|---|---|
|                    |  | Number of Companies                         | Total number of members in these Companies. |
| Sambhar            | 73,00  | 10 Companies                                | 518 members                                 |
| Kharagodha         | 32,00  | 1 Company<br>and 22 other<br>small dealers. | 53 "  |



## ALLOTMENT OF SALT TRADE AT KHARAGODHA

51. **Shri Asawa:** (a) Will the Minister of **Industry and Supply** be pleased to state whether it is a fact that only two firms at Kharagodha have been allotted 174 and 78 cards respectively?

(b) What is the proportion of the trade handled by these firms to the trade handled by the remaining 51 registered salt traders?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) Yes.

(b) Out of the total 347 cards, these two firms have 252 cards and the remaining 95 cards are distributed among 54 other traders.

## COMMITTEES APPOINTED BY MINISTRY OF INDUSTRY AND SUPPLY

52. **Shri Kamath:** Will the Minister of **Industry and Supply** be pleased to lay on the Table of the House a statement giving the number of Committees, formal and informal, appointed by his Ministry since 15th August, 1947 together with the composition and terms of reference of each?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** The information asked for is being collected and will be laid on the Table of the House in due course.

## RUBBER PRODUCTION

53. **Shri R. Velayudhan:** Will the Minister of **Industry and Supply** be pleased to lay on the Table of the House a statement showing:

(a) the total production of rubber in India in the year 1949;

(b) the consumption of rubber by manufacturers in India in the same year;

(c) the quantity of rubber that was produced in the Travancore-Cochin Union in 1948; and

(d) the quantity of rubber that was imported into India from outside in the same year?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** A statement giving the information asked for is laid on the Table of the House.

## STATEMENT

|   |             |
|---|-------------|
| (a) Total production of rubber in India during the year 1949                      | 15,587 tons |
| (b) Consumption of rubber by manufacturers in India in the same year              | 19,192 tons |
| (c) Quantity of rubber that was produced in the Travancore Cochin Union in 1948:  |             |
| Travancore  | 12,246 tons |
| Cochin  | 877 tons    |
| (d) Quantity of rubber that was imported into India from outside in the same year | 4,675 tons  |

## LEVY OF SALT CESS

**54. Shri Sidhva:** (a) Will the Minister of **Industry and Supply** be pleased to state whether salt cess is levied on all salt produced from Government and privately-owned factories?

(b) If so, is any exemption being made in the case of shipments of salt made to Calcutta?

(c) If the answer to part (b) above be in the affirmative, what are the reasons for this exemption?

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** (a) Yes.

(b) Yes.

(c) This exemption is not for a particular province only, as the salt shipped to Calcutta is distributed to West Bengal, Bihar, U.P. and Orissa. The exemption has been made to keep down the price, which is higher than that in the rest of India, on account of the heavy sea freight.

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Wednesday, 22nd February, 1950



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

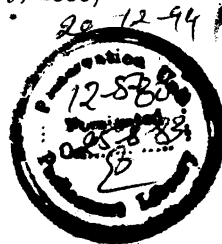
VOLUME I, 1950

(28th January, 1950 to 23rd February, 1950)

First Session  
of the

PARLIAMENT OF INDIA

1950



## CORRIGENDA

to

the Parliamentary Debates (Part II—Other than Questions and Answers), 1st Session, 1950;—

In Volume I,—

1. No. 1, dated the 28th January, 1950,—

(i) Page (i) Col. 1, after line 4 insert "Ahmedunni, Shri V.C. (Travancore-Cochin)".

(ii) Page (ii), Col. 2, line 27 for "Rafi Ahmed, Shri" read "Shri Rafi Ahmed".

(iii) Page (iv), Col. 2, delete line 20.

2. No. 2, dated the 31st January, 1950,—

पृष्ठ १८, आठवीं पंक्ति के आदि में "न्त" के स्थान पर "अन्त" पढ़ें।

3. No. 3, dated the 1st February, 1950,—

(i) Page 32, line 13 for "ule" read "rule".

(ii) पृष्ठ ७६, पंक्ति १८ में "पच्चास" के स्थान पर "पच्चीस" पढ़ें।

4. No. 4, dated the 2nd February, 1950,—

(i) Page 103, line 3 add "it" before "is".

(ii) पृष्ठ १०३, नीचे से दूसरी पंक्ति के अन्त में "जी" के स्थान पर "जीता" पढ़ें।

(iii) पृष्ठ १०६, के अन्त में "आज हमको" के आगे "यह देखना होगा कि जो चीजें हमने अपने विधान में रखी हैं उनको मूलक के काम में लाया जाय। मैं अर्थ करना चाहता हूँ कि अब जमाना बदल गया है" जोड़े।

(iv) Page 110, line 5 from bottom for "humiled" read "bundled".

5. No. 5, dated the 3rd February, 1950,—

(i) पृष्ठ १८२, दूसरी पंक्ति में "दालको" के स्थान पर "दलाको" पढ़ें।

(ii) Page 186, line 17 from bottom for "debator" read "debtor".

(iii) Page 188, line 18 for "unformity" read "uniformity".

6. No. 6 dated the 6th February, 1950,—

(i) Page 204, line 20 from bottom for "were" read "are".

(ii) Page 212, line 12 from bottom for "of" read "the".

(iii) Page 224, line 13 for "from" read "form". ●

(iv) Page 232, line 20 from bottom for "happens to be the Chairman and whether he could be expected" read "will act as its President; he is an I. C. S. man and is, admittedly,".

7. No. 8, dated the 8th February, 1950,—

Page 315, line 19 for "refugee" read "refuge".

8. No. 9, dated the 9th February, 1950,—

(i) Page 369, line 24 for "are" read "am".

(ii) Page 371, for line 18 read "giving me credit for having done something which should really go to the".

(iii) Page 389, line 2 from bottom for "khakad" read "khahad".

9. No. 10, dated the 10th February, 1950,—

(i) Page 415, line 2 from bottom for "detrimetral" read "detrimental".

(ii) Page 420, line 10 from bottom for "is" read "in".

(iii) Page 431, line 3 from bottom for "L" read "5".

(iv) Page 433, line 16 for "Trat" read "that".

10. No. 11, dated the 13th February, 1950,—

(i) Page 454, line 25 from bottom after "was" insert "as".

(ii) Page 463, line 21 from bottom for "re-aseembled" read "then adjourned for".

(ii)

11. No. 12, dated the 14th February, 1950,—  
Page 498, line 8 from bottom for "strach" read "starch".
12. No. 14, dated the 17th February, 1950,—  
(i) Page 591, line 6 for "atmosphede" read "atmosphere".  
(ii) Page 604, line 4 for "inperils" read "imperils" and in line 6 for "calus" read "Salus".
- (iii) पृष्ठ ६०८, पंक्ति ५ में "अम्मा" के स्थान पर "आमा" पढ़ें।  
(iv) पृष्ठ ६०८, पंक्ति १२ में "तकरीर" के स्थान पर "जो तकरीर" पढ़ें।  
(v) पृष्ठ ६१०, नीचे से पंक्ति ५ में "दस" के पश्चात् "दस" समाविष्ट करें।  
(vi) पृष्ठ ६१४, नीचे से दूसरी पंक्ति में "तरह" के पश्चात् "से" समाविष्ट करें और 'बंगाल' के पश्चात् "से" हटा दें।  
(vii) Page 616, line 12 from bottom for "then" read "their".
- (viii) पृष्ठ ६२५, पंक्ति १५ के अन्त में 'यह' को हटा दें और १६ के आदि में "काम" के स्थान पर "महकमा" पढ़ें।  
(ix) Page 637, omit "last line".
13. No. 15, dated the 20th February, 1950,—  
(i) Page 659, line 12 for "acpital" read "Capital".  
(ii) Page 662, line 21 from bottom for "of the" read "in the".
14. No. 17, dated the 22nd February, 1950,—  
(i) Page 708, line 15 from bottom for "States" read "State".  
(ii) Page 723, line 21 omit "It is" before "Jowan".
15. No. 18, dated the 23rd February, 1950,—  
(i) Page 751, line 13 from bottom for "Begal" read "Bengal".  
(ii) Page 758, line 24 from bottom for "turbulation on accuont" read "tribulation on account".
- (iii) पृष्ठ ७६०, नीचे से पंक्ति १८ के अन्त में "तो है मैं" के स्थान पर "हैं मैं तो" पढ़ें।  
(iv) पृष्ठ ७७६, नीचे से पंक्ति ७ में "हा" को "कहा" पढ़ें।  
(v) Page 783, line 2 for "a" read "as".  
(vi) Page 798, line 2 for "coutry" read "country".  
(vii) Page 800, line 9 from bottom for "33 percent" read "33 1/2 percent".  
(viii) Page 801, line 6 for "ward" read "award".

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## PARLIAMENTARY DEBATES

### (PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Wednesday, 22nd February, 1950

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

[MR. SPEAKER in the Chair.]

#### QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

#### GOVERNMENT PREMISES (EVICTION) BILL.

**The Minister of Defence (Sardar Baldev Singh):** I beg to move for leave to introduce a Bill to provide for the eviction of certain persons from Government premises and for certain matters connected therewith.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill to provide for the eviction of certain persons from Government premises and for certain matters connected therewith.”

*The motion was adopted.*

**Sardar Baldev Singh:** I introduce the Bill.

#### HIGH COURTS (SEALS) BILL

**The Minister of Home Affairs and the States (Sardar Patel):** I beg to move:

“That the Bill to provide for the use of seals of common form and design by the High Courts in the States, be taken into consideration.”

This is a small non-controversial piece of legislation. You all know that prior to 26th January 1950, the seals of High Courts in India were provided for either by Letters Patent or by the various orders constituting the High Courts. According to the Letters Patent, the High Court seal bore a device and impression of the Royal Arms. This was obviously inappropriate after the proclamation of the Republic. We, therefore, replaced the High Court Seals by a new design consisting of the Ashoka Capital Motif and bearing the motto “Satyameva Jayate” in Devanagari script. This was done by means of an Ordinance. I am now moving this Bill to replace the Ordinance by an Act.

**Mr. Speaker:** The question is:

“That the Bill to provide for the use of seals of common form and design by the High Courts in the States, be taken into consideration.”

*The motion was adopted.*

**Pandit Thakur Das Bhargava** (Punjab): In clause 2 whereas in the case of High Courts in Part A or B the seal will have the words 'Satyameva Jayate', we do not find these corresponding words in the proposed seal of the Judicial Commissioner's Court and the Chief Commissioner's Court. I would beg of the hon. Minister in charge to kindly see that these words are made applicable to those seals also.

**The Minister of State for Railways and Transport (Shri Santhanam):** The point is already covered. The word similar is included and so I do not think that point is relevant.

**Mr. Speaker:** The point seems to be covered as Mr. Santhanam says. The point raised was that just as you have, at the end of the seal of the High Courts the words 'Satyameva Jayate', similarly there should be a clear provision that the same words should be added at the end of the seal of the Chief Commissioners and Judicial Commissioners.

**Sardar Patel:** This is only a change of words.

**Shrimati Durgabai** (Madras): May I enquire whether the seal is uniformly applicable to all the States High Courts both in Parts A and B or the States Courts will have a different seal along with this?

**Mr. Speaker:** The provinces are now named States.

The question is:

"That clauses 1, 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 1, 2 and 3 were added to the Bill.*

*Title and the Enacting Formula were added to the Bill.*

**Sardar Patel:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### INDIAN RAILWAYS (AMENDMENT) BILL

**The Minister of States for Transport and Railways (Shri Santhanam):** I beg to move:

"That the Bill further to amend the Indian Railways Act, 1880, be taken into consideration."

Mine also is a small Bill and a non-controversial Bill. As many hon. Members are new probably they would like to know the background of this Bill. According to Section 28 of the Railway Act, a railway administration is prevented from giving any undue or unreasonable preference or advantage in favour of any particular person or of any particular description or traffic in any respect whatsoever. Therefore ordinarily the railway administration is bound to provide wagons in the order of request irrespective of the commodity or persons asking for it. During the war it was found not possible to move goods in the order prescribed and so the priority organization was instituted. This was instituted under Rule 85-A of the Defence of India Act, which expired on 26th September 1946. Then this regulation of rail transport was found still

necessary and it was extended by six months by the Emergency Provisions Ordinance Act of 1946. In 1947 this was replaced by an Act known as Railway Transport of Goods Act which was extended for 1948 and 1949. Under the Defence of India Rules and the Transport of Goods Act, an elaborate Priority Organization was set up consisting of a Central Controller of Railway Priorities at Headquarters and Regional Controllers of rail priorities at Delhi, Bombay, Madras, Calcutta and Gorakhpur. The cost of this organisation was about Rs. 5,66,000. I need not tell the House that this organization was unpopular. In fact the Railway Administrations were faced with a vicious circle. Because they were not able to move all things, they had to resort to preference and priorities. But the institution of this organization led to delays which caused more trouble. Last year when I moved for extension of the Transport of Goods Act I agreed that it was necessary to scrap that organization as early as possible and I gave the undertaking that we shall try to do so as early as possible. No sooner than the Budget Session was over, we examined this question and the Priority Organization was abolished in Madras Region on the 1st April, in Delhi Region on 1st July, in Gorakhpur Region on 1st September, in Bombay Region on 1st October and in Calcutta Region on the 1st November. Now we are left only with a nucleus of central establishment which also will be abolished on the 31st March.

I should like that circumstances were such that we could scrap the entire Priority Organization without taking the power embodied in the Bill but unfortunately though the conditions have improved greatly in the matter of rail transport, we require still some powers to meet emergencies. Last year, for instance, there was in Gujerat a famine which required us to concentrate all transport on the movement of grain and fodder. Similarly, this year there are famine areas in Madras for which also we may have to do the same thing.

There is again the Assam rail link which cannot carry all the traffic and in which we have to regulate traffic according to necessity. There are again food controls and other controls which cannot be properly worked unless there is the power, when there is congestion, to move controlled commodities in preference to other commodities.

For all these purposes which I have mentioned, we want reserve power. Unless we take this reserve power, section 28 will prevent railways from giving any preference. Before the war, even when the railways were prevented from giving preference, by section 28, there was no authority to whom the complainants could approach. The Central Government was the final authority to decide whether the preference was given or not. But we have recently set up the Railway Rates Tribunal before which merchants and others can complain in connection with the grant of any preference. Therefore the railway administrations will have to act strictly in accordance with the letter of section 28. We have, therefore, taken power in this Bill to order preferential movements whenever there is absolute necessity for doing so.

The House will see that in clause 2, there is provision to see that no order shall be made for more than six months at a time. The Central Government will enquire every six months whether each of these orders is absolutely necessary. And I wish to assure the House that we shall try to treat this Bill as a dead letter as far as we can do so; and we shall allow the administrations to resort to it only when there is an absolute national emergency.

With this explanation I hope this Bill will be passed without much controversy.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

**Shri Sidhva (Madhya Pradesh):** As the hon. Minister has rightly stated, these priority organisations not only brought difficulties and hardship to the consignors and consignees and to the trading community, but they were a scandal and brought the railway administrations into disrepute. I therefore congratulate the hon. Minister for having taken prompt steps to close down all these institutions which brought a bad name to the Government and to the railways.

