Tuesday, 21st November, 1950

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# PARLIAMENTARY DEBATES

(Part I--Questions and Answers)

# OFFICIAL REPORT



THIRD SESSION (FIRST PART)

of the

PARLIAMENT OF INDIA

(1950)

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#### THE

## PARLIAMENTARY DEBATES (Part I-Questions and Answers)

## OFFICIAL REPORT

#### 175

PARLIAMENT OF INDIA

Tuesday, 21st November, 1950.

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER in the Chair]

#### MEMBER SWORN

Shri C. C. Biswas (West Bengal).

### ORAL ANSWERS TO QUESTIONS

#### FOOD PRODUCTION

**\*181. Shri B. K. Das:** (a) Will the Minister of Food be pleased to state the extent of loss in production of food crops due to flood. earthquake and other natural calamities during this year?

(b) What additional allocations of food grains have been made to different States to make up such loss?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) According to the preliminary estimates furnished by the State Governments, 1950-51 Kharif and rabi crops have suffered damage to the extent of about 6 million tons.

(b) The effect of the loss will be feit largely in 1951. In fixing the quotas for 1951. the crop position in each State will be taken into account. So far as the current year is concerned. allotments to deficit States like Bihar. have been increased while in the case of surplus States like Orissa and Madhya Pradesh. exports have been suspended. A statement showing the original quotas and the quotas as revised is laid on the Table of the House. [See Appendix III, annexure No. 1.]

Shri B. K. Das: May I know. Sir. whether there were any other causes that have contributed to damage to food crops? Shri K. M. Munshi: Well, the reasons have already been given. There have been excessive rain-fall, drought, floods and earthquake.

Shri B. K. Das: How far have such losses been compensated by the steps taken by the Government to step up production?

Shri K. M. Munshi: This year's expected output is about thirteen lakh tons. How far that expectation will fall short has not been ascertained so far.

Shri B. K. Das: Is the hon. Minister in a position to state how far the recent cyclone and rain-fall have caused losses to crops and in what States?

Shri K. M. Munshi: In Assam the damage has been 12000 tens

mage has been	12,000 tons,
West Bengal	215,000 tons,
Bihar	28.00,000 tons,
Orissa	500,000 tons.
Bombay	1,31,009 tons.
Madhya Pradesh	13.35,000 tons.
Uttar Pradesh	4.00,000 tons.
Punjab	50,000 tons.
Saurashtra	1,39,000 tons, and
Hyderabad	2,000 tons.

But these are only estimates so far and the total comes to 55,84,000 tons. It may be a little more.

Shri B. K. Das: The rainfall and cyclone that occurred last week have caused a great deal of damage to standing crops. I want to know if the hon. Minister is in a position to state which States have suffered what amount?

Shri K. M. Munshi: I am afraid I am not in a position to state that.

**Pandit Munishwar Datt Upadhyay:** What is the estimated loss in mbi crop?

Shri K. M. Munshi: The position is that still there are expectations of rains; I do not know whether they will 177

be fulfilled. It is difficult to estimate the loss of *rabi* crops with any exact accuracy. But there is substantial loss.

Shri Rathnaswamy: May I request the hon. Minister to tell us whether, within living memory, there was any year when our country was spared from visitations of floods or drought?

Mr. Speaker: Order, order. I cannot allow that question.

Shri Kannamwar: May I know whether the food situation in Madhya Pradesh is difficult and the State Government have requested for the allotment of 25,000 tons of milo and wheat?

Shri K. M. Munshi: I know that there was considerable loss of foodgrains. As soon as stocks are available they will be supplied.

Shri B. Das: Has the attention of the hon. Minister been drawn to the very recent cyclone that passed over Bengal and that caused severe rains in Orissa. Bengal and Assam? How is the rice crop in those areas going to be affected by the cyclone?

Shri K. M. Munshi: As I have already pointed out we have not so far got any figures of the damage caused by the recent cyclone.

भी ज्ञानी राम: बिहार का पहले का

पूरा कोटा दिया गया था या नहीं और अभी

जो कोटा निश्चित हुआ है वह कब तक दिया

जायगा ?

[Shri Jnani Ram: Was the previous full quota of Bihar given or not and how long will it take to give the quota now fixed?]

Shri K. M. Munshi: As a matter of fact the Bihar quota was only 40,000. It has been raised to 139,000.

#### FOOD PRODUCTION

**\*182. Shri B. K. Das:** Will the Minister of Agriculture be pleased to state what is the anticipated increase of food production this year over the production of last year?

The Minister of Food and Agriculture (Shri K. M. Munshi): The prospect of increased food production this year has received a set-back owing to the damage to *Kharif* crops caused by earthquake. floods and drought.

Saikh Mohinddin: Has Government taken any special measure to prevent the production of *rabi* crops from deterioration during the current year? Shri K. M. Munshi: As a matter of fact whatever setback there has been is there and that cannot be cured. All that we can do is to try to make it up next year.

Shri Poonacha: Will the hon. Minister kindly let us know how far the production has fallen down on account of lack of incentive on the part of the cultivators because of the unremunerative prices fixed for the producer?

Shri K. M. Munshi: The question involves many assumptions—first that the prices are unremunerative and secondly that production has fallen on account of lack of incentive. So, it is difficult to answer the question.

Kanwar Jaswant Singh: How far has the damage been due to locusts?

Shri K. M. Munshi: It has not been ascertained so far. But except perhaps in Rajasthan or in Saurashtra, the damage has been negligible. Prompt steps were taken to destroy them.

Shri D. D. Pant: Will the hon. Minister please state whether when he calculates this increase or decrease in food, he takes into consideration nonvegetarian food also?

Mr. Speaker: Order, order.

Shri Deshbandhu Gupta: In view of the fact that flood and other calamities are restricted to certain States is the hom. Minister in a position to give an idea to the House of the anticipated increase in such States as have not been effected by such calamities?

Shri K. M. Munshi: As a matter of fact as I told the House the other day, except for three States there have been some set-back or the other in all the remaining States throughout the country.

Shri R. K. Chaudhari: Has there been any increase in the production of rice in the rice growing areas?

Shri K. M. Munshi: This year the rice producing areas have been hit the hardest. There is therefore no question of increase this year.

Sardar B. S. Man: May I know how far the difficulties of food production, apart from floods and other calamities, are due to the non-availability of seed at proper time to the grower and of the failure of the Government to rectify this mistake?

Shri K. M. Munshi: First, there is no doubt that on account of difficulties in some parts of the country it has been difficult to find seeds. But the Government has always been taking active steps to see that seed is provided. They have requisitioned seed from whichever States they were available and tried to supply them to as many States as demanded them.

Oral Answers

Shri Deshbandhu Gupta: May I know whether Government has issued any directions to the States to keep a record districtwise of the expected increase in yield as a result of the Grow More Food campaign? Whether District Magistrates are required to keep a record of the increase in the area of cultivation and yield in their districts? Has any such system been introduced?

Shri K. M. Munshi: There is a complete system not only districtwise but even talukawise where the results of the Grow More Food campaign are ascertained not only by the States, but in some cases by random sampling. Trainers have been sent from the Centre in order to train people to assess the increase and there is a complete check on that system.

Shri Tyagi: Has it come to the notice of the hon. Minister that on account of there being no control over crushed gram and the price of crushed gram, gram has mostly been crushed and therefore the areas of Rajasthan are short of seed for growing the next crop of gram because whole gram is not sold?

Shri K. M. Munshi: There are two questions involved here. So far as seeds are concerned, whichever State has asked for it, it has been supplied with it by requisitioning it from the merchants who have got it, because the Government has refained to itself the power to requisition gram, and that has been done on a large scale. As regards the other assumption I do not agree with the hon. Member that dai or the flour of gram will do away with the supply of seeds.

Shri Deshbandhu Gupta: I want to ask one question...

Mr. Speaker: Next question. We are taking an unduly long time over these questions. We have taken fifteen minutes for two questions.

#### DELHI TRANSPORT SERVICE

\*183. Shri Kesava Rao: (a) Will the Minister of **Transport** be pleased to state at what stage the proposal to reduce Bus fares of the Delhi Transport Service stands?

(b) Is there any proposal of introducing cheap monthly passes? The Minister of State for Transport and Railways (Shri Santhanam): (a) The Delhi Road Transport Authority has not found it feasible so far to proceed with the question of reducing bus fares. Owing to increased cost of operations due to a rise in the price of spare parts and the pay scale of the workers the authority has not found it possible to effect any economies.

(b) Cheap monthly concession tickets on payment of 45 fares for 60 journeys are already available to all classes of passengers. Special cheap monthly tickets are also allowed to students.

Shri Kesava Rao: May I know whether the Government is aware that bus fares in Delhi are higher than those in Bombay and Calcutta?

Shri Santhanam: They are higher than those in Calcutta. a little higher than those in Bombay, but much cheaper than those in Madhya Pradesh.

स्त्रास्त्रा अचिन्त रामः क्या माननीय मंत्री जी बतलायेंगे कि पैसेनजर्स के ख्यादा होने की वजह से, क्या बसिज़ की गिनती बढ़ाने का स्थाल कर रहें हैं।

[Lala Achint Ram: Will the hon. Minister kindly state whether in view of the increased number of passengers the Government are proposing to enhance the number of the buses?]

Mr. Speaker: I think these are obvious things. One need not go into them.

Shri Deshbaadhu Gupta: What has been the increase in the fares since Government took over the undertaking?

Shri Saathanam: There has been no increase in fares: only there has been rectification All quarter annas have been abolished and nine pies have been increased to the full anna. Yes, wherever it was one and a quarter anna we are now charging only one anna, but where it was one anna nine pies we are now charging two annas, because it was found that conductors were not giving the change. To make it convenient for passengers some rectification was made, but there has been no increase.

Shri Kesava Rao: What are the reasons for the increased bus fares in Delhi compared to other places?

Shri Santhanam: There are many reasons. One is that the entire fleet which we took over was run on petrol while in Bombay and Calcutta many of the buses are run on diesel oil. which is much cheaper. When the Road Transport Authority in Delhi is able to put, as it has proposed to do, eighty diesel engines before April 1951, then I think it will be in a position to reduce the fares to the same level as in other cities. Also the traffic in Delhi is not continuous as in Calcutta and Bombay. It is concentrated within a few hours and for the rest of the day the buses have to run empty. For these and other considerations it has not been found possible to reduce the fares to the same level as in Bombay and Calcutta.

ZONAL AREAS IN DELHI (POSTAL)

\*185. Shri Raj Kanwar: Will the Minister of Communications be pleased to state:

(a) whether the Scheme of Zonal areas recently introduced in Delhi and New Delhi in regard to despatch and delivery of mails and other postal work has proved a success;

(b) what has been the total expenditure involved in the introduction of the new Scheme;

(c) the total expenditure involved in the printing of maps showing the Zonal areas supplied to the public free of charge; and

(d) the total number of maps printed?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) The Zonal system was introduced from the 1st July, 1950. It is yet too early to say whether it has proved a success. Public co-operation is a pre-requisite to the success of the scheme.

(b) The total expenditure involved in the Scheme comes to Rs. 3,142/7/-.

(c) Rs. 2,535/7/- were incurred in printing small maps distributed free to the public and also exhibited on notice boards of all the Post Offices.

(d) 50,000.

Shri Raj Kanwar: In which cities of India has the Zonal system for postal purposes been introduced and have the results been commensurate with the extra expenditure involved in such introduction?

Shri Khurshed Lal: As far as I remember, the system is already in force in Bombay and Calcutta—I am not sure about Madras. It is an obvious necessity for big towns.

Shri Raj Kanwar: What percentage of the letters, postcards and other postal articles in Delhi and New Delhi post offices bear the zonal sign or number 1, 2, 3 etc.? Shri Khurshed Lal: As I said, the scheme has just been introduced. The public is being educated about the zonal numbers. I am sure the practice will increase as time passes.

Shri Raj Kanwar: Will the letters etc. posted in Delhi which do not bear these marks be subject to any delay on this account?

Shri Khurshed Lal: Oh. yes. If a letter is marked with the zonal number it goes to the zonal post office straightway from there, whereas if it is not so marked it goes to the Central Post Office from where it has to be redirected to the zonal post office. Letters from all intelligent people do bear the zonal numbers.

Shri Tyagi: Has intimation been given to all the owners of houses in each zone with regard to the number of their zone?

Shri Khurshed Lal: If the hon. Member had beard the answer he would have found that we have distributed 50,000 maps to indicate them.

#### POSTAL LIFE INSURANCE POLICIES (BONUS)

**\*186. Shri Raj Kanwar:** Will the Minister of **Communications** be pleased to state:

(a) the date on which the usual bonus on Postal Life Insurance Policies for the period 1942-47 was declared by Government;

(b) whether bonus certificates have since been issued to all policy-holders; and

(c) if not, what is the cause of delay and when are they likely to be issued?

#### The Deputy Minister of Communications (Shri Khurshed Lal): (a) 3rd May, 1950.

(b) The bonus is payable along with the value of the policy and bonus certificates are issued only to those who ask for them. Bonus certificates have been issued to 868 out of 893 policy-holders who have applied for them.

(c) Does not arise.

Shri Raj Kanwar: Is it a fact that the quinquennial valuation of postal policies takes nearly two years or more to complete? Can't this period be shortened or reduced to the irreducible minimum?

Shri Khurshed Lai: It takes about two years, and it is not possible to curtail this time in view of the work involved.

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Oral Answers

Shri Raj Kanwar: Is there any proposal to make this valuation after every three years instead of five years?

Shri Khurshed Lal: No.

**Prof. Ranga:** Are Government prepared to throw open this post-office insurance policy to the general public also?

Shri Khurshed Lal: No.

Shri Raj Kanwar: Are Government aware that many of the private companies doing insurance business make valuation after every three years and if so what are the practical difficulties in the way of the postal policies being evaluated after three years for the purpose of bonus?

Shri Khurshed Lal: As far as I know as a policy-holder the usual practice is that Government makes the valuation after every five years. In any case it is not contemplated to reduce it to three years because it involves much cost.

Shri Raj Kanwar: Am I correct in assuming that the scheme of postal insurance is in force for the last 50 years or more, and if so, what is the amount of profit made by Government over this scheme and how is that profit utilized?

Shri Khurshed Lal: So far as the amount of profit is concerned. I would require notice of that.

RAILWAY ACCIDENTS

\*187. Shri Raj Kanwar: Will the Minister of Railways be pleased to state:

(a) whether the attention of Government has been drawn to a suggestion recently published in the Press to the effect that in order to avert or minimise the loss of human lives in railway accidents the three or four bogies placed next to the engine should be parcels and goods wagons; and

(b) whether the railway authorities have examined the suggestion and if so, what is their reaction to it?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Yes.

(b) The suggestion has been examined more than once. Its adoption as a regular feature of train marshalling has not been considered either expedient or feasible. Instructions have, however, been issued to railways to see that "in the case of mail, express and other passenger trains having more than one brake van, the brake and luggage van which has no accommodation for passengers, is marshalled next to the engine and to ensure that, as far as possible, this brake and luggage van is maintained in this position throughout the run."

Shri Raj Kanwar: Don't Government subscribe to the view that every good suggestion from whichever source it emanates is entitled to careful consideration and is worthy of acceptance?

Mr. Speaker: Order, order. He may ask for information but not express an opinion. Any other question?

Shri Raj Kanwar: No. Sir.

Shri M. A. Ayyangar: May I ask the hon. Minister if he has received a number of suggestions relating to mechanical and other devices that can be applied and if so, what the decision has been regarding them by Government?

Mr. Speaker: I am afraid the question is very vague.

Shri M. A. Ayyangar: To avert accidents one suggestion has been made that three or four bogies may be attached immediately.

Mr. Speaker: Obviously Government must be receiving suggestions and they must be considering them.

Shri M. A. Ayyangar: Apart from attaching bogies, has any other tangible suggestion to avert accidents been received or is under contemplation of the Government?

Shri Santhanam: Many suggestions have been received and every one of these suggestions has been carefully considered. One or two suggestions are being tried and experimented and everything will depend on the results of these trials and experiments.<sup>4</sup>

#### IMPORT OF FOOD GRAINS

•190. Shri Kamath: Will the Minister of Food be pleased to state:

(a) how much rice, wheat and other food grains, from which countries and at what prices, have been imported into India during the last three months, or is proposed to be imported in the near future;

(b) in which parts of India scarcity of food grains exists at present;

(c) whether any starvation deaths have been reported, and, if so, from where; and

(d) the measures that Government propose to take to meet the food situation? The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Two statements are laid on the Table of the House showing:

(i) Quantity and value of foodgrains received in India from each country during the three months August to October, 1950; and

(ii) Quantity of food grains expected to be received in India from each supplying country during November and December, 1950. [See Appendix III, annexure No. 2].

(b) Bihar, Madras, Eastern Uttar Pradesh, parts of West Bengal and parts of Assam.

(c) Not by any of the State Governments. Reports which appeared in the Press have on verification been found incorrect, except in the case of a beggar in Bihar.

(d) Maximum supplies will be made available to the affected States from the total availabilities which will be mobilised to the fullest possible extent.

Shri Kamath: May I request you to ask the hon. Minister to .ell us the names of the countries; there are a very few countries, whose names may be read out.

Mr. Speaker: Has he not got a copy of the statement in this respect? I wish to invite the attention of the Members to the fact that on the insistence of Members of this House, arrangements have been made to supply copies of statements to persons who put questions. The arrangement has been notified and in the Notice Office copies are kept and on enquiry. I understand that no advantage has been taken of the arrangements specially made at the request of Members. I had notified this thing in the House myself. So, there is no question of hon. Members not having notice of this. I merely took this opportunity just to invite the attention of Members that whenever statements are put in in pursuance of the arrangement made, the statements will be available but hon. Members must take advantage of the statements filed there.

Shri Tyagi: The difficulty arises because a Member does not know whether the Minister wants to lay a statement or reply in the House. It is only in the case when an hon. Member .... Mr. Speaker: This point also was clarified. I said that the numbers of all questions in respect of which statements are being laid on the Table would be notified on the notice board before the House meets and it is accordingly being done.

Shri Kamath: Usually when you make an announcement here, a circular is subsequently issued. I do not remember to have received any circular.

Mr. Speaker: I think that there was a circular also. Unless I enquire. I can't be sure.

**Shri Gautam:** Is it possible, Sir, to send the statement to the Member concerned by the usual dak?

Mr. Speaker: It comes in the morning and it will be impossible to take advantage of the dak. If the Members are keen to put questions and to have the information, they are expected to be keen to know as to whether a statement is filed or not and if so, what the contents of the statement are.

Shri Naziruddin Ahmad: In some cases the statements are supplied to some Members and not to all.

Mr. Speaker: It is again a misstatement. The arrangement has been that any Member who has tabled a question will be able to get a copy of the statement. A suggestion was made that all such copies should be circulated to all the Members and I said that that was not possible; it would involve unnecessary cost and labour.

Shri Kamath: Today, at any rate, I would like to have the names of the countries in the statement.

Shri K. M. Muashi: The names of the countries from which the foodgrains were imported during the months August to October are Australia, Argentina, Thailand, Burma, Ceylon, Egypt, U.S.A. and Iraq.

Shri Kamath: Is it a fact that so far as the import of rice from Thailand is concerned, the quality of rice supplied by Thailand was C grade broken rice, glutinous rice and infested rice?

Shri K. M. Munshi: I should like to have notice of that.

Shri Kamath: Was any officer sent from here to Thailand to negotiate the purchase of rice from that country?

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Shri K. M. Munshi: I have no information. Any way, I do not remember if anyone went.

Shri Kamath: Is it a fact that during the Prime Minister's visit to U.S.A. last year there was some talk between him and the U.S.A. Government about exchange of wheat for Manganese from India?

Shri K. M. Munshi: There was some vague talk at the time but later on the matter was taken up and it was found that the U.S.A. was not surplus in wheat and therefore no question could arise of any further negotiations.

Shri Kamath: Is it a fact that any officer of the Ministry was sent recently to the U.S.A. to negotiate the purchase of some foodgrains from there?

Shri K. M. Munshi: Recently?

Shri Kamath: Yes, recently.

Shri K. M. Munshi: That was a question which you did not propose to ask. An officer was sent.

Shri Kamath: For what purpose?

Shri K. M. Munshi: The reason was that Australia could not supply to India the quantity of wheat which was required under the Wheat Agreement and therefore an officer who was conversant with the Wheat Agreement was sent in order to purchase wheat and to expedite despatch in view of the extraordinary situation here.

Shri Kamath: What was the outcome of that visit?

Shri K. M. Munshi: He has purchased wheat both from the U. S. A. and from Canada. We have got considerable concessions from Canada with regard to the wheat purchased from Canada.

Shri Kamath: Arising out of the answer to part (c) of the question with regard to starvation deaths, have any of the Press reports about this been referred to the State Governments concerned for enquiry and report to the Government of India?

Shri K. M. Munshi: Oh yes. As a matter of fact, again and again they have been asked. Wherever starvation deaths have been reported in the Press, immediate enquiries have been made and they were asked to verify. Officers were sent and reports were called for.

Shri Kamath: Have the State Governments denied the reported deaths in every case? Shri K. M. Munshi: The statement that I have made is the result of the reports of the State Governments.

Shri Tyagi: What is the designation of the Officer who was sent to America, for how long was he away and what arrangements were made to run the office which he occupied here?

Shri K. M. Munshi: The Secretary of the Food Ministry, Mr. R. L. Gapta was sent and during his absence, the Joint Secretary, Food Ministry. was in charge of the Ministry.

Shri Tyagi: For how long was he away?

Mr. Speaker: I think it is no use going into these details.

Shri Tyagi: One part of my question as to the period for which he was away......

Mr. Speaker: It is a matter of administrative detail.

Shrimati Durgabai: May I know whether there are Trade Commissioners who are expected to do these functions?

Shri K. M. Muashi: The Trade Commissioners are expected to look after these purchases. But, in this case, Government decided that Mr. Gupta should be sent because he is very familiar with the Wheat Agreement, has been to U.S.A. on several occasions and is likely to get concessions by going there.

Shri Tyagi: Did be get concessions?

Mr. Speaker: Order, order; Mr. Gautam.

Shri Gautam: Is it not possible for Government to make these purchases through the Embassies in those countries instead of sending officers from here?

Shri K. M. Munshi: Normally, yes. In this case, it was an exceptional matter and therefore Mr. Gupta had to be sent.

Shri Kishorimohan Tripathi: Arising out of the answer to part (b) of the question, is Government aware that in Madhya Pradesh there is serious scarcily of wheat and as a result, rations have been reduced by 50 per cent.?

Mr. Speaker: Order, order; he is giving information.

Shri T. N. Singh: Arising out of part (d) of the question, may I know if supply of foodgrains to the Uttar Pradesh, as previously sanctioned by the

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Shri K. M. Manshi: I think all the foodgrains that were allotted to U.P. have been sent.

Shri R. K. Chaudhuri: May I know in what parts of Assam have there been deaths from starvation and whether any additional foodgrains have been sent?

Shri K. M. Munshi: Luckily, no part of Assam had this misfortune.

Shri Kamath: Has the Madhya Pradesh Government recently reported to the Minister about the apprehended food scarcity in the State and also the fact that food rations have been reduced there by 50 per cent.?

Mr. Speaker: Order, order; it is the same thing. After two days of Food Debate, there is very little scope for supplementary questions. I find that the questions, though put in the form of asking for information, are all suggestions for action.

Shri Tyagi: Is it a fact that a party offered......

Mr. Speaker: I do not propose to allow any more questions.

#### RAILWAY ACCIDENTS

\*191. Shri Kamath: Will the Minister of Railways be pleased to state:

(a) the total number of accidents on Indian Railways that took place during the last four months;

(b) the loss of life and property involved in those accidents; and

(c) the amount of compensation that has so far been paid to the victims or to their dependents?

The Minister of State for Transport and Railways (Shri Santhanam): (a) 653 train accidents occurred during the four months June to September, 1950. Of these. 10 were very Serious, 47 Serious. 375 Minor and 221 Trivial.

(b) 54 lives were lost. The approximate cost of damage to engines. rolling stock and permanent way amounted to Rs. 12,36,000.

(c) In the case of the two major accidents during this period special Claims Commissioners have been appointed, but no compensation has so far been paid.

Shri Kantath: In how many of these accidents have inquiries been held and concluded, and in how many are they still pending? Shri Santhanam: In the case of major accidents inquiries are held by the Government Inspector. In the case of other serious accidents, inquiries are held by a committee of Railway officers. As for the actual number of inquiries and their results. I would like to have

Shri Kamath: In how many cases did the inquiries show that the accidents were due to sabotage. in how many cases due to mechanical defects and in how many due to negligence or other fault on the part of the running staff?