Sir, the hon. Minister has also explained that he desires this Bill in view of the existing section 28. Section 27 also states that all facilities should be given for the purpose of booking and delivery on railways, to consignors and consignees, and no preferential treatment should be shown by the railway to anybody. That is the section that at present exists. But my friend quoted the instance of the famine that took place last year, and he showed how Government felt the necessity to take measures to commandeered almost all the wagons so that the situation which was really a very precarious one in that part of Gujerat, could be dealt with. In my opinion, however, Government have this reserve power all the time, and I am rather anxious that while abolishing these priority institutions, no preference should be given in an indirect way. The abolition of these institutions is a good thing that the Government have done, and I do not want that by any rule-making powers, and in the name of special circumstances, this good should be undone, by the issue of any order. The wagon position has considerably improved as has been admitted by the hon. Minister himself from time to time.

**Shri Santhanam:** May I point out to my hon. friend that we are not having any kind of rule-making powers under this Bill?

**Shri Sidhva:** But the hon. Minister has said that certain powers are to be vested in the Central Government in the case of an emergency; and surely from that point of view, when an emergency arises, he will have to make some rules. Otherwise I do not know, seeing that section 27 says that no preference should be given to anybody, how he would be able to give any special concessions. But whether rules are to be made or not, I am not very much concerned with that. My point is that the giving of special preference should not undo the good which has been very wisely done by the scrapping up of these institutions. That is my only anxiety to which I wish to draw the attention of the hon. Minister. As I said, I welcome this measure. I know some event may happen, some emergency may arise just as the one pointed out by my friend. But I have a sad experience of the working of the Defence of India Act and the rules made under it, and I therefore desire that while welcoming this measure which is really one that will be beneficial to the trading classes, all possible misuses should be guarded against. Ten months ago we had to bring to the notice of the hon. Minister on the floor of the House and also by correspondence, that this priority business was causing immense hardship. Therefore I again repeat that this is a welcome measure, but he must see that it is properly used. After all, I do not see any necessity for a special measure. The Government can, by executive order do the thing. He could have done it. Nobody would have come in the way of Government taking such action when an emergency arises, of commandeering wagons. After all, the wagons and the railways are ours, and we can direct them to any place. After all such things did happen during the war also. There were emergency situations then also. But if there is necessity for such a measure, according to the Minister, I have no objection to it being passed. I only want to draw the attention of the hon. Minister to the fact that it should not be misused.

**Prof. Banga (Madras):** That this measure is not likely to be misused becomes quite clear from the fact that the hon. Minister concerned has himself taken steps to save the public from most of the inconveniences associated with

the priority system. I think he was responsible very largely for abandoning that system. Secondly, this legislation comes here none too soon. We are not quite sure what is likely to happen in various parts of the country, not only because of floods, famine and cyclone, but also because of various other factors. A few weeks ago, a new railway has come into existence and we do not know how much traffic it can carry, and to what extent these wagons have to be worked in order to regulate the traffic thereof. And we have a huge border line on two sides, and things are happening about which we cannot forecast to-day, and it may be necessary to regulate goods traffic in ways which cannot be envisaged just now. Therefore I am glad this Bill has been brought before the House.

Thirdly, as the Minister himself has stated, care has been taken to see that all orders are issued only for six months duration, and whenever any order is to be extended, the Central Government will again be able to study the working of that order during the previous six months and then alone agree to extend it. Therefore I think my hon. friend Mr. Sidhva need not have any fears or qualms of conscience in agreeing to the passage of this Bill.

**Shri Himatsingka (West Bengal):** I want one or two small points to be cleared up. The present Bill seeks to have this clause inserted as a permanent clause, and if I understood the hon. Minister moving this Bill aright, any order that will be passed will be effective, will remain in force for six months, and if fresh orders have to be passed then they will be renewed.

Do I understand that this power will be a permanent power in the Act, but whenever any order is passed under this section, it will have effect for only 6 months and then if it is to be enforced again, a fresh order will be passed subsequently but this power will remain in the Act?

Secondly, Sir, so far as the transport of goods to the Central Government or to the Government of any State is concerned, the first sub-clause states: "Of such other goods or class of goods as may be specified in the order". Should I understand that this clause may be made applicable in reference to goods of other parties other than the Central Government and the State Governments? If that is so, then of course, the order is complete. I mean the provision will cover all cases. Otherwise, if the second clause also is in respect of goods to be confined to the Government or others, then there will be a lacuna. I take it that it covers all parties in cases where the Government is of the opinion that it is necessary.

**An Hon. Member:** Any consignee?

**Shri Himatsingka:** Yes.

**Pandit Thakur Das Bhargava (Punjab):** I welcome this Bill because it certainly makes up a lacuna which existed in the Railway Act. All the same, I understand that the provisions of section 28 were very salutary and no unreasonable or undue preference could be shown to any person by the Railway Department. Now as pointed out by Prof. Ranga and the hon. Mover of the Bill occasions may arise when it will be absolutely necessary for the Central Government to be armed with these powers. I do not want to expatiate on the occasions that may arise, but I do visualize that there may be many occasions of this nature when this power will be required by the Central Government for use in the interests of the public. I want to suggest two things: This power should not be exercised ordinarily. As the hon. Mover in charge of the Bill has himself stated, this will be a dead letter, and I welcome that statement. I would have been happy if instead of the words "if in its opinion" the words could have been "if the Central Government certifies that it is necessary in the public interest". If these words are put in, then attention will always be

[Pandit Thakur Das Bhargava]

brought to bear that in normal circumstances the Government should never exercise his power. Similarly you will be pleased to see the following words occur soon after: "if in its opinion it is necessary in the public interest so to do, by general or special order." Now the 'special order' may refer either to any goods or any class of goods. Therefore, I do not see the necessity for the use of the words 'general or special order'. If the special order alone were there, it would equally serve the purpose. At the same time if the words "special order" were there and the word "general" is not there, then also it will be a sort of check on the powers of the Government that they will not be able to abuse orders, in such a way that they apply ordinarily and in general to certain classes of goods.

I beg only to submit these two points and if the hon. Mover of the Bill is agreeable, he may even now substitute for the words 'if in its opinion' the word "certifies" and also do away with the word "general". I otherwise support the Bill.

**Shri Barman** (West Bengal): This Bill, after all, is in the nature of an emergency measure and we all understand how the Government may be confronted from time to time in enforcing this measure, in order to look after the interests of the public as a whole. In that connection I very much appreciate the confession of the hon. Minister that this emergency measure is also necessary in order to facilitate the transit of goods in the Assam Rail Link and I wish to add only a few words in that connection. It is now a sort of a permanent measure in the case of the Assam Rail Link unless the capacity of that link is improved very soon.

One of the evil effects of emergency measures is that sometimes the powers that are taken are abused by the permanent executives or officials and I hope that the hon. Minister will see that in the case of Assam Rail Link this measure is utilised beneficially, not only to see that essential things are transported by that Link to the Provincial Governments as may be necessary, but at the same time to see that private traders are given reasonable facilities for transportation of goods which are generally consumed by the public there. I would simply add that the hon. Minister will see that this emergency measure which is going to be a sort of necessity in the Assam Rail Link for the transit of goods may end soon and the capacity of that Link be increased, as early as possible by the Government. With these words, I support this measure.

**Shri Sonavane** (Bombay): I should like to support this measure and I congratulate the hon. Minister even though he was late in bringing this Bill before this House. The Railways (Transport of Goods) Act of 1947, under which the system of priorities of goods was introduced, caused a great deal of hardship to small traders and particularly to cottage industries in the villages and the class dealing with tanning and on account of this priority system the carriage of leather, such as raw hides and tanned hides, stood at the lowest. They, therefore, could not avail themselves of the booking facilities offered by the Railways for tanned products and for bringing raw materials to their places. They were actually compelled to pay three or four times higher transport costs for their raw materials as well as for finished leather goods by means of private bus transport.

Now that this Act will end by March, I hope the Railway authorities or rather the persons entrusted with the booking of goods will not take advantage of illiterate and ignorant people engaged in the cottage industries and thus perpetuate this priority system and that the hon. Minister will please issue strict orders to the effect that in no shape this priority or preference system will be given effect to. The small traders, particularly those persons who are engaged

## INDIAN RAILWAYS (AMENDMENT) BILL

in the cottage industries will be very happy and they will bless the hon. Minister. I am glad that this Bill which has been brought here will be a shortlived Bill. With these words, I support the Bill.

**Shri Santhanam:** Sir, I only wish to say a few words. I do not think Mr. Sidhva is correct in saying that without this Bill, we have already powers. If we acted as he suggests, it will be illegal and I do not think he wants the Government of India to act illegally in any matter. My hon. friend, Mr. Himatsingka asked two questions. It is true that this will be an addition to the Railway Act and in that sense, it will be permanent. Its operation will not be permanent. They can only issue orders for six months at a time. We do not know how long these emergency powers may have to be used and so there is no purpose in putting a time limit to this provision.

As regards his other point, we have deliberately put the words "such goods or class of goods" so as to meet situations like the jute scarcity or cotton scarcity for the mills or in case we have to move iron or cement to particular places. For all such emergencies, which I hope will be very few, we have also provided.

My hon. friend Pandit Bhargava objected to the words "general or special order" and he wanted that some certificate of the Central Government should be given. The whole purpose of the Bill is that the Central Government should first think it necessary and itself act. It is not going to generally authorise the administrations to act. By general order they will say that certain consignments for provincial governments may be moved in preference to other articles. That is one kind of general order. But in the case of special consignments, say for a period of two months, the movement of sugar or sugarcane may be given preference within a certain area. That will be a kind of special order. It is such orders that are contemplated under this and therefore I do not think there is any point in demanding that we should certify, because we have to issue the orders and we can issue the orders only on the basis of this clause. It is only when an order will say "Whereas the Government of India are of opinion that it is necessary in the public interest" that these movements will be given preference. So I do not think there is any special point in his remarks.

As regards the suggestion of Mr. Barman I am as anxious as Mr. Barman that the Assam rail link should be strengthened. In fact in his yesterday's speech the hon. Minister of Railways has specially mentioned that a large provision has been made in the coming Budget to strengthen the Assam rail link and we shall go on strengthening it as far as physical limitations do not hamper us. We hope that our dispute with Pakistan is not going to be permanent. So long as we depend upon the rail link alone the position will be difficult, because the link has to go through very difficult region and it may not be possible for us to have either double lines or broad gauge lines. But to the extent that a meter gauge line can carry the goods we want to increase the capacity to the fullest possible extent.

The last speaker who participated in the debate wanted the abolition of the priority list. It will automatically be abolished on the 31st March, because that was issued according to the schedule in the Transport of Goods Act. That Act is not going to be renewed: it expires on the 31st March and there will be no priority list whatsoever. It is only where there is an emergency and a particular class of goods requires preferential movement that we will authorise preferential movement for that class of goods. All the rest of the goods will take their chances in the order in which consignors apply. Therefore, I would only request your permission to quote the following words in which I moved for the extension of the Bill last year:

"This is an unfortunate necessity. I am one of those who think that free movement of goods is absolutely essential for healthy economy."

[Shri Santhanam]

I hold fast to the same opinion and so far as I am responsible for the operation of this legislation I shall see that it is not used at all or used only when there is no other way out.

**Mr. Speaker:** The question is:

"That the Bill further to amend the Indian Railways Act, 1890, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clauses 1 and 2 stand part of the Bill."

*The motion was adopted.*

*Clauses 1 and 2 were added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Shri Santhanam:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL

**The Minister of Commerce (Shri Neogy):** I beg to move:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

Control in the matter of imports and exports, as in so many other matters, is largely a legacy of the war. In the initial stages during the pendency of the war these controls were exercised through the various war time regulations, the Defence of India Act and so on. Later in connection with the import and export control measures an Ordinance was passed to cover a particular period soon after the cessation of hostilities. That Ordinance was replaced by an Act of the Legislature in 1947 and in this particular Bill I seek to extend the life of that Act by five years.

The Government of the day in 1947 were rather far too optimistic as regards the situation that might arise after the termination of the period which they had fixed as the life of that Bill, although, while going through the debates I got the impression that several Members of the legislature were rather uncertain about the necessity of keeping a measure of this kind for a longer period than was contemplated then. The original justification for the imposition of control over imports and exports during the war period was mainly the necessity for economising shipping space which was very limited in quantity at that time. The primary object was the best use of the shipping space then available. The other objects, for instance in the case of import control, were that foreign exchange had to be conserved and used to the best possible advantage of the war. On the export side it was necessary to ensure the availability of supplies inside the country and moreover, it was also necessary to see that no vital supplies reach the enemy countries.

During the years that followed the end of the war the justification has undoubtedly changed. Although exigencies, directly related to a state of war, ceased to exist soon after the middle of 1945, the economic conditions brought



about by the war, both in the Allied countries that won the war and the enemy countries that lost it, were such that it became necessary for practically every country in the world to continue some measure of control and regulation of both imports and exports. The primary consideration after the termination of the war is of course the need for conserving foreign exchange, so far as import is concerned. With the exception of the U.S.A. and one or two other fortunate countries it is perhaps correct to say that every other country found itself in a position where it could not really export enough to pay for its necessary imports.

[MR. DEPUTY SPEAKER *in the Chair*]

In the case of India, both in the period before the partition of the country as also after partition, and particularly so after partition, the necessity for importing a considerable quantity of foodgrains has been a specially accentuating factor since it severely limits the amount of foreign exchange available for imports of other essential commodities. It is also relevant to mention that the policy adopted during the War years, strictly limiting the imports to the most essential goods resulted, when the War ended, in the accumulation of a large pent up demand for various classes of goods which though classifiable as consumer goods are not necessarily superfluous to modern requirements. Again, it was a commonly accepted policy of Government, and one in which the country did and would whole heartedly acquiesce; that all efforts should be made to industrialise the country as rapidly as possible. This involved not only the setting up of new industries, requiring capital equipment, but also what I might call the rehabilitation of existing industries which had been starved of their normal replacement requirements during the years of War. The implementation of such a policy would necessitate priority or preference being given for imports of what are popularly described as capital goods. On the exports side this same policy of industrialisation made it incumbent on Government to secure that the domestic industries were assured of their raw material supplies, and that there were no wasteful exports, particularly of wasting assets. There was also the need arising out of our balance of payment position with various countries belonging to different currency groups, and it was also necessary to canalise our exports and imports according to the countries of origin or destination. These reasons which I have indicated in broad outline justify, indeed necessitate the continuance of imports and exports control.

It is hardly necessary for me to labour the point that these considerations still continue to have force. The House is aware that in a sense we are not really paying for an appreciable proportion of our imports out of the earnings arising out of our exports. The releases which we obtain periodically from our accumulated sterling balances in the U.K. have to be taken recourse to in order to meet our import requirements.

**Shri Tyagi (Uttar Pradesh):** To what extent?

**Shri Neogy:** The extent varies, but the limits are set by the agreement as regards the annual releases.

It may be asked if, in spite of attempts to control imports and exports, this is the position, what particular advantage will it be to continue these controls further. Would it not be better to allow the natural forces of trade and commerce to come into play and secure in as short a time as may be practicable a natural balance? I may assure the House that Government are not anxious to have any controls solely for the sake of having some control. I may frankly say for myself that the sooner we could, consistently with national interest, do away with controls, the better for us; but in a world in which practically every other country is developing on the lines of a planned or controlled economy, I feel it would be an extremely dangerous step to take to allow the existing powers under the Imports and Exports Control Act to lapse some time in the course of next month.

[Shri Neogy]

The House is aware that we are now full members of the Sterling Bloc. The decision to continue such membership was taken after the most mature consideration. In thinking of any imbalance that may exist in the balance of payments position, we cannot therefore entirely ignore the repercussions of anything that we may do on the other members of the Sterling Bloc. Membership of the Sterling Bloc certainly carries with it both rights and obligations. While on the one hand we are obliged to confine our imports from dollar and hard currency areas to the minimum levels consistent with national requirements; on the other we certainly secure the advantage that if even these levels are in excess of our own capacity to finance the imports, we can draw upon the central reserves of the Sterling Bloc to finance our dollar and hard currency imports. Indeed, I have a feeling that next possibly to the U.K., India is about the largest beneficiary in this matter.

As a result of partition, our exportable surplus in respect of a number of commodities has been greatly reduced. Although we are doing everything possible to step up our exports, and have succeeded in increasing them substantially in respect of some important manufactured goods like cotton textiles, specially after devaluation, over a large sector of our export trade there is at present a physical limit to expansion. In other words, the supply position in respect of a large number of exports commodities is inelastic. In 1948, while our exports fell to 61.4 per cent of the volume of our exports in 1938, the imports stood at 86.6 per cent of the 1938 level. In comparison with 1938, therefore our exports have gone down more than in proportion to our imports. Further, for a country of our size and importance we cannot always live on the margin of a balanced trade, and should aim at having a comfortable floating surplus in our favour to secure for us a reasonably strong exchange position in currency matters. From this point of view, therefore, we cannot afford to sit back relying on our sterling balances to come to our help whenever situations may develop requiring such a step. For some years to come I am afraid this country cannot avoid controlling and restricting its imports.

While on the import side we can talk of restrictions, it is obvious that on the export side what we wish to secure by controls is not restriction of exports, but really planning of exports. The House is familiar with that valuable report produced by the Export Promotion Committee and the Resolution which Government issued thereon. Government must have the powers which it seeks to continue under this Bill, if it is to succeed in implementing the various recommendations of that Committee which have been accepted by Government.

I have so far confined myself to drawing the attention of the House only to the larger policy aspects, on which I think the case for the continuance of the powers under the Imports and Exports Control Act should stand or fall. I have little doubt that having regard to all the prevailing circumstances in this country and outside, the House will have no hesitation in agreeing not only that the powers under the Act that is due to lapse should be continued, but that they could safely be continued for the period now proposed, namely, five years. No one can prophesy what the actual position will be next year, or the year after next, nor can anyone say that at the end of five years such powers would become completely superfluous. However, considering all trends, it would be unduly optimistic to suggest that imports and exports control could be dispensed with earlier than a period of five years. This is the reason why we have come up with the proposal that the duration of the Act should be extended up to the 31st day of March 1955. The House will appreciate that by empowering Government to continue to exercise imports and exports control by this legislation, it does not compel Government to exercise such control irrespective of the

circumstances that may prevail at any time. It does not mean that import and export control must necessarily be maintained by Government for the full period of five years. As and when improvements take place, we can, as we have done in the past, liberalise or make more stringent, whatever controls that may be in operation from time to time.

As I have stated earlier, I have confined my observations so far only to the larger policy aspects of this matter. This is not because I am not aware that the House is vitally interested in the practical or the procedural aspects of the subject. I know, and no one can be in a better position to know, the difficulties that daily arise in the administration of the exercise of the powers that this Act confers on the executive. These difficulties are not confined to and experienced by the officials in charge of the administration. I am aware that they extend far beyond that sphere and impinge on the life of the entire business and trading community, if not also on the average citizen. There has been a large volume of criticism about the delays that occur in the issue of licences, the discriminations that are sometimes alleged to be shown as between one applicant and another, the inappropriateness of the ceilings that may be fixed for various commodities and the bases on which the quantities to be imported of various commodities are determined. These complaints are naturally more on the import side than on the export side. I should not fail to mention that sometimes charges of favouritism or corruption are also made. I can assure the House that whenever specific allegations about improper practices are made, they are inquired into either by responsible officers of the Ministry, or by the Police even, according as the circumstances justify. If I have not dealt with any of these matters, it is mainly because I am aware that not many days hence there will be an opportunity for discussing all such matters, if the hon. Members so desire, when the demand for grants for the Commerce Ministry will come up for consideration. By excluding from my speech anything relating to these matters of procedure or administration, I am hoping that I shall derive the benefit of informed criticism from the House on the larger matters of policy to which I have referred, rather than on the shortcomings of administration of which no one can be better aware than myself.

There is, however, one matter relating to procedure which has a somewhat wide bearing, and which I should now like to touch upon. I refer to the present practice of determining our import policy once in every six months. At the last Import Advisory Council meeting, a suggestion was made that it might be possible to avoid these six-monthly reviews and enunciate a more stable policy, at any rate over an appreciable sector of imports, if we could plan for larger periods, after studying the commodities which in any circumstances would be deemed to be essential in the country's interests. The suggestion stated simply in this manner is very attractive, and I have been giving some thought to this matter; for I realise how very difficult it is for industry as well as trade to carry on their activities on a hand to mouth basis for short periods of six months at a time. The matter in actual practice, however, is not very easy. Till now we had to depend on the six-monthly settlement of the figure of our sterling releases before we could publish our own policy regarding imports. The current agreement regarding sterling balances which was concluded in August 1949, has however, fixed an annual rate of release for periods ending June 1950 and June 1951. I am therefore having a detailed examination made of the possibility of planning import policy on at least an annual basis. I must, however, caution the House here. In the Dollar sector, it is necessary for us to fall in line with other countries of the Sterling area, and in that case the varying exchange positions of the Sterling area as a whole, would necessarily limit the possibility of any long term commitments in respect of imports from the dollar area. In the non-dollar sector this necessity does not arise to the same extent;

[Shri Neogy]

and one idea which I am at present having examined is to formulate a programme, on the basis of a conservative estimate of our foreign exchange earnings, so that a minimum import programme, based on this conservative estimate, may remain as an unchanging basis import programme, supplementary imports being permitted periodically over and above this basic. I cannot say at this stage how practicable this will prove, but I am mentioning this only as an indication of Government's desire to explore any avenues that may be open for the purpose of mitigating the admitted hardship that a controlled economy is bound to inflict on certain sectors of the population.

I think I have surveyed certain broad relevant aspects of the policy of Imports and Exports Control which the House may be interested in, and I move that the Bill be taken into consideration.

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

**Shri T. T. Krishnamachari (Madras):** I rise to support the motion made by my hon. friend the Minister of Commerce though I am afraid his very well thought out, carefully written speech is a trifle beside the mark and is provocative of some criticism. I do not understand why my hon. friend should at all be apologetic, about the Bill or even try to visualise a condition coming into being between now and March 1955 when controls can be removed. It is perfectly obvious that in an economy like ours—an economy, the condition of which my hon. friend has known not merely since he assumed charge as Minister, but for decades before then—there is no possibility of our ever doing away with import and export controls. I think a person of his eminence—a person in that position—may just as well tell the country that that is going to be so for a very long time to come. I think the House and the country have to reconcile themselves to this condition becoming more or less permanent, and then seek ways and means by which hardships can be removed, injustice can be eliminated and heart-burnings can be obliterated. I do feel that, while I fully sympathise with the difficulties that my hon. friend is facing in the administration of this somewhat onerous Department, he and his predecessors have not been as careful as they ought to have been. I remember, during the fall of 1948, when I had the privilege of speaking on the settlement of the Sterling Balances then arrived at, I had indicated to the Government of India that, without a proper organisation for the purpose of controlling and regulating imports, all agreements—whatever may be their nature—in regard to Sterling Balances and similar matters would be well nigh fruitless. The policy that has been followed since then, or rather the lack of policy that has actuated our actions since then, has landed us in an awful mess. With the little knowledge that I possess of international trade, I find that it is rather difficult for me to restrain myself from delivering a catechism on the first principles of international trade, of which those who are in control of the import and export destinies of this country seem to be singularly unaware. It is all right for the Government to say that during the months of September, October, November, December, January etc. they have got a certain export surplus and take credit for it as well. I wish to congratulate them for whatever good they may have done. But to isolate statistical facts covering a period where the situation and circumstances are very peculiar does not help Government to generalise, or to feel that they are out of the woods, or even to introduce the psychological feeling in the country that things are all well.

I am rather pained to see the atmosphere of complacency that seems to have been generated during the somewhat, I shall say, fictitious stepping up in the figures of exports that has been revealed during the recent months. If by

reason of the fact that our trade with Pakistan is completely blocked—which was one of the main causes for our export deficit—we achieve an export surplus, there is nothing to congratulate ourselves about. If in the first half of 1948, by the mal-administration, or incorrect appreciation of the nuances of the administration of controls, we poured in more money into the Sterling Pool than we had bargained for, I do not think it is a matter to congratulate ourselves upon. The picture cannot be tested at six monthly intervals, though it would be good to be able to do so. What we want is a long-term programme, both for exports and imports, and I fail to understand how, with the type of machinery that the hon. Minister is able to command, he hopes to be able to achieve it even inadequately. Our chief difficulty is the lack of a statistical organisation, and a larger organisation to control exports and imports, the expenses for which I do not know if the House will be in a mood to grant. Lack of a programme is exactly the reason why, during the second half of the half-year ending July-December 1948, owing to complete indifference on the part of people who were in charge of the balance of payments position the flood gates of imports so far as sterling goods were concerned were opened up, to the detriment of the economy of this country and something in the tightening up of the money market. It does happen that, though my hon. friend is not responsible for this, one official in the Finance Ministry on that section which controls balance of payments is, either by reason of lethargy or by reason of over-confidence, able to determine the life and fortunes of 350 million people, with the result that nearly 150 to 200 millions of our Sterling Balances are depleted. This is due to complete lack of responsibility on the part of one single official. I do not care if it offends anybody,—I do not mind even if I trespass parliamentary propriety by mentioning official delinquencies, where the responsibilities have to be squarely and fairly put on the shoulders of hon. Ministers.

**Shri Tyagi:** Have you been shown the books?

**Shri T. T. Krishnamachari:** I do not know what happens in the Ministries of this Government, because—not being a Member of any of the Standing Committees, not being in close touch with Members of Government as my hon. friend Mr Tyagi is—I do not know how this Government works, excepting what I could see from the records that are furnished to us and from the figures that are published in Government publications and newspapers. But I do feel that there is no point in our merely making a survey of conditions, in our hoping for better times to come and paying lip homage to the sentiment that grips the intelligentsia of this country, who are against all kinds of controls and who want complete freedom for trade and commerce and to be able to do all they can to exploit the economic resources of the country to their own advantage. I do join issue with my hon. friend, on this question though I set a very high value for the opinion of my hon. friend who has been almost my mentor in this House in the early days of my adventure here.

**Shri Kamath (Madhya Pradesh):** Who is that?

**Shri T. T. Krishnamachari:** I have felt that, he of all people, could have said, "Well, these controls are there and as far as I visualise it, they have to be there. Please develop tolerance for these controls, and tell us how to administer them if we do not administer them properly." I do not want that we should cry over spilt milk. I do not want even to find fault with the 'procedural difficulties' as my hon. friend put it—though the difficulties are extra-procedural in many cases—, but what I do want to tell him is this. A corollary to asking this House to give its consent to a Bill of this nature is that Government should undertake to eliminate any delay in the creation of a machinery for the proper control of imports and exports.

Now, Sir, let me ask my hon. friend one question. Has he any statistics—he has very meagre material. I assure you—in regard to the type of import

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licences granted and in regard to the value of import licences granted as against which the relative goods have been actually imported. It may be that many people who are entitled to a licence are not granted a licence and many people who are not entitled to it are granted a licence with the result that those that are granted a licence are not able to obtain the goods covered by the licence. Even this is beside the point. But what happens is that there is no actual relationship between the granting of an import licence and the fact that that import licence is ultimately utilised for the import of the goods covered by that licence. There is no relationship. There is no check maintained. In fact, the other day I asked my hon. friend the Finance Minister—I am sorry he is not here now—a supplementary question in relation to a matter where another hon. Member had asked a question: “What happens when people import goods and under-value them, so that they might be able to have a sort of surplus left over in the country from which goods are imported and thereby a free market is created in certain cases in dollars?” I asked my hon. friend—I am very glad to see that he (the hon. Minister of Finance) has now come in, almost in response to my call, which could not have reached him—I wanted to ask him whether some check is maintained by the Customs Department. The Customs Department is in a very powerful position in that they need not assess the value of any goods on the basis of the invoice covering its import. They can assess the value of the goods on the basis of the market value, for which Section 30 of the Indian Sea Customs Act provides. What I really want to ask is that in cases where, assessment is made almost everyday under the above Section, there is any kind of information passed on either to the Finance Ministry or direct to the import control authorities in order to enable them to examine and see whether there has been a real variation between the invoice amount and the amount of licence granted. It will mean the maintenance of an enormous amount of staff, I agree,—that brings me to another point—but I do not think that without the staff, without a proper control, and without some kind of machinery which will tell the Import Department here whether the goods for which licences have been granted have actually been imported, the present import licence system will be any good. I have not been in business for nearly seven or eight years. I have had no occasion to look into an import licence but I do not think that the import licence contains any provision making it obligatory on the part of the person who obtains the licence to inform the authorities if he has imported the goods or if he has been able to arrange for the import of the goods. What happened in 1947-48 was that we gave import licences for goods to be imported from England and the soft currency areas, and those areas were concentrating at that time on exports to dollar areas, with the result that the importer in India got only a moiety of the quantity mentioned in the licence. It happened that in the latter half of 1948 when England was not able to send her goods to dollar areas, she was willing to export the entire quantity of the import licence that was granted by the Indian Government. So, unless there is some kind of correlation between what actually transpires and what the importer is originally prepared to import if possible there is no object in our having an import control scheme.

The second matter that I would like to mention is this: At present there is concentration in Delhi of the machinery relating to import and export question and the result of it is that the Air Companies benefit by it; hotels in Delhi benefit by it; and the railway administration can show increased revenue. But at the same time complaints are numerous. If it happens that the officer or officers in charge of import control are prepared to interview people that come from various parts of the country all the six days of the week I think their time will be fully occupied. Very often it is physically impossible to grant an interview to every person who comes here on business connected with import and a

lot of heart-burning is caused. Every such discontented person says: 'Somebody else got a licence in preference to me'. This then becomes the subject-matter of a question in Parliament and all consequential troubles ensue. It is possible that matters are a bit magnified from what they are in reality. But at any rate there are real cases of injustice and this can be remedied to some extent if there is some amount of decentralisation. I wonder if my hon. friend has thought about some kind of decentralisation of import control. It is quite possible if, on the basis of quotas allotted taking into consideration the figures of imports for previous years, the matter is left to local import controllers or deputy controllers or such officers in the various principal ports, there might not be so many people coming to Delhi for licences.

**Prof. Ranga (Madras):** What about the new people?

**Shri T. T. Krishnamachari:** The new people have to be the special monopoly and the privilege of the Headquarter's Government officers. You cannot leave all that sort of discretion to the local man. It may be that it was tried in the early years of the war. But what is necessary is that, in view of the fact that for the time being my hon. friend visualises the need for this type of control for the next five years, the first priority should be given to decentralisation of the administration of this control so that we may avoid causing heart-burning to people who have to come to Delhi for import licences and avoid also the incidental and consequential things that happen thereafter.