Shri Santhanam: Almost all the deaths of passengers occurred in the two major accidents, namely, the Toofan Express accident on 13th August, 1950 and the Kashmir Mail accident on 3rd September, 1950. The Kashmir Mail Accident was due to some error of judgment in passing over a culvert during the rainy season while in the case of the Toofan Ex-While in the case of the rootan ex-press accident, we have ordered a judicial inquiry. The Government Inspector expressed the opinion that it was due to sabotage. As the House knows, a fudicial inquiry has been ordered in this matter. With reference to the other accidents, nearly half the number was due to some error on the part of the staff and the other half due to mechanical defects.

Shri Kamath: Has action been taken in every case where it was found that it was due to some error on the part of the running staff?

Shri Santhanam: Yes, Sir. Wherever individual responsibility can be fixed, such action has been taken.

Shri Kamath: Has there been any earlier period of four months in our history during which an equally large number of accidents happened on the railways?

Shri Santhanam: I would like to have notice to give a precise answer. But, I think in any four months, on an average, something like the same number is bound to happen.

Shrimati Durgahai: I would like to know whether the hon. Minister is in a position to tell the House as to the cause of the very recent accident to the Calcutta-Madras Mall somewhere near Cuttack and what is the estimated total loss?

Shri Santhanam: I would like to have notice.

Shri Joachim Alva: As a result of these inquiries. during the three months, as stated by the hon. Minister, how many officers and members of the staff have been suspended or punished? Shri Santhanam: If the hon. Member will put down a separate question, I amprepared to supply the answer.

Shri Kamath: How many claims for compensation in respect of casualties are still pending before Government?

Shri Santhanam: In all the cases of major accidents, we set up special Claims Commissioners. We have permanent Commissioners under the new law which we have passed to cover all claims arising from other accidents. It takes three or four months for the Special Claims Commissioners to finish their deliberations, because three months' time is given to the claimants to put in their claim and a procedure has to be followed. In many of the cases, all the claims have been settled. In the case of the recent accidents, the Claims Commissioners are considering the claims and we expect that the work will be concluded very son.

Shri Kamath: May I know. Sir. what amount has so far been paid by way of compensation?

Shri Santhanam: In the case of the Kashmir Mail accident which occurred on the 29th January, 1950. The compensation was Rs. 2.12,000. In the case of the derailment of the Calcutta Mail at Sulurupetta it was Rs. 62.166 and in the case of the derailment of the Kumaon Express Rs. 14,910. In the case of the other major accidents, the Claims Commissioners are still considering the question.

Shri Meeran: May I know. Sir, if Government pay any interim compensation to the parties concerned, pending the completion of the investigations by the Claims Commissioners, in the case of these major accidents?

Shri Santhanan: The Claims Commissioners have power to order interim compensation if they feel that the consideration of the claims may take a long time.

**Prof. Ranga:** Have not Government received any report as yet from the General Manager either at Calcutta or at Madras giving some amount of details relating to the accident that took place recently?

Shri Santhanam: But the question did not cover that point, so I was not prepared to answer it.

**Prof. Range:** Have Government received no report at all?

Shri Santhanam: We must have received, of course, **Prof. S. N. Mishra:** May I know, Sir, if some of the accidents are also due to the trains running over cattle?

Shri Santhanam: Yes, many of the smaller accidents occur because of cattle straying into the line.

**Maulvi Wajed Ali:** May I know how many of these accidents occurred on the Assam Railway?

Mr. Speaker: I believe he does not have the classification by railways, has he?

Shri Santhanam: I have not got it specially in that form.

Shri Deshbandhu Gupta: May I know, how many persons have been arrested so far for being responsible for sabotage?

**Shri Santhanam:** That belongs to the State Government, the Railways have no power to arrest anyone.

**Babu Ramnarayaa Singh:** In dealing with the question of compensation, may I know what are the general principles followed?

Mr. Speaker: General principles followed?

Babu Ramnarayan Singh: Yes.

Mr. Speaker: I am afraid it is too general a question.

Shri Kamath: Have Government got any fixed rates for compensation for loss of life?

**Shri Santhanam:** According to the Act passed, the maximum compensation in the case of any passenger is Rs. 10,000. Subject to that limit the Claims Commissioners have got full discretion to assess the compensation according to the merits of each case.

Shri R. Velayudhan: May I know, Sir, whether Government have received a report from a railway engineer to the effect that the Canadian engines are not fit for slow-running and whether he has been dismissed because he gave this report?

Mr. Speaker: I don't think I can allow it.

Shri J. N. Hazarika: Is it a fact that some of these railway accidents were due to the absence of gates at the railway level-crossings?

Shri Santhanam: There have been accidents even when there are gates at the level-crossings. So no such generalisation is possible. **Prof. Banga:** Whenever an accident takes place, do not Government follow it up and get information as to whether it was due to sabotage, and if so who were arrested by the State Government concerned and what punishments are meted out to the culprits?

Shri Santhanam: The State Governments do follow up the enquiry in every case. They try to trace the culprits and in some cases they have actually got the culprits and cases are gCing to be launched. But that is not a matter which is in our direct knowledge and so I suppose I cannot be expected to answer such a question.

Mr. Speaker: But his point is whether the Government of India are not following up to see what happens in such cases of sabotage and whether they have got the information with them?

Shri Santhanam: Yes Sir, we do follow it up and if any information is asked with reference to any particular case we shall be glad to supply such information as is available with us.

#### GRAM AND GRAM Dal

\*192. Shri Tyagi: (a) Will the Minister of Food be pleased to state as to why gram in the shape of dal has been exempted from price control while the price of gram is controlled?

(b) Is it also a fact that uniform ceiling price has been fixed for gram all over the country and that no discrimination has been made between the productive and non-productive areas of gram?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Maximum prices for gram dal were not fixed as these were difficult to work out on account of large variations obtaining in each State for its cost of production.

(b) No; separate prices have been fixed for the producing and consuming States.

Shri Tyagi: Is the Government aware that owing to the fact that there is no ceiling limit in the price of crushed gram, whole-gram has mostly been crushed?

Mr. Speaker: The hon. Member made this point in the Food debate and the hon. Minister has replied to that.

Shri Tyagi: But I want to know if the information has come to the hon. Minister that some of the States are feeling difficulty owing to the fact that whole-gram is all being crushed and there is no gram even for growing another crop?

Shri K. M. Munshi: I have already mentioned that whenever the States demanded assistance from the Centre, the Centre has requisitioned the gram in order to supply gram to the States.

Shri Tyagi: May I know if a party recently saw the hon. Minister and his Secretary and offered to supply 100.000 tons of food grains from PEPSU and East Punjab at controlled rates?

Mr. Speaker: I don't think I will allow that question.

Shri Tyagi: Sir, I wanted to know if gram also was included in that offer.

Mr. Speaker: No. it is a question as to which individual approached whom.

Shri Tyagi: Sir, it is only a question of a party offering to supply food grains at controlled rates and I want to know whether gram was also included in that offer.

Mr. Speaker: More or less it becomes a representation on behalf of the party, that is why I object to such questions being asked.

Shri T. N. Singh: In view of the scarcity in Eastern U.P. do Government propose to reimpose restriction on the movements of gram?

Shri Satish Chandra: How does Government propose to enforce price control without controlling the distributior and movement of grains?

Mr. Speaker: I am afraid the hon. Member is entering into an argument.

Shri Tyagi: May I know, Sir, if gram is imported from outside into this country?

Shri K. M. Munshi: Gram was in the O.G.L. and it was being imported; but I do not know if it is now being imported.

Shri Deshbandhu Gupta: May I know the price fixed for gram in Delhi?

Shii K. M. Muashi: It was fixed at Rs. 13, being an area adjoining a producing area.

Shri Deshbandhu Gupta: Does the hon. Minister know that since this price was fixed gram is not coming into Deihi as it is not economical for dealers to sell it at that rate?

Mr. Speaker: Order, order. I go to the next question.

#### EARTHQUAKE IN ASSAM

\*193. Shri T. N. Singh: (a) Will the Minister of Works. Mines and Power be pleased to state what physical changes and alteration in configuration of the land have taken place as a result of the earthquake in Assam with special reference to Abor Hills area?

Oral Answers

(b) What is the estimate of the total loss of property and life as a result of the earthquake?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): (a) According to the Geological Survey of India. no very large changes due to the earthquake have been proved, though subsequent floods have helped to disguise some minor alterations of level. The vast amount of boulders, gravei and sand shifted by the floods has had considerable effect on the river courses near the hills, and the change of course of the Brahmaputra near Dibrugarh seems to be mainly due to this cause rather than to actual movements of the river bed. Owing to floods and unfavourable weather for aerial reconnaissance, the Earthquake Party of the Geological Survey of India has not been able to examine the Abor Hills area. The Surveyor-General of India is investigating the alterations caused by the earthquake in the positions and heights of the physical features of the earth, but this will necessarily take several months, as a large number of precise observations are involved.

(b) Attention is invited to the answer given by the hon. the Prime Minister on the 20th November, 1950 to Shri A. B. Gurung's starred question Nc. 149.

Shri T. N. Singh: Apart from the party of geologists, has any survey been made by engineers about the changes in the courses of the rivers with a view to controlling the recurrences of future floods?

Shri Bnragohain: A party is now in Assam to take aerial photographs.

Shri T. N. Singh: When do the Government propose to complete the survey of the Abor Hills as it is reported that there is likely to be discoveries of minerals as a result of the earthquake?

Shri Buragohain: As I have already stated it will take several months before the survey is completed in the Abor Hills area.

Shri J. N. Hazarika: Is the Government aware that Mount Everest is rising higher and higher because of the earthquake? Shri Buragohain: Government have no information.

Shri A. B. Gurung: How much money did the Government spend for taking photographs from the air?

Shri Buragohain: The cost is estimated at Rupees one lakh.

Shri T. N. Singh: Do Government know of any preliminary discoveries made by geologists as a result of the changes brought about by the earthquake?

Shri Buragohain: Perhaps not: but a report has recently been received by Government.

Shri Kamath: Is there any truth in the press report that Parashram Kund has disappeared?

Shri Buragohain: The report has since been contradicted.

#### RESTORATION OF DISMANTLED LINES

\*195. Dr. R. S. Singh: (a) Will the Minister of Railways be pleased to state whether the Government of India propose to restore the dismantled Railway lines of the country?

(b) If so, are Tinpahar-Rajmahal line and Bhagalpur-Mandar Hill line included in the list of dismantled Railway lines?

The Minister of Transport and Ballways (Shri Gopalaswand): (a) Thequestion of the restoration of dismantled lines was reviewed by the Central Board of Transport at a meeting held on 29th August. 1950 and it was decided to restore 12 branch lines during a three year period commencing from 1951-52.

(b) The restoration of Tinpahar-Rajmahal line has been included in the programme for 1951-52 and that of Bhagalpur-Mandar Hill in the 1952-53 programme.

Dr. R. S. Singh: May I know whether the restoration work has yet been. started?

Shri Gopalaswami: Are you referring to any particular line?

Mr. Speaker: These two lines. presumably.

**Shri Gopalaswami:** I have said that one of them will be commenced in 1951-52 and the other in 1952-53.

Shri Chattopadhyay: May I know whether the Kastagram-Pariharpur Branch is included in the list? There was a cut motion moved about this Branch last time.

Oral Answers

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Shri Gopalaswami: I am afraid not.

Mr. Speaker: It would be better that the hon. Minister reads the names of the lines in the list which are proposed to be restored.

Oral Answers

Prof. Ranga: For all the three years.

Shri Gopalaswami: For 1951-52 the following are the lines:

Tinpahar-Rajmahal line Vasad-Kathana Madura-Bodinayakanur Nagrota-Jogindernagar Bijnor-Chandpur Siau Unao-Madhoganj-Balmau. For 1952-53: Bhagalpur-Mandar Hill Bobbili-Salur Utraitia-Sultanpur-Zafarabad.

Dr. M. C. Reddy: What is the total estimated mileage of restoration for 1951-52?

Shri Gopalaswami: I shall have to add up the figures. They are in this long list and I can add them up and give you the figure later on.

Shri Gautam: What were the considerations that led the Ministry to decide on giving priority to these lines in preference to others?

Shri Gopalaswami: One fact was that they had been in existence before the war. The second fact was that they are needed for the requirements of transport at present. We take also into consideration other facts relating to the existence of other forms of transport. All these facts are taken into consideration before we decide to establish an order of priority.

Shri Karunakara Menon: What steps are being taken to restore the Nilambur-Shoranur line? If not, when is it likely to be taken up?

**Shri Gopalaswami:** I think it is being taken up next year, if I remember right.

**Ch. Ranbir Singh:** When is the Rohtak-Panipat line going to be restored?

Shri Gopalaswami: The restoration of this line has been approved and it has been placed on the 1953-54 programme.

Shri B. R. Bhagat: May I know whether in view of the pressing and persistent demand of the jute-growing area of Bihar Government propose to restore Madhopura-Murliganj line? Shri Gopalaswami: That is still being investigated and the matter is under consideration.

#### INDORE AERODROME

\*196. Dr. R. S. Singh: Will the Minister of Communications be pleased to state whether Ifidore aerodrome has been taken over by the Government of India?

#### The Deputy Minister of Communications (Shri Khurshed Lal): Yes, Sir.

**Dr. R. S. Singh:** May I know the date when that aerodrome was taken over by the Government of India?

Shri Khurshed Lal: It was taken over on the 1st April: but from the 1st April till the 1st September it was worked by the Madhya Bharat Government on an agency system. Since the 1st September it is worked by the D.G.C.A

Shri Joachim Alva: How many aerodromes have been taken over and how many still are left to be taken over in the B and C States?

Mr. Speaker: That is too general a question under this question.

MINOR IRRIGATION SCHEMES IN BIHAR

**\*197. Dr. R. S. Singh:** Will the Minister of Agriculture be pleased to state the number of minor irrigation schemes both of the Revenue and Grow More Food Departments which have so far been completed in Bihar?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): The number of minor irrigation works completed by the Government of Bihar since the inception of Grow More Food Campaign in 1943-44 is 37.085.

Shri Brajeshwar Prasad: Are there any minor irrigation schemes under the Grow More Food Department of the Government of Bihar?

Shri Thirumala Rao: This is the number of minor irrigation works.

Mr. Speaker: That question relates to State matters.

Shri Brajeshwar Prasad: The question relates to minor irrigation schemes both of the Revenue and Grow More Food Departments of the Government of Bihar. I wanted specifically to know how many such schemes are under the supervision of the Grow More Food Departments of the Government of Bihar.

Shri Thirumala Rao: These works are split up into two categories— Revenue and Agricultural Depart-ments. 15,197 are under the Revenue Department and 21,888 are under the Agriculture Department : and these have been completed.

Dr. R. S. Singh : What is the approximate acreage of land which is being irrigated by these completed minor irrigation works?

Shri Thirumala Rao: I have not got the actual acreage. I can give the money spent and the expected production

Dr. R. S. Singh: What is the total expenditure incurred on completing these minor irrigation works?

Shri Thirumala Rao: The total expenditure is Rs. 3,44,09,000.

Sardar B. S. Man : Is it a fact that the money advanced to the State of Bihar under the Grow More Food Scheme for purposes of these minor irrigation works such as sinking tube-wells, etc. was not utilised by the Bihar Government in 1949-50?

Shri Thirumala Rao: These are all the figures I have got up to date. I want notice of the particular question.

Dr. B. S. Singh: What is the expected increase in production of food-grains, because of the completion of the minor irrigation works?

Shri Thirumala Rao: The estimated increase in production is 103,000 tons.

## WRITTEN ANSWERS TO QUESTIONS

#### SUGAR AND GUT

\*188. Shri Jhunjhunwala: (a) Will the Minister of Agriculture be pleased to state what was the average annual production of sugar and gur of un-divided India and what is the average annual production of the same of divided India?

(b) What is the proportion of production of sugar and gur of divided India when compared with Pakistan?

consumption of (c) What was the sugar and gur of undivided India and what is the consumption of the same in divided India?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) to (c). A statement giving the information is placed on the Table c? the House. [See Appendix III, annexure No. 3.]

\*189. Shri Jhunjhunwala: Will the Minister of Food be pleased to refer to the answers given to part (c) of starred question No. 451 asked on 10th August 1950 regarding sources of supply of food grains and state the proportion of food grains under the

following three heads: (i) locally procured grain; (ii) grain made available from internal surpluses; and (iii) grain imported from abroad?.

The Minister of Food and Agricul-ture (Shri K. M. Munshi): On an average, of the total quantity of food-grains distributed by Government about 60 per cent. is from locally pro-cured grains, 13 per cent. from food-grains available from surplus States in the country and 27 per cent. from grains imported from abroad.

#### CANAL WATER DISPUTE

\*194. Sardar Hukam Singh: (a) Will the Minister of Works, Mines and Power be pleased to state the number held with the conferences of representatives of Pakistan for resolv-ing the Canal Water dispute during the last six months?

(b) Has any agreement been reached?

The Deputy Minister of Works, **Mines and Power (Shri Buragohain):** (a) One, on 29-31 May 1950, vide reply to starred question No. 87 on the 2nd August, 1950.

(b) Not yet.

#### PROCUREMENT BONUS

\*198. Shri V. K. Reddy: (a) Will the Minister of Agriculture be pleased to state what is the amount of Procurement Bonus paid to the various States during the last financial year?

(b) Are Government aware how this amount is spent in the States?

(c) Do the States pay any portion of this money to the cultivators who produce more food grains?

(d) How much of this amount is ed for the Grow More Food used for Campaign?

The Minister of Food and Agricul-ture (Shri K. M. Munshi) : (a) A sum of Rs. 5,66,43,831 was paid to State Governments as food procurement bonus during 1942-50.

(b) and (d). The State Governments are required to spend this amount on approved schemes intended to increase production and procurement of foodgrains. Normally about 75 per cent. is spent on food production schemes and the balance 25 per cent. on procurement schemes.

(c) Cultivators are granted subsidies for increasing food production under the various 'Grow More Food' schemes such as construction of minor irrigation works, distribution of fertilizers etc. Prizes are also awarded to the best cultivators under the crop competition schemes.

ASSAM RAILWAY .

\*199. Prof. Ranga: Will the Minister of Railways be pleased to state:

(a) whether there have been any breaches. in recent months. in the Assam Railway; and

(b) whether they have been repaired and how many passenger trains are running to and fro?

The Minister of State for Transport and Railways (Shri Santhanam): (a) and (b). Between 1st July, 1950 and 13th September, 1950, service had to be suspended on 10 occasions on portions of the line due to heavy rain and flood. On six occasions the line was restored within 24 hours, on two occasions it took two days, on another occasion five days, the longest interruption being for nine days from 17th August, 1950 to 26th August, 1950 between Jalpaiguri and Haldibari. A statement furnishing detailed information is laid on the Table of the House. [See Appendix III, annezure No. 4.]

The normal train service on the sections was restored after completion of the repairs and continues.

FANS IN THIRD CLASS COACHES

\*209. Shri Sidhva: Will the Minister of Railways be pleased to state:

(a) in how many 3rd class coaches fans have been fixed as promised in the last Budget Session; and

(b) how many fans are fitted in each coach and what is the carrying capacity of each coach?

The Minister of Transport and Railways (Shri Gopalaswami): (a) Upto 31st October, 1950, 1,339 III class coaches had been fitted with fans.

(b) The number of fans fitted in coaches with III class accommodation and their carrying capacity varies from Railway to Railway with different types of vehicles. The total number of fans in the III class compartments of a coach ranges from one to twelve and the III class carrying capacity of a coach depends on the number of compartments in a coach set apart for III class passengers and ranges from six to 128.

SAVING OF CEREALS ON RATION CARDS

\*201. Shri Sidhva: Will the Minister of Food be pleased to state:

(a) the number of Ration Cards on which ration for one day in a week is not taken;

(b) the quantity and the amount of cereals saved thereby; and

(c) the kind of cereals which were not taken during this one day in a week?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) According to the reports so far received the number of such ration cards is 7,853.

(b) The monthly saving of cereals on 7,853 cards is reported to be 639 maunds.

(c) All rationed foodgrains.

#### FLIGHT NAVIGATION

\*202. Shri Sidhva: Will the Minister of Communications be pleased to state:

(a) whether there is any school for training of Flight Navigation in India;

(b) if not, whether Government contemplate to open one;

(c) whether Government have sent any students to undergo training in foreign countries for this purpose; and

(d) how many Indian Navigators are there in India today and how many of them are employed?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) There is no school in India for training Flight Navigators. But to the extent that Pilots have to know air navigation, training in air navigation is given at the Civil Aviation Training Centre at Allahabad to trainees for Pilot's B licence.

(b) It is planned to provide training at the Civil Aviation Training Centre to candidates for the advanced Navigators' Licence.

(c) Out of two overseas scholars, one has qualified as Flight Navigator and is employed at the Civil Aviation Training Centre. The other is still under training in United Kingdom.

(d) There are five Indians who are First Class Navigators and 28 who are Second Class Navigators. All of them are employed, either in Flying Clubs or air transport companies in India. 208

#### CROP ESTIMATES

\*203. Shri B. R. Bhagat: Will the Minister of Agriculture be pleased to state:

(a) the crop-estimates of main cereals both in acreage and yields in the current and in the previous year;

(b) the crop estimates of ground-nuts, cotton, and jute during the same periods:

(c) whether these estimates record an all round increase or decrease; and

(d) the percentage of increase or decrease?

The Minister of Food and Agricul-ture (Shri K. M. Munshi): (a) to (d). The information asked for is not available in respect of 1950-51, since official forecasts for the year are not available for all the crops. A statement giving the information in respect of 1949-50 compared with 1948-49 is placed on the Table of the House. [See Appendix III, annexure No. 5.]

BOOK POSTS (IRREGULARITIES)

\*204. Shri B. R. Bhagat: Will the Minister of Communications be pleased to state:

(a) whether irregularities in Book Posts have been detected recently;

(b) if so, what is the nature of these irregularities; and

(c) what steps Government propose to take in order to stop this irregular practice?

The Deputy Minister of Communi-cations (Shri Khurshed Lai): (a) Yes. Sir.

(b) Many of the book-packets taxed violated the conditions relating to packing and contents prescribed in the P. and T. Guide. In most cases the contents were closed against inspection or were in the nature of personal communications.

(c) Government are considering the question of increasing the penalty prescribed in clause 62 of the P. and T. Guide.

#### SPECIAL TICKET EXAMINERS

\*205. Shri D. S. Seth: Will the Minister of Railways be pleased to state:

(a) when the designation of "Traveiling Ticket Examiner" was changed to that of "Special Ticket Examiner" and what was the reason therefor;

(b) whether any reduction has been caused by this change in their emolu-ments, Provident Fund, Gratuity, Leave allowance and Passes as a result of their being deprived of the privileges of being treated as members of the Running Staff: and

(c) the grade recommended by the Central Pay Commission for the Special Ticket Examiner?

The Minister of Transport and Railways (Shri Gopalaswami): (a) In June 1931. The reasons were organisational and equity in relation to other sections of Railway staff. (b) Yes, in so far as their travelling

allowance did not count for Provident Fund etc.

(c) The Central Pay Commission did not recommend any grade specifi-cally for the Special Ticket Examiners, but they recommended the following grades for the Ticket Examining Staff:

(i) Rs. 55-3-85-EB-4-125-5-130.

(ii) Rs. 100-5-125-6-155-EB-

(iii) Rs. 200-10-300 for a few selection posts.

The scales adopted by Government for Travelling Ticket Examiners, who are called Special Ticket Examiners on the E.P. Railway, are as follows:-

Rs. 60-4-120-EB-5-150.

(ii) Rs. 100-5-125-6-155-EB-6-185.

(iii) Rs. 200-10-300 for Selection posts.

#### WATTLE TREE

\*206. Shri lyyunni: (a) Will the Minister of Agriculture be pleased to state whether it is a fact that the wattle tree. the bark of which is useful for tanning of leather, can be grown in the forests of Travancore and Cochin?

(b) Has any enquiry been conduct-ed into the feasibility of its cultivation and growth in Travancore-Cochin?

(c) Is Government aware of the result of the attempts made by the Government of Madras for its cultivation?

The Minister of Food and Agricul-ture (Shri K. M. Munshi): (a) Yes, only at high elevations.

(b) Yes, experiments are in progress.