Sir, my time is nearly up. I do not want to carry this discussion beyond the Lunch Hours. But I do feel that the warning that has been administered in this House a year and a half back, that there is no use for having a sterling agreement or fixing it at a particular figure or just reconciling yourself to controlling imports and exports in a broad way for which you may not have the machinery at your disposal, still holds good. The vital thing necessary is that the balance of payment position must be safeguarded. There is no way out of it as it is a matter of Hobson's choice.

One word more in regard to sterling balances to which my hon. friend referred. I would offer him a piece of advice, impertinent as it may seem coming from a back-bencher,—as a result of my special study of the sterling balance question for a period of six to seven years. I would like to tell my hon. friend that there is not much use depending on the sterling balances as such for formulating your import programme. Whatever might be the future sterling releases I would suggest that he keeps them as a reserve for contingencies. Plan your import programme according to your exports and keep the sterling balances as a reserve. If on the other hand you depend on the sterling balances to offset your export deficit, what happened in 1949 will happen again. Thanks to the hon. the Finance Minister and his ability to get an extra 50-million pounds towards what are called O.G.L. concessions, we have been able to manage to some extent, and tide over the present contingency. It will not be possible to look to that type of aid in the future. Not that I say that the sterling balances need not be liquidated. But conditions are such that it is best for us to treat such balances as something in reserve for any unforeseen emergency and as a provision for easing the situation where a blanket ban on import has been imposed.

Sir, I trust that my hon. friend in his closing speech will tell the House that the country will have to tolerate import and export control for some time to come. I have no doubt in my mind about it that these controls cannot be removed so long as this country wants a lot of things done by way of internal development and that both for import and export programme the balance of payment position should be watched. Therefore this control has to remain for as long a time as we can now visualise. I support the motion.

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

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

[MR. SPEAKER in the Chair.]

Shri M. A. Ayyangar (Madras): I welcome this Bill but give it not a very whole-hearted support for this reason that I am not satisfied at all about the working of controls in practice though I find the necessity for this Bill. These controls have not worked properly at all and unless some guarantees are given and stricter steps are taken to make proper use of the power that is sought to be conferred upon the Government under this Bill, we will only be putting austerity standards upon poor sections of the community allowing the richer sections to have their own way. If to-day there is an adverse balance of trade it is more due to the high style that the richer sections live. It is no doubt true that during the past year or two we have had to import even cereals from foreign countries but that deficiency was there even before 1939. Before 1939 we were importing 1½ million tons of rice from Burma. The Southern part of India particularly Madras and other areas were living on imported rice from Burma, Siam and other countries. That was before Partition. After Partition this situation has become much more serious and critical so far as food is concerned. The wheat in Punjab and the rice in Sind have been cut off. Other raw materials like long-staple cotton produced in West Punjab have also been taken away. Very valuable commercial crops grown as a monopoly in Eastern Pakistan have also been taken away from us. Our position has become worse since Partition. So far at least as cereals are concerned unless they were imported, numbers of people would have died of starvation during these years. The Government has to be congratulated for the bold step it has taken even at an enormous cost of giving subsidy for cereals. About 130 crores worth of cereals have been imported yearly these years and 25 crores were granted by way of subsidies by reducing the cost to purchasers in this country of these imported cereals. The hon. the Prime Minister has said that after March 1951 he would not allow any rice to be imported into this country. We will assume he sticks to that. It will mean that even though rice may not be sufficiently produced in this country he wants that the people should restrict their consumption. The poorer sections eat more rice or cereals whereas the richer sections live on other articles more delicate and so the poor sections alone will suffer. What have the richer sections done in return for this sacrifice by the poor. Is it necessary that we should import those articles for the benefit of the rich which are apparently necessary articles but must also, for some time, to come, be put as luxury articles until we are able to balance our payments. In 1948-49 our imports were 518 crores, exports were 422·82 crores and the balance was adversely against us to the tune of 95,17,00,000. Under food we owed 4·43 crores, raw material 28·29 crores, manufactured articles 59·73 crores. On all these items we owe to foreign countries more than what we were able to export. Taking the countries individually our sea-borne trade in 1948/49 with U.K. was from April/September 152·13 crores imports and 90·26 crores exports and we owe a balance of 53·87 crores. We imported from the Commonwealth as a whole during the same period 245·78 crores as against our exports to Sterling and soft currency areas of 218·35 crores and even there there is an adverse balance of 27·43 crores.

Let us take all foreign countries together. Even there we have an adverse balance of 95·18 crores in 1948/49, from April to October 1949. I got these figures from the bulletin published by the Reserve Bank. They bring these



figures only to the end of October 1949. I searched in vain for the chart showing monthly figures which used to be hung in the Library containing statistics prepared by the Economic Adviser to the Government of India working evidently under the Department of Commerce. That is not available now.

Overseas figures are for April to October 1949, exports 212 crores and imports 370 crores and so the adverse balance is 157.25 crores. In 1948 itself trade with Pakistan ended in an adverse balance of 41 crores against us. I have already referred to figures from April to October 1949 which was exclusive of Pakistan. From Pakistan in 1948 we had a favourable balance of 20.43 crores in overseas trade. In April to October 1949 it had reduced to 2.23 crores. Today we have practically no balance with them. We will assume that food is not imported. Even then unless we put ourselves to austerity standards, unless we consume less and export more, unless this is written largely from head to foot as in the Railway Department from Station-Master down to Porter, it is not possible. I wish every member of this Assembly, the Commerce Minister and all his subordinates should go about with placards saying consume less, produce more and export more. I ask you, 'Do you know the position in the country? I went to Muzaffarnagar, Muradabad and other places recently. I found that in the morning the children are given *chapatis*, in the mid-day also *chapatis*, evening *chapatis*, and night also *chapatis*. And *chapatis* made of what? Made of *Jawar*.

**An Hon. Member:** It is *Jowar* and not *Jawahar*.

**Shri M. A. Ayyangar:** I am sorry. It is *jowar*, but my leader's name is constantly in my mind!

What is it that they get in addition to these *chapatis*? Do they get anything like vegetable or *dal*? I don't know. That is what exists in these parts. In our parts, in the South, we take cold rice, cooked rice put in cold water, and nothing else but a pinch of salt. Children sit round their mother and show their outstretched hands with palms formed like cups. They have no cups; in the north, you may have some. And so this is all that the children have, cold rice with a pinch of salt. That is the delicacy of the poor man in our areas. The mid-day meal consists of some cooked rice, and the same thing in a cold condition is given once again in the evening. That is the standard they have. And now we are asking these poor people to put themselves on austerity standards! How can that be done? Inside the jails we get 16 oz. to eat, but outside we get only 8 oz. Still, in spite of this, the ordinary man in the village keeps himself alive; he works hard and manages to keep body and soul together without dying of starvation. I know of many poor families, and even many middle-class families where the father and mother have to go without meals so that their children may have food. The parents deny themselves this luxury of having a meal! If they eat, then the children would have to starve. Children are no longer the wealth of the nation in our country though they are the pride and an asset in various other countries. I do agree that so long as we are not able to produce sufficient quantities of food, we have to consume less and less. But what attempts are being made to improve the position? You come before this House and ask us to put ourselves on austerity standards. I ask you, cannot we do away with so many motor cars? Take the number of motor cars we have. Recently when some Americans came here to see things for themselves, see us and our conditions, and see conditions about the import of any new foreign capital into this country, it is reported they said, "There is visual or visible opulence in this country. There are riches everywhere." We are more dandy-like. A rich man has got four motor cars and lives in a palace. But in other countries even the rich men are putting themselves to austerity standards. Whereas here a rich man has four servants, in other countries, for

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instance, an erstwhile viceroy of this country, lives in a cabin in England and has no servant. He serves himself and asks his guest to serve himself too at the dinner table. That is the position in the West. Cannot the richer sections of our community also do away with some of their servants, with some of their motor cars? Should we have so many motor cars? In spite of the adverse balance of trade, I find that the figure for motor cars is very high. For instance, for cycles, we have the figure of four crores.

**Shri Syamnandan Sahaya** (Bihar): No, the figure for cycles is eight crores.

**Shri M. A. Ayyangar**: I am sorry, I was giving the figures from 1st April to 31st October, 1949. Cycles we have imported cost four crores.

**Shri Sidhva** (Madhya Pradesh): But cycles are a necessity.

**Mr. Speaker**: Order, order. Let him proceed.

**Shri M. A. Ayyangar**: Yes they are a necessity as much as his long-coat is a necessity.

For motor cars the figure is 2.14 crores lubricating oils and other oils, 90 lakhs, fuel oils 806 lakhs, other lubricating oils 465 lakhs and in all 13 crores. Paper comes to 6 crores 31 lakhs of rupees and books—all and sundry books, even trash produced in any part of the country come to us. And it seems we cannot dispense with these things for some time. Can we not really do without them? True the bloody war was over, but a different and a very real war is now raging. Hunger and famine are stalking this country everywhere. All know it, except probably the rich man. And the poor man has no voice. The rich man is living in complete comfort and seems to have his own way. What do we find? The open general license is a sort of invitation for foreign countries to export to this country. For generations you have heard that the United Kingdom never had a favourable balance of trade in commodities. That is a well-known fact. England has been exporting less and importing more by way of food and commodities, but they have been maintaining themselves. They have been making up the deficit by investments in foreign countries, by different services, as banking, insurance, shipping and other things. These are invisible exports. That is how they have been able to make both ends meet. During the war she had to give up one possession after another and now ultimately it ended in an adverse balance. But on account of the enormous activity and enterprise of Sir Stafford Cripps and his Government, they have now converted the adverse balance into a favourable balance. Exports have been increased. To achieve this end they have all along been anxious that there should be greater and greater exports to this country. But instead of exporting capital goods which we so badly want, they have exported other things so that they can rehabilitate themselves. I have ascertained this from the Ministry of Commerce, probably it was from the finance Minister himself that the open general license was allowed so that the customs duty and import duties may increase and go to produce a balanced budget. That is to say, we purchase from foreign countries things out of our valuable sterling and dollar reserves so that in return we may get a fraction, about a tenth, by way of customs duty. Sir, this reminds me of a story current in my part of the country. On the *Vinayak Pooja* day, that is, on *Chaturthi* one made a *Vinayaka* or God *Ganesh* out of *gur*; and in order to offer *nivedyam* to him, he pinched a bit from the buttocks of the image and offered it to him. That is the sort of thing that we do here. It is really surprising how we are frittering away our dollar and sterling earnings accumulated at the cost of our sweat and blood during the years of the war, all for earning customs duty. Sir, what do we find? In the last four months there have been four kinds of licenses. These

was the open general license, and then a slightly closed general license and then there was the closed license and finally there is the reopened license. Really it is no wonder that the poor merchant, does not know where he stands, what he can get and what he does not get. There is another saying, in our parts—Pardon me for indulging in a small story, Sir. There was a *zamindar* who was in the habit of giving pieces of land by way of gift, and to him went a Brahman. But this *zamindar* was also known for withdrawing his gift after some time. Well, this Brahman went to him on horse-back and after receiving the gift, he did not go in the normal way. He sat on the horse facing the tail and while it turned round and went back, he kept on looking at the *zamindar*. The latter naturally asked him. "Why are you looking at me?" And there came the answer. "I have heard that what you give by the right hand, you take away by the left; and to see whether you are withdrawing your gift, I am looking on at you." These licenses have come often in quick succession but there does not seem to be any policy or any programme or anything whatever. It is time that we should sit tight over this. I do want a kind of austerity to be imposed not on the poorest, but from the top to the bottom and the waste that goes on in Delhi and everywhere in entertainments, all these must be put an end to. If we mean business, let us do so. Otherwise I am not in favour of these controls. For whom are they really intended? Are they intended for the beggar in the street without even a loin cloth and do you want him to go naked? If you mean business, start it from the top; otherwise, do not come forward. In the working of this control, we have noticed how much nepotism there is. There are suggestions made that the State should trade for some time. Then somebody says that if the State should trade, private industries will go. I say that Government may take up trades for a short period as the U.K. started a corporation. Burma is trading in rice and other countries have been undertaking new projects and some in bulk cotton and so. For the sake of 150 demi-gods in this country who are capitalists the whole country has to suffer and all our people have got a capitalistic outlook in our hearts and each man hopes to become a capitalist one day, and therefore they have now started having a capitalist outlook.

A committee is appointed which is going on indefinitely and it remains to be seen what the Committee is going to do. All the big departments of the Government said we are incapable of managing the show. Why not we hand over the Government of India to a private corporation and ask them to manage it. I only refer to all this to show what abuse is made in this export control. I will give only one instance. Export permits are given, say for *lungi*, handloom cloth, which is manufactured to a large extent in the southern presidency. It was stated that persons who are already in the trade should be given permits. One man was given a permit for trade with Burma. But that man had never traded with Burma. Another condition is that he must pay the income-tax. He said that he was exempted from payment of income-tax. He never traded with Burma, but his brother was said to have been there and even he fled away as early as 1941. When I pointed this out, to the ministry it was said "we exempted him from paying income-tax; his brother was in Burma and therefore, there is justification". When I further wrote to the Minister or somebody in his Department—I want to be a little cautious—he told me that they discovered that the fellow has fabricated other permits. A forged signature of somebody and that was under investigation.

I remember that Dr. Ambedkar on a prior occasion said that it is necessary that we should have controls, but at the same time we should see that these controls are worked properly. He suggested a kind of tribunal before whom complaints of any irregularity could be brought up. In the working of controls there is an element of discretion and in exercising discretion, sometimes they act rightly and sometimes they act wrongly. *sometimes bona fide*

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and at other times *mala fide*. Therefore to keep at the head of the administration, everything open and above board and absolutely pure some agency should be devised. Controls are inevitable but you must screw up the manner in which these controls are exercised. I do not know why even today some such thing has not been done. I know the hon. Minister will tell me that one retired Accountant General was appointed as a complaints officer. That man was creaking in his shoes the moment I sent him a complaint. He says: "Tell me, what is the good of this complaint, Sir." Any man who has all along been in this line should be terribly afraid of the name of the Minister or the Departmental Secretary. He can do nothing. An independent officer of high rank should be appointed preferably a Judge of a High Court.

These are all the difficulties in the way and I do not want to say that we are all above board. The rules and regulations are framed to avoid temptations. The hon. Minister may say that I should take charge, because I am criticising. The piper pipes and when I quarrel with his tune it is not right for him to offer the pipe to me and ask me to sing. I therefore say that due notice must be taken of all these and all loop-holes must be safeguarded and if we make any reference here it is not against my hon. friend the Minister, against whose integrity, whose capacity, his sense of patriotism nobody could say anything. He is one of the most experienced men that we have ever seen in this House. My only fear is that he is a little too good.

**An Hon. Member:** Too soft.

**Shri M. A. Ayyangar:** I would not say that. He is good. There was a predecessor of his who has since gone away to Pakistan and who started all these. There was a rate of commission exacted for each permit. There is a temple in my place where I can have the *darshan* of the Lord for seven rupees and for doing another form of worship ten rupees and so on. That gentleman was the predecessor to my hon. friend; he was not an immediate predecessor. I know that there was a practice such as this. To get a permit for a film the film actor had to go to his house. There have been such abuses and these controls tempted these people to start all kinds of bad practices. Therefore, this is a heritage that has fallen upon the shoulders of my hon. friend, the Minister.

**Shri Neogy:** May I say, Sir, that I had no such pleasant experiences.

**Shri Sondhi (Punjab):** Did we get any film out of it or not?

**Shri M. A. Ayyangar:** I do not want to make a very serious subject more serious than it is now and I am really sorry that we are not putting ourselves to that kind of restraint, that kind of austerity. England has been adopting such austerity measures. I have heard recently from friends that for a whole week they did not get more than one egg there. One of our friends went to England and he lived in a hotel. He had some extra coupons for sugar left with him. The coupons were offered by him to his motor driver, a European, but he said: "No We are on rations". That is the kind of conduct we should follow. There a higher sense of responsibility is prevailing. Such a feeling does not unfortunately exist here and therefore the Government must take greater care to inculcate this spirit. How can I go and tell some other man that he should go with his only cloth when all the cloth available in the Delhi Cloth Mills is not enough for me, and for my family? When I went recently to the Imperial Hotel, I found there was morning breakfast, midday lunch and evening tea and so on. Wherever we go, we may get morning breakfasts, midday lunch, then tea and night dinner and we have no time to read and much less time to digest them. That is so in all capitals. Where is that austerity except on

paper? Where is the difficulty in the country or the adverse balance except in the overseas bulletins and in the statements of the Reserve Bank of India?

3 P. M. Where is that scarcity except in the huts and cottages in villages where people are hungering for food? Is this all for the poor sections, who form 90 per cent of the population of this country? If that is so I am not going to give my vote for this Bill. If it is not a mere paper Bill but a law which in all seriousness will be implemented by proper officers in charge of it, if we are going to have a tribunal to see that complaints there and then are accepted and if the hon. Minister is going to see that no nepotism prevails, then I am in favour of this Bill. In that case it may continue for five or even ten years till we make ourselves self-sufficient. It is easy to do that. It is not difficult if we grow more food in this country and to that extent we cut off our imports. Is it not necessary for us to set an example at least in cloth? I have been trying to persuade the Industries Minister to see that for two or three years only 20 varieties of cloth are produced which all men and women in this country must wear. Do not import 12 crores worth of long staple cotton from Egypt, because Pakistan has stopped its supplies. But without voiles no rich woman can live in our country and without fine shirting cloth no man will live! Can't we try to see that they do live without them?

Another point Sir. Unfortunately there is no coordination between the Industries and Commerce Ministries. The hon. Minister may say that he and his colleague come from Bengal and as such meet very often. That is not what I mean.

**Shri Goenka** (Madras): One comes from East and the other from West Bengal.

**Shri M. A. Ayyangar**: You impose austerity standards but in what ways either by financial or other help such as giving the raw materials do you substitute those things in this country? Cannot we get along without lipsticks? Can't we get on without canned fish in the country? Can't a man get on without milk powder in this country? Then why do you get them? Why do you get canned fruits from Singapore and Australia? Why don't you prevent this? Simultaneously why don't you have a canning industry in this country. On the one hand you can restrict your imports and on the other you can help develop local industries.

Our Trade Commissioners are sent abroad to foreign countries. It is said again and again that our arts and crafts will find a market in foreign countries. But what is the liaison? A Trade Commissioner is a subordinate of the Commerce Ministry? The person who has to produce the articles is the Industries Minister.

**Shri B. Das** (Orissa): He does not produce anything through cottage industries.

**Shri M. A. Ayyangar**: How can any Minister produce things himself?

With respect to licences let us see how these two gentlemen work together. Caustic soda is being produced in this country in plenty, enough to dump the market and the industry in this country. I do not want to multiply instances. I want that both these Ministers should be rolled into one or there must be a super-Minister bringing these Ministers together. But there is unfortunately a tendency for each Ministry to become self-sufficient. One Minister wants houses clothing and every thing else for the hospitals under his charge. Another Minister likewise wants for the Industries Ministry and a third for the Public Works Department. Each Department puts up its own factory for the production of everything that it wants.....

**Shri Kamath:** Unity in diversity!

**Shri M. A. Ayyangar:** So that kind of co-operation is lacking. A tribunal ought to be set up for the purpose of enquiring from time to time that so long as controls exist they are not abused. I would urge, subject to the finding of the committee to be appointed, a State Trading Corporation for these monopoly commodities. As soon as we are able to develop our trade in foreign countries to an adequate extent the State might withdraw from that sector and leave the trade to private hands. I wish that the hon. Minister with the power that will be granted under this section will bring about such a radical change in the country as to allow only those articles which are absolutely necessary in the country to come in and export as much as possible, not to Czechoslovakia or the U.S.A. but to our own surrounding countries—Burma, Siam, Indonesia, Afghanistan, Iran and other countries. Our Eastern countries in Asia will be our market. Our home market is sufficient. Our imports are not absolutely indispensable.

Again and again it is nauseating to hear that we are going to ask America for capital goods. Let their capital be with them. We have tried that experiment before and we have liquidated our sterling balances in a vain attempt to get capital goods from the U.K. Neither the capital goods have been sent here nor basic industries have been established. On the other hand they have established a soap factory and a match factory. These are the ways in which the sterling balances which we had accumulated at enormous cost have been frittered away. Let at least the balance remain. Let us now impose these restrictions. I wish the Bill all success in the future. But the test of the pudding is in the eating of it.

**Mr. Speaker:** I would make one request to hon. Members. A detailed examination of the policy of imports and exports and the way in which import and export control should work, though not absolutely irrelevant, is so remotely relevant to the scope of the present Bill, that I would request hon. Members to reserve their criticisms on the entire policy to some other occasion, such as the Budget discussions or the cut motions when that time comes. (*Interruption*) I heard an hon. Member asking why that speech was allowed. I could not stop a speech before I knew what the hon. Member was going to speak about. I could not anticipate what the hon. Member would say. It is only after the speech is made that I could point out to other hon. Members what the scope of the Debate on the Bill is. Therefore I propose to confine the discussion to the strict limits of the scope of the Bill. Let us not go into general policies; otherwise whenever any Bill comes up one can always repeat the same debate a number of times.

**Shri B. Das:** Sir, the Government was going the other way about before the Republic came into existence and if my hon. friend the Deputy-Speaker spoke on the import and export policy of the Government it was only to impress upon the Republican Government what their duty should be.

**Mr. Speaker:** So that hon. Members will take advantage of what he has done and will not repeat his arguments.

**Prof. Banga:** Sir, after my hon. friend the Deputy Speaker's speech and your exhortation, I am just wondering where to begin and how to end my speech. In the very beginning I wish to say that I am entirely in favour of this Bill. I am also in favour of the suggestion made by my friend Shri T. T. Krishnamachari that the hon. Minister need not have been so very apologetic about having to control our import and export policy. Therefore from this House the business people and the industrialists of this country have to be told that this control policy, so far as this sector of our economic life is concerned, is not going to be a temporary phase but a permanent one and they had better get their own business relations adjusted to that.

Secondly, I am also glad that the hon. Minister has at last been able to say that he has come to some agreement with the U. K. Government so that he can settle his import and export licensing policy not for every six months but for the whole one year. I have heard many of our own business people complain that our policies had been changing so frequently that they did not know how to run their own business. I hope this new arrangement will give them some assurance of making a decent profit and also of getting too much of their capital unnecessarily locked up in export and import business.

Thirdly, I am in favour of the suggestion made by the hon. Deputy-Speaker that we should have an Indian Commercial Corporation, on the lines of the United Kingdom Commercial Corporation that we had during the war, in order to manage certain aspects of our own import and export business. I sincerely hope that the special Committee appointed by my hon. friend the Commerce Minister to prepare a scheme for State Trading would be able to make useful recommendations in favour of establishing a State Trading Corporation, and I sincerely trust that the Government will be able to decide upon making effective experiments with State Trading so that it might be possible for us in a couple of years' time to bring as large a sector of our own import and export business as possible under the control of the State Trading Corporation that we are proposing.

I am, however, not able to feel quite hopeful about the capacity of this Ministry to give full effect to this Bill that they are placing before us and to implement the whole of this policy. If we are to judge the manner in which they have failed to give satisfaction to our nation during the last two and a half years one cannot become enthusiastic, or even hopeful, about the capacity of this Ministry to give any more satisfaction hereafter. It is all very well for any one of us to compliment this Minister or that Minister. Which one of us is not an estimable gentleman? We are all estimable gentlemen. That is why we call ourselves "honourable gentlemen" or "honourable Members". As my predecessor had put it, the proof of the pudding is in the eating. The hon. Minister, Mr. Neogy, is a very nice man, is a great friend of us. We have all liked him, I do like him. But I must say that he has not been able to give as much satisfaction as we could have expected from him, coming especially with all the ability that he has been able to bring to his own task. For what reasons, who was responsible, whether all did not co-operate with him are all beside the point. The result is that we have not been able, so far as I can see, to get as much satisfaction from this Ministry under his leadership as we could have expected during all these two and a half years, or the one and a half years since he has been in charge—and also his predecessors have been.

Everybody knows that in executing the policy of import and export controls there was that scandal of Open General Licences, and with what disastrous results to our own national economy. I need not go into the details. My hon. friend the Deputy Speaker has already given certain details as to how from a surplus trade balance we were reduced to a very heavy deficit trade balance, and from day to day our position has been growing worse and worse. It is no good for us trying to draw some sort of consolation by simply looking at figures, as my hon. friend Mr. T. T. Krishnamachari had said, of a few months and saying "Oh, no, we are getting a surplus balance". That is not the most important thing. It is better to take these figures over a particular period. And what do we find? We find a sorry picture. And why so? Well, the hon. Minister of Commerce can say "I am not in charge of production here in this country; I am only in charge of taking whatever surplus production that you place at my disposal, help you to send it over to other countries and help you to

[Prof. Ranga]

bring other things from other countries and make provision for your own industries, and so on'. Therein comes that relevant point which my hon. friend the Deputy-Speaker had made; the point being that we should use our discretion in the kind of imports that we are going to allow into our country and we should also use our discretion in the kind of things that we are going to export to other countries. What are we doing?

So far as imports are concerned, I need not take you into detail. But one thing is quite clear. We have allowed things which ought not to have been allowed at all to be imported into this country, and we are still going on with that policy. That is why I fear that this Ministry is not serving us as it should.

**Shri Neogy:** Would the hon. Member furnish a proof of what he states—importing things which ought not to have been allowed?

**Prof. Ranga:** Are you not importing gold—for non-monetary purposes?

**Shri Neogy:** Yes.

**Prof. Ranga:** You are importing. Why? For what purposes? I want to know. Millions and crores worth of it. Why are we importing?

**Shri Neogy:** How much of it?

**Prof. Ranga:** You can look into it yourself.

**Mr. Speaker:** Let him address the Chair.

**Prof. Ranga:** I was making a general statement. He wanted a touchstone. I have given the touchstone. Here was the commodity. I can go into it in greater detail if I were to take the time of the House. This thing has to be examined very carefully and it has not been given as much careful examination as it deserves. That is why I find fault with this Ministry.

When we go on importing all these things, is it not the duty of the Government as a whole, as apart from this Ministry, to put out the kind of exhortation that my hon. friend the Deputy-Speaker was putting out that we should exercise austerity, that we should try to be more and more careful, and so on like that? We have not been able to do that as we should have. That is my complaint.

Secondly, there is the production side. We have not been able to export our oilseeds and oil products—oil itself—as well as we should. Why? Our internal prices are going up. Because, production is not as high as it should be. Therefore something has got to be done. That means that we need a kind of an overall leadership, which is lacking so far—whether it is the duty of the Prime Minister or of the Deputy Prime Minister, anyhow it is certainly the duty of these two, the top-most Ministers of State as well as the leaders of our nation—to see to it that the work of these Ministries namely Agriculture, Industry, Commerce and Finance is so well coordinated that it would be possible for our country to step up her own exports and to minimise her imports.

Then it was said that there is some difficulty between the Finance Ministry and the Commerce Ministry. There was—in regard to our own Sterling Balances and so on. It is true. I cannot agree with my hon. friend Mr. T. T. Krishnamachari when he says that we should treat our Sterling Balances as a sort of a fixed deposit. I would like to agree with him, but our difficulty is the changing policy of the British Government due to their own financial exigencies. Therefore we cannot always be treating it as a permanent fixed deposit there in London. At the same time we should not also treat it as such a fluid, useless and ephemeral thing to spend or fritter away. But that is how we have



done it. Whoever was more responsible between the two Ministries is for themselves to settle. It is the Commerce as well as Finance who were responsible for this sad state in which we find ourselves today when our adverse balance of trade is so high and year after year our Sterling Balances are being reduced and are dwindling almost into nothing—it, may be nothing in two or three years' time and we are not in a position to pay for what we want.

Taking again, Pakistan, why is it that the Commerce Ministry had taken such a long time in order to realise the sad state in which our trade balance with Pakistan had come to be? By the time they realised it, they found that Pakistan was willing to purchase our things but was not prepared to send us anything at all, and therefore, now because we are not able to purchase anything from her and because she is only willing to purchase our things.....

**Shri T. T. Krishnamachari:** Not all our things.

**Prof. Ranga:** Oh, such things which she wants, not those things which we are anxious to sell to her although she may be in need of them.

As I said, because we are not able to purchase anything from her they come and tell us, "oh, we are having a surplus balance". That is not a satisfactory thing—it may make a very good debating point in a college society or a University union, but not to this House, not to the country as a whole.

Then I wish to take up the question of producer goods. We need producer goods in this country both for the peasants and more so for the industrialists. We have to induce the foreign exporters to supply to us.....

**Shri Goenka:** What is "producer goods"?

**Prof. Ranga:** The goods that the manufacturers themselves need in this country in order to set up their own factories to enable them to produce more and more goods.

**Shri Goenka:** You mean capital goods.

**Prof. Ranga:** Capital goods.

In order to be able to do this, our Government in the Commerce Ministry has to negotiate, first of all, trade treaties and conclude commercial treaties. Have they been able to do it? Some time ago I put a supplementary question asking why it was that the Government was not trying to take the initiative in negotiating these treaties with other countries. There was no satisfactory answer at all.

**Shri Neogy:** There is a book in the library which indicates all the trade agreements which the Government have concluded with other countries.

**Prof. Ranga:** Quite true, it was after reading that book and after hearing the answer given by my friend that I say that we have not been able to conclude such treaties.....

**Shri Neogy:** We have got trade treaties with many of the countries.

**Prof. Ranga:** In my question I asked why it was that they were not able to negotiate these treaties with the other countries. He said we were not doing it because they did not ask us. That was the answer.

**Shri Neogy:** That was not the answer.

**Prof. Ranga:** That was the answer given by him that day.

**An Hon. Member:** That was not the answer.

**Prof. Ranga:** If that is so, then I stand corrected. Any way, I put the supplementary question asking why it was that the Government of India was not able to take the initiative.

**Shri Neogy:** With which countries should this be done?

**Prof. Ranga:** Well, I would be very glad if my hon. friend will refresh my memory—I myself do not remember. It is no good laughing. I myself put the question and there was no satisfactory answer. Let him go through the record.

Therefore, on that front also, the Government of India has not been taking the initiative.

**Shri Neogy:** Does the hon. Member realise that if we were to get all the capital goods that are covered under our trade agreements and also the orders that we place with countries like the U. K. with which we have no trade agreement, then there would be hardly any finances available in the country to meet all that expenditure?

**Prof. Ranga:** That is exactly the point. The total amount of money that we are devoting now towards our imports, or at least as much of it as possible should, I suggest, be diverted to the import of capital goods, and in order to be able to get the best of them at the cheapest prices possible under the present circumstances, it is the duty of the Government first of all to explore the possibilities. How can they make that exploration or examination unless first of all they come to agreement with these various countries and then say, "Look here, what are your goods? How are you going to supply them? In what quantities and at what prices? What are the goods that you wish to have from us? We desire to offer such and such goods at such and such prices".