(c) Yes. Experimental plantations in the Nilgris and the Upper Palnis have been successful,

#### CLEARANCE AND DELIVERY OF MAILS

\*207. Dr. Deshmukh: (a) Will the Minister of Communications be pleased to state the last hour for clearance of 205

Mail on Saturdays from the time Sunday deliveries were stopped?

(b) At what hour and on what day does next clearance take place?

(c) Has there been any change since the date on which Sunday clearance and deliveries were altogether stopped in the timings of clearances?

(d) Have any Sunday deliveries been introduced in any place and if so, what are they?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) The last hour for clearance on Saturdays varies from office to office as it is fixed in connection with the departure timings of the mail carrying trains. mail motors or aeroplanes. Normally last clearance is made towards the close of offices i.e. between 4-00 and 6-00 P.M. No special change has been made from the time the Sunday deliveries have been stopped.

(b) Next clearance takes place on Mondays. The actual time varies with the time of departure of mails.

(c) No, except in the case of 12 post offices where longer working hours have been introduced as an experimental measure with effect from 1st October, 1950. For those offices, the clearances are also made on Sundays in the same manner as is done on week days. The names of those offices are:

Bombay G.P.O., Dadar T.S.O.

Burra Bazar and Esplanade in Calcutta.

Madras G.P.O. and Mount Road in Madras.

Railwaypura in Ahmedabad.

Kanpur G.P.O.

Benares G.P.O.

Hyderabad H.O.H.O.

Eastern Court and Chandni Chowk in Delhi.

(d) No.

'GROW MORE FOOD' CAMPAIGN

•208. Dr. Deshniukh: (a) Will the Minister of Agriculture be pleased to state the amount of subsidy paid to each of the States in the Indian Union for 'Grow More Food' Campaign from 1st April, 1950 to 1st November, 1950?

(b) What was the expenditure incurred on each State for 'Grow More Food' Campaign including subsidy, loans and grants of every kind during the period?

(c) What percentage of these was expected to be contributed by the States concerned? The Minister of Food and Agriculture (Shri K. M. Munshi): (a) and (b). A statement showing the loans and grants sanctioned is placed on the Table of the House. [See Appendix 111. annexure No. 6]. Information regarding actual expenditure is not available as yet.

(c) The State Governments make an equal contribution towards the expenditure except Assam, Orissa and Coorg; the former two making a contribution of half the Government of India's expenditure and the latter one-third.

#### BRIDGE OVER KEN RIVER

\*209. Shri Dwivedi: Will the Minister of Transport be pleased to state whether the construction of a bridge over Ken river which cuts Vindhya Pradesh in two parts is going to be taken up this year and if not, why not?

The Minister of State for Transport and Railways (Shri Santhanam): Preliminary reconnaissance and survey work in connection with the construction of a bridge over the Ken river has been taken up and is expected to be completed during this year. The actual construction work, funds permitting, is likely to start next year.

RESIDENTIAL ACCOMMODATION FOR M.PS.

\*210. Shri Dwivedi: Will the Minister of Works. Mines and Power be pleased to state:

(a) whether one hundred quarters intended to be built for M.P.'s residence are under construction;

(b) if so, where the site is; and

(c) if not, what is the cause of the delay?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): (a) Yes. Construction of 100 flats for Members of Parliament has been taken in hand recently.

(b) The flats are being constructed on the North Avenue, near the President's House.

(c) Does not arise.

#### VEGETABLE Ghee

\*211. Giani G. S. Musafir: (a) Will the Minister of Agriculture be pleased to refer to reply to Starred question No. 268 asked on 16th February. 1950 and state whether it has been proved by researches that vegetable ghee is injurious to human health?

(b) If the research on the question is still incomplete, how much more time will it take to complete the research? The Minister of Food and Agriculculture (Shri K. M. Munshi): (a) No. The feeding experiments carried out under the direction of Vanaspat: Research Planning Committee of the Technical Panel of the Ministry of Food appointed in 1946 have; on the other hand, shown that vanaspati of melting point 37°C has no deleterious effect on human health as compared with raw or refined groundnut oil from which vanaspati is made.

(b) The research has been completed and an abridged report of the findings of the Committee has been received. The full report is expected later. A copy of it will be placed on the Table of the House as soon as it is received.

#### LAND RECLAMATION

\*212. Dr. M. M. Das: (a) Will the Minister of Agriculture be pleased to state what is the total area of forest land in the Indian Union?

(b) By what percentage, the reclamation of forest land, carried out already and proposed to be carried out, will diminish this area?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) The total forest area under the jurisdiction of the State Governments was 207,770 sq. miles in 1947-48. Upto-date figures are not available.

(b) No forest land has been reclaimed so far. For the years 1950-51 to 1955-56, it is proposed to reclaim annually 20,000 acres of forest land in U.P. only.

#### LOCOMOTIVES AND WAGONS DETAINED IN PARISTAN

\*213. Dr. M. M. Das: (a) Will the Minister of **Railways** be pleased to state how many locomotives belonging to India are still being detained by Pakistan Government at Moghalpura?

(b) What is the number of wagons (if any) detained by Pakistan which belong to India?

(c) How many locomotives and wagons have been returned to India by Pakistan during the current year?

The Minister of Transport and Railways (Shri Gopalaswami): (a) Three Locomotives and one Rail car.

(b) 342 Wagons.

(c) Eleven Locomotives and five wagons.

#### REGROUPING OF RAILWAYS

\*214. Sardar Hukam Singh: Will the Minister of **Railways** be pleased to state how far the scheme for regrouping of Railways has progressed? The Minister of Transport and Railways (Shri Gopalaswami): The tentative scheme of regrouping of railways was published in the Press and circulated to State Governments, Chambers of Commerce and Trade and Railway Labour Organisations, to elicit their opinion. Replies have been received and these and the views expressed in the Press together with other aspects of regrouping are still under examination.

KANDLA PORT (DEVELOPMENT)

\*215. Sardar Hukam Singh: (a) Will the Minister of Transport be pleased to state the progress of work in connection . with the development of Kandla Port?

(b) What amount has been spent on this work during the current year?

The Minister of Transport and Bailways (Shri Gopalaswami): (a) The surveys and investigations necessary for the collection of the engineering data required in connection with the construction of the Kandila Port have been practically completed. Tenders have now been invited from selected contractors for the entire harbour works at Kandia including reclamation.

(b) Rupees twelve lakhs.

#### FOOD GRAINS (ALLOTMENTS)

\*216. Shri Kshudiram Mahata: Will the Minister of Food be pleased to state the quantities of food grains sent to various deficit States from July 1950 to 31st October 1950, for each State separately?

The Minister of Food and Agriculture (Shri K. M. Munshi): A statement is laid on the Table of the House. [See Appendix III, annexure No. 7.].

#### TELEPHONE EXCHANGES

\*217. Shri Raj Bahadur: Will the Minister of Communications be pleased to state:

(a) whether the salaries and the terms and conditions of service of the operators in the telephone exchanges in Part B States have been brought on par with the salaries and terms and conditions of services enjoyed by the operators in the telephone exchanges in the rest of the country;

(b) if not, what is the disparity and the reasons therefor; and

(c) whether Government propose to remove the disparity?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) No. They continue to serve on ex-State scales of pay, allowances and conditions of Service. (b) The ex-State scales of pay are generally lower than the Central Government scales. I lay a statement on the Table showing the Central Government scales of pay and the corresponding scales of pay in some of the Part B States. [See Appendix III, annexure No. 8.] The disparity between the Central Government scales and ex-State scales of pay is due to the lower scales which have been in force in the States.

(c) Yes.

#### TELEPHONE SYSTEM IN RAJASTHAN

\*218. Shri Raj Bahadur: (a) Will the Minister of Communications be pleased to state whether any steps have been taken by Government to repair, replace or put in order the worn-out or defective machinery and accessories in the telephone system in the various units of Rajasthan State?

(b) Have any funds been specially allocated for this purpose?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) and (b). A statement describing the condition of various exchanges taken over in Rajasthan and the measures to improve them is placed on the Table of the House. [See Appendix III, annexure No. 9.]

#### BUS TRANSPORT IN DELHI

**\*219. Shri Raj Bahadur:** (a) Will the Minister of **Transport** be pleased to state the number of buses plying between the Central Secretariat and the various parts of Delhi and New Delhi at the time of opening and closing of offices together with the average intervals of time at which such buses ply?

(b) Is it a fact that clerks and other Secretariat employees have got to stand in long queues waiting for buses at times for several quarters of an hour?

(c) If so, what steps, if any, do Government propose to take to relieve the strain on the bus service and to assure facilities of transport for the employees of the Central Secretariat?

(d) Do Government propose to place any double-decker buses on such routes as aforesaid?

 The Minister of State for Transport and Railways (Shri Santhanam): (a) Sixty-one buses ply between the Central Secretariat and various parts of Delhi and New Delhi. The frequency of the services varies from 6 to 15 minutes.

(b) It is true that there are long queues during peak traffic hours at the

Central Secretariat Bus Stop but passengers usually get a lift within 20 to 30 minutes of their arrival at the Stop.

(c) The Delhi Road Transport Authority is taking steps to strengthen the fleet. Forty additional large type buses are expected to be put into service before the end of December 1950 and a further forty by the end of March 1951.

(d) No.

SUGAR FOR TRAVANCORE-COCHIN

\*220. Shri E. Velayudhan: Will the Minister of Agriculture be pleased to state the quota of sugar given to the State of Travancore-Cochin in the years 1949 and 1950?

The Minister of Food and Agriculculture (Shri K. M. Munshi): The quota allotted to Travancore-Cochin was:

1948-49 ... 2,564.2 tons. (from 2nd September, 1949 to 30th November, 1949)

1949-50 ... 16,677 tods. Survey of Railway Lines in Travan-

CORE-COCHIN

\*221. Shri R. Velayudhan: Will the Minister of Railways be pleased to state:

(a) whether any work has been started for surveying proposed railway-lines in the Travancore-Cochin Union; and

(b) if so, the progress of the work so far made?

The Minister of Transport and Railways (Shri Gopalaswami): (a) and (b). Both traffic and detailed engineering surveys for a railway line between Quilon and Ernakulam are in progress. A preliminary Engineering survey of the entire length has already been completed. Up to end of October 1950, the detailed engineering survey had been completed for a length of six miles.

## चीनी (उत्पादन)

\*222. डा॰ बेबी सिंह : क्या कृषि मंत्री

यह बतलाने की क्रुपा करेंगे कि आगामी वर्ष

में भारत में कितने टन चीनी के उत्पादन की

संभावना है ?

#### SUGAR (PRODUCTION)

[\*222. Dr. Devi Singh: Will the Minister of Agriculture be pleased to state what is the estimated production of sugar in India, in tons in the ensuing year?]

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The Minister of Food and Agriculture (Shri K. M. Munshi): It is yet too early to make any close estimate of the likely production.

#### FOOD GRAINS IMPORTS

\*223. Prof. K. T. Shah: Will the Minister of Food be pleased to state what has been the total volume and value of food grains imported from hard currency and soft currency countries, since the beginning of 1947?

The Minister of Food and Agriculture (Shri K. M. Munshi): A statement is laid on the Table of the House. [See Appendix III, annezure No. 10.]

'GROW MORE FOOD' CAMPAIGN

\*224. Prof. K. T. Shah: Will the Minister of Agriculture be pleased to state how much more food has been produced on account of the 'Grow More Food' campaign since 1946?

The Minister of Food and Agriculture (Shri K. M. Munshi): It is estimated that about 35-53 lakh tons of additional production of food grains has been achieved since April, 1946, as a result of the 'Grow More Food' Campaign.

MINOR PORTS (DEVELOPMENT)

\*225. Prof. K. T. Shah: (a) Will the Minister of Transport be pleased to state what Minor Ports along the Eastern as well as the Western coasts of India are to be developed by the Central Government?

(b) What will be the cost of such development, and how will that cost be met?

The Minister of Transport and Railways (Shri Gopalaswami): (a) Except the Port of Kandla in Kutch, which is being developed as a Major Port, the Central Government have at present no scheme under consideration for the development of a minor port. A National Harbour Board has, however, been set up to promote the coordinated development of all ports, including minor ports.

(b) The cost of the Kandla Port Development project is estimated to be about Rs. 6 to 7 crores. It will be met from Central revenues. The development of minor ports will normally be the responsibility of the States concerned.

#### जोंक घाटी परियोजना

\*228. श्री जांगड़ : (ए) क्या निर्माण,

सान तथा विद्युत मंत्री यह बतलाने की क्रुपा करेंगे कि जोंक (महानदी की एक सहायक नदी) घाटी परियोजना के अनुसन्धान तथा

भूमापन सम्बन्धी कार्य में अभी तक कितना धन व्यय किया जा चुका है ?

(बी) क्या यह सत्य है कि उक्त परि-योजना सम्बन्धी कार्यं को स्थगित कर दिया गया है?

JAUNK VALLEY PROJECT

[\*226. Shri Jangde: (a) Will the Minister of Works, Mines and Power be pleased to state how much money has so far been spent on investigation and survey work of the Jaunk Valley Project (a tributary of Mahanadi)?

(b) Is it a fact that the work on this project has been postponed?]

The Deputy Minister of Works, Mines and Power (Shri Buragohain): (a) Rs. 37,897 upto August 1950.

(b) No.

DAMODAR VALLEY PROJECT

\*227. Prof. S. N. Mishra: Will the Minister of Works, Mines and Power be pleased to state:

(a) whether any dam of the Damodar Valley Project was washed away by flood sometime back; and

(b) if so, the name of the dam and the extent of damage caused?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): (a) No.

(b) Does not arise in view of answer to part (a) above.

#### KOSI DAM PROJECT

\*228. Prof. S. N. Mishra: Will the Minister of Works, Mines and Power be pleased to state:

(a) whether any part of the seven stages of the Kosi Dam Project is going to be undertaken in the near future; and

(b) if so, when?

The Deputy Minister of Works. Mines and Power (Shri Buragohaia): (a) The question of taking up the first Stage of the Kosi Dam Project is now under consideration.

(b) It is not possible to mention any date at this stage.

\*229. Prof. S. N. Mishra: Will the Minister of Railways be pleased to state:

(a) whether the site for the proposed Ganga Bridge in Bihar has been finally fixed; and

(b) if so, where and what expenses have been incurred in exploratory work so far?

The Minister of Transport and Railways (Shri Gopalaswami): (a) Model experiments in connection with siting of the proposed Ganga Bridge in Bihar are being carried out at the Central Waterpower, Irrigation and Navigation Commission's Research station at Poona. The results of these experiments are likely to be available by October 1951, when a final decision on the location of the bridge will be taken.

(b) Rs. 8,59,000.

#### CROPS YIELD (STATISTICS)

\*230. Shri Jagannath Mishra: (a) Will the Minister of Agriculture be pleased to state whether it is a fact that the Government of India had sanctioned grants to State Governments for the maintenance of Statistical Departments in each district to prepare statistics of the yield of different crops plot by plot every year?

(b) Has that department been abolished or contracted at present?

(c) What is the agency in each district at present for the compllation of statistics of acreage and yield of each food and cash crop every year?

(d) What is the method of calculation as to whether the target of additional crop has been reached or not?

The Minister of Food and Agriculture (Shri K. M. Manshi): (a) The Government of India gave grants to the Government of Orissa during the three years 1944-45, 1945-46 and 1946-47 for maintaining a Department to carry out plot to plot enumeration of area and yield of crops. No other State has been sanctioned grants for this purpose.

(b) From 1947-48 onwards, the Government of Orissa have been carrying on the scheme with their own funds. The Department has been contracted at present.

(c) The district revenue officials both in temporary and permanently settled areas prepare statistics of the acreage and yield of crops every year. (d) The method of calculation of the achievement of additional production has so far been to obtain returns of the units of work done by the States under suitable headings such as irrigation, bunding, fertilisers, compost, etc., and to multiply these units by certain yardsticks based on local conditions of additional production resulting from a given unit of work. The Indian Council of Agricultural Research are at present conducting experiments to verify these yardsticks and improve their accuracy.

#### RAILWAY RATES TRIBUNAL

\*231. Shri Jagannath Mishra: (a) Will the Minister of **Railways** be pleased to state when the Railway Rates Tribunal was organised and when did it start functioning?

(b) How many cases have been instituted and how many disposed of since it began functioning?

(c) What is the income and expenditure up-to-date under this head?

The Minister of State for Transport and Railways (Shri Santhanam): (a) The Railway Rates Tribunal was organised in April 1949. It began to function from 1st November, 1949.

(b) One case has been instituted recently. This is under disposal.

(c) The income and the expenditure under the head 'Railway Rates Tribunal' since its inception upto 7th November, 1950 are Rs. 287 and Rs. 2,28,543 respectively.

#### RAILWAY GUARDS (UNIFORM ALLOWANCE)

•232. Shri Joachim Aiva: (a) Will the Minister of Railways be pleased to state whether allowance for uniform is granted to Guards on railways?

(b) On what railways is such allowance granted to the Guards and to what groups?

(c) Is it true that allowance for the guards for uniform on the G. I. P. Railway is not granted and such allowance is granted to guards on other railways?

(d) Do Government contemplate granting uniform allowance to the guards in the near future?

The Minister of Transport and Railways (Shri Gopalaswami): (a) to (c). Information is available only in respect of the erstwhile nine Indian Government Railways. No allowance for uniform, as such, is granted to Guards on these Railways but they are supplied with free uniforms. On the G.I.P. Railway, however, Guards drawing pay in the pre-1931 scale are Guards granted an allowance called 'Good Conduct Money' which is a subsidy to-wards the cost of their uniforms.

(d) In view of the fact that free uniforms are supplied to Guards, the question of granting them an allowance does not arise.

## HIRAKUD DAM PROJECT (ACCIDENT)

Hancef: Will the +233. Maulvi Minister of Works, Mines and Power be pleased to refer to the answer given to my starred question No. 1668 dated the 12th April, 1950 regarding accident at Hirakud Dam Project and state :

(a) the number of persons (males and females separately) killed and injured in the work of blasting stones etc., in connection with the construc-tion work of Hirakud Dam and Railway bridge over the Mahanadi, in the year 1949;

(b) the number of casualties which occurred due to fall of structure in the bridge construction work in January, 1950; and

(c) the total amount of compensation paid to the families of the killed and injured persons?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): I would invite the hon. Member's attention to replies given to his starred question No. 1668 dated 12th April. information promised 1950. The therein was laid on the Table of the House on the 16th November, 1950.

HIRAKUD DAM PROJECT (ENGINEERS)

Hancef: Will the •234. Maulvi Minister of Works, Mines and Power be pleased to state how many Engineers working in Hirakud Dam Project have got previous experience in Dam Construction Work?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): I would invite the hon. Member's attention to replies given to his starred question No. 1668 dated 12th April promised information 1950. The therein was laid on the Table of the House on the 16th November 1950.

## COASTAL FISHING SCHEME

Hancef: Will the \*235. Maulvi Minister of Agriculture be pleased to state:

(a) whether the scheme for coastal fishing is working;

Written Answers (b) what amount the Government

of India directly spend on the scheme; (c) what are the grants given by the Government of India to the different States for the purpose; and

(d) what is the progress in this respect?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Deve-lopment of coastal fishing is being carried out by maritime States. The Pilot Deep Sea Fishing Station of the Government of India at Bombay is conducting experiments in off-shore and deep-sea fishing by power-propelled fishing vessels.

(b) For the current financial year, a sum of Rs. 4,89,000 has been sanc-tioned for the Pilot Deep Sea Fishing Station.

(c) The Government of India have given the following financial assist-ance to the different States:

(i) Bengal—A grant of Rs. 71,750 and a loan of Rs. 2,74,250.

(ii) Bombay-A grant of Rs. 1,17,328.

grant of Madras-A (iii) Rs. 9,16,900.

of grant (iv) Travancore-A Rs. 1,82,182.

(d) A statement showing the progress of coastal fishing schemes and of the Pilot Deep Sea Fishing Station is placed on the Table of the House. [See Appendix III, annexure No. 11.]

#### BRIDGE OVER MAHANADI

Kishorimohan Tripathi: \*236. Shri (a) Will the Minister of Railways be pleased to state whether it is a fact that the Rail-Road bridge over the Mahanadi has not been found fit for running trains?

(b) If so, why?

The Minister of Transport and Railways (Shri Gopalaswami): (a) and (b). Presumably the hon. Member is referring to the bridge which has recently been constructed over the Mahanadi river near Sambalpur. This bridge has been designed to carry the road and the railway alongside each other on separate girders on common piers and abutments. The road bridge has been completed and opened to traffic. The girders for carrying the railway are on order. Meanwhile for the transport of meterials for the cons-truction of Hirakud Dam and its ancillary works, a temporary railway

track has been laid over the road bridge by the Engineers in charge of Hirakud Dam construction.

#### PETROLEUM AND KEROSENE (PROSPECTING)

\*237. Shri Kishorimohan Tripathi: (a) Will the Minister of Works, Mines and Power be pleased to state whether any negotiations have so far been made with any firm, foreign or Indian, for prospecting certain regions in India for Petroleum and Kerosene?

(b) Has the work been started in any area and if so, with what results?

(c) Is it a foreign firm that is engaged in the work?

The Deputy Minister of Works, Mines and Power (Shri Buragohain): (a) According to the Petroleum Concession Rules, 1949, the Oil Companies have to negotiate with the State Government concerned, which may grant a concession with the approval of the Central Government. Messrs. Burmah Oil Co. (India Concessions) Ltd., and Messrs. Assam Oil Co. Ltd., have been prospecting in Assam for many years, and have recently been granted fresh prospecting licences for new areas.

(b) Digboi is the only oil-field actually discovered so far. Other areas have not yet shown any particularly successful results, but prospecting is still in progress.

(c) Yes.

PETROL (DE-RATIONING)

\*238. Shri Kishorimohan Tripathi: Will the Minister of Transport be pleased to state the reasons for deciding to de-ration petrol throughout India?

The Minister of Transport and Railways (Shri Gopalaswami): The main considerations which influenced the decision to de-ration petrol were briefly:

(1) appreciable improvement in the supply position of petrol;

(2) greater availability of tank wagons; and

(3) agreement of the importing oil companies to accept non-convertible sterling for any additional supplies of motor spirit that may have to be imported into India in excess of those imported during the second half of 1949.

I may inform the hon. Member that petrol still continues to be rationed in Uttar Pradesh and Jammu and Kashmir as desired by those State Governments. HEADQUARTERS OF O.T. RAILWAY

\*239. Shri Chandrika Ram: (a) Will the Minister of **Railways** be pleased to state whether it is a fact that Government are considering a proposal to remove the Headquarters of O.T. Railway from Gorakhpur?

(b) If so, where, and when the transfer will take place and what will happen to the lands and buildings at Gorakhpur?

The Minister of Transport and Railways (Shri Gopalaswami): (a) There is no proposal to remove the headquarters of the O.T. Railway from Gorakhpur. However, the question of the location of the headquarters of the new zones consequent upon regrouping is still under examination.

(b) Does not strictly arise. If, however, the Headquarters of the zone in which the O.T. Railway is merged, are located elsewhere, alternative use will be found for the accommodation thus released.

DIVERSION OF LAND FROM FOOD CROPS TO JUTE AND COTTON

\*240. Shri Biyani: (a) Will the Minister of Agriculture be pleased to lay on the Table of the House, a statement showing—

(i) what is the diversion of land from food crops to jute and cotton, as a result of Government's desire 'o make India self-sufficient in regard to jute and cotton also;

(ii) what has been the increase in output in jute and cotton as a result of this diversion of acreage; and

(iii) what is the loss in output of foodgrains in the country as a result of this diversion?

(b) Do Government contemplate to initiate a legislation for checking the diversion of acreage from food to nonfood crops, as stated by the Deputy Minister of Food and Agriculture in a speech at Rajahmundry on 5th October 1950?

The Minister of Food and Agriculture (Shri K. M. Munshi); (a) (i) Jute-24 lakh acres.

Cotton—Figures are not yet available. The increase of acreage under cotton is reported to be 13-7 lakh acres.

(ii) Jute-6 lakh bales.

Cotton-3-4 lakh bales.

(iii) Jute-69,600 tons rice.

Cotton—3 lakh tons millet and rice. (b) No. FOOD CRISIS IN TRAVANCORE-COCHIN

\*241. Shri Alexander: Will the Minister of Food be pleased to state:

(a) whether it is a fact that the food crisis in Travancore-Cochin was prought about because one consignment of food was inadvertently diverted to Ceylon; and

(b) if so, what action have the Government of India taken in this matter?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) No.