**Shri Neogy:** That is exactly what has been done with any number of countries.

**Prof. Ranga:** With any number of countries you have been doing it and there is much more to be done which is not being done.

**Shri Neogy:** Only the money is not available.

**Prof. Ranga:** And with the money which we have got today we are importing things which we need not import. We can utilise the very same funds better than what we are doing today.

There is one more point I have to make on imports. There is also the question of conflict of interest between the producers and the consumers. We have producers here, industrial as well as agricultural, we have consumers spread over all sections of the people. So far as the consumers are concerned, my hon. friend the Deputy-Speaker has already told us that we need not import so many things that we are importing today. In order to succeed in that policy what we ought to do are two positive things. I would only mention them. One is to organise, as he had put it. Swadeshi exhibition and Swadeshi production. The other is to organise our own cottage industries, provide for them the necessary marketing and other facilities so that all their goods will be flowing into our towns where it would be the duty of the Industries Department to establish emporiums and sell these things wholesale to the shopkeepers—let the shopkeepers supply these things to our consumers. In that way it would be possible for us to cater to the needs of the consumers while at the same time not importing these consumer goods. Japan has been able to satisfy the requirements of her home market and at the same time spare a part out of her production of cottage industries for the outside world. Why should we not do it? If it is not the primary duty of my hon. friend to do all these things, then, of course, as was suggested by my hon. friend, Shri Ananthasayanam Ayyangar, it is the duty of the two Ministers to sit together and work out the policy and programme and execute it. But they have not been doing it.

Then I come to the complaint side of it. Only this morning our friend told us that one big firm of importers. Messrs. Rally Brothers, were given a licence to import Rs. 15 crores worth of raw cotton out of the total of Rs. 100 crores worth of raw cotton that India imports. So, 15 per cent was given to that one particular concern and he drew the conclusion—comfortable conclusion—that after all it was only 15 per cent to one concern. I do not look at it that way, in such a complacent manner. One concern to be given 15 per cent. and that not an Indian concern, that is the most important point.

**Pandit Balkrishna Sharma** (Uttar Pradesh): Was any Indian concern prepared to take it?

**Shri Tyagi**: Many.

**Prof. Ranga**: My hon. friend, Pandit Balkrishna Sharma seems to be very unhappy because I am hard on this Minister. Therefore, he is anxious to put in a helpful point. If there were no Indian concerns which were competent to import cotton into this country, how was it possible for some Indian concerns to import the rest of the cotton—Rs. 85 or 50 crores worth of cotton?

**Shri Neogy**: Everyone who was in the business had his own share.

**Prof. Ranga**: Therefore, everyone was provided little by little with the result that the last one got Rupees seven worth of licence.

**Shri Neogy**: Rupees seven worth of cotton.

**Prof. Ranga**: A licence with which he was able to import Rupees seven worth of cotton.

**Pandit Balkrishna Sharma**: Sir, he should not insult the intelligence of the House by speaking like that.

**Mr. Speaker**: Order, order. The answer, so far as I have understood it, was not restricted to cotton. The question was a general one as to what was the highest amount and what was the lowest amount.

**Prof. Ranga**: Therefore, the intelligence of the House comes in here. Rs. 15 crores from one end and Rupees seven at the other end, in between these two they were distributing.....

**Mr. Speaker**: No, no.

**Prof. Ranga**: The licences were being distributed as between various individuals in order to import into this country various commodities worth Rs. 15 crores at one end and Rupees seven at the other.

**Mr. Speaker**: Order, order. Let us drop that argument about licences.

**Prof. Ranga**: Therefore, even in the allocation of these, there is very much room for improvement. That my hon. friend cannot deny. He himself had admitted it quite frankly. And naturally, there is scope for complaint, for grievances. In order to get over these difficulties and complaints, there was a Complaints Officer. Whether he is still there or not, I do not know but there is certainly need for such an officer. Whether you call him "Complaints Officer" or "Tribunal" is another matter, and personally I would call him "Tribunal" and give him sufficient powers, so that it will be possible for him to look into the manner in which this Department allocates quotas.

Several times I have suggested that it is high time that Government instituted a departmental enquiry into the administration of these controls and the manner in which licences are being granted to various individuals. Unfortunately, no such enquiry has been instituted so far. I do hope that, at least now, Government will take up this suggestion seriously.

[Prof. Ranga]

Lastly, I am sorry to have had to say some harsh things about this Ministry, but let it also be remembered that, just as the hon. Minister and other hon. Members like to claim this Ministry as their own, I would also like to claim it to be mine. We are all members of the Congress Party and we are all supposed to belong to the Congress Ministry. We support the Congress Ministry. At the same time, we have every right to see that this Ministry and this particular Department of Import and Export Control act up not only to Congress ideals but also to ordinary business standards that ought to prevail, even though the Secretariat of this Government is one that we have inherited from our predecessors.

**Shri Karmarkar (Bombay):** In view of the detailed treatment that this subject has had at the hands of previous speakers. I do not propose to detain the House very long. I also have in mind your ruling that we should not go into details of the administration of these controls. I merely wish to invite the attention of the hon. Minister of Commerce and the House to one or two salient features of the situation that confronts us.

When I had occasion to address an earlier House in 1947, when the original Bill which was later passed into law and which is now sought to be extended was under discussion, I said that controls in respect of imports and exports were absolutely necessary. What needs to be emphasised today is the fact that controls are not only necessary, but as my hon. friend Shri T. T. Krishnamachari, with whom I entirely agree, said earlier, they will continue to be necessary for a long period of time to come. After the war, every country in the world has occupied a greater number of sectors of its economy and tried to bring them under control. Situated as we are, with relatively poor resources as compared to some countries who are far ahead of us in the race of industrialisation, we have to regulate our economy for a long time to come and regulate it properly.

Having said that, I should like to crave the indulgence of the House and invite its attention to one or two points. In 1947, when we passed the original Act, we were more or less in a sounder position in so far as our credit was concerned. I am referring to the Sterling Balances position. Much has happened during the last three years. Imports have been curtailed; sometimes liberalised: I know very well that the object is partially to stem the inflationary tide. There was a large pent-up demand for consumer goods, and in an effort to meet it, imports were liberalised at a time when we thought that we could do that without jeopardy to our economy. I am afraid that this liberalisation of imports, beyond giving temporary satisfaction to the higher middle classes, has not resulted in any appreciable stemming of the inflationary pressure. Our economy differs, quite naturally, from that of industrially advanced countries. Ours is still what one might call an "agricultural" or "rural" economy. We have yet to develop into an industrial country. The inflationary process is due to causes which are not amenable to control by any liberalisation of our imports. If that was the objective, I am afraid we have been disappointed. My principal point is not that. I wish to invite the attention of the House to the effect, to the sum-total, of our import policy during the last three years.

After all, we have been new to the mechanism of import control. Our Department of Import Control is yet to be expert in the art of managing the very difficult task of import control. Successful import control can only result from a very close scrutiny of the actual transactions in international trade and an intelligent appreciation, based on that, of the present situation and possible future developments. We have yet to develop that expert mechanism. But we might have expected that, by and large, the situation might not be one which will create apprehension in the minds of people. Figures have been

detain

quoted by previous speakers in regard to our unfavourable trade balance. I do not wish to refer, in detail, to the pre-partition period. I will merely cast a glance over the figures for the last three years. In 1947-48, we had a deficit in trade balance of round about Rs. 59 crores. In 1948-49 the figure was roughly about Rs. 96 crores. Anyone who goes through the records will easily see that by June 1948 our balance of payments was not in a very sound position. Of course, I appreciate that the Commerce Ministry and the hon. Minister have been as alert as they could be, but it is one thing to appreciate alertness and quite another to face facts which are rather disconcerting. In the seven months of 1949-50 for which figures are publicly available, we find that there has been a deficit of Rs. 150 crores. I entirely appreciate that a large amount of this deficit balance has been due to the fact that we have had during the last three years to make imports of food. But then that was inevitable. We have to regulate our import policy taking that fact into consideration. It is not as if this fact might have disturbed us if we had sufficient resources to meet the situation. All the resources that we had were the sterling balances. Computing by means of such sources of information as are available to me, I find—I wish my hon. friend the Minister of Commerce corrects me if I am wrong—that one cannot but come to the conclusion that, during the period from 15th August 1947 to 15th February 1950—I am not taking the House into the details of the calculation—deducting the amount made over by way of Pensions and Purchase of Stores to the United Kingdom, and the amount that was expected to be debited by us as the sterling share of Pakistan (which amounted to 227 crores from a total of 1,588 crores which we had by way of sterling balance in August 1947), our balance should have been round about 1,066 crores of rupees. But we find that the sterling balance as it stood on 15th February 1950 is only 845 crores. That shows that we have overspent in respect of our foreign trade with the sterling area an amount of 250 crores of rupees. That is one side of the picture.

I should like to point out I could not be exact here also—that during the period 1948-49 we have incurred a dollar deficit of fifty crores of rupees. So far as I can judge, we are likely to incur a deficit of another sixty to seventy crores by the end of the year 1949-50. So we have incurred a dollar deficit of 120 crores and a sterling deficit of 248 crores of rupees. This means that during these three years we have incurred a trade deficit of more than 360 crores of rupees. My esteemed friend the Commerce Minister stated that after all, from the International Monetary Fund we have benefitted to the extent to which we have drawn from it. He knows and we all know that, after all, we have drawn this sum by purchase of dollars which we can purchase to the extent of one-fourth of our investment in the I.M.F. It is not a pleasant work to draw upon what might be properly a reserve. Certainly, if all had been well we certainly need not have covered up our trade deficit from any amount from the International Monetary Fund. It is this aspect that worries some of us. I could not bring myself to believe that there has been any mismanagement in the working of import control. I refuse to believe that. In fact this period marks the first period when there has been a definite attempt to rationalise import and export control. I put this down partly to a deliberate policy taken for a *bona fide* purpose, namely, to fight inflation. I should also say that it has resulted in directly in increasing our general revenue because, customs which in 1938-39 were about 50 crores and should be round about 80 crores were 111 crores last year and this year also the estimate is round about that figure. I say that our import policy requires correction and it is no comfort to know that this policy has resulted in more customs revenue. The receipt under Customs should not in any way influence our import policy.

In this connection I would like to make a concrete suggestion. A comparison of the arrangements that we have for the collection of statistics with those obtaining in advanced countries like the United States and the United Kingdom

[Shri Karmarkar]

would convince us that the way our statistics are compiled is still in a primary stage. With very great respect, I should say that with the resources at our command we could say what has happened after it has happened. Therefore it requires correction. I am not able to convince myself that the way in which statistics are worked here, enables us to form, within a small margin of error, any correct anticipation of what is going to happen during the next three or six months as a result of our policy. I should not be misunderstood as saying that we have no foreign trade Budget at all. There is a Budget which is bound to be the co-ordinated effort of the Ministries of Commerce and Finance. But then there is no fine balance, just as in the United States and in the United Kingdom, enabling us to form an almost accurate anticipation of what is coming in a given period. The Commerce Ministry has developed its publication side in a very able manner. In fact the mass of information that is available to us has been put in our possession only through the excellent publications made by that Ministry. I say that our task today would have been very much facilitated had we in our hands a brief compendium on 'How Controls Have Worked During the Last Few Years'. We have a small introduction in the excellent annual number of the Trade Bulletin. But that is not adequate for our purpose. Now to return to my point, I wish that our Commerce Ministry collects more precise information in regard to our international trade. That would be my first point in what I have to submit to this House this afternoon.

My next and only point is that greater discretion should be exercised in respect of controlling what might seem to us even to be essential. I will not say anything about cigarettes or tobacco or dive into the nice volumes of statistics. In one single year in 1947-48 we have spent 50 lakhs of rupees on playing cards. If we compare our lot with that of the countries which have suffered acutely on account of the war, I should say that there is still room for us to economise provided we exercise greater vigour, vigilance and self-restraint in what we consider to be necessary. This is a situation which, though it is not a dismal one, requires correction. One of the explanations that has been given to us is that, as compared with the total imports, we have been allowing very few articles which are luxuries. Situated as we are, it might even be necessary to cut down what we may consider necessary and even essential. There should be re-classification of the essentials and there ought to be classification of commodities which are absolutely essential. Unless we are much more exacting in regulating our imports I am afraid that the result of our import control, will not be as beneficial and as productive of good as it is intended to be.

With the submission of these two points I would support the Bill and heartily endorse all that has been said by way of imposing on ourselves a certain amount of self-restraint. It is not for me to say anything by way of reflection. But sometimes I feel that it is difficult to say anything. I am sitting in the middle section neither on the Treasury nor on the Opposition Benches.

**An Hon. Member:** There are no such seats.

**Shri Karmarkar:** Perhaps it is so as one hon. Member says. But sometimes I feel that the hon. Minister is on one side and all of us are on the other side. There is much that we could do here. Apart from the fact that the administration deserves criticism or monitorial pulling up, I am afraid we the representatives of the public also do require a little self-pulling up. Because when, in 1948, the sterling balances releases were not expended, the criticism was that they were not expended and when they were expended, we say you have been extravagant. A Finance Minister, either does a thing or does not. We have to tell the Government what has to be done and in that matter, especially in the matter

of control, I think one of the controls that we might exercise is a little self-control. I am not in an admonishing venture but sometimes whenever we discuss this privately or publicly and someone condemns control, we say 'yes, it is wrong'. But here we tell the hon. Minister that he is quite right in imposing controls. The public should get into a spirit of knowing what is right or wrong control; otherwise, all the efforts of Government will be defeated. I will not dilate on this because I might be called to order as this may not be relevant at all here but I thought it might be as well to invite my own attention to this aspect of the question also.

**Shri Tyagi:** I rise to support this Bill. I think the House is unanimous in this matter. There is only one voice—all support it and I think the measure is required. My friend has just advocated self-control. I would therefore try to be brief.

[*MR. DEPUTY SPEAKER in the Chair*]

The Chair has also ordered that we should not really indulge in matters which are far from the context of the Bill. As I see things, our control of export and import has, in my opinion, an urban bias. We have not taken into account the requirements of the rural areas and their interests and prosperity. Whatever is being imported into the country is meant either to feed the urban people or to help them lead a luxury-life. The capital goods which produce consumers goods are also mostly for the advantage of urban areas and not of rural areas. The producers' goods of the rural areas will comprise of cottage industry machines which are neither imported nor encouraged. So, what is of use to the urban areas is considered to be a dire necessity of the country. I do not know what is being brought here for the use of the rural areas. They have their own food to eat. Food which is said to be an essential import is all for the advantage of a few urban families. It is to feed them that the whole country is suffering all these adverse balances. All our reserve balances are being depleted only because the urban man who is vocal and who can influence the Government much better, is to be appeased. That is my first comment.

From lip-sticks to toe pigments, everything seems to be necessary. They are the necessities of the urban people, and we are playing to their lust and luxury while essential things of the rural people are neglected. I am sorry that my friend Prof. Ranga, who is one of the most responsible members of the Congress Party which is in power to-day, should have really allowed himself the liberty of telling some hard truths and should have cast aspersions on the working of this particular Ministry. I do not think I can do that—whether the Ministry has failed or succeeded, it is not for me to say. Prof. Ranga is an experienced Member of the House and he can speak with authority. My submission is that it is not one Ministry or two that have really lagged in giving good results. The total picture seems to be rather sluggish and depressing. If people feel like that, and really if they want some more activity, then, perhaps very soon, as the Constitution says, the Ministry will be reshuffled. Then of course those who claim to do things better will naturally go to the Treasury Benches. If there are such people, they must get a chance to do better. I do not claim to do better—I have therefore no chance. I think a Republican Government will soon come in power and they will take into account the wishes of the House and will do better; that is my hope.

About the working of this control measure, I would say the real defect lies...

**Mr. Deputy-Speaker:** So long as the Government is in charge of the Republic, it is a Republican Government.

**Shri Tyagi:** At present the Government is an extension of the Dominion Government.

[Shri Tyagi]

My submission is that this control policy was, in my opinion, not well thought out. What is lacking is an overall picture of controls. So long as that lacuna is not filled up, it is no use our criticising the control policy. Government failed to draw an overall picture of our national economy and prosperity. There is no overall picture. In 1946, the imports were restricted with the result that we got a better balance. But again, next year, probably it was 4 P. M. pointed out that we were not making full use of the released sterling balances, the imports were liberalised. Before I proceed further I would prefer to say a word about the sterling balances. I am not an economist; nor am I very highly qualified academically. But as far as I can understand this subject, these balances were the deposits of the earnings of the previous governments, or the people of the previous generation. They sent their goods to U.K. and the U.K. did not give them gold. They kept it all in deposit as sterling balances on the security of which paper money was issued to those who had sent their goods. In exchange for their goods paper was issued on the security of the sterling balances. These sterling balances had the "gold-worthiness" about them. I may be allowed to use my own words. I say, this sterling balance had "gold-worthiness" about it. That means that it had its worth in gold. And on the basis of the value of that gold-worthiness currency notes were issued and paper was given to those people who really deserved to get gold in exchange for the goods they had sent to the U.K. But if the sterling balances are used up in meeting adverse or bad balances, then the "cashability" of notes and their security vanishes. That is what I feel. But as I said, I am not an economist, and there may be some economic lacuna there, I do not know.

**Shri Goenka:** None.

**Shri Tyagi:** Well, my friend says there is no such lacuna, and so I can be sure of my argument. Well, if we go on spending these sterling balances then we will deplete the security and we will have nothing to pay the people to whom promissory paper money was issued. To everybody here in India who has a currency note in his pocket or in his hand; to every such man, this Government owes gold.

**Shri Goenka:** "Pay on demand" is written on the notes.

**Shri Tyagi:** Yes, "On Demand". It is there. As I was saying, that gold in the shape of the sterling balances must be kept to pay our debtors. Every debtor in India can demand gold from us. That gold.....

**Shri T. T. Krishnamachari:** May I correct the hon. Member?

**Shri Tyagi:** Yes, I want to be corrected.

**Shri T. T. Krishnamachari:** There is no such obligation.

**An Hon. Member:** Is it "debtor" or "creditor"?

**Shri Tyagi:** Oh, it must be creditor, of course. We have to pay him in gold, and that gold is in the U.K. All this gold is there, and the man believes, because you have led him to believe, that there is full gold security on which you are issuing paper money. (*Interruptions*).

**Mr. Deputy-Speaker:** Hon. Members may allow the hon. Member to satisfy himself that he will get gold some day.

**Shri Tyagi:** Yes, Sir. I have a few paper notes in my pocket and I am anxious that they should be cashed. As I was saying, that sterling balances were a security which should not have been touched. They should not spend it or use it in their day to day expenses or transactions. It is as bad as a bad



boy squandering away his father's property for his day to day life. I do not believe in making use of these sterling balances for meeting trade balances. I think the best economy would be to restrict our imports to the extent to which we can really export, without doing any harm to our own industries. Let us not try to cater to the over-vocal sections of the country. Russia after the Revolution went without a pair of shoes because there was no leather in the land. There was planned economy throughout and the whole of Russia went without shoes, even in the cold of the North. People made sacrifices. Why not we also make a little sacrifice of some of our luxury goods? India will certainly be prepared to sacrifice some of the comforts, if Government has some plan in which the people would have confidence and which they believe, would ultimately bring prosperity to them. But that plan is lacking.

Well, in 1947, we liberalised imports and then in 1948 we again restricted them. This is the policy, swinging like a pendulum from one end to the other—once in every six months. This is not economy. This is not a successful government of finances. In any other country the Government would have shaken because of this shaky policy of theirs, and your Government should also have a shake up. In 1948 it restricted imports, and after six months they again liberalised it. There was the O.G.L. and they simply "OGLed" the whole trade. And so there was no restriction and anyone could go and order any amount of imports.

**Shri Bharati (Madras):** Not in the case of all commodities.

**Shri Tyagi:** I do not know about that. Mr. Bharati knows, I have not been in any trade.

Well, the whole thing was "OGLed." And then some one must have pointed out that it was not right. Now, I want to demand from the Minister whether the officer who had advised the OGL-ing of the trade has been sacked. Has he been sacked, or is he still keeping his post? Has any punishment been given to him and has he been at least classified as inefficient for his fault of bringing about so much harm and loss to the country? Has he been punished, or is he still sitting tight in his post?

**Shri B. Das:** That is a Cabinet decision.

**Shri Tyagi:** Then what has the Cabinet done to repair this wrong? Again there was restriction; with the result that for the next three months there was no shipping from outside. Well, the hon. Minister, or perhaps the Government or the Department shows a favourable balance, but it is a fiction. I do not believe there is any favourable balance at all. Why should you make the people believe a thing which you yourself know does not really exist? How is it a favourable balance, I really fail to understand. It is favourable because for three months there was no order for any imports. In September, October and November, no shipments were affected and therefore in November and December, 1949 and January of this year no arrivals could be had. There was no shipping for three months and there were no arrivals and since there were no arrivals the trade balance is favourable. I must say that there is no favourable-ness of trade balance. It is all adversity of balances.

The second reason is that during these very months of favourable balance, of which there is such a boast, the import of jute was stopped. There was no jute in the country. Pakistan would not allow it. On account of de-valuation no jute came. Raw jute was a fair factor of our imports and no raw jute came during these months and this went to give credit to the Commerce Ministry to make their balances favourable because no raw jute could come.

Another factor was that there was no import of cotton during these months and the mills began to close down because cotton was not available in the country

[Shri Tyagi]

and that also went as a credit, as a feather in the cap of the Commerce Ministry and its officials. This factor also contributed towards the favourableness of balances. I may say that cotton and jute alone came to the extent of 200 crores of rupees every year. It is not an ordinary import that was stopped and it is on account of that that the balances are said to be favourable.

During these days of restrictions even after the de-valuation of our currency a new economic policy was adopted. I would call it the 'NEP' in my own words. Limits on imports were fixed during these days of adversity and scarcity. It was said that we will get imports to the extent of the fullest value of our exports, and to the fullest extent of the sterling balances released to us during the year, and to the extent to which we can borrow anywhere in America and elsewhere. This means importing to our utmost capacity of borrowing-power and to the extent of all the exports and our released sterling balances. This is still going on in spite of de-valuation.

I have not read the full literature, but my hon. friend would kindly throw some light and I want to know whether the de-valuation had made any change in this new economic policy which was adopted after the O.G.L. also was stopped.

These are also control days. I am talking about these points because I want to emphasize on the hon. Minister and his Ministry and the Government the views of the House, so that they may know what we really feel about the present policy. Let us examine the 'NEP' in practice. The import of textile spinning machinery was stopped. This is a producers goods. Textile industry is a very big industry in India; not only that it fulfils our own needs but we also export our cloth to outside lands. Would it not suffer if the import of its machinery is stopped altogether? (*An Hon. Member: A productive measure.*) It was protective to the industry. They want to replace their machinery, they want to replace their parts and they were all stopped.

**Shri Bharati:** Local machinery is available.

**Shri Tyagi:** Perhaps it may be available to my hon. friend. Mr. Bharati must have really tendered for some local machinery. I do not know. (*Interruption*). I am talking about the various parts of machinery which were not available in India. Those parts were banned and I think it was a wrong policy.

There is one firm called the Imperial Chemical Industries. It is known all over the world and this organization is also established here. 25,000 tons of Soda Ash is to be imported through this I.C.I. A licence for 25,000 tons of Soda Ash has been issued in spite of the Tariff Board which did not relish the idea of allowing any import of Soda Ash, that is my information and if I am wrong, nobody will be happier to know that I am wrong. And it is for the hon. Minister to contradict it. The Tariff Board said that no Soda Ash should be imported; there is plenty of it in the country. But only recently a big licence has been given to a foreign concern which will result in the closing down of the local Soda Ash factories.

Then again, Sir, 5,000 tons of Caustic Soda has now been ordered; that is arriving soon and the people who deal in Caustic Soda are nervous about it because there is already a glut in the market in India. But still these things are being allowed. It is for the hon. Minister to say which officers are responsible for such an exercise of these powers of control. What I want to say is that if control is to be exercised, it must be exercised on a planned basis and no such discrepancy should have been allowed to creep in.

I come now to Pakistan. We had adverse balance of trade with Pakistan. On this very fact someone in the Ministry ought to have been taken to task. How did it occur? Actually what has happened is this: We banned the transfer of property from here to Pakistan and no money could be sent from here to Pakistan. They sent precious articles or commercial goods to Pakistan by way of trade. What I am entitled to do is to use trade channels and send articles worth Rs. 70,000 or more and tell my nephew or somebody else who is in Pakistan to sell away the article and keep the money and not send it back here. There is no method of knowing as to whether the full value of assets which are sent to Pakistan is received in India or not. Anybody can transfer his assets to Pakistan and label it as trade; they go to Pakistan and no money is returned to India and nor is it accounted for in the payment of our imports from Pakistan; with the result that we are having an adverse balance of trade although we are exporting quite a lot to Pakistan. Of course, there may be other reasons, but this is one of the reasons for the adverse balance of trade with Pakistan.

Then again, I want my hon. friend, Mr. Neogy to throw light on this issue also. I feel that U. K. is having an undue influence over our trade. Is that not so? I feel that in the whole of India, wherever there is a big city, there is one representative of the U. K. Government Commerce Department. In Bombay, Delhi, Calcutta, Madras and everywhere there are representatives. They are always everywhere as if India is the only place for them. You walk on any street and you will find an office of the U.K. Government, trade mission or trade commission or something or the other, everywhere in every town. So I want to know if really we are not being unduly influenced by United Kingdom. With these remarks, Sir, I support the Bill, for after all, the control is necessary.

**Prof. Ranga:** I wish to make one personal explanation. When I was making my speech, my hon. friend, the Minister asked me to point out any one commodity which we are importing at present which really is not needed.

Immediately I said that non-monetary gold is being imported. Later, on examination of the facts that I had before me as given in the *Eastern Economist*, due to a printer's devil in that paper, I find that the information I had given, namely that we are still importing non-monetary gold, is incorrect.

**Shri Mudgal (Bombay):** Sir, I rise to support this Bill, not only as a Congress member but as an economist. This does not mean that I am going to call the hon. Minister a handsome man nor pay him a handsome tribute. Neither do I believe in recriminations that have been going on for some time in the House. Our duty is to help the Minister to discharge his duties to this country in a more realistic manner, so that not only one section of the people but all sections of people will be served. His duty is not to follow this "ism" or that "ism" but to get real results which will help our people and our country. His job is to strengthen the commerce of this country. In that task which has been made very complicated by the events of the last few years he has been a successor to a mess which was created by the previous Commerce Ministers just as our Finance Minister is carrying on the burden which a previous Finance Minister had created in this country and disappeared across the border.

We have been blaming our Ministers for their many sins of commission and omission. I too have criticised them when necessary through my economics journal. The various wrong controls that have been put on this country's commerce have been commented upon by me in a constructive manner. What I like about the present Bill before the House is that it gives for the first time a long range programme by which our businessmen and industrialists can guide themselves.

The constant change of policy in our economic sphere has been a disturbing factor. A greater disturbing factor has been the fluid ideas that have been propounded in this House and which are disturbing the economy of the country

[Shri Mudgal]

outside. Not only many hon. Members of this House but even many hon. Ministers of our Government have been talking at cross purposes thus bringing the economy of our country to a standstill. In that context I welcome this long range measure which has been introduced to-day.

We are going to have controls for a long period of time—a proposition with which I agree, because of our existing economic situation. We are going to have control for the next five years or maybe for the next twelve years. We are going to have powers even to ban the import of many goods. That is also good. But what next? Are we going to follow merely an economic philosophy which will contract our economy? Are we going to follow a way of economic thinking which is going to land this country in an eternal economy of scarcity? I say we must not do that. The object of this House, our Government and our hon. Ministers should be to work towards an expanding economy, an economy of plenty. Whether industrialists, businessmen, workers, whether professional men or government servants, unless all of us think along the lines of an expanding economy we are not going to do any good to the people of this country. Merely uttering slogans or following the will-o'-the-wisp of foreign countries or their ideas is not going to strengthen or enrich this country. Unless we produce more, unless we take steps to adopt a proper domestic economy as also a foreign trade policy which will strengthen the hands of our productive forces, we are not going to get out of our troubles. Therefore let us make the best possible use of our existing resources.

Let us not quarrel over or criticise what has happened up to now. That is not going to help us. We have to think of how we can make effective use of our resources, how our Ministers can be made to make proper use of our existing resources and thus build up the economy of the country, which will help the people of the land.

Towards that end I suggest that (you may make it a departmental point if you want) we make use of the entire sterling balances annually released plus 50 per cent. of our annual balance of trade by setting it aside entirely for importing capital goods plus industrial raw materials. Because if we control very severely all consumer goods or other goods it is not going to help our economy: we will be starving our people.

Mr. Tyagi said, let us plan as they do in Russia. As an economist I would say: we should never do that. He said that in Russia the State planning was done in such a way that the Russians had to go without even shoes. I would tell my hon. friend that so far as Russians going about without shoes is concerned it was not planned by Stalin, Trotsky or Lenin: it was planned by the Czars, who have been forcing the Russian people to go about without shoes and it has been going on for a long time till to-day. I hope we will not plan our economy on that basis. Let us not follow the Russian, American or the British economic philosophy. Let us have an intergrated philosophy of our own. I believe that India is in a position to have an economy which is divorced from the "isms" of other lands.

We can make use of this demarcated money to build up our country, to produce the things that we deny our people through import control. We can make arrangements with various foreign producers to open factories in India in co-operation with our own industrialists and entrepreneurs and our own capital. The result will be healthy. It will create for this country the opportunities to produce, it will give work to our workers and sooner or later create opportunities for us to export what we produce in this country. Merely to talk about "Export and have more money in your pockets" will not give us either the goods to export nor the money in our pockets. The producer has got to be helped and

you cannot export a political slogan abroad. We have been trying to export idealism into Pakistan in which we have miserably failed. What are we going to export?

In this country we have been talking about nationalisation, scarcity, doing without this and that. What has all that come to? It has come to "less and less". Are we going to tell this country produce less and less, eat less and less and wear less and less, without thinking in terms of increasing our production, without thinking in terms of having a healthy, balanced economy in this country? Let us not quarrel to divide the wealth that we have not got. Let us not try to distribute things that we have not produced. Let us first produce and adopt a healthy mentality that we are going to work more, live better and live well. Our thought should not run into the channels of seeing how a fellow in Delhi will not eat three meals a day while a villager eats one meal a day. Our line of thinking should be that the villager in the remotest part of this country must be able to eat at least two square meals a day. That requires a lot of work to do in this country, a lot of planning in this country—not of the Russian kind but of the Indian kind. Let us get going into that channel. If we do that I am sure our commerce will grow on proper lines.