(b) Does not arise.

"GROW MORE FOOD" PROJECT

7. Shri Dwivedi: Will the Minister of Agriculture be pleased to state the progress of the Grow More Food project in the Malwa Region with special reference to Vindhya Pradesh?

The Minister of Food and Agriculture (Shri K. M. Munshi): A statement showing the intensive cultivation schemes sanctioned under the Malwa Development Plan for the administrative units comprising the Malwa Region, along with the available information on the progress of each scheme is placed on the Table of the House. [See Appendix III, annexure No. 12.]

The State Governments concerned have also been asked to prepare lists of culturable waste lands in their respective areas. The Madhya Bharat Government has already prepared such a list and have started allotment of these lands to the interested parties for food production purposes on a long term lease.

P. AND T. EMPLOYEES (REINSTATEMENT)

8. Shri Kamath: Will the Minister of Communications be pleased to refer to the answer given by him to my unstarred question No. 47, asked on 7th August 1950 regarding the reinstatement of dismissed P. & T. employees, and state:

(a) whether the cases of the twenty employees at that time under consideration have since been disposed of; and

(b) if so, with what result?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) and (b). Ten out of the twenty pending cases have been disposed of, the officials concerned having been reinstated in service. One official has since been re-arrested by the Police and the disposal of his case must await his release. In 4 cases, orders are being issued to reinstate the men concerned. The other 5 cases are still under consideration. LOCAL ADVISORY COMMITTEES

9. Shri Kamath: Will the Minister of Railways be pleased to state:

(a) the number of Local Advisory Committees that have been constituted by Government on the various Indian Railways; and

(b) the number of meetings held by each of these advisory committees during the last twelve months?

The Minister of State for Transport and Railways (Shri Santhanam): (a) 24 Local Advisory Committees have so far been constituted by Government on various Indian Railways. On the Bikaner State, Dholpur State, Jaipur State, Jodhpur, Rajasthan and Scindia State Railways recently taken over by Government, there have been no such committees so far.

(b) The number of meetings held by the 24 Local Advisory Committees during the 12 months ending 31st October, 1950, is detailed below:---

Local Advisory Committees	No. of meet- ings	Remarks
		<i>u</i> .

- Assam Ry., 4 \*Includes one special Pandu. joint meeting of
   B., B.&C.I. Ry., 5\* the G. I. P. and Bombay. BB&CI Reilways, Bombay Commit-
- (3) B.,B.&CI.Ry., 4 of those are joint Aimer. I meetings of Aimer
- 5 and Delhi Commit-(4) B., B.&C.I. Ry., tees-2 held at Ah-Delhi. medabad on 9th January, 1950 and soth September, 1950 and 2 at New Delhi and Ajmer held on 8th April, 1950 and 8th July, 1950, respectively and one joint meeting of all the three Committees of the BB&CI Railway held at Bombay on 14th June, 1950.

(5) B. N. Ry., 1 More meetings could Calcutta not be held partly

Local No. of Remarks Advisory meetings Committees	Local No. of Remarks Advisory meetings Committees
(6) B. N. Ry., Nagpur 2 due to the non- receipt of subjects for discussion from the members and partly to the pro- posal in respect of reorganisation of the Committees be- ing under consider- ation.	(20) N. S. Ry., Nii The Committee had Secunderabad. practically ceased to function owing to the unsettled conditions prevail- ing in the State of Hyderabad prior to and after the Folice Action. New Committee was formed only on
(7) B. N. Ry., 4 Bihar/Orissa	6th October, 1950 and no meeting could be held upto
(8) E. I. Ry., 4 Calcutta	31st October, 1950.
(9) E. I. Ry., 5 Lucknow/ Kanpur	(21) Saurashtra Ry., 6 Bhavnagar.
(10) E. P. Ry., 4 Delhi	(22) Saurashtra Ry., 3 Jamnagar.
(11) G.I.P. Ry., 5 Bombay	(23) Saurashtra Ry., 2 Junagadh.
(12) G.I.P. Ry., 3 Kanpur	(24) Mysore St. Ry., 3 Mysore.
(13) G.I.P. Ry., 4 Negpur	ELECTRIC POWER HOUSE IN DELHI
<ul> <li>(14) M&amp;SM Ry., 5 Madras</li> <li>(15) M&amp;SM Ry., 3 Bangalore</li> <li>(16) O. T. Ry., 5 Muzaffarpur.</li> <li>5 Includes a joint meeting of all the three committees of the O.T. Reilway held at Allshabed City on 23rd September, 1950.</li> </ul>	<ol> <li>Shri Sidhva: (a) Will the Minister of Works, Mines and Power by pleased to refer to the reply to my unstarred question No. 91 asked on the 10th August 1950 and state as to when the work on the new electric power house in Delhi of 20,000 KW capacity is likely to be finished?</li> <li>(b) How many new connections have been given in Delhi from 1st January up to date for private, residential and business purposes and also for Govern ment buildings?</li> </ol>
<ul> <li>(17) O. T. Ry., Gorakhpur.</li> <li>(18) O. T. Ry., Izatnagar.</li> <li>Joint meetings held at Lucknow, Kath- godam and Banaras Cantonment on 11th March, 1950, 3rd June, 1950 and 23rd October, 1950, respectively.</li> </ul>	<ul> <li>(c) How many buildings still remain uninstalled with electric power</li> <li>(d) When are they likely to gct connections?</li> <li>The Deputy Minister of Works Mines and Power (Shri Buragohain)</li> </ul>
(19) S. I. Ry., 2 Trichinopoly. 2 Trichinopoly. 2 The reconstitution of the Committee was under con- sideration in con- sultation with Madres Govern- ment till May 1950 and the reconsti- tuted Committee began to function only from 1st June, 1950.	(a) It is expected that one of the two 10,000 KW Turbo-Generator Set with two steam boilers will be com- missioned during the last quarter of 1951 and the second unit of 10,000 KV with one boiler would be completed b February 1952. The fourth boiler has suffered minor damage due to an acc dent during erection. This will resul in some delay in the completion of the new power house.

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(b) It is regretted that the information in respect of categories mentioned by the hon. Member is not available. Statistics are being maintained only for Residential (both private and Government), Commercial and Indus-trial Connections. A total number of 1056 new connections has been given between January and the end of September 1950 in the areas served by the Delhi Central Electric Power Authority Limited, and between January and the end of October, 1950 in the areas served by the New Delhi Municipal Committee, as follows:---

	Delhi Electric Author Limited	Pov ity,	ver Mu	r Delhi nicipal nmittee	TOTAL
(1)	Residential (private and Govern- ment).	531	(128	140 Govern- build-	67 <sup>1</sup>
(2)	Commercial	257	(9) (1	84	344
(3)	Industrial	44	(21 G)/(	. Offices	44

TOTAL

1.056

Separate statistics for Government buildings are not maintained by the Delhi Central Electric Power Authority.

(c) No statistics have been maintained of buildings which have not been supplied with electric connections. If the hon. Member refers to connections sanctioned but not actually provided the number of premises is 390.

(d) 75 per cent. of the outstanding connections referred to in (c) above are held up or delayed on account of cither consumers not complying with the procedure laid down in the Indian Electricity Act, 1910 or non-payment of dues or other disputes. The remaining 25 per cent. are expected to be connected within a period of a month or s0.

#### TELEPHONE FACTORY AT BANGALORE

11. Prof. K. T. Shah: (a) Will the Minister of Communications be pleas-ed to state what capital investment has already been made in the telephone factory at Bangalore by Government?

(b) What arrangements have been made for using the patent rights of private concerns necessary for the production of telephone instruments, their parts, and accessories?

The Deputy Minister of Communications (Shri Khurshed Lal): (a) Rs. 92 lakns, including Rs. 25 lakhs invested by the Mysore Government. A provision for another Rs. 50 lakhs has been made for the financial year 1950-51 which will be utilized in the course of the year.

(b) Under the Agreement between the Government of India and the Automatic Telephone and Electric Company Limited of England, the Government are entitled to make use of all patent and manufacturing rights in the possession of that Company with regard to telephone instruments, their parts, accessories and exchange and other equipment. Government are obtaining all the necessary information from the Company from time to time with regard to manufacture of telephone equipment. For the type of telephone equipment which Government are manufacturing it is not necessary to have patent rights from any other private concern.

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# PARLIAMENTARY DEBATE\$

# PARLIAMENT OF TNDIA

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## **OFFICIAL REPORT**

Part II-Proceedings other than Questions and Answers.

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## THE

## PARLIAMENTARY DEBATES

(Part II-Proceedings other than Questions and Answers.)

## OFFICIAL REPORT

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## PARLIAMENT OF INDIA

Tuesday, 21st November, 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 л.м.

#### ADMINISTRATION OF EVACUEE PROPERTY (AMENDMENT) BILL concld.

Mr. Speaker: The House will now proceed with further consideration of the Bill to amend the Administration of Evacuee Property Act, 1950. Clause 2 was under discussion.

The Minister of State for Rehabilitation (Shri A. P. Jain): Sir, some points of legal importance were raised yesterday and the discussion was postponed with a view to elucidate those points. I would like to say a few words with regard to those points.

Two points of some constitutional importance were raised in the House yesterday. The first was whether in view of the automatic repeal, under Article 254 of the Constitution, of all State Laws repugnant to Laws made by Parliament relating to matters contained in the Concurrent List, it was necessary to repeal the existing Laws relating to the Administration of Evacuee Poperty as contemplated by subsections (1) and (2) of the proposed Section 58 in the Amending Bill.

The second point was whether apart from the specific repeal of two Laws by sub-section (1) of the proposed Section 58 a further omnibus repeal of corresponding Laws can be made in the manner provided by sub-section (2) of the proposed Section 58.

As regards the first point, the necessity for specific repeal of State Laws, despite the provisions of Article 254 of the Constitution, will become clear if the types of situations that might arise in the absence of a specific repeal, are examined. Article 254 of the Constitution merely provides for repeal of those provisions of State Laws which are repugnant to the provisions of a Law passed by Parliament. A State Law may, however, contain in addition to provisions repugnant to the Law made by Parliament, provisions which overlap the Central Law. When Parliament enacts a comprehensive measure relating to the Administration of Evacuee Property, it should certainly be considered whether or not the provisions in a corresponding State Law, which are not automatically repealed by Article 254 of the Constitution, should be allowed to prevail. I have no doubt in my mind that it would make for administrative confusion unless we make it very clear that only the Central Law, which is comprehensive enough in itself, will be allowed to prevail and that odd Sections of the State Law will not be allowed to prevail in addition to the comprehensive Central Law. Again unless a specific repeal were provided for, the determination of the question whether a particular provision in the State Law were repugnant to a provision in the Central Law in terms of Article 254 of the Constitution, would depend upon the decisions of courts of law and meanwhile Custodians would not be clear in their minds as to which provisions ought to be applied to the business before them.

The specific repeal of earlier logislation, when a subsequent comprehensive legislation is passed, is not a novel phenomenon. It is a well established practice supported by experience and legal and administrative necessity. When it is our intention to replace a State Law entirely by a Central Law, the implementation of the intention should not be left to the delicate interpretation of Article 254 of the Constitution.

As regards the second point, it has, been a well established practice that

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## [Shri A. P. Jain]

wherever a consolidating Law is passed, all the existing Laws bearing on the subject, as also all usage and custom contrary to the consolidating Law, unless expressly saved by it, are repealed. A comprehensive repealing provision of the type of clause (2) of the proposed Section 58 is not new to this House. Such a provision has been made in several Laws passed by Parliament and as an instance I may mention the Merged States Laws Act (Act LIX of 1949).

Shri Hussain Imam (Bihar): Yesterday we were discussing the two questions to which the hon. Minister has referred to. One was whether we can use words which are indefinite, such as "any law existing at the time in any State is hereby repealed", and whether that is a good form of law or not. The second point which was made by the Deputy-Speaker was, that while the competence of the Central Legislature to legislate on concurrent list for the States is established, whether it does include the power to repeal a State legislation. These two were the points which were being discussed yesterday. We had expressed the desire that it would be better if the hon. the Law Minister would throw some light on the subject for our guidance and for the future guidance of this House.

# Shri Naziruddin Ahmad (West Bengal): May I add a word or two?

**Mr. Speaker:** I must state for the information of the hon. Member that I have read the complete proceedings of yesterday over this question.

Shri Naziruddin Ahmad: I am not at all repeating what was said yesterday. The point I am raising is whether this House is competent to repeal a law passed by the State. It is admitted that if this House passes a law which is inconsistent with any State law, then to the extent of that inconsistency or repugnancy the State law becomes inoperative. But that does not carry us far. The question is whether we can repeal it. There will be practical difficulty to this extent that if we repeal it, it is killed for ever. But if we leave it at the stage that to the extent of inconsistency it is invalid, then this invalidity lasts so long as the Central law lasts. If the Central law is later on repealed or changed, the power of the State law revives. So, the better course, constitutionally, would be to keep the State law alive only to the extent of consistency with the law passed by Parliament. If we repeal it them it is killed for ever. So far as I understand it, the inconsistent law in the State should live in a state of suspended animation, to be revived as soon as the Central law is modified or repealed.

## ) Evacuee Property 338 (Amendment) Bill

The same consideration is justified by a reference to article 251 of the Constitution which says that the State may pass any laws, but if the Parliament passes any law and if the State laws are inconsistent with the Central law then to the extent of that inconsistency the State laws shall not prevail. But this invalidity of the State law is to continue only so long as the Parliamentary law continues. The invalidity is temporary, subject to the Parliamentary law being alive. Therefore, I submit that it would not be competent for us to repeal a State law but merely declare that the State law is invalid to such an extent as it is inconsistent with this law. That is all that I had to submit.

Shri M. A. Ayyangar (Madras): Yesterday I was no doubt under the impression that there was no power in Parliament to repeal any provision or legislation passed by the State legislature, but on referring to the proviso to clause 2 of article 254 it appears that indirectly that power is also vested in Parliament. The proviso reads:

"Provided that nothing in this clause shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending, varying or repealing the law so made by the Legislature of the State."

The word "repealing" is there. It may be argued that this proviso relates only to clause (2) and not to clause (1). Clause (2) refers to a case where in contravention of an Act of Parliament, a Legislature of a Part A or Part B State passes an enactment which is contrary to the provisions of the Parliamentary Statute, and if that State law has been reserved for the consideration of the President and has received his consent, then that law passed by the State Legislature will prevail in that State over a similar provision in the Act of Parliament. But it is always open to Parliament to repeal that State law. Therefore, this reference to repeal in the Proviso seems to apply only to clause (2) of article 254 and not to clause (1).

This case is not one which comes under sub-clause (2) of Article 254. The Act of the Hyderabad State has not been reserved for the consent of the President and therefore sub-clause (2) does not apply. If sub-clause (1) alone applies, the question is whether there is any right in Parliament to repeal any provision. Therefore, we had a doubt yesterday and said that we need not have this sub-clause (2) saying that the provisions which are inconsistent are repealed, but we may let the Constitution to take care of itself, especially under sub-clause (1) which says that whichever provision in an existing Statute made by a State Legislature is repugnant to a similar provision in an Act of Parliament shall, to the extent of the repugnancy, become void. I thought therefore that a special provision repealing the Act is not warranted by the Constitution, as even without such a provision the law under Article 254 will make the provisions in the corresponding Statute of the Hyderabad State void and inoperative. However, we would like to hear the hon. the Law Minister on this point.

The Minister of Law (Dr. Ambedkar): At the outset I would like to say that the point which has been raised, namely, whether the Parliament can by law repeal a State law in the concurrent field, seems to me to have been raised at a very late stage. This Parliament has passed, I am sure, very many laws which contain a provision whereby Parliament has specifically repealed a State law in the concurrent field. My friend Mr. Jain referred to one of them, which is the last one which Parliament has passed, namely, the Merged States Act (Act LLX of 1949). If my friends interested im this subject were to refer to the provisions of this particular law, they will find that there are very many laws which fall into the concurrent field and which were enacted by this particular Act. Therefore, so far as practice is concerned, I do not think there is anything novel in the proposal introduced in this Bill. Of course, it might be contended that this practice is not in keeping with the provisions of the Constitution and that it has no warrant in the Constitution. I think that this practice is perfectly in consonance with the Constitution.

My hon. friend Mr. Ananthasayanam Ayyangar has very rightly referred to the proviso to sub-clause (2). The importance of this proviso, in my judgment, lies in this, namely, that it is possible and open to Parliament to make a law not only amending, varying, or adding to any law made by the State in the concurrent field, but it has also the power to repeal that law. I think this is quite clear from the proviso. So far as this proviso is concerned, the power is specific that Parliament can repeal a law made by the State in the concurrent field. But my hon. friend Mr. An anthasayanam Ayyangar's point was that this proviso is related only to sub-clause (2). Now, I think that if he will apply his mind to the necessities mentioned in sub-clause (2) he will find why the Constitution thought it enough to attach the proviso to sub-clause (2) and

## Evacuee Property 340 (Amendment) Bill

did not feel it necessary to extend it to sub-clause (1). As my friends will see, sub-clause (2) of article 254 refers to a law, which—if my friends will allow me—I would call as a 'protected law', that is to say, a law which is not only passed by the State Legislature but a law which was reserved for the consent of the President and to which the President has given his consent. That is the law which is referred to in sub-clause (2). Now, it was felt that it might be argued that in the case of a law which, though passed by a State Legislature relating to the concurrent field, nonetheless was reserved for the consent of the President and to which the President had given his consent—obviously on the advice of the Central Government which represents the wishes of Parliament—the Central Government may be deemed, I am putting the argument, to be 'estopped' from doing any further thing by way of injuring that particular Act either through amendment or otherwise. It was to eliminate this kind of argument that once the law having been protected the Central Government—to use the term in the Evidence Act—was estopped, so to say, from taking any further action that the proviso was introduced. It was felt not necessary to extend this proviso to sub-clause (1) because the expression 'to make a law' is itself so wide that it could cover even the repealing of a law.

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What does 'making of a law' mean? The making of a law, in ordinary terms, means: to enact an enactment where none exists; or, where an enactment exists, to add to it, to vary it, to amend it, or to repeal it. All that is covered in the broad phrase 'making a law'. Therefore, as making a law included making a law repealing an earlier Act or creating mother Act, it was felt that such a provision as contained in the proviso was unnecessary in respect of sub-clause (1) of article 254. Therefore, article 254 carries the general implication involved in the phrase 'making of the law' which includes repeal of the law. As sub-clause (2) of article 254 was felt not to carry that implication,—because of its protected character,—the proviso was added to it. Therefore, my submission is that there is nothing unconstitutional in Parliament making a law repealing a law made by the State Legislature in the concurrent field.

With regard to the other point whether you can make a general omnibus law repealing certain laws, it seems to me that there again there is nothing improper in that. What are we doing by having this omnibus law? What we could have done was to have hundreds of Acts, each one dealling with [Dr. Ambedkar]

a specific law, saying that we repeal this Act; another Act saying that we repeal that; and a third Act saying that we repeal a third one. Instead of doing this kind of thing, we did it in a collective manner.

Shri M. A. Ayyangar: You could have added a schedule here.

Dr. Ambedkar: That also might have been done. These are various ways of doing it. I do not deny that some ways, in some cases, may be better than others, but so far as the general principle involved in the Bill is concerned, I do not think that there is anything unconstitutional or con-trary to the practice of the Draftsman. My friends will see that I have, for instance, introduced a Bill called the 'Part B States Bill' in the present session, to which there is a schedule attached. Every one of the Acts is mentioned there. The reason is, as I will explain when the matter comes up, that certain laws could not be applied without certain adaptation. Therefore, a schedule had to be introduced that this law shall become operative subject to this adaptation. There are certain others such as Cooch-Behar where no such schedule exists, because adaptation requirements are not necessary. That might come up today or tomorrow. We therefore have a general clause and I do not think that there is anything unconstitutional or improper in the sub-section which is contained in my hon. friend's Bill.

Shri J. R. Kapoor (Uttar Pradesh): There is one point which remains un-answered and that is whether it, is open to us to enact a section in a hypothetical manner. I quite under-stand and appreciate what has fallen from the lips of the learned Law from the inps of the learned Law Minister that rather than attaching a schedule of the law that is interded to be repealed, we may say in a general manner that all the existing laws of a particular type are being repealed. So far as that goes it is quite clear.

But then the question arises as to whether it is open to us to say that if there exists any law anywhere, in any corner of this country, that also is being repealed—the law the existence of which we are not sure ourselves. Can we enact a section in this hypothetical manner not clear in our mind as to what exactly is the Act which it is our intention to repeal. That is the point on which I would like the hon, the Law Minister to throw some light.

Mr. Speaker: Do we not many times legislate by saying "Notwithstanding

anything contrary to any law for the time being in force"? Do we not usethat expression?

Shri J. R. Kapoor: But then at that time we are sure in our mind that there are some laws somewhere which is repugnant to what we are repealing.

Mr. Speaker: That is exactly the position here too.

Shri J. R. Kapoor: I would then be very glad if the hon. Minister of State for Rehabilitation tells me whether there is any law in existence in any State today which it is his intention to repeal by sub-clause (2) of clause 2 of this Bill?

Shri Hussain Imam: No law, to our knowledge, exists which is being repealed.

Mr. Speaker: As I said I was not present in the House yesterday, but I have read the proceedings. My mind was working in a different direction.

So far as this Bill goes, this point is more or less of an academic interest. But it raises a general question. On the facts, it is clear that the power is being properly exercised, as I feel about it. To my mind, the real diffi-culty in the application of the facts of the present case is this. When the original Hyderabad Regulation was passed and when the Ordinance was passed in 1949, this House had not the power to include Hyderabad in that Ordinance. But when the subsequent Act of 1950 was passed, this House had jurisdiction over Hyderabad. Therefore, it is perfectly competent to pre-sume that a law passed by this House when it had jurisdiction over the State of Hyderabad, will fall through, if it be inconsistent under Article 254. But what happens to what was enacted prior to the jurisdiction over Hyderabad, not merely as regards the provisions of that particular law, but as regards the validity of the acts done in pursuance of the previous law. If the acts done in pursuance of the Hyderabad ordinance of 1948 or 49, passed at a time when this House had no jurisdiction to legislate, if such acts going to be protected? That is how I was thinking about it. Therefore, it appeared to me, on reading the pro-ceedings, that it is essential to say that all the provisions of that ordinance stand repealed, and also the other part of giving legality to all acts done or orders passed. That is, I think, what sub-section (2) seeks to do

So far as the powers of repeal are concerned, the hon. the Law Minister

has amply clarified the position and I have nothing more to add to what he has said. But I was just wonder-ing that, to the extent to which any law of a subordinate legislature is inconsistent with what we do, we can as well say that, in our opinion, such and such law shall not stand and any-thing that they have done will be in-consistent with what we express ourselves here. That can be done under clause (1).

I entirely agree with the interpreta-tion of the word "make" given by the hon. the Law Minister, which is wide enough. But assuming that you want to put it in a restricted manner, still you can make any law by saying, we are not prepared to accept the legislation of Hyderabad as contained in Regulation No. so and so of such and such a year. If you could as well enact such a provision, why not shorten the phraseology and say: "we repeal". It really makes no difference in substance, to my mind.

Does the hon. the Law Minister wish to say anything further? I do not think it is necessary now.

Dr. Ambedkar: I have already made the position clear, Sir.

Mr. Speaker: Then I will put the amendment to the House.

The question is:

in clause 2 in sub-section (2) of the proposed section 58 of the Administration of Evacuee Pro-perty Act, 1950, for the words "corresponding to this Act", substitute the words, brackets and figure "which corresponds to this Act and which is not repealed by sub-section (1)".

The motion was adopted.

Shri Naziruddin Ahmad: Sir, I beg to move:

In clause 2, in sub-section (3) of the proposed section 58 of the Administration of Evacuee Pro-"action" occurring in line six sub-stitute the words "such action".

This is only a drafting amendment for what it is worth.

Shri A. P. Jain: It is not acceptable to me. The words "such action" will mean reference to an action mentioned before, while there is no such mention. Therefore, the addition of the words "such action" would create confusion rather than clarify matters. I am sorry I cannot accept it.

#### Evacuee Property 344 (Amendment) Bill

Mr. Speaker: The question is:

In clause 2, in sub-section (3) of the proposed section 58 of the Administration of Evacuee Pro-perty Act, 1950, for the word 'action" occurring in line six substitute the words "such action".

The motion was negatived.

Shri Naziruddin Ahmad: With regard to the legality of this measure it has been already decided. We fully accept that. But I object to the form in which the amendment has been brought, namely, that in substance we repeal such Acts and enactments, if repeal such Acts and enactments, if any, if they are inconsistent with this Act. I submit, Sir, that this will lead to a great deal of confusion, a thing which the hon, the Minister of State, is very anxious to avoid. I think the very laudable object with which the hon. Minister is actuated would be frustrated in this case. We have in many places in the Constitution said that laws inconsistent with the Consti-tution shull to the tution shall to the extent of incon-sistency be void. The result of this has been that a large number of Acts, whether existing or passed after the Constitution, have had to be declared ultra vires.

Mr. Speaker: What particular word-ing is he objecting to in this clause?

Shri Naziruddin Ahmad: Clause 2 reads "If, immediately before the com-mencement of this Act, there is in force in any State to which this Act extends any law corresponding to this Act, that corresponding law shall stand " stand repealed".

Mr. Speaker: It does not say 'in-consistent'; it says 'corresponding' law.

Shri Naziruddin Ahmad: My objection is not to that. It is rather the unspecified character of our target to which I object. The hon. the Law Minister has said that it is perfectly legal. I do not deny that. But it is our practice in enacting, repealing or amending Acts—in our periodical Act of revision or removal of obsolete laws of revision or removal of obsolete laws and changing laws which are incon-sistent with the modern trend of events—to give the list of the Acts which are to be modified, changed or repealed. In this case a kind of indo-lence has supervened and a habit of passing over things correlasily is bepassing over things carelessly is be-hind this draftsmanship. It would not have been difficult to find out exactly what really have been the 'aws which correspond to this law and to what extent these things require to be re-pealed. If we leave the law as is pro-posed in this Bill, the result of this

## [Shri Naziruddin Ahmad]

would be that people will be wondering as to how much exactly does cor-respond to the present Bill and how respond to the present Bill and how much not. The exact decision would be left to a matter of speculation and probably one will be iriven to go to the Supreme Court for a final clarification of the matter. Instead of leaving things in the air like this it would have been far more satis-factory to indicate exactly what we really want. If it is competent on our part to repeal laws there is no diffpart to repeal laws there is no difficulty in repealing them or amending them in the way we desire—the exist-ing laws can be amended, repealed or modified, in any way. As it is, this will lead to a great deal of confusion. It is not always an easy matter to find out to what extent a law is inconsistent with this law and so forth. It has led to difficulties already ...

Mr. Speaker: Again. the wording is not 'inconsistent'; the wording is 'corresponding' law.

Shri Naziruddin Ahmad: With regard to corresponding law the exact difference would be rather subtle to find out.

Pandit Thakur Das Bhargava (Punjab): 'Corresponding' is more certain.

Mr. Speaker: It is a matter of opinion.

Shri Naziruddin Ahmad: Sir, I submit the list would have been much more satisfactory.

کی قبرورت نہیں ہے ۔ کوئی ایسا قانون اگر کمهین هوتا تو پس کا علم متحکمة کو يا وارت کو ضرور هوتا -ا ب اتلے مہینوں میں اپریل سے لے کر نومهر تک - اب ومهر کی ۲۱ تاریخ هے - كافى وقفة كذر چكا هے - أكر كوئى قانون هوتا تو اس کا علم هو جاتا -اب وزير صاحب كو اس احتهاط كي ضرورت نهیں ہے - حیدرآباد ایکت کو ریپیل (ropeal) کرنے کی بھی ضرورت نهيى رغى - اگر كوئى انكلسستيلسى (inconsistency) در تر اس همارا كانستى قيوشن لئے کے (Constitution) هي کاني هے -पंडित ठाकर दास भागवः इस नें

नुकसान क्या हो जाता है?

شرى حسين امام: نقصان نهين صرف یہ عادت ہری ہے - اس لئے میں جناب رزیر صاحب سے بہت الدب ہے گذارش کرونا کہ اور اسلیے میں آردو میں ہول رہا ہوں۔ اس مزید الحتياط كي ضرورت آبهين هے - الحتياط ایک اچھی چیز ہے مگر یہاں یہ ایک بیکار فعل ہے -

(English translation of the above speech)

Shri Hussain Imam: Sir, I also want to make certain submissions in this regard. I have to submit only this regard. I have to submit only this much that our apprehension is merely what may aptly be described by the proverb that 'a burnt child dreads fire'. The hon. Minister is including a provision so that he may not face any difficulties in future. I think he is becoming rather over cautious and so much caution is unnecessary. Had there been any such law, the Department or the Ministry concerned were sure to have a knowledge of the same.

Today is the 21st of November and sufficient time has passed in between April and November. Had there been any law of the kind then we would have known of it. The hon. Minister need not exercise so much care. It is also not necessary to repeal the Hyderabad Act. In case there is any inconsistency, our Constitution is there to set the matters right.

Pandit Thakur Das Bhargava: But what is the harm in doing so?

Shri Hussain Imam: There is no harm. Only this habit is a bad one and for that matter, while speaking in Urdu, respectfully I will submit to the hon. Minister that this sort, of further preserved further precaution is unnecessary. It is good to exercise care and pre-caution but here in this case it is simply a useless act.

Shri Meeran (Madras): With regard to sub-section (2) of the proposed section 58 in clause 2 of the Bill, in-stead of the words "corresponding to this Act" I think it would convey the sense if it is said "corresponding to Act XXXI of 1950". That is what, I think, is intended. It is not this Act which is meant. This is only an Amending Act. What is contemplated here is "if, immediately before the commencement of this Act, there is in commencement of this Act, there is in force in any State to which this Act extends any law corresponding to this Act"—that is, Act XXXI of 1950...

Mr. Speaker: May I point cut that "this Act" means the Act mentioned just now by the hon. Member. When this Amending Act is enacted the section will be incorporated in the original Act XXXI of 1950. This is an Amending Bill.

Shri Meeran: This difficulty comes in whether it is repignant to or corres-ponds with that. With reference to that I thought it will allay the fear expressed by some hon. Members if it expressed by some non, memory in a is made clear that it corresponds to the other Act. Of course, when it is incorporated in the main Act it will only mean that. But now to make it clear it would be better if the words are something like this, namely "extends any law concerning the Administration of Funquee Property clear it would be better if the words are something like this, namely "extends any law concerning the Administration of Evacuee Property Act". Because the question whether it corresponds to or is consistent with or repugnant to, and all that leads to a divergence of interpretation. There-fore I think that the words I have just now suggested will convey the sense and will not lead to the other possible interpretation whether it corresponds interpretation whether it corresponds to or is consistent with or repugnant to and all that. All these difficulties might not arise if you use the words "concerning the Administration of

#### Evacuse Property 348 (Amendment) Bill

Evacuee Property Act" in the place of "corresponding to this Act".

Shri A. P. Jain: I am very grateful to my hon. friend Mr. Hussain Imam who, I believe, has paid me a great compliment He has said that I have tried to be over-cautious. Sir, I have tried to be fool-proof as well as knaveproof so that if there is a fcolish Custodian he may not make a mistake and if there is a knavish evacuee he will not be able to over-reach him. That is the object of this amending Bill. If I have achieved it I would have achieved the purpose.

Shri M. A. Ayyangar: May I say a word regarding the word 'corresponding'?

Mr. Speaker: The hon. Minister has already replied. I could have certainly called upon the Deputy-Speaker if he had indicated his desire to speak on this earlier.

The question is:

That clause 2. as stand part of the Bill. amended.

The motion was adopted.

Clause 2, as amended, was added to the Bill.

### New Clause

Shri A. P. Jain: Sir, I move:

After clause 2 add the following new clause:

"3. Repeal of Ordinance XXVII of 1950.—The Administration of Evacuee Property (Amendment) Ordinance, 1950 (XXVII of 1950), is hereby repealed."

I need not say anything about the amendment because between the two sessions of Parliament an Ordinance was passed and that Ordinance is no longer necessary. This clause repeals that Ordinance.

**Prof. Ranga** (Madras): I nave only one suggestion to make. The number of such ordinances is increasing and I do not know if care is taken by Goverament to draft them properly. I would like to suggest to Government that they should take an early opportunity of constituting a small com-mittee of this House whose advice they would be able to seek; the com-mittee can be convened at short notice and only after submitting their draft proposals for their ordinances, they should be able to give their finishing touches and then promulgate them as ordinances. I hope, Sir, this suggestion would be acceptable to Government.

349 Administration of Evacuee Property (Amendment) Bill

Mr. Speaker: The question is:

After clause 2 add the following new clause:

"3. Repeal of Ordinance XXVII of 1950.—The Administration of Evacuee Property (Amendment) Ordinance, 1950 (XXVII of 1950), is horeby specified is hereby repealed.

The motion was adopted,

The new clause 3 was added to the Bill.

Clause 1 was added to the Bill.

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

Shri A. P. Jain: I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, he passed.'

شری حسین امام : میں اس سے قبل بھی جناب منستر ماحب سے گذاره کر چکا تها که یه بل جهان تک اس کے رجوھات ھیں یہ تو تھیک ہے مگر ان کے پہلے بل کے اندر کچھ انتلذنك اويكوى سغتهاں هيں (intending evacuee) کے متعلق جن کے متعلق میں نے درخواست کی تھی کہ وہ مشورہ کرنے کے بعد يهر اگر مناسب سمجهين تو اسي سهشن (session) میں ایک درسرا ہل لائیں - میں چاہتا ہور، کہ وہ اس کے متعلق اپنی منستری کا خیال اظهار فرمانیں - جہاں تک اس ہل کا تعلق ہے اس املڈملت (amendment) کے بعد جو ہوا ہے کسی قسم کی تبدیلی نہیں اوٹی ہے اور یہ بل جیسا تھا ویسے کا ویسا ياس هو رها هے اور مجهم آميد هے کہ آئیلدہ بھی بل اگر بعد غور کے لائیلگے تو وہ بھی اسی طرح پلس ھو جائيدكم -

#### (English translation of the above speech)

Shri Hussain Imam: I had already submitted that the Bill is all right so far its reasons go. But in his earlier Bill on the subject certain stiff provisions regarding the 'intending evacuees' had been included and I had made a request that, he may, should it be so necessary, after consultations, bring forward another Bill in this very Session. Further I want that he may windly avpress the online his Window Session. Further I want that he may kindly express the opinion his Ministry holds on the point. So far this Bill is concerned, it remains unaltered even after this amendment and it is being passed almost in its original form. I hope that the Bills he will bring forward in future after due thought will be passed similarly.

Mr. Speaker: The question is:

"That the Bill, as amended, be passed.'

The motion was adopted.

**RESERVE BANK OF INDIA (AMEND-**MENT) BILL.

The Minister of Finance (Shri C. D. **Deshmukh):** I beg to move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be referred to a Select Com-mittee consisting of the hon. Dr. B. R. Ambedkar, Shri M. Ananthasayanam Ayyangar, Shri T. T. Krishnamachari, Pandit Hirday Nath Kunzru, Shri B. L. Sondhi, Shri T. A. Ramalingam Chettiar, Shri T. A. Ramaningam Chettar, Shri Prabhu Dayal Himatsingka, Shri Satyendra Narayan Sinha, Shrimati G. Durgabai, Shri Arun Chandra Guha, Shri B. Das, Shri Syamnandan Sahaya, Shri Ram-nath Goenka, Shri Gokul Lal Asawa, Shri V. S. Sarwate, Shri Upendranath Barman, Shri Bali Ram Bhagat, Srijut Rohini Kumar Chaudhuri, Ch. Ranbir Singh, Shri Mahavir Tyagi, Dr. M. V. Ganga-dhara Siva, Prof. N. G. Ranga and the Mover, with instructions to re-port by 7th December 1950."

Shri B. Das (Orissa): Sir. I do not wish to serve on the Select Committee.

Shri C. D. Deshmukh: I am sorry; I intended to omit the name. I had been notified of his desire. I withdraw the name of Mr. B. Das.

Shri T. Husain (Bihar): The name of Dr. Ambedkar has been proposed as a Member of this Committee. As far as I am aware as a Law Minister by virtue of his office he is a Member of all Select Committees whether his name is proposed or not. Why should we do anything which is redundant?

. Mr. Speaker: It is better to have the name there. There is nothing lost by it. Then the point is that his name is before the Committee in a very pointed manner.

Shri T. Husain: Does it follow that if his name is not proposed, he is not a Member? The rules are very clear. Why not follow the rules?

Mr. Speaker: The rules certainly prevail but the mention is in addition to the provision of the rules and if a man is mentioned twice, then, of course he comes in. I shall place the motion before the House now.

Motion moved:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be referred to a Select Com-mittee consisting of the hon. Dr. Ambedkar, Shri **B**. **R**. M. Ananthasayanam Ayyangar, Shri Ananthasayanam Ayyangar, Shri T. T. Krishnamachari, Pandit Hirday Nath Kunzru, Shri B. L. Sondhi, Shri T. A. Ramalingam Chettiar, Shri Prabhu Dayal Himatsingka, Shri Satyendra Narayan Sinha, Shrimati G. Chettiar, Himatsingka, Sm Sinha, Durgabai, Shri Arun Chandra Guha, Shri Syamnandan Sahaya, Shri Ramnath Goenka, Shri Gokul Lal Asawa, Shri V. S. Sarwate, Shri Upendranath Barman, Shri Bali Ram Bhagat, Srijut Rohini Kumar Chaudhuri, Ch. Ranbir Singh, Shri Mahavir Tyagi, Dr. M. V. Gangadhara Siya, Prof. N. G. Banga and the Mover with inc. Ranga and the Mover, with ins-tructions to report by 7th Decem-ber 1950."

In this connection, a request has been made to me by the hon. the Minister for Parliamentary Affairs that I should slacken the convention, which I believe to be a very sound one, that people who are placed on the Select Comtake the time of the House in placing their views before the House. They should give a chance to other Members to say what they have to say and they may consider those points of view and then discuss the Bill in the Select Committee. The request made to me is that some Members who feel an amount of interest and who can throw light may be given an opportunity this time and I have agreed to do so, without creat-ing a precedent and this is only in exceptional cases like this because I

find that some of the provisions of the Bill are important ones; but I am not bill are important ones; out I am not giving them an opportunity for purpos-es of placing whatever they have to say fully about the Bill but placing their view-points before other Members to enable the other Members to know what is passing in the minds of me enable the other Memoers to know what is passing in the minds of pro-minent Members of the Select Com-mittee and to invite their views. With that object in view, I am slackening this rule, but that does not mean that every person will necessarily be given a chance or ought to get a chance.

Shri Naziruddin Ahmad (West Bengal): It is a very good suggestion that the Members of the Select Com-(West mittee should express their views so that the other Members might know what is passing in their minds.

Mr. Speaker: That will all depend on the nature of the Bill and I can visualize exceptional cases and there-fore, in this particular case I must slacken the rule to some extent.

Shri C. D. Deshmukh: The Reserve Bank of India Act, 1934 has been in force now for over 15 years.

[MR. DEPUTY-SPEAKER in the Chair]

During this period it has been amended on several occasions mainly for special emergent purposes, especially in connection with the Bank-ing Act and the nationalization of the Bank. Experience of operations has, in the meanwhile, disclosed the need for amendments from time to time. for amendments from time to time. It has been the policy of the Reserve Bank not to seek to promote these sufficient amendments singly. Α number of these amendments have now accumulated and it is considered desir-able to promote them. At the same time, constitutional changes have taken place and they also make it necessary to amend the Reserve Bank Act in certain particulars. The present measure, therefore, contains amend-ments which fall into these two classes.

I shall first deal with the amendments necessitated by the constitutional changes. With the financial integration of the Part B States with the Union Centre, it is now desirable, and no one will doubt the desirability, that the application of the provisions of the Reserve Bank of India Act should be extended to them, so that in due course, the Reserve Bank will occupy towards them the same position as it does in regard to Part A States. The Bill accordingly seeks to extend the pro-visions of the Reserve Bank of India Act to all the States except the State of Jammu and Kashmir. The existing financial and banking arrangements in

[Shri C. D. Deshmukh]

these States are not of the same pattern, nor they are of the same standard. Therefore, it is necessary that there should be some provision to allow an eclectic application of the provisions of the Reserve Bank of India Act as circumstances indicate. That has been secured by way of an Explanation to section 21 and it will be found in clause 9 of the Bill, namely, to withhold the mandatory provisions of sections 20 and 21 of the Act from coming into operation with immediate effect in Part B States. At the same time, power has been taken for the Central Government to authorise their application to some or all of the States as and when feasible by a notification in the Gazette of India.

Since the Bill was drafted, the Reserve Bank have felt that it may not be possible for them to undertake in any Part B State all the functions mentioned in the section at the same time. Therefore, it has occurred to us that there should be a provision to allow the Reserve Bank to undertake only such functions in any given State as they consider it possible or desirable for the time being to undertake. I propose therefore to move a suitable amendment at the Select Committee stage to achieve this object. This plan has the advantage that it leaves scope for giving effect to some of the recommendations of the Rural Banking Enquiry Committee in connection with treasury arrangements in Part B States. These recommendations are under consideration at the moment.

Now, I come to the second and more important group of amendments, that is, those which have been shown as necessary by the experience of its operations gained by the Reserve Bank. The most important of these is the extension of the period of accommodation provided in section 17-(2) (b) of the Act. I would refer to clause 6 of the Bill, sub-clause (2). There has been a persistent demand that this period be extended as the present period prescribed in this sub-clause (2) (b) is not sufficient for productive finance for agricultural operations. That is the finding of the Co-operative Planning Committee and it is also the conclusion reached independently by the Reserve Bank, who hope that if the period is extended, it would enable the cooperative movement to take fuller advantage of the finances which the Reserve Bank makes available to them.

**Prof. Ranga** (Madras): Have they asked only for twelve months?

Shri C. D. Deshmukh: Yes.

The next important amendment is that contained in sub-clause (4) of

clause 6. This really is in the nature of a clarification. There is no section, I should imagine, of the Reserve Bank Act which has been misunderstood more than this particular section, although any one versed in legal interpretation can construe it only in one way, namely that the documents of title to goods themselves are required to be transferred, assigned or pledged. The key words in this section are the words "documents of title to goods". If these have not been trans-ferred then it is not been transferred, then, it is not possible for the Scheduled Bank which seeks accommodation from the Reserve Bank to create such documents, because that Bank is not the mercantile agent of the customer as defined by section 1 of the Indian Sale of Goods Act. That is to say, the Schedule Bank must have given an advance to its customer against documents of title to goods and not against the goods themselves, if it has to pass this paper on to the Reserve Bank for obtaining accommodation from it. The words "documents of title to goods" are defined in section 2 of the Indian Sale of Goods Act and they include bill of lading, dock warrant, warehouse keeper's certificate, wharf-inger's certificate, railway receipt. warrant or order for the delivery of goods and other documents used in the ordinary course of business as proof of possession or control on goods or authorising or purporting to authorise either by endorsement or by delivery the possessor of the document to transfer or to receive goods thereby re-presented. The sum and substance of this is that only such documents as are fully negotiable instruments are eligi-ble for collateral under this sub-section. Now, it happens that there are not many licensed warehouses in the country and therefore the scope for the application of this section is restricted. That is a separate problem which has to be taken care of and which the Reserve Bank has attempted to take care of by indicating to the States the recessity of legislating for the establishment of licensed warehouses. Whatever that may be, and however restricted the scope of this particular section may be, the purpose of the present amendment is merely to make clear the meaning of it.

#### Prof. Ranga: Which section?

Shri C. D. Deshmukh: Section 17 (4) (d). The words occurring there are: "supported by documents of title on goods which have been transferred". The word "which" can only mean "which documents of title" and if you were to construe it as "which goods", then the section becomes inapplicable. Of course, as it is, it is clear to anyone who is versed in legal interpretation, but in order to avoid misconceptions on the part of people dealing with the section in the course of their work, it has been considered desirable to clarify it by the amendment proposed.

Now I come to another sub-clause of this clause and the object of that is to include all the remittances which the Reserve Bank deals with. The Act as it stands, does not provide for the Reserve Bank issuing remittances other than demand drafts or purchasing T.T.s.—telegraphic transfers. In practice the Reserve Bank has been called upon to issue remittances in all kinds of purchase of telegraphic transfers, and it is proposed to bring the law into conformity with the present position. That will be found in sub-clause (6) of clause 6 of the Bill.

Then it has been found in practice that the stipulations regarding the limits and maturity of the government securities which may be held by the Bank statutorily provided in Section 17 (8) of the Act are unduly restrictive. At one time it is possible that there were some justifications for the provisions, but it is quite clear that there is no reason to continue them now, especially in view of the transfer of the Bank to public ownership which has taken place since the measure was enacted. These stipulations fetter the discretion of the Central Bank to enter upon the market operations, and they have really no parallel in legislation concerning the other Commonwealth Central Banks, and so it is the advice of the Reserve Bank that these restrictive provisions should be deleted.

**Prof. Ranga:** In what sense are they restrictive?

Shri C. D. Deshmukh: You have to read the original section and then.....

**Prof. Ranga:** If the hon. Minister will kindly be a little more explanatory...

Shri C. D. Deshmukh: It is in subclause (c) where we say, "the second proviso shall be omitted." It is the second proviso of the main Act which contains the restriction.

Mr. Deputy-Speaker: Are all the restrictions removed?

Shzi C. D. Deshmukh: Yes, all are removed, and the discretion is left to the Reserve Bank to manage this in accordance with the Central Bank principles.

The next amendment included in this clause relates to arrangements which the Reserve Bank can make on behalf

#### Bill of the Governments of foreign countries. The Bank has been called upon to maintain an account and render other banking services for these governments, and this is not at present covered by the Act. So we are taking the opportunity to amend the Act to permit of those working arrangements. That is in clause (7) (b) of clause 6of the Bill.

Lastly, the only other sub-clause I need refer to is the provision which allows the Reserve Bank to purchase the shares of the International Bank. That was inserted by an amendment made some time ago. We find now that there is no provision for the purchase by the Reserve Bank of the securities issued by the International Bank, and it is now proposed to fill in this lacuna. That will be found in sub-clause (8) of clause 6 where we state that for the words "in the shares" the words "inthe shares and securities" shall be substituted.

The next important clause of the Bill is clause 10. Now, under the existing provisions of section 26 of the Reserve Bank of India Act, it is incumbent on the Bank to accept currency notes for payments after they have been declar-ed to have ceased to be legal tender, at all its offices and agencies, and for an unlimited period. Now, it has been found necessary from the administrative point of view to restrict the period up to which the notes are required to be accepted at the agencies, and to provide for their acceptance after a certain specified period, at the Bank's offices only. Therefore, it is proposed to proposed to amend the Act to empower the Central Government to notify a date up to which the currency notes which have ceased to be legal tender, shall be accepted for payment at the agencies of the Bank, that is to say, the offices of the Imperial Bank, such notification being issued as and when a particular category of notes are declared to have ceased to be legal tender.

The next important amendment is contained in clause 13, and that relates to the return submitted at present by the scheduled banks to the Reserve Bank, under section 42(2) of the Act. The existing form of the return does not require the scheduled banks to show their investments and their balances with other banks in current account and the money at call and short notice, and the banks are not also required at present to furnish thereturn of demand bills purchased by them, although they are required to show the amount of such bills discounted by them. Well, after a great deal of experience in the control of commercial banks, the Reserve Bank

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#### ISht. D. Deshmukh]

considered it desirable that they should be supplied with information under these heads by the scheduled banks, to enable the Reserve Bank to keep in touch more precisely with the money market conditions from week to week. The proposal, therefore, is to amend the Act, and to require the banks to include information referred to above, in their weekly returns. So the whole of this section will replace the original section, in section 42 of the Act.

The only other portion of the Act to which I need draw attention is subsection (7) which is proposed to be added to section 42, that is towards the end of clause 13. It has been brought to the notice of the Reserve Bank and the Government in recent months that some of the scheduled banks which have migrated to India from Pakistan are not able to comply strictly with the statutory requirements regarding the maintenance of minimum deposits, submission of returns etc. Now, all these difficulties are real, and indeed Government and the Reserve Bank appreciate them, but so far it has not been possible to exempt the banks from the operative sections of the Act with-out undertaking special legislation for their amendment. And to meet situa-tions such as the above it is proposed to invest the Reserve Bank with dis-cretion to grant exemptions in deserv-ing cases from the operation of the relative provisions as and when con-sidered necessary. This will be in consonance with the other and more important powers which are exercised by the Bank under the Banking Companies Act.

For the same reason we consider it suitable to direct the Scheduled Banks to submit the prescribed returns now to the Reserve Bank, because the pro-vision of the Act requires them to sub-mit separate returns to the Central Government and those provisions will now be deleted.

I have referred to the more important of the amendments included in the Bill and I have also referred to an amendment which we propose to bring in at the Select Committee stage. There are one or two other amend-ments which occurred to us and we shall take the opportunity of bringing them forward. One such relates to the powers which a Deputy Governor may be authorised to exercise in the absence of the Governor. Before the of the Governor. Before the nationalisation of the Bank this was taken care of by the general regula tions and there was a provision where-by, in the absence of the Governor, a Deputy Governor duly nominated by him was authorised to transact all the 1.14

and a sure

usual business of the Bank which might be transacted by the Committee of the Central Board. That power is missing at the moment from the present Act, whereas the necessity for the Deputy Governor to exercise such powers continues, especially in the powers continues, especially in the absence of the Governor out of India on official business, which is apt to be for fairly long periods. Therefore we consider it necessary that provision should be made in the Act to enable the Governor to delegate to a Deputy Governor the powers vested in him under the Act. I am afraid that was an omission which should have been noticed when the nationalisation . measure was being considered.

Then the other amendment which we wish to propose to the Select Committee is in respect of the return under section 42 (2). Since the Bill was drafted it has been represented that the period of two days which is pres-cribed for the submission of the returns involves unnecessary expenditure on the part of banks in obtaining telegraphic information from their branches. It is therefore proposed that the period should be altered to five days and in order to provide for the special difficulties of any bank owing to the geographical position of its branches, a proviso should be added allowing extension of the period in special cases to ten days.

Sir, covers most of the That. important amendments. I am sorry that this Bill was printed before a wish was expressed in the House that there should be notes on clauses and that is why I have taken some care to explain the more important clauses in some detail. In future of course all such Bills will be accompanied by the usual notes on clauses ,

Shri B. Das: You have said nothing on agricultural credit.

Deputy-Speaker: The Mr. hon. Member will have ample opportunity to speak later.

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.

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[MR. SPEAKER in the Chair]

#### LIBRARY COMMITTEE OF PARLIAMENT

Mr. Speaker: I have to inform bon. Members that I have appointed the following Members on the Library Committee of Parliament which will

continue till a new Committee is constituted during the next session:

> Prof. K. T. Shah. Shri M. V. Rama Rao. Shri Dev Kanta Borooah. Shri H. G. Mudgal.

Shri Bali Ram Bhagat and

Shri M. L. Dwivedi.

#### RESERVE BANK OF INDIA (AMENU-MENT) BILL-contd.

**Mr. Speaker:** We will now resume discussion on the motion just moved by the hon. Finance Minister.

Shri B. Das: I support the motion for referring the Reserve Bank Amendment Bill to a Select Committee. It is no small consolation to me that twenty-three years after the first Reserve Bank Bill was thrown out, fourteen years after the Reserve Bank Act as the foreign Government wanted it was passed, and two years after the nationalisation of the Reserve Bank was sanctioned by this House, my hon. friend the Finance Minister has introduced a Bill whereby agricultural credit will be rendered to the people of India. I did interrupt at the end of the speech of my hon. friend the Finance Minister to ask what was the new clause he was introducing to give agricultural credit. Now, I read from the Statement of objects and reasons as was drafted by his predecessor, cur old friend Dr. John Matthai:

"There has been a persistent demand for extension of the period of accommodation that the Bank may make available for productive finance in the field of agriculture and co-operation."

Perhaps the clause is there, only my friend, the ex-big banker did not think of the very great consequences to this House and to the people at large.

Shri C. D. Deshmukh: On a point of personal explanation, Sir. I referred to that particular clause.

Shri B. Das: To us the representatives of the masses it has been a question of life and death, but these who worked and controlled the Reserve Bank Acts in the past paid little heed to the demand of the people of India about agricultural credit. And two years ago when my hon. friend Shri K. C. Neogy brought the Reserve Bank, Act to nationalise the Reserve Bank, many of us complained that it was a piecemeal legislation. It did not envisage what nationalisation required and what the country required. Talking of nationalisation. we have just nationalised the Reserve Bank, but the spirit is not yet nationalised. The spirit of the Board of Directors should be nationalised. Inspite of the representatives of the Government of India being there, they are not working in that spirit of nationalisation. In 1947 when this House demanded the nationalisation of the Reserve Bank and its master the Imperial Bank of India which I characterised as the enemy No. 1 of India, .....

**Shri Sondhi** (Punjab): An eremy cannot be a master?

Shri B. Das: You do not know how the Imperial Bank is the master of Indian national economy. Energy No. did say that in 1947. 1---I I occasionally come across reports on the working of the Imperial Bank of India in the Press. I have seen no occasion to revise my opinion. I do not think the Reserve Bank is yet nationalised or that I have obtained the sovereign status of independence in India when I am part of a colonial system. The Reserve Bank is not nationalised as long as the Imperial Bank handles all its resources, as long as foreign employees abound in large numbers in the Imperial Bank of India. Sir, how can I have true national credit, how can I have national development and prosperity when the Imperial Bank is playing ducks and drakes with the finances of India? The Imperial Bank is a Scheduled Bank. So also are dozens of other Banks. Why is it that no other Scheduled Bank handles the huge resources of the Government of India and the State Governments amounting to the tune of Rs. 800 to 1,000 crores? The Imperial Bank pays no interest to the State Govern-ments or to the Government of India, and yet it was whispered, though not tives of the Treasury Benches on the floor of the House, that in view of our peculiar relations with Pakis-tan we will postpone the date of tan we will postpone the date of nationalisation of the Imperial Bank. We hear murmurs, one hears whispers all over India that there are foreign employees of Imperial Bank who have played ducks and drakes with the finances of the Imperial Bank not in our country but in a country which is today treated as a foreign country, as an alien country. Whatever money has been wasted or has been embezzled as been whether the set of the se in 1947, are not hostile to India's national credit? That point should be examined and my hon. friend should

[Shri B. Das]

bring forward at an early date a Bill to nationalise the Imperial Benk of India (Hear, hear.) Every one of us, including the Deputy-Speaker, who was a Member of this House in 1934 at the time the Reserve Bank Act was passed, wished that the Imperial Bank should be nationalised. Nationalisa-tion or no nationalisation, the Government of India is a sovereign Govern-ment and it should not hand over the credit of the people of India to one particulair bank where aliens are employed and which operates in an alien country always to the discredit of India. And what harm have the scheduled banks done? What harm scheduled banks done? What harm have the Central Bank of India, the Bank of India, the Punjab National Bank, or the new United Bank of Calcutta which is shortly to be formed under the chairmanship of my esteemed friend Shri K. C. Neogy, done? Why deposit our credit in a bank which is completely under foreign control, and whose Directors are old fossilised specimens who sat humbly at the feet of the foreign masters and at times repeat the same trick and lick the feet of my esteemed friend, the Finance Minister Sjt. Deshmukh. It is no use Minister Sit. Deshmukh. It is no use my Finance Minister sitting there, controlling the Reserve Bank on behalf of me and allowing the national credit of India to go to build up the credit of another alien State which is hostile to us at every stage. I do hope that the Select Committee will enquire into the follies of the Imperial Bank of India in Pakistan and find out how much money has been embezzled and how the alien officers employed in it are working against the national credit and prosperity of India. I leave it at that and I do trust that my hon. friend Shri Ananthasayanam Ayyangar will do the rest in the Select Committee.

Those of us—and there are only a few in this Parliament—who participated in the debate of 1934 will remember that in 1927 we were instrumental for the rejection of the Reserve Bank. In 1934, we became a little wiser. We thought, 'Let us nave the Reserve Bank and save at least the 44 millions in gold, so that something of value will be left for India when the Englishman leaves.' Well, he left us 40 millions in gold, but he saw to it that he stole 4.000 millions of gold and gave three-fourths of it to the U.S.A. Government, the guise of Allied Powers. He bled us white, but could not pinch the other 40 millions, which is today the national gold reserve of India. At that time, most of us wanted that if the Reserve Bank was going to be the National Bank of India, either then or subsequently it should do something for the masses. The revenues of the State collected by the

have big clients and capitalistic and industrial Directors, but the benefit to the commercial and industrial community does in no way help the people of India. For six months we discussed the Reserve Bank Bill in the Select Committee, in the House and at other places. We were able to introduce only that little Section 54 of the Reserve Bank Act which now my hon. friend wishes to be implemented, but our foreign masters with bayonets at our necks only yielded to the opening of an Agricultural Credit Department in the Reserve Bank. The Reserve Bank went on carrying out research on agricultural credit and how money could reach the multitudes, but it did nothing more. I find from the second Annual Report dated sometime in 1950, that the nationalised Reserve Ban's has devoted two pages to agricultural credit side. It is said that this Depart-ment is collecting facts and statistics, but nowhere is it suggested that the Reserve Bank is going to finance agricultural credit for national develop-Dr. Matthai earlier in this year intro-duced the Bill in the House, some of us felt that Government was getting rationalised and Finance Department was getting nationalised. But alas, I wish that my friend Sit. Deshnukh had Sit. Deshmukh had little to the plane of descended a common people like myself and appreclated what we want most. To us, nationalisation does not mean State nationalisation does not mean State ownership nor hundreds of capitalistic ownership nor hundreds of capitalistic industries. To us, it means the policy that was enunciated by his predecessor Dr. John Matthai in the last Budget session, namely, that there should be mixed economy and rural self-suffi-ciency. I have yet to know whether my hon. friend Sjt. Deshmukh stands for mixed economy; whether he stands for self-sufficiency in all spheres; whether he wants mass prosperity. Of course, he had a chance and he could

Imperial Bank under the directions of the Reserve Bank do not filter back to

the people. The Reserve Bank may

my hon. friend Sjt. Desimukn stands for mixed economy; whether he stands for self-sufficiency in all spheres; whether he wants mass prosperity. Of course, he had a chance and he could have detailed what his conception of agricultural credit is and how he expects that it will filter to the masses. Why does the Government of India want all scheduled banks to deposit their money in State treasury and Government of India treasury

want all scheduled banks to deposit their money in State treasury and Government of India treasury monies? The Imperial Bank-mational enemy No. 1, which title it still bears-went on financing any foreigner in the past who came here with no money or little money. His business was financed and financed not with the Imperial Bank's own resources but the credit and resources of the then Government of India. Today also inty credit is going more to finance foreign companies and concerns and it is being squandered in an alien State and my Government has no control over the finances of the Imperial Bank in Pakistan. If State revenues would be impartially deposited in all schedule banks, the scheduled banks will finance cooperative banks and the smaller agriculture banks, so that agricultural credit will infiltrate to the villages and there will be self-sufficiency and national prosperity. I urge the Select Committee to examine this important aspect of the Bill.

Sir, I talked to Dr. Matthai on several occasions, because there was no measure before the House, that I did want a comprehensive Bill so that we here as well as the people outside may feel that the Reserve Bank is the national Bank of India. During the last session a question was put in this House about our gold reserves which did not evoke a satisfactory reply. Now what is the Reserve Bank? The great banker that he is Sjt. Deshmukh was privileged to be the first national Governor of the Reserve Bank. We had every con-fidence in him when he became the part of the pational first national Governor of the nationa-lised Reserve Bank. He belonged at that time to the community of bankers. But if he thought that every pie of money should be secured to the rich people to build up their indus-tries, he had a wrong conception of nationalisation. I told Dr. Matthai, as I was saying, that he had not produced a comprehensive nationalised Reserve Bank Act. The amendments which were moved by Mr. Neogy sub-sequently were just tinkering with the Act to give the Reserve Bank the status of a State owned bank. If I remember aright, it only converted the shareholders' bank into a State owned bank. But where is the objective of the Reserve Bank? When Sir George Schuster brought forward the Reserve Bank Bill in 1934. some of the older Members of this House will remem-ber thet our hearts were full at the flight of distressed gold and silver from the country, thanks to the policy of our alien masters. At that time the Reserve Bank Bill came up before the House. We thought that we must create a Reserve Bank to conserve the gold that was left.

Well, Sir, I do not hold my hon. friend Sit. Deshmukh responsible for what Dr. Matthai conceived or Mr. Nedgy conceived during 1948 of even earlier this year. But it is high time that we realised as to what should be the proper scope and constitution of the Reserve Bank of India.

Sir, I do appeal to the Members of the Select Committee to examine why the Imperial Bank happens to be the only heir of the Reserve Bank's money and the resources of the Government and the people of India. Again why should not the scheduled banks receive deposits on Government account? If we do that more cheap credit will be available to the people The Banking Act. which of India. my hon. friend mentioned this morning had empowered the Reserve Bank so much that it controls the day to day functions of all scheduled banks. If the idea of the Reserve Bank and the Government of India is that pro-per control should be exercised on scheduled banks, I have no objection to it. But I can never understand why the Reserve Bank does not permit these scheduled banks to receive de-posits of resources of Provincial Governments and the Government of India. I may also tell you that there are big business concerns in India who have larger balances than the State Governments in the combined branch-es of the Imperial Bank. But unless, as I said earlier, the Government of India. the Swaraj Government of India decides that the Reserve Bank should be nationalised in spirit and it should not pamper the legacy they have received from the alien prede-cessor things will not improve. I recollect that the Government of India also sends a director to the Imperial Bank.

Mr. Speaker: The point that the hon. Member is making is an important one no doubt. But I was just considering as to how it is within the scope of the present Bill. He has sufficiently made out a case for nationalisation; but he need not go into further details and may confine himself to the scope of the Bill before the House.

Shri B. Das: Sir, I bow to your ruling. The point that I was trying to bring out was that the Government of India had made a mistake in bringing this Bill as I told Dr. Matthai privately. It must have been a comprehensive nationlisation Bill. If the resources of the people and the State of India is not available to the Reserve Bank to be circulated among the people, how can my hon, friend succeed in improving agricultural crédit. Anyhow I bow to your ruling. I have discussed it. My hon, friends have understood what I am after and I am suife the Select Committee will see that the Bill is so amended that we affer in no way obstructed by the Imperial Bank which is sitting tight of the shoulders of the Reserve Bank. [Shri B. Das]

As regards consequential amendments I have no objection. As regards amendments relating to extension of credit in clause 6 I think they are necessary. In the past the forgign rulers saw to it that India did not get much credit whether from the Imperial Bank or from the scheduled banks. Their objective was to obstruct the development of Indian trade and industry. My hon. friend has 3 P.M. done the right thing in that respect and I welcome it.

As regards agricultural credit I want to see in proper shape and language that credit will be given in comprehensive terms and not at the sweet will of the agents of the Reserve Bank, which at present happens to be the Imperial Bank. Every small branch of the Imperial Bank functions Every small as the agent of the Imperial Bank functions as the agent of the Reserve Bank. If that officer of the Imperial Bank that is so very alien to the House and even to the Government of India and the Imperial Bank functions as the sole agent of the Reserve Bank to give any agent of the Reserve Bank to give any credit—agricultural credit and credit to co-operative societies—then there will be serious trouble. When my friend Mr. T. A. Ramalingam Chettiar speakes—I do not see him here at the moment—I am sure he will take the moment—1 am sure ne will take the House into confidence as to how co-operative Banks have been troubled and harassed by the agents of Imperial Banks all over India. I do hope that my friends in the Select Committee will even inc the matter and see the will examine the matter and see that the milk of kindness of the Government of India to the co-operative banks and agricultural credit banks will flow freely and that the Imperial will now irreely and that the imperial Bank does not skim it to such an extent that only water goes to these banks. That is a point which I must emphasize in view of our past ex-periences, and very bitter experiences, of the treatment of the Reserve Bank towards national credit and rural credit. My friends will have to go into it in the Select Committee. I go into it in the Select Committee. I do hope the Select Committee will amend the Bill so that it becomes a proper Reserve Bank Act. We have done it in the past in this sovereign Parliament. We have extended the scope of the Bill to make it compre-hensive. Therefore this can be done. I do want the Select Committee to see that the directors of the Reserve Bank, including the representatives of my including the representatives of my hon. friend the Finance Minister, are all Indian nationals. Unless the directors think in terms of nationali-sation, of a sovereign State, of bringing national prosperity and national credit, the diehard directors cannot resolve national and economic problems for which this sovereign Legislature stands and for which most of us stand.

Sir, I support the motion.

Shri R. K. Chaudhuri (Assam): Al-though I am grateful to the powers that be for my selection as one of the Members of the Select Committee on this Bill, I must straightaway confess that there is not much love lost between me and the Reserve Bank. I do not know whether the Reserve Bank of India keeps in its reserve the riches of India or keeps in reserve for us the misery that has already previously happened to us in monetary matters, or whether it really wants to help us out of the difficulties we are in. I understood that the Reserve Bank had as one of its functions to help the ordinary banks and the scheduled banks. I had understood that the Reserve Bank would exercise such superintendence, supervision and inspection over the general banks that they would be able to put them on their legs in times of difficulty or that they would be able to caution the public as re-gards the condition of any particular bank. It was largely expected that the Reserve Bank of India would come to the aid of scheduled banks when they are in difficulties, difficul-ties caused by circumstances beyond their control. It is in expectation of their control. It is in expectation of this implicit assurance that a large number of public bodies and a large number of private individuals had always preferred to deposit their money in the scheduled banks and in the ordinary banks. But what is the reordinary banks. But what is the re-sult of our experience? A large number of scheduled banks have gone to ruin, and in its wake a large number of ordinary people who had struggled in their life and who had somehow managed to make some saving have also been ruined in their Ing have also been runed in their dealing with the scheduled banks. In Bengal a large number of scheduled banks had to go to ruin. I need not mention those banks. It is within the knowledge of the Members of the House as well as the hon, the Finance Minister I want to know from the Minister. I want to know from the hon, the Finance Minister if the Reserve Bank had raised its smallest finger to protect those banks, to protect at least those banks which were in that predicament for reasons beyond their control. Did they raise their smallest finger to protect the public against the ruin which they were facing? Surely, the Reserve Bank by facing? Surely, the Reserve Bank by virtue of the provisions of section 42 had been in possession of the know-ledge of the condition of each sche-duled bank and they could have, if they had clearly followed the provi-sions of section 42 of the old Reserve

Bank of India Act, certainly sounded a note of warning in time both to the scheduled bank and to its constitu-ents. I am yet to know that the Reserve Bank had really performed that part of its duty.

In my small State of Assam we had only one indigenous scheduled bank. That scheduled bank had to close its door about four or five months ago. Was there any warning given to the public about the condition of that bank? Was there any assistance given to that bank to stand on its own legs? That is the question which I should like to ask. I have known that it has been extremely difficult for the indigenous bank to get the requisite capital issue. I had myself strenuously tried to get capital issue for a small bank which would have been saved if that capital issue had been sanction-I had gone from door to door, to ed. the officers of the Reserve Bank as well as the officers of the Government of India in the Finance Department. and I had failed to achieve any result. I failed in convincing them that if the capital issue was granted the bank would be saved and all the money of depositors would be saved. But the Government did not care, the Reserve Bank did not care, to issue capital for that bank. I had also tried for one of the indigenous banks which was founded long ago, about twenty-two years ago-I had tried my level best to put it in the list of the scheduled banks. I had begged of my hon. friend's predecessor and all the officers who had anything to do with the matter to secure the position of a scheduled bank for that indigenous bank. Government did not care, the Reserve bank.

But the result was quite unsuccess-ful. It is a sort of red-tapism which the Reserve Bank follows; it makes it impossible for the authorities of that bank to undestand that the aims and objects of the establishment of a bank are no longer to help the capitalists but also to help the poorer people of society, to help them to learn to utilize a bank, how to save their own money and how to increase their money by investing in business, and so far as that aspect of the matter is concerned, the Reserve Bank has been a com-plete failure. What happened in my own Province was this: Because the only scheduled bank in the province only scheduled bank in the province failed, because this bank failed on ac-rount of the neglect of the Reserve Bank, another bank which was in a much better position also failed be-cause there was a great rush on that bank. The public thought that if there is nobody to help a scheduled

bank to stand on its legs and help to start again, it was hopeless to put any money in any bank and as a result of this, there was a rush on the bank and the bank had to close. I submit, Sir, it is all very well to bring to the House a nice piece of legislation, to back it up with high-sounding opinions and high-sounding promises; it is all very nice to nationalize a business; it is all very nice to nationalise the motor transport business by merely pulting on a shining body; it is all very nice to have a nationalised Reserve Bank, or to have a better building and better furniture for that office or as a matter. of fact to raise the salaries of officers but it is a complete failure, I shall say, either to bring forth into this this country more agricultural credit, either to bring forth into this country banks which will really help in the fostering of industries or either to bring up banks to help make our people parsimonious and economical and to lay by for the future. I know of instances. Sir. in which Govern-ment servants who had served so many years in life, put their money in an indigenous bank with the hope of getting something out of it, but it failed miserably; it failed even though it was a scheduled bank. So, then, what is the use of having a scheduled bank? I say that the present aniend-ment to section 42 is certainly an improvement on the old section 42 but T believe it will meet the same fate as the old provisions because very little care is taken to see that the strict pro-visions of this section are carried out.

Sir, going through the Bill and hear-ing the speech of the hon. Minister, I feel that it would not be much controversial as far as the provisions of this Bill are concerned. It is not the controversy that may be raised in a particular Bill which matters but in a Bill of this kind more is needed than s mere legislation and the spirit of carrying out that legislation should be there. Provisions should be so made that no scheduled bank can languish for reasons which are beyond their control. We can quite realize that owing to circumstances which have prevailed immediately after the war there has been a general slump in business and necessarily some banks must fail It is at this juncture that... the Reserve Bank of India should function. I do not care how far the legislation has been standing in the way of taking such action. If the legislation of the day has stood in the way of taking the action, I submit that the legislation of today has not very much improved the situation.

Shri M. A. Ayyangar (Madras): 1 shall say only a few words, Sir. The

#### [Shri M. A. Ayyangar]

hon. Minister has referred in his opening remarks to the objects of the Bill and he put them under three (2) better working of the Reservo Bank and (3) rural credit. There are some other matters also which have been dealt with, of minor importance. So far as the extension to the States is concerned, with certain limitations, I have absolutely nothing to add to what the hon. Minister has said. As regards the better working of the Bank. I consider that the Reserve Bank in this country ought to be a banker's bank or a Central Bank. It ought to be both an adviser to the Government. on the one side and an adviser to the banks on the other side; it ought to be the foundation of all credit in this country. Therefore, it is very neces-sary that the persons in charge of the bank should be persons who have requisite knowledge of the affairs. Banking in general not only in India but in the world at large should have men with ripe experience who will be able to direct and influence the decisions of the Government and the public policy. I find that there is a slackening in that direction. There is a provision in this Bill wnereby the hon. Minister intends clothing the Deputy Governor with the powers of the Governor, to act in his absence when the other man is engaged in other countries, with respect to the International Monetary Bank or even with respect to the International Bank. The hon. Minister Limself said that for a long time the Governor may have to go out on one or other of these businesses outside India. Therefore, it becomes all the more neces-sary to see that all the persons who are appointed can discharge the onerous responsibilities, both under the original Reserve Bank Act before na-tionalization and also the enormous obligations that have been imposed on the Reserve Bank under the Banking Act, which we revised only last year. I desire that I ought not to be misunderstood. A compliment is due to the hon. the Finance Minister that though he belonged to the I.C.S. he was taken into the Reserve Bank, he was trained there and after a time ne became the Governor; I think he was Secretary in the beginning and then became the Governor of the Reserve Bank.

Shri C. D. Deshmukh: I resigned the service in 1941, Sir.

Shri M. A. Ayyangar: For a long time and on more than one occasion he was the Governor of the Reserve Bank. Now such experience is not brought to bear on the working of the Reserve Bank by other persons who have been appointed recently. I do not want to mention names, but it is the responsibility of the Finance Minister and whoever might be the Finance Minister, a very serious responsibility rests with him in making selections for the top-most appointments so far as this matter is concerned. Camphor does not require a propaganda machinery but it extends of its own accord. The world knows who is fit and who is not. The person who is chosen ought not to be chosen for any political considerations. Though L am for nationalization of for any political considerations. Though I am for nationalization of this Bank and the Imperial Bank also, I would try to avoid as far as possi-ble mere political considerations weighing with the appointments or the running of these banks.

T will come later on to the amendment that is proposed with respect to sub-clause 8 of clause 17 where certain wholesome restrictions that have been hitherto placed on the quantity of Government securities or the amount of securities that are to be held and even these securities may belong to the Government of India or the Government of any State and those restrictions are sought to be removed under this Bill. I want to ask the hon. Minister at a later stage in the proper administration of the bank as a whole is it at all desirable to remove those restrictions that were thought necessary at an earlier stage.

Now, Sir, I also learn that with respect to the fundamental rules relating to services it has become а Bank directly to be managed by the Government though with an advisory Board but the fundamental rules that apply to the Government services here are not applied to that bank. It is an autonomous bank in that it has got its own rules even for recruitment and for the work which has to be done. I am not thoroughly satisfied with that. I would only request the hon. Finance Minister to see whether the time has not come when the whole bank strugture and working has to be overhauled. There have been so many amendments and amendments to this Reserve Bank Act. On account of the change in the nature of the Reserve Bank, it is time to see whether it really serves the purpose that it was intended to serve when it was nationalised.

I shall now come to rural credit. This has been a very vexed question. I do not want that the Reserve Bank, however big it might be, to be merely a big iron safe for the whole country. It is not merely intended to gather money from the various schedule banks where the surplus moncys and savings of the middle classes or other

people may be deposited. To be a huge iron safe is not the function of the Reserve Bank. It must draw money from the various schedule banks and spread it through various channels and it must be the watchdog of the industrial and economic prosperity of the country. I do not say that the money should be fritter-ed away; nor do I want that the money should get dried up at the very prosperity of the country. source or foundation. In spite of the grandiose sections that have been incorporated in this Act, as early as 1934 when this Act was brought into being and the Reserve Bank was brought into existence, nothing has been done so far in regard to rural credit. Merely paper researches have been made and a highly conservative spirit has been running through every item of work connected with rural credit and rural uplift. Ninety-nine per cent. of India lives in the villages. But, it is unfortunate that so far as the Reserve Bank is concerned, it is a rich man's Bank and not a poor man's Bank at all. It only looks after the safety of the scheduled banks. It has no control over the scheduled banks and it would not even directly or indirectly ask them to spread themselves into the various corners of the country. It would not draw the money from the scheduled banks and distribute it; it will only keep it very safe. The Imperial Bank does not pay a pie as interest on current deposits; the money is rotting there. It will never reach the village population. In the villages. Sir, you may not be aware of this, today, loans have to be raised paying interest at rates as high as 18 per cent.

Shri Hussain Imam (Bihar): Twenty five in my province.

Shri M. A. Ayyangar: Sometimes, it is 25 per cent. according to the information that I receive from my hon. friend Mr. Hussain Imam. As 25 per cent. is against all statutory restrictions imposed in various provinces by local legislation, devices are created and when Rs. 100 is advanced, Rs. 25 is withheld. God alone must be the witness for these improper and illegal transactions. Money has become scarce in village parts, though in the Rural Banking Enquiry Committee— I have a copy of their report before me—there is a recommendation as to how best to extend facilities for rural credit and rural finance. At an earlier stage, the Reserve Bank through its research officers came to this conclusion that for ever, in perpetuity, the middleman, the shroff or some other money lender, ought to be there in the villages and except through him, money ought not be lent to the villagers. I do not know if the Reserve ia (Amendment) : Bill

Bank has changed its mind now. do not know whether it was the hon, Finance Minister who was then in charge as Governor of the Reserve Bank or Mr. Nanavathi. There is another aspect of the matter. The rich men in this country say that they have no money. The money has gone underground. It will neuron They say all the money has gone to the villages. They say, "Go to a village and you will find every but converted into a golden palace". But, we still find there is not sufficient thatch to cover the root of the house in the vil-lage. No doubt, on account of the higher prices, for cereals some richer men who have got large extents of land have been able to discharge their debts. But, they are once again lapsing into their old state in which they were before the war. I do not know where the money has gone. Of course, there may be some money lingering here and there. I say, both in the matter of saving and credit, it ought not to be an one-sided traffic. If branches of banks are established in every village, making money available to the rural population, money will flow back into the banks. We must first allow the money to flow out be-fore it could flow back into the banks. That kind of emphasis on rural prosperity has not been kept in view by the Reserve Bank. I am sure the hon. Finance Minister will not be merely satisfied with an amendment of one section viz. sec. 17 (2) (b). What he has done is, instead of accepting promis-sory notes for a period of nine months, only, he suggests they should be ac-cepted for a period of twelve months. This is, no doubt, a step in the right direction. Some steps should be taken to see that rural credit is ex-tended either through co-operative societies or by asking some of these commercial banks to open branches all over the country. I would even urge upon the hon. Minister, if necessary, to clothe himself with power to draw a percentage of the outturn of the various banks and create a Rural Bad Debt Fund, so that whichever bank es-tablishes a branch in a rural area. and unfortunately, owing to adverse circumstances, weather or natural causes, incurs a loss, to that extent, that loss might be made good from it. We are always anxious to retain the copper ple safe in the bank and we would not allow it to go out. I would like that some steps should be taken in this direction even if we were to incur some loss. We have not suffered any loss so far. We are prepared to lose loss so tar. We are prepared to lose in other transactions, with respect to other persons by loans to industrialists but we are not prepared to lose by granting loans to Agriculturists. I am sure the hon. Finance Minister would

[Shri M. A. Ayyangar]

not be satisfied with merely touching up section 17, but would take active steps in favour of enlarging rural credit in various ways, if necessary by amending section 54.

I shall now come to the restrictions the removal of which causes some apprehension in my mind. Under section 17, one of the functions of the Reserve Bank is the purchase and sale of securities of the Central Government, a provincial Government of any maturity or of such securities of a local authority as may be specified in this behalf by the Central Government on the recommendation of the Central Board. I am leaving the first proviso. The second proviso is:

"Provided further that the amount of such securities held at any time in the Banking Department shall be so regulated that—

(a) the total value of such securities shall not exceed the aggregate amount of the share capital of the Bank, the Reserve Fund and threefifths of the liabilities of the Banking Department in respect of deposits;

(b) the value of such securities maturing after one year shall not exceed the aggregate amount of the share capital of the Bank, the Reserve Fund and two-fifths of the liabilities of the Banking Department in respect of deposits; and

(c) the value of such securities maturing after ten years shall not exceed the aggregate amount of the share capital of the Bank and the Reserve Fund and one-fifth of the  $\checkmark$ liabilities of the Banking Department in respect of deposits:"

Similar provisions exist in the Banking Act that at any particular time, the securities ought to be of such a nature that assets must be fluid; for meeting demand liabilities you must have cash 5 per cent.; for time liabi-lities, you should have 2 per cent. or 21 per cent. Other restrictions also have been imposed regarding the manner in which securities ought to be held. A similar provision should be put down here. These restrictions are intended for the safety of the Bank. If these restrictions are removed, what would happen is this. We are not sure what kind of Government may be in office. Government may go on minting securities and throw them on the Reserve Bank, and the Reserve Bank will go on accepting any security under any circumstances. If I have misunderstood the effect of the removal of the restrictions, I shall only be too glad to be told that that is not the correct interpretation. But, if that, Bill

unfortunately, is the consequence, whatever may be the nature of the Government for the time being in power, I am not prepared to allow that Government to do this. I want to put a hurdle in the way of the Government using the Reserve Bank for its own purposes irrespective of the question whether the credit of the Government or the credit of the country as a whole will be affected by its reckless policy.

**Shri Tyagi** (Uttar Pradesh): Is there no such hurdle now?

Shri M. A. Ayyangar: There is a hurdle now. The hon. Minister wants to remove this hurdle. The provision is that a certain percentage should not be exceeded in the case of securities maturing after one year, or ten years.

Shri T. T. Krishnamachari (Madras): May I point out that that relates only to the Banking department? The doors of the issue department are still open.

**Shri M. A. Ayyangar:** God has granted me two eyes; I should like to have both eyes in working condition.

As I have already stated, I shall be glad to learn from the hon. Finance Minister that this will not be the case. Anyway I am glad to get an assurance from my hon. friend Mr. Krishnamachari that I am not wholly wrong. Sir, I would like to hear more what my friend has to say than hear my own voice. I will therefore, bring my remarks to a close.

Shri T. T. Krishnamachari: It is not often in this House that we have, piloting a measure of this nature, an expert, and I think we should congratulate ourselves that we have been able to get as Finance Minister, a person who could pilot a Bill to amend the Reserve Bank Act, or for that matter, any other enactment affecting banks, with special knowledge of the working of banks, acquired through a period of over a decade. Sir, I have known in the past, on occasions when we had to deal with other amendments of the Reserve Bank Act or the enactment of the Banking Companies Act, that the Member who was in charge often happened to be a complete layman, unalive to the realities of the situation, and dealing with the whole problem from a purely academic point of view, Therefore, I consider it a singular good fortune of ours that we should have here as the hon. Finance Minister, a past Governor of the Reserve Bank, and that he is taking into his hands the task of reforming the Reserve Bank.

Sir, as he himself admitted, the scope of this amending measure is very limited. Perhaps these amendments were conceived of during normal times, when certain restrictions were felt as being chafing on the Reserve Bank's working, and these amendments were then suggested. I have no doubt that my hon. friend the Finance Minister knows that it takes a period of ten years for proposals for amendments to incubate and ultimately see the light of day. I think the only explanation for this amending Bill not being of a sweeping character, one that would completely realign the banking structure in this country and also the functions of the Reserve Bank therein, is that it has not been conceived of in the light of the future requirements of this country, but merely to remove the difficulties that are now being felt in the day to day administration of the Reserve Bank. At the same time, Sir, this House, I think, must be indebted to you for having allowed a certain amount of freedom in the discussion of this amending Bill so as to interpret it, more or less, as one that reviews the working of the Reserve Bank—an opportunity which is not often given to this House, because we do not generally discuss even during the Budget time, the working of the Reserve Bank.

Sir, the speakers who preceded me-Mr. Das, the doyen of this House, Mr. Chaudhuri with his unique experience of Assam, and my hon. friend the Deputy-Speaker with his great experience not merely of this House, but also of the economic needs of this countryhave all stressed upon certain aspects of the working of the Reserve Bankand I think, very rightly so—in the context of this amending Bill, and it is impossible not to mention the fact that the Government and the Reserve Bank seem to have been alive to the need for a comprehensive enquiry into the banking needs of this country, and therefore set up the committee to which my hon. friend the Deputy-Speaker referred-the Rural Banking Enquiry Committee. That Committee's report is now before the country, and I think by means of the permission granted by this House for its publication, it has now become a public document. I also understand that the report of this committee is under examination by the authorities concerned. At the same time, in the light of the remarks that fell from the mouths of the previous speakers, I would like to add a few words to what they said, namely, that the conditions in this country, financial and economic, are so difficult that we cannot in this

country postpone a comprehensive and expert enquiry on banking conditions and availability of credit to people all over the country. Sir, one thing that my hon. friend the Deputy-Speaker spoke of is of great significance—the disparity between the rate of interest fixed by the Reserve Bank, and those actually obtaining in the countryside. Well, I have no doubt that in trying to provoke my hon. friend the Finance Minister into thinking on this subject, I may perhaps get from him at least an admission that the matter will probably be dealt with by him in a statement before long, if not on the present occasion.

Sir, it does happen that while conditions in this country to a certain extent are undoubtedly inflationary, we are not in a position to assert that monetary inflation still persists or at any rate persists in the same degree that it did a couple of years back. There-fore, the question arises whether the Reserve Bank ought not to examine this question of interest rates and try to align its own rates a little more to the realities of the situation, besides also advising the State Governments to implement their promises to the people to set about promoting legislation to control interest rates not merely in the agricultural areas but all over the country. One thing which we cannot miss making mention of now and which I think was also adverted to by the Deputy-Speaker, is this. While the expert advisers of the Reserve Bank, particularly in the Agricultural Credit Department, have felt that human ingenuity and the ingenuity of the Reserve Bank cannot produce a class of bankers in the rural areas who could take the place of the shroffs, it is also true that the class of people called the shroffs or Multanis or the indigenous bankers who existed in the past, are fast going out of existence, mainly for the reason that the discounting facilities granted to them by the Imperial Bank for which the other banks competed in the past are no longer available. The monetary structure of this country-thanks to inflation and the war-has undergone an enormous amount of change so that it is to-day as nebulous as our economic condition. Therefore, if I use the latitude permitted by you to use the occasion of this amending Bill, so far as the Reserve Bank is concerned, to advert to the economic and mometary conditions in this concerned. conditions in this country, I plead that the situation to-day demands it and that is why we are taking advantage of your idulgence.

Sir, one other factor about which I would like my hon. friend the Finance

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Minister to throw some light, if he could without prejudicing in any way the statement that he would make on the Government's financial policy at the time of the Budget, is tell us as to what really is the policy of the Government or the Reserve Bank in regard to interest rates. Sir, in the share markets, in the gilt-edged market, during the last two months the position is that the Reserve Bank offers no support to gilt-edged securities and so there is a gradual slump-ing of the prices of Government Securities specially the long dated ones. The slump has reached a figure to-day that perhaps would raise in the minds of speculators a feeling that Government are now following a policy of retreat from its former cheap money policy. Well, if that is so, let us know about it. I do not think it is particularly necessary for my hon. friend to choose the occasion of the Budget-which will not be for some months to come-to indicate whether the Government really expects to support the present cheap money policy or whether they will allow things to drift till they come to know from the level to which the monetary conditions in the country go what the normal rate of interest should be.

After all we have the example of a country like Canada which is prepared to take a very great risk in regard to its exchange rates and allow it to find its level. Possibly the Government of India and the Reserve Bank can follow such a step in regard to interest rates. But the other side of the picture cannot be lost sight of.

My hon. friend the Deputy-Speaker mentioned that the interest rates today that are obtaining. in rural areas, or for that matter in urban areas also, are so high that monetary stringency is felt, in spite of the fact that inflationary conditions in several aspects of our economic life still persist. It is a paradox: it is a paradox which can perhaps be explained away by an expert but still it would want all the best brains of the country to put their heads together to solve, for the paradox of our economic ills demands such Herculean effort.

Reference was made by previous speakers to the Imperial Bank. This, like the word Mesapotamia, comes up very often and I am one of those who hold as strong views on this matter as my hon. friend Mr. B. Das and I think there are very few people in this House who speak of banking generally, who hold any other view than that held by my hon. friend Mr. Das. I can also

tell this House that while I am one of those who believe that this country cannot do without foreign assistance in the economic field that this country cannot afford to discriminate against foreigners unduly, while I am a person who believes wholeheartedly in the statement of the Prime Minister on foreign capital which was issued in April 1949, at the same time I feel that I must utter a warning to Government that our gentlemanliness, our desire to treat the foreigners on a fair footing is apt to be misconstrued as a sign of weakness. The Britisher is a very nice person, individually and it is because of his own individual merit that, in spite of our past rela-tions with him, we still keep on friend-ly with him. He is a nice person outside India to be friendly with, but, at the same time, we cannot com-pletely lose sight of our own interests, because there is another aspect of British interests in this country, that is as a competitor with local Indian interests. I have no doubt in my mind that some of us, people like myself, do not particularly fancy the methods or the aims of the Indian capitalists, the offspring of the British capitalist in this country. But that does not mean that I would prefer the British capitalist to the Indian capitalist. There is an impression gaining ground and I heard vaguely—I do not know whether it is true-that a private circular has gone

Bavk. The Rural Banking Enquiry Committee, whose report I do not wish to discuss now is a matter on which I would like to say one word particularly regarding its composition. It is very unfortunate that this very important task was entrusted to a committee not wholly competent for the purpose and they were more or less saddled with terms of reference which were very restrictive in their scope but which they further interpreted as being more restrictive than the terms of reference themselves. Their report, which I hope will provoke some action on the part of Government, is itself very halting and does not solve our

round from a very important British agency, whether in this country or abroad, to British firms in this country

that their policy of Indianisation might

be slowed down, because a Britisher

in this country is able to get better advantages and a better hearing from

the Government of India than an Indian assistant in a British firm. Sir,

I might ask for your forgiveness for

digressing on this matter but it arises

from my reference to the Imperial

problems. The report more or less Imperial Bank in this country. It does not recommend the starting of a Government-sponsored bank to act as an auxiliary to the Reserve Bank. It suggests that the Imperial Bank should act as an auxiliary and for that pur-pose it suggests that certain sections of the Imperial Bank Act, which have been more or less repealed (because they have become unnecessary after the passing of the Reserve Bank Act) should be restored so as to provide for Government control of that bank. They have also suggested certain modifications to the voting procedure so far as the directorates are concerned. Taking the scope of section 17 and the amendments thereto, I wonder whether this House will permit any amendment of a more sweeping character, for one thing, or it would even permit the Select Committee to mention that the Government should take action before long to set up either an auxiliary to the Reserve Bank or to make the Imperial Bank of India a complete auxiliary to the Reserve Bank, as otherwise even the very generous amendments that the Finance Minister has proposed to extend the time limit in respect of agricultural loans and various other things, will be really in-operative. Today it seems that if the interest rates have to be brought down, some machinery would have to be created in semi-urban and rural areas, which would bring the interest rates down.

Sir, I have one word to say in this connection, which is not altogether germane to the subject before the House. But I would preface that with an apology and even for that matter; an avowal of my own faith, namely that I believe in fair dealing to all people who work in any institution but I do not think that the Award given by the Industrial Tribunal in respect of banks is helpful either to the bank employees or the future of banking in this country, for that matter even the economic development of this country.

Shri B. Das: Right you are.

Shri T. T. Krishnamachari: I am completely on the side of labour in any matter, where it is a dispute with the capitalists and I do feel that Government had asked a body of judges to arbitrate in a matter and in a manner about which they know nothing. I think that if the Industrial Tribunal's award in respect of banking is not altered radically all the good intentions of the hon. Finance Minister and the Members of this House will not help banking in this country. Either we should completely nationalise banking in which case should they sustain a loss by providing banking facilities in rural areas, the loss will be put to the debit of the Exchequer, or if you are going to have this sort of mixed economy or whatever you call it, let me say this kind of mongrel economy, we must allow the competitive forces to operate, particularly in the credit field. In the credit field, if the competitive forces are removed, unless the monopolist happens to be the State, the man who needs credit will never get it. It is only the competitive spirit in the banking world that has provided for the enlargement of banking in so many States in this country, notably in the Punjab, Bengal and Madras. Today

Bill

States in this country, notably in the Punjab, Bengal and Madras. Today what has been the result by reason of the Award of the Industrial Tribunal on banks? There is wholesale retrenchment all round. Middle class unemployment is being accelerated to a very large extent and banking facilities to the public are being denied, because banks cannot afford to open more branches and they have to close down several branches which they have now in operation today. So the alternative before the Government is either to allow the award of the Industrial Tribunal in respect of banking companies to remain and make banking a state monopoly or if we want this mongrel economy to continue to relax the terms and conditions imposed by that award on banking companies, but for which there will be absolutely no stimulation so far as affording of banking facili-ties are concerned to people in this country.

I have no intention of dilating further on this matter but to say that in respect of the amendments proposed I would consider them more or less unexceptionable as far as they go. Personally I would like some of themto go further.

My hon. friend, the Deputy-Speaker referred to one particular provision which undoubtedly is frightening because we in this House still suffer from the hangover of the past. We have inherited the liberal political traditions of the Britisher. We want to prevent Government from taking advantage of the funds of any institution under its control. At the same time we want the Government to get control of the institution. We have not yet made up our mind completely as to whether we trust our Government or we do not trust it. We seem to trust the Government as against the

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capitalists, but we do not seem to trust the Government by itself. I do not think it is much not think it is anything wrong on the part of my hon. friend, the Deputy-Speaker, to have suggested that he disapproves of the elimination of the second proviso to clause 8 of section 17 of the Reserve Bank Act, but as I mentioned to him, banking opera-tions under the Reserve Bank Act happen to be only one of the functions of the Reserve Bank, and the larger fund the Reserve Bank commands is in the Issue Department. If my hon. friend feels that central banking finance should not become the standard feature of governmental economy or governmental finance, then I would ask him to look into the statement in regard to the Issue Branch where you find that the Government Securities held in the Issue Branch are tending steadily to grow and grow and grow-I do not know where they will end. To the extent the Sterling Securities diminish—as they have been diminishing until last week when there was an addition to it of about seventeen crores -to that extent Sterling Securities go on adding if there is no contraction of currency in this country. Whether you want a contraction of currency is again a problem because contraction would mean contraction of credit which is already something meagre for people who are not credit-mention in the hankar's phraseology. worthy in the banker's worthy in the banker's phraseology. Therefore, the operation of the proviso to clause 8 of section 17 of the Reserve Bank Act, which is sought to be deleted is by itself more or less innocuous. It would, not, in the very nature of it, provide additional finance for Govern-ment. If the Government wants finance it can be provided from the Infance it can be provided from the other side. Secondly, a certain amount of flexibility which should be there so far as the Banking Depart-ment is concerned but which is being denied to it now, will be provided by the abrogation of this particular pro-viso. So while I would be chary of any action of Government in augment-ing the provers of the Beserve Bank ing the powers of the Reserve Bank which will make it provide free money to the Government at will, I do not think that this particular amendment seeks to provide addition-al grist to the Governmental exche-quer in any manner. I have no doubt my hon. friend the Deputy-Speaker would have it examined in the Select Committee, but I do feel that this need not be taken as a criticism against this Amending Bill. I think this is one of the provisions of the Bill which need not be taken exception to.

Clause 13' of the Bill on which my hon. friend, the Finance Minister spoke at length, provokes me to make a few comments. I felt very sympa-thetic when my hon. friend, Mr. B. Das, said we want a comprehensive statement of the Reserve Bank Act. What I would have liked is a compre-

hensive amendment of the entire banking enactments, both the Reserve Bank Act and the Banking Compa-Bank Act and the Banking Compar-nies Act. Sir, the House will remem-ber that the Banking Companies Act emanated from the proposals put for-ward by Sir James Taylor, a predecessor to the hon. Finance Minister when he became the Governor of the Reserve Bank in the year 1938 or 1939, and excepting for a few details the enact-ment that this House passed was in consonance with the original proposals. At the time when the Banking Companies Act was passed, I think many Members of this House including myself suggested that there was need for a comprehensive enquiry and a comprehensive enactment as a extent. I think some of the findings of the Banking Enquiry Committee Report which saw the light of day about two decades back are still true and some of them still remain to be implemented. But I do feel, after reading the report of the Rural Banking Enquiry Committee, that we have no longer with us stalwarts like those who produced the Banking Enquiry Committee Report of the thirties. We do not have those tall persons available, who had both courage and vision able, who had both courage and vision to map out a report so extensive in its range and scope that some of its recommendations still happen to be applicable today even in the complex economic and monetary conditions that prevail in this country today. I refer to this only because while clause 13 of the amending measure amplifues the requirements under amplifies the requirements under section 42 of the Reserve Bank Act, it does not mean that it completely the does not mean that it completely exhausts all the remedies open to the Reserve Bank in respect of Joint Stock Banks operating in this coun-try because the Banking Companies Act, in its various provisions—parti-cularly the licensing provisions and the rest of it, sections 22, 23 and so on-does afford certain powers to the Reserve Bank in respect of control over these Banks. I do not know if the requirements of the Banking Companies Act and the requirements of clause 13 as it stands today—which is an amendment of section 42—do not class somewhere. I would rather that the two things are put into one enactment so that the position will not be confusing.

In that connection, I would like to say this in regard to the indictment of my hon. friend, Mr. Rohini Kumar

Chaudhuri in respect of the negligence of the Reserve Bank. We are apt to think that we can create an institution that can save human beings or human institutions against themselves. If that is the intention of this House, if this House wants the Finance Minister to produce a Reserve Bank Act which will help the Reserve Bank to save banking companies against themselves. I think the Finance Minister will be saddled with a task which, even to a competent person like him with all the experience that he has in banking, is well-nigh impossible. The Banking Companies Act affords a lot of power to the Reserve Bank, all of which cannot be exercised by it. Section 42 might be altered but even then it is not possible to save banks against themselves. If my hon. friend thinks that the Reserve Bank exists to save banks which would not operate in the proper way, I am afraid he is making a big mistake. Bank failures are bound to occur so long as the human individuals who run the banks run them in a crooked way or in an inefficient way. If it is our belief that the fact that we have a Reserve Bank Act which we can call in to our aid in whatever manner we like to provide an insurance against such failures, is a belief or hope which is ever bound to be frustrated.

In regard to this question of opening more branches, I wish my hon. friend the Finance Minister, in spite of the recommendations to the contrary of the Rural Banking Enquiry Committee Report, still thinks of some kind of insurance of deposits. After all, the principle of co-operative banking is definitely that. The principle of co-operative banking affords some kind of insurance so far as peoples' deposit in those banks. But it does seem that in spite of the progress made by co-operative banking in Bombay and Madras, the leeway that is left is enormous and the leeway can only be supplied by some kind of organised drive by the Government and the Reserve Bank to encourage joint stock banking to spread all over the country and also to create an auxiliary of the Reserve Bank which will more or less take the initiative in the matter.

[MR. DEPUTY-SPEAKER in the Chair]

I do wonder whether my hon. friend would consider some method of ensuring for the depositor a kind of insurance which will perhaps be a better method of saving him from the vagaries of individual capitalists than an enlargement of Section 42 in any manner which my hon. friend Shri R. K. Chaudhuri would like.

### 4 P.M. I think, Sir, it was very timely that you mentioned that people

who happen to man the Reserve Bank or for that matter any other bank that Government might sponsor in the future should be people with some experience or people who have been trained for this particular purpose. I recently heard—I cannot vouchsafe for the correctness or otherwise of the statement—a person who was in the I.C.S. and who I believe was appoint-I.C.S. and who I believe was appoint-ed to a very important position in a bank and he was given a party by some friends. Naturally, laudatory speeches were made and this gentle-man got up and said, "My only experience of banking is that on two occasions I applied for one overdraft and the overdraft was refused on both occasions". I think he was very honest about it and I have no doubt that he would make a very good that he would make a very good officer of the bank which has employed him, because he has one funda-mental requisite to make a good officer, namely, honesty. But very often it does happen that people get into important positions either because somebody else would get in there who would be worse and therefore a nonentity is better, or because it is felt that the wife of the man is a clever person and therefore the man must have also imbibed some of her cleverness At the same time I cleverness. At the same time, I would like to mention that we are creating a very bad impression outside India by such appointments to these positions. I met an American banker who was on tour here who had banker who was on tour here who had met some of the leading bankers of this country, said that he found some of them did not seem to know what banking was. It may be an over-statement and Americans are apt to make overstatements. but I did know that one particular man at any rate that he mentioned knew nothing about banking. Therefore it is very that one particulated knew noticing, about banking. Therefore, it is very good that you have taken the lead. Otherwise. I would not have had the thermise even to mention it. The House had better point out that no person should be appointed to an important post in any banking con-cern-nationalised or otherwise---if he has not undergone the training which my hon. friend the Finance Minister has undergone. He was undoubtedly the very best Governor we have had. I am not saying that to please him, but I am merely saying that to please ourselves that we have been able in ourselves that we have been able in this country to have somebody as Governor of the Central Bank who was as good as any Governor in any other Central bank in the world. But this does not happen all the time. Even he had to undergo an appren-tionable whole some to be not some ticeship, which seems to be not neces-

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sary for people who have succeeded him who perhaps may not turn out to be as good a success as he has turned out to be. Therefore, I think you have set the correct lead, although it might be said that we should not speak of personalities or Government servants who are absent in this House. It is true that we should not, but if the Government appoints as Government servants people who are not competent to be Government servants, somebody has to say it and conventions should not prevent us from saying what ought to be said.

### Shri B. Das: Right you are.

Shri T. T. Krishnamachari: I have no desire to take the time of the House any more. So far as this particular measure is concerned, by and large it seems to be in the right direction and I do not think I can find any fault with it except to say that it does not go far enough. I would like an assurance from the hon. the Finance Minister, since he combines the two very happy experiences of having been a Governor and also being the Finance Minister, that he would before long undertake either a semiofficial or a non-official or a wholly official survey of banking conditions in this country and put forward proposals for a comprehensive banking enactment as it relates to the Reserve Bank and as it relates to the Goint stock banks. That he will provide a useful auxiliary to the Reserve Bank, will also take banking facilities down to the doors of the rural inhabitant what he has to pay for today in spite of the fact that we are still in the grips of inflation. Sir, I have done.

भो पन्मा लाल बंसी लाल : श्रीमान, माननीय अर्थ मंत्री जी ने रिजर्व बैक (Reserve Bank) के कानून में जो संशोधन सुभाये हैं उन से मैं सहमत हूं किन्तु जिस प्रकार मेरे से पूर्व वक्ताओं ने शिड्यूल्ड बैक्स (Schechuled Banks) को बुरे समय में सहायसा देने के विषय में जोर दिया है उस की में भी आवश्यकता समझता हूं और में आशा रखता हूं कि अर्थ मंत्री जी भविष्य में रिजर्व बैंक का क़ानून एक समुचित रूप में लायेंगे जिस से देश की आर्थिक स्थिति अच्छी तरह से सूलझ जाये। शिड्युल्ड बैंकों के ऊपर रिजर्व बैंक कानन में बहुत से प्रतिबन्ध है लेकिन उन की विर्थत्त के समय उनके साथ रिजर्व बैंक का क्या कर्ज़ब्य है और उन को किस तरह सहायता देनी चाहिये इस का कोई प्राविजन (Provision) कानून में नहीं है। जब तक ऐसी कोई जिम्मेदारी इस कानून में न ही तब तक लोगों का यह विषेवास कि शिड्यूल्ड बैंक हो जाने के कारण रिजर्व बैंक की उन बैंकों पर काफ़ी निगरानी रहती है और लोगों का धन सुरक्षित रहेगा, स्वप्न मात्र हो जाता है। मदरास में सन् ३३-३४ में जब बैंकिंग काइसिस (Banking crisis) आई थी तो उस समय रिजर्व बैंक नै किसी ढंग की भी सहायता नहीं दी थी और उसका परिणाम यह हुआ कि लोगों के लाखों रुपये डुब गये। ऐसी इन्स्टिट्यूशन्स (institutions) को भी सहायता नहीं दी जिन का दिवाल। होने के कारण रुपये में १३ आने तक वापस आ गया । आप यह अनुमान कर सकते हैं जिस इन्स्टिट्यूशन के डूबने के कारण १२,१३ या १४ आने तक वापस आ जाते हैं तो जरूर उस इन्स्टिट्यूरान के अन्दर कोई सराबी नहीं है। अपितू किसी न किसी प्रोपेगेन्डा या किसी और लोगों के कारण उस बैंक के प्रति दूर्भावना पैदा 📲 गई ग्रौर डिमांड (demand) उस पर आई। यदि समय पर रिजर्व बैंक की सहायता हो जाती तो मैं समझता हं कि लोगों का जो नुकसान हुआ बह कभी न होता।

इस के बाद में रिखर्व बैंक के बिल में जितनी घाराओं का संशोधन सुभाया गया है उस से सहमत होते हुए घारा ९ की तरफ अर्थ मंत्री जी का विशेष ध्यान सींचना चाहता हूं। घारा ९ का परिणाम यह है कि रिखर्व बैंक के कानून की घारा २१ को परिवर्तित करतो है।

रिजर्ग बैंक के कानून की घारा २१ के अनुसार रिजर्व बैंक इंडिया गवर्नमेन्ट ( Government India ) of और सारी स्टेटों की गवर्नमेन्टत (States Governments) 新 बैकिंग कारोबार करता है जीर स्टेट्स की जो भी सिलक है वह रिजर्व बैंक में रखी जाती है । अब इस बारा के परिवर्तन से यह परिणाम होगा कि भारत की जितनी भी स्टेट्स हैं उन का बैंकिंग कारोबार और उन की रकम सारी रिज़र्व बैंक में रखी आयेगी। रिजर्व बैंक में रखने के माने यह होंगे कि चूंकि सारी स्टेट्स में और स्टेट्स के डिस्ट्रिक्ट्स (districts) में रिजर्व बैंक की अभी कांचें नहीं हैं, और इम्पीरियल बैंक की किसी किसी स्थान में ब्रांचें हैं, इस वास्ते रिज्व बैंक कानन के अनुसार सारा काम इम्पीरियल बेंक के हवाले कर दिया जायगा। यदि यह स्थिति हई तो बी पार्ट के स्टेट्स में जो बैंक स्थापित हुए हैं और जिन में बहा की गवर्नमेंट्स का अधिकांश अंश कैपिटरु (capital) में लगा हुआ है मौर उन बैंकों के स्थापित होने के कारण ही उन स्टेट्स में वाणिज्य और बेंकिंग की उन्नति हुई है इस कारण यदि उनकी पूर्ण होनि न होगी तो भी कम से कम उनको काफी नुकसान पहुंचेगा । इस वास्ते यह आवश्यक है कि सेलेक्ट कमेटी (select committe) के अन्दर जिस प्रकार अन्य धाराओं को ले कर इस कानून में संशोधन किया जा रहा है, और इस बिल में दूसरी घाराओं को शामिल कर के और उस में संशोधन किंया जायेगा उसी तरह इस पर भी विचार करना आवश्यक है कि जिन स्टेट्स में वहां के रजिस्टर्ड बेक्स (Registered Banks) मौजूद हैं उन को रिज़वें बैंक के करेन्सी डिपार्टमेन्ट (Currency Department)

का एकेन्ट माना जाये। और उस स्टेट की सिंलक और बैंकिंग कारीबार उन्हीं बैंकी में रहे।

में यह मानता हूं कि फाइनेन्शल इंटीग्रेशन (Financial integration) के बाद यह सारे काम रिजब बैंक के ढारा ही होने वाहिंगें। किन्तु रिजव बैंक चूंकि अभी पूरा काम अपने हाथ में नहीं लिये हुए है और उसके करनून की घारा ४५ के तीसरे शिड्यूल के अनुसार इम्पीरियल बैंक उस के एजेंट के तौर पर काम करेगा, ऐसी स्थिति में जब कि हमारे हिन्दुस्तानी बैंक मौजूद हैं और जो इस बक्त स्टेट गबर्नमेंट का काम कर रही हैं उन से काम निकाल कर दूसरे के हाथ में देना अनुचित ही होगा। इतना कह कर में आप से यह निवेदन करना चाहता हूं कि सिलेक्ट कमेटो के सदस्य इस पर विचार करें।

# (English translation of the above speech)

Shri Pannalal Bansilal (Hyderabad): Shr, I support the amendments proposed by the hon. Minister of Finance regarding the Reserve Bank of India Act, but like the speakers preceding me I also feel strongly the necessity of giving aid to the Scheduled Banks in their time of distress; I hope that the hon. Minister will, at some future date, bring forward this legislation regarding the Reserve Bank in a very suitable form which would help the country to improve its economic condition. The Reserve Bank of India Act provides too many checks on the Scheduled Banks but nothing has been included to define its duty towards those Banks in a period of their crisis and the way it should help them. Unless such a provision is made in the said Act, people's confidence regarding the safety of their money for the simple reason of a Bank being a Scheduled Bank and thus under sufficient supervision of the Reserve Bank is just a dream. In 1933-34 when a Banking crisis overtook Madras, the Reserve Bank did not afford any relief of help of any sort, this indifference eventually resulted in a loss of lacs of rupees to the people. Even institutions of the type which despite bankruptcy were able to recover a value of 13 annas in the rupee were not

#### [Shri Pannalal Bansilal]

given any help at all. You may infer that there must have been some sort of soundness in the institutions which were competent to recover 12, 13 or 14 annas in a rupee even when they went bankrupt. Somehow, due to propaganda or because of the bad publicity given by certain people that Bank fell into disrepute and a sudden demand for payment had to be faced. Had timely help been given by the Reserve Bank, I think, the people would have been saved the losses they had eventually to suffer.

Next, while agreeing with the amendments proposed with regard to certain clauses. I want to draw attention of the hon. Minister of Finance to clause No. 9 in particular. The clause 9 effects alterations in clause 21 of the Reserve Bank of India Act. The Re-serve Bank of India undertakes all Banking business for the Government of India and the various State Governments and maintains their accounts. Now any amendment to this clause will mean that the Reserve Bank of India will be empowered to transact all Banking business for all the States of India as also to hold their funds. Again be-cause of the fact that at present the Reserve Bank of India has no branches of its own in the districts of those States but, on the other hand, the Imperial Bank has got its branches at some of those places, so according to the Reserve Bank of India Act it will amount to the controlling of the entire banking business by the Impe-rial Bank. If this is to be the position then the Banks established in class B States, in which the State Governments concerned hold a major share of the capital and on which depend the of the capital and on which depend the flourishing of commerce and multiple banking activities of those States, will stand to suffer much if not totally wiped out. So, just as the Bill is going to be amended in respect of certain clauses by the Select Committee and the question of adding certain other clauses and subsequently amending the Bill is to come up for consideration, so it is necessary that attention may also be paid towards the advisability of recognising the Registered Banks of the States as the agents to the Curof the States as the agents to the Cur-rency Department of the Reserve Bank and to allow them to maintain accounts and carry on the entire banking busi-ness for those States as usual.

I agree that after the financial integration the entire work should be handled by the Reserve Bank alone. But as the Reserve Bank is not handling the entire work just at present and as the Imperial Bank is to act as its agent in accordance with the 3rd Schedule of clause 45 of the said Act, it will be very undesirable to deprive the Indian Banks of this' work and entrust it to another concern. I therefore request you to consider this point at the Select Committee stage of the Bill.

बौधरी रनबीर सिंह: उपवाचस्पति महोदय, मैं अर्थ विशेषज्ञ नहीं हूं यह कहने में मुझे कोई शर्म नहीं है लेकिन एक बात कहे बगैर मैं नहीं रह सकता कि इस हाऊस के अन्दर जो अपने आप को बड़े भारी अर्थं विशेषज्ञ कहते हैं मेरे ख्याल में इस देश के लिए वे अर्थं विशेषज्ञ नहीं हैं। वह ऐसे देशों के लिए अर्थ विशेषज्ञ हो सकते हैं जिन के आर्थिक जीवन में कारखानों का बड़ा स्थान हो । लेकिन ऐसे देश में जिस में कि खेती का बड़ा प्रमुत्व हो वह बहुत ज़्यादा काम्याब नहीं हो सकते । और मैं समझताहं कि इ.स. देश की जो आधिक व्यवस्था ठीक नहीं है इसका सबसे बड़ा कारण यही है कि जो अपने आप को यहां आर्थिक विशेषज्ञ कहते हैं वह दरअसल कारखानेदार देशों के लिये ही आधिक विशेषज्ञ हो सकते हैं। वह खेती करने वाले देशों के लिए विशेषज्ञ नहीं हैं। मैं आपके इस मत से १६ आना सहमत हूं कि अब समय आ गया है कि रिजर्व बैंक का राष्ट्रीयकरण कर दिया जाये । मैं समझता हूं कि आज देश के अन्दर जो अवस्था है उस में सिवा इसके और कोई जरिया नहीं है जिस से कि यहां के आधिक जीवन में सुधार हो सके ।

इस के बाद में आपके सामने नम्नता के साथ देहाती रुपया फैलाव के बारे में अपने विचार रखना चाहता हूं। आज रुपये के बाजार में यह हालत है कि अगर एक काक्तकार किसी बैंक के पास जाता है चाहे उसकी अपनी खेती की दुनिया में आर्थिक अवस्था अच्छी हो परन्तु उसे आसानी से रुपया नहीं मिल सकता। यह बात और

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है कि कोई आ स्मी रियायत के तौर पर उसे बगैर व्याज के रुपया दे दे, परन्तु रुपय के बाजार में उसे १८ और २० फ्री सदी से कम में रुपया नहीं मिलता। आप जानते हैं कि आज रुपये के बाजार में मशीनरी पर रुपया बहुत आसानी से मिल जाता है, लेकिन अगर कोई आदमी खेती करने वाला है और उसके पास एक ट्रैक्टर है और वह उसको सिक्युरिटी (security) में देना चाहता है तो भी उस को १८ फी सदी से कम पर रुपया नहीं मिल सकता।

इसके अलावा में यह समझता हूं कि आज आर्थिक तौर पर हमारा देश ऐसी जगह पर पहुंच गया है कि आप इंडस्ट्रियल फाइनेन्स कारपोरेशन (Industrial Finance Corporation) और नूसरे कारपोरेशन बना कर देश को आगे नहीं बढ़ा सकते । मुझे कारखानेदारों से बड़ी हमदर्दी है और दूसरे भाइयों से भी, खास तौर से उन भाइयों से जो पंजाब से और बंगाल से आये हैं और जिन के रिहैबीलिटेशन (rehabilitation) के लिये इस सरकार ने फाइ नेन्स एक अलहदा कारपोरेशन की অৰুবে महसूस की है, लेकिन काश्तकार के लिये जो कि इस देश की रीढ़ की हड्डी है और जिस की ताकुत के ऊपर आगे एक साल बाद यह हाऊस बनने वाला है कुछ करना जरूरी है। उन लोगों के नुझ्ते निगाह से भी जो कि रिजर्व बैंक या दूसरे बैंक के अन्दर है आज यह जरूरी है कि रूरल फाइनेन्स (Rural Finance) के लिये ज्यादा से अयादा बढ़ाबा देना चाहिये। आपने जो यह संशोधन रखा है कि नौ महीने से **एक** साल की नियाद बढ़ा दी जाय तो मैं आप से यह कहना चाहता हूं कि यह तो आपका सस्ती मबहरी हासिल करने का तरीक़ा है और

आगे यह बहुत ज्यादा कारगर नहीं हो सकेगा। अगर आप इस देश को आर्थिक तौर पर अड़वनों से निकालना बाहते हैं तो आपको आर्थिक दुनिया में भी कान्ति करनी होगी। आप बैंक वालों से बात करेंगे तो बह यह कहेंगे कि काश्तकारों को रुपया देने में सिक्युरिटी नहीं है। मैं उन से कहता हूं कि यह तो वैसा ही है जैसी कि हमारे देहात में एक कहावन मशहूर है:

ठाड़ा मारे रोण दे ना,

चाकी खोसछै पीसण देना।

इसका मतलब यह है कि जिसके हाथ में ताकृत है वह बुरे आदमी हो तो बुरा कहताही है भले आदमी को भी बुरा कह सकता है। इस देश के तक़रीबन सभी आदमियों को जो अखबार पढ़ते हैं पता है। रोजाना हम यह खबरें पढ़ते हैं कि फ़ला -बिजनेंसमैन (businessman) या कारखानेदार का दिवाला निकल गया। लेकिन हमने आज तक यह **खबर** नहीं पढी कि कोई काश्तकार चाहे उस के पास एक ही बीघा जमीन हो दिवालिया हो गया हो और उसके पास वसूली के लिये कुछ हो चाहे नहीं हो। पंजाब के सिवा जहां कुछ दिनों तक ऐसे आदमियों के हाय में ताक़त आई जो कि देहात की समस्याओं को समझते थे और किसी प्रास्त में आप चले जाइये कोई भी काइतकार चाहे उस के पास एक टुकड़ा ही स्वोंन हो तो वह भी अपने को दिवालिया कह कर बचाना नहीं चाहता और न ही बचा सकता. है जब कि कारखानेदार और विजनेसमैन लाकों धपया अपने पल्ले रख कर भी अपने को दिवालिया क्ररार दे सकते हैं और देते हैं। इसके बावजूद भा वह इसलिये कहते हैं कि ताक़त उन के हाथ में है। मुफ्ते आज यह कहने में शर्म नहीं है कि इस देश में

[वौधरी रनबीरसिंह ]

जिन के हाथ में ताक़त है उनका काश्तकारों के साथ सीघा वास्ता नहीं है। यही वजह है कि वह ऐसी बात कह सकते हैं कि दूसरे आदमियों के दिवालिंगा होने की ौई गुजाइदा नहीं है जब कि काश्तकार के दिवालिया हो जाने की सभी गुजाइसों हैं। काश्वकार से तो आप मालगुजारी के तौर पर आसानी से क्सूल कर सकते हैं और रोजाना करते ही है। आध्रको पता ही है कि तक़ादी किदने अल्झे द्वंय से सर बुरे ढंग से वसूल होती है।

उस के पास फसल अच्छी है या नहीं उसे एक दम से देना पड़ता है । वह अपनी जमीन बेच कर दे या घर बेच कर दे, उसे यह देना पड़ता है । तो ऐ सा आदमी जिस की आप के पास इतनी बड़ी सिक्युरिटी है, जिस से आप इतनी आसानी से वसूल कर सकते हैं, उसको भी आप रुपया उस की जरूरत के लिए ही नहीं बल्कि आज अपने देश की जरूरत के लिए भी नहीं देना चाहते हैं । उस को रुपया न देने से न आप देश की आर्थिक आपत्ति से रक्षा कर सकते हैं और न उन की ही रक्षा कर सकते हैं ॥ अगर दर असल आप इस देश को आर्थिक उल्ल्झन

से लिकलना चाहते हैं तो आप देख लीजियेगा कि आप के जूट के कारखाने या कपड़ें के कारखाने जिनके एक्सपोर्ट (Export) पर आप डालर कमाते हैं वह चल महीं सकते देश की तरक्की नहीं हो सकती जब तक कि उस में काफी कपास, जूट और अम्म कैदा न ही। तो ऐसी हालत में आप को यह मानना होगा कि आज की आर्थिक अवस्था में आपर ज़ब्दरत है तो रूरल फावनेन्स की ज़ब्दरत है और दूसरे फ़ायनेन्स की इतनी बड़ी आचक्वकता नहीं है। मैं तो यह मी कहूंगा कि और दूसरे फ़ायनेन्स के लिये तो आप के अलावा और भी बहुतेरे हैं। इस देश के अन्दर हजारों लाखों आदमी और अखवारों वाले ऐसे हैं जो उनकी परवाह करते हैं। लेकिन जिसकी परवाह आप को करनी चाहिये और जिसकी परवाह करने वाले इस देश में बहुत ही चन्द आदमी हैं, और जिस की बाबाज को सुनने वाला कोई नहीं है, उसकी आर्थिक आवश्यकता की परवाह आप को करनी चाहिये।

अब मैं इस सिलसिले में भ्वनात्मक ढंग से एक दो बातें आप के सामने रखना चाहता हूं। वह यह है कि मुभे पता है कि आप के रिजर्व बैंक ने एक सरक्युलर कोआपरेटिव बैंक्स को भेजा कि अगर वे इस धार्त को मानें कि, मुझे इस समय ठीक परसैंटेज (percentage) की याद नहीं है, वे तीन परसैंट या कुछ और पर रुपया लें और चार या पांच परसैंट पर एक्चुअल टिलर (actual tiller) को या जमींदार को या काइतकार को दे दें तो उन को रुपपा मिल सकता है बरना नहीं। लेकिन इसका नतीजा क्या है ? आप जानते हैं कि हर कहीं चाहे वह कोआपरेटिव बेंक हो, या शिड्यल्ड बेंक (scheduled Bank) हो या दूसरे बैंक हों, हर एक बैक में जो हिस्सेदार हैं उनका एक अपना अलहदा इंटरेस्ट (interest) बन जाता है और वह इंटरेस्ट देश का इंटरेस्ट हरनिज नहीं होता। उस का नतीजा जो हुआ वह मुझ से ज्यादा आप को पता है । मैं तो चाहूंगा कि आप जब अक्ती स्वीम्ब दें तो बह बतायें कि आपने जो सरमयुलर भेषत है उस के तहत में कितना वर्षया काश्तकारों तक पहुंचा है और क्या यह बात सरय नहीं है कि रूपया इस लिमे नहीं पहुंचा कि लोग सेने वाले नहीं थे, या लोगों को जरूरत नहीं है या देख को जुरूरत गहीं है । ऐसा महीं बल्कि इस के पीखे सत्य यह है कि कोबावरेटिव बैंक या दूसरे बेंक, यह कहते हैं कि साहब इस पैसे को इकट्ठा करने की आफुन कौन ले, यह आफ़त हमारे जिम्में है और यह जो हमें एक या दो

परसेंट दिया गया है उस से हम अपना सूर्वा भी इकानामिकली (economically) पूरा नहीं कर सकते। ऐसी दशा में आज की आधिक व्यवस्था को देखते हुए में तो आप से यह नज निवेदन करूंगा कि या तो आप इस को बिल्कुल सरकारी ढंग पर चलावें या दूसरे बैंक वालों को मजबूर करदें कि वह जो मुनाफा और ढंग से कमति हैं वह नहीं कमा सकते जब तक कि वह इतना पैसा इस हिसाब से रूरल फ़ायनेन्स के लिए न दें। आग जब तक इस किन्म ाका सङ्त आर्थर, आप इसे सब्त कह सकते हैं, में तो इस को नरम से नरम समझता हूं, जब तक यह डायरेक्शन (direction) आप नहीं देंगे तब तक काम नहीं चल सकेगा । आप कह सकते हैं कि अगर एक आदमी ट्रै<del>प</del>टर खरीदे त्तो