Another specific suggestion that I would make to the Commerce Ministry is this. The entire trouble of our controls has been due not merely to lack of statistics but to the lack of research spirit in their work. The various crises that have come about in our control policy have been due to our Department not knowing what was exactly wanted in this country, what was short in this country, what was going to help our industry or commerce. To give just one example, the O.G.L. was introduced. There were lots of people who imported only perfumes and plastic goods. The result was that our valuable foreign exchange was dissipated, and since the same firms or a small group of firms imported too much of it they lost their money. Our existing resources were frittered away on foreign manufactured goods which were not of immediate use to us. And why did they do it? Because, they did not know what the market needs of the country were, what the consumers wanted. That process, I believe, is still going on on a minor scale. Unless we organise a proper Research Department to find out exactly what our current needs in this country are—we have not only to know the trends of international commerce as Mr. Karmarkar suggested, which is no doubt very important, but we must also know our own internal trends, we must know exactly what we want and what we do not want—unless we do that, we will find it very difficult to plan our import policy.

I suggest in this regard that we depute some of our men to study that excellent commercial organisation with the United States Commerce Department. Before Mr. Hoover, the former President, came to the Commerce Ministry in the United States, the commercial statistics and the Research Department were in as much of a chaotic condition as ours are, and it was Mr. Hoover who took charge of the Commerce Department in 1921 and during the next eight years he had completed an organisation of commercial statistics and interpretation as well as Research which is unexcelled in the world today. And I believe that Americans would be very glad to teach our people as to how they did that kind of job and we should take full advantage of that. I am sure our people are in a position to absorb that kind of thing very quickly. When I see how the Secretariat of this very House has been efficiently organised I am sure that everyone of our Government Departments can be organised as efficiently. If we do that there is every scope for developing a very prosperous foreign commerce that India can have.

I appeal to the Members of this House to try to be more helpful to the Ministers in what they suggest than merely to criticize them. If we work with that spirit I am sure we are going to build a very strong country, and that must be the first and foremost duty of every hon. Member of this House.

**The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha):** Sir, the question may now be put.

**Mr. Deputy-Speaker:** Mr. Neogy.

**Shri Kamath:** Has the closure motion been put, Sir?

**Mr. Deputy-Speaker:** It is not necessary to put it as there is no opposition.

**Shri Neogy:** Sir, I think I can congratulate myself on the general support which this Bill has succeeded in securing, though that support unfortunately has not been extended either to the Commerce Ministry or to the Commerce Minister. As the hon. the Speaker observed, I think before Lunch, really the principles underlying this Bill do not require any lengthy discussion of the remissness or the failings of the Department that was in charge of the operation of these controls.

I shall very briefly dwell upon the more important points that some of my hon. friends have made in criticism of our policy. My hon. friend Mr. T. T. Krishnamachari accused us of a lack of policy. I really do not understand what he means when he refers to a "policy". May I enquire from him as to whether there are any stable foundations today, in the present-day economic conditions of the world, on which any country, excepting perhaps the United States and one or two other countries, can possibly base a permanent policy for the development of its own resources or for the purpose of promoting its international trade? My hon. friend has talked about principles of international trade which we have violated. I do not know of the principles that he has in mind. I must confess that he is a more diligent reader of text-books than I am. I, however, know of certain principles that were enunciated at Havana and at Geneva. What has happened to those principles? Which of the countries that were enthusiastic supporters of the ideas underlying those principles have actually given effect to them? There has been a lot of talk about multilateral trade. But I am afraid that the countries of the world, not excluding India, have got farther and farther away from that ideal as the day passes. While we have been talking of multilateral trade what the countries of the world—excepting, as I say, very few perhaps, even if there are—have been doing is to adopt a self-centred, narrow, hand-to-mouth policy for the purpose of conducting international trade. My hon. friend himself was a distinguished member of the Delegation that went to England in the summer of 1948, and he could not produce any understanding with the U.K. Government that went beyond releases for six-monthly periods. Is it on such a foundation that I am expected to build a permanent policy of foreign trade, remembering the very important part that the Sterling Balances play in the matter of financing of foreign trade in India, circumstanced as we are today? As I have already stated, having regard to the fact that the releases from the Sterling Balances will henceforth be on an annual basis, I am considering the possibility of adopting a continuous policy at least in regard to certain sectors of the trade, though we must be very cautious in that effort. I think my hon. friend was substantially supporting me when he complained about our lack of policy. May I remind him that even in the United Kingdom all that they do is to adopt an annual policy, not beyond that, and it is an annual policy which the U. K. Government has to submit to the Organisation for European Economic Co-operation. Nothing beyond an annual policy.

My hon. friend next charged me with complacency. He referred to the favourable trade balance that we have had during the last three months, and he thought that I was attempting to delude the country into believing that we are out of the woods and henceforward it will all be a favourable trade balance. My hon. friend is deeply engaged in studies of textbooks dealing with theories of

international trade; it is no wonder, therefore, to me that my hon. friend had no time to read what a poor Minister has actually said on the subject. It was not earlier than the 7th of January that I made a statement which indicates that far from creating a false sense of security in the country in regard to this matter, I pointed out the circumstances that have led to this result. And when my hon. friend, Mr. Mahavir Tyagi, was speaking, his intervention on economic matters was very instructive, I must say. When he was speaking, I immediately realised that somehow somebody had supplied him with a paraphrase of what I am now reading out to the House, that is my own speech, and with the help of that he was reinforcing the accusation which my friend, Mr. Krishnamachari, had levelled at me for having created a sense of security. This is exactly what I said. Will my hon. friend please check up his brief and see whether it is not more or less a paraphrase of my speech? This is a speech which I made to the meeting of the Import Advisory Council held on the 7th January, 1950. It was I think widely publicised in the Press; I remember to have seen the full text of this statement having been published in almost all the newspapers of the country. There is no surprise, therefore, to me to find that my hon. friend, Mr. Tyagi, adopted some of my arguments for the purpose of attacking me.

I first of all referred to the improvement that has been effected of late.

**Shri Tyagi:** It seems our source was common!

**Shri Neogy:** Well, I said:

"It must be borne in mind that imports during the months of August-November were in part affected by the total suspension of dollar licensing between June-September, 1949, and the relatively late issue of licences of July-December, 1949, period."

Is that correct? Does it tally with my hon. friend's brief? Very well. Now the next sentence is:

"As the licences issued during October-December, 1949 and part of the licences of January-June, 1950, become effective, we may well expect larger imports, but it is expected that the total expenditure on imports etc., will not exceed our resources taking into account the Sterling releases agreed to under the Sterling Balances Agreement of July, 1949."

I do not hold out any promise that hereafter we will not only be balancing our trade but that we will be continuing to produce this surplus and that we will not have to dip our hands into our Sterling balances. Quite the contrary. Whatever else I may be guilty of, and nobody is more conscious of his failings than I am, I have not had the reputation of suppressing facts or creating false impressions for the delusion of the country at large.

Now, my hon. friend, Mr. Krishnamachari, said that even then the surplus is due to the stoppage of trade with Pakistan. Let me test that proposition. The actual favourable balance of trade in November amounted to Rs. seven crores, in December it amounted to Rs. 14 crores, and in January it amounted to Rs. ten crores. In all, in the three months we had a favourable balance of trade to the tune of Rs. 31 crores. Now, when my hon. friend talks of the Pakistan deadlock being responsible for this fortuitous result, I take it he will permit me to base my argument on the Indo-Pakistan Trade Agreement. The Indo-Pakistan Trade Agreement for the year 1949-50 contemplated a maximum adverse balance to the tune of Rs. 20 crores. That is to say, on an average it would work out to Rs. 1.75 crores per month.

**Shri T. T. Krishnamachari:** May I interrupt my hon. friend and ask him how far the other side, that is Pakistan, has observed the Indo-Pakistan Trade Agreement? That reflects the balances.

**Shri Neogy:** That is beside the point. The whole question is this: did the failure of the Trade Agreement with Pakistan produce this result? I have pointed out that in three months our surplus has been to the tune of Rs. 31

[Shri Neogy]

crores, and for the whole year the Pakistan adverse balance would have amounted to not more than Rs. 20 crores. That is an answer to my hon. friend's argument. The fact that Pakistan did not observe the Agreement, well that cuts both ways. Just as we would have had to import raw materials like raw jute and raw cotton from Pakistan, likewise we would have exported to Pakistan quite considerable quantities of cotton textiles and other goods. I have already stated that I am entitled to proceed on the basis of the Trade Agreement. Again, because of the paucity of supplies from Pakistan of raw jute, our foreign trade in jute goods has suffered—that you have to take into account when you refer to this favourable balance of trade.

Now, my hon. friend criticised us on the ground that the actual import licences issued are not tracked right up to the point of, say, fulfilment of that contract, that is to say, we are going on issuing import licences but we do not know how much of it is effective. I admit that we do not keep a track of each individual licence, but so far as the different categories of goods are concerned, we get complete figures, after the importation is made, of the amounts and the quantities of goods of each category that come into the country. I do not suppose anything more is needed or is ever attempted in any part of the world.

**Prof. Ranga:** But what is the time-lag?

**Shri Neogy:** Time-lag is not the point.

**Prof. Ranga:** But that is the most important thing also.

**Shri Neogy:** However, my hon. friend has a thesis saying that you must so manage your foreign trade that you do not have to touch your Sterling balances. I hope my hon. friend has time to spare to the study of the actual situation today, time that he may have left after studying text-books. What is the actual position? I did not hear him clearly, but I think my hon. friend said that he thought that I was a sort of a mentor to him. I am sorry for my disciple. I have been rather careful in following what my hon. friend, my dear disciple, does in this House, but I do not remember him at any time referring to the economic consequences of the partition. Now, that has a vital bearing on the foreign trade of this country. Any novice in economics would be expected to attach greater importance to it than what my hon. friend appears to have done. He says: "This is really what should be done. You forget the sterling balances". That was not, as far as I recollect, his attitude when he spoke on the 13th August 1948 on the Sterling Balances Agreement. That apart, how are we going to meet our obligations? We have cut down our imports to the absolute minimum. I definitely tell the House that soon a time will come for liberalisation of the import policy. This restricted policy has been possible because of the past liberal import policy. It is because we allowed liberal import of certain very necessary articles that we are now in a position to tighten our belt. This position will not continue for very long. What are our export commodities? What is the possibility of our being able, say, in the next one year, two years, or three or four or even five years, so to improve our export trade as to be able to balance the whole of our essential import necessities without drawing upon the Sterling Balances? Mind you, it is not the normal requirements of a country that we have to meet out of the normal export earnings of the country. Government have undertaken a very ambitious development plan. They have very many ambitious projects both industrially and otherwise. How can my hon. friend expect to find foreign exchange sufficient for the purpose of importing all the essential capital goods required during the next five years, both in the sector of general development of the country and in the sector of industry? It would have been a very much more reasonable proposition had my hon. friend said that we should expect to meet the demands of foreign exchange in regard to the



normal imports by our normal exports, and asked us to reserve the Sterling Balances for meeting extraordinary demands. By this, I do not mean not merely capital goods—capital goods are there, of course—but what about food imports, which are an abnormal feature? If you say that these are going to be a normal feature of this country, then God help this country. It can only be treated as a situation that requires to be reckoned as an abnormal one, and in meeting it by drawing upon the Sterling Balances, I must say that it would be a perfectly legitimate use of the Sterling Balances.

**Shri T. T. Krishnamachari:** I would like to say that what I had said was that it ought to be treated as a reserve. There is no use my hon. friend waxing eloquent over something I did not say.

**Shri Neogy:** Reserve for what? Not to be touched for anything—that is what he meant. If he would read the proof of the proceedings which will be in his hands in a few hours, he will see what he meant.

There is an impression in this House that you can go on restricting your imports without limit, at the same time, expanding your exports. Now, international trade is a two-way traffic. It is simply not done that way. If you say, "I am not going to import anything except capital goods", do you think that you are in a position to hold the rest of the world at ransom? You cannot say, "Well, you yield up your capital goods. I do not care for anything else. I am not going to take anything else." Is that what the attitude of the House going to be? I want to tell my hon. friend Prof. Ranga, who does not seem to have read the Trade Agreements, that if he goes through them—they are available in the Library—he will see that in some cases we had to agree to the importation of non-essential goods. And why? Because they made it a condition that if we wanted capital goods from them, we must agree to take some of the non-essential goods. Otherwise, they said, they were not interested in coming to an agreement with us. Their economy was based upon certain different types of manufacture and they cannot simply afford to go on supplying the rest of the world merely with capital goods. If they did so, what would happen to the other articles they manufactured? That is the attitude which every country took, and that is the attitude which every country is going to take. In India, we are planning to be a great industrial country and we hope that we shall be able to build up a market in the outside world for our manufactured commodities, because we have lost, by reason of the partition, a very considerable amount of raw materials which used to bring us foreign exchange. If that happens, even then you will find that, unless you are prepared to accept the things which other countries are in a position to offer to us, they will simply not be interested in the manufactured commodities that we may be in a position to supply to them. That is the A.B.C. of international trade.

A lot has been said about "frittering away" our Sterling Balances. Reference has been made, in this connection, to the O.G.L. I shall remind the House of the circumstances in which the O.G.L. was issued. At that time, there was a Committee of the Parliamentary Party—the Congress. There were meetings of economists, of industrialists, and all recommended unanimously liberalisation of the import policy.

**Shri T. T. Krishnamachari:** Question. That is not so.

**Shri Neogy:** That is so. It may be that they did not specify all the articles that they wanted to be liberalised.

**Prof. Ranga:** What was the advice given to the Cabinet by the Commerce Ministry?

**Shri Neogy:** The Commerce Ministry gave the advice, according to which the decision was taken, and although it is not usual to say in the open House as to how the Cabinet behaved in a particular issue, I may say that there was absolute unanimity. The allegation of lack of co-ordination between the Finance Ministry and the Commerce Ministry on the one hand and the Industries Ministry and the Commerce Ministry on the other is absolutely baseless. I do strongly repudiate it.

**Prof. Ranga:** It is all a happy family in failure.

**Shri Neogy:** I have felt that many of my hon. friends do not seem to like the Commerce Ministry. I shall be happy to welcome my hon. friend, in the course of the next few days, to take my position if he would relieve me (*Shri B. Das: God forbid!*) and from another part of the House, I will perhaps criticise him more effectively on the basis of facts and not fancies.

**Mr. Deputy-Speaker:** The question is:

"That the Bill further to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** There are no amendments, I find. I shall therefore put all the clauses together.

**Shri Himatsingka** (West Bengal): I find that in clause 3, sub-clause (b), it is said that for sub-clause (d), so and so be substituted. Now, in the original Bill there is no sub-clause (d).

**Shri Neogy:** That was amended, if my hon. friend would remember, during the last session.

**Shri Himatsingka:** So, it is a wrong copy supplied by the Library.

**Mr. Deputy-Speaker:** That is the copy I also had. However, it has since been amended.

The question is:

"That clauses 2 to 5 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 5 were added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Shri Neogy:** I beg to move:

"That the Bill be passed."

**Mr. Deputy-Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

*The House then adjourned till a Quarter to Eleven of the Clock on Thursday, the 23-d February, 1950.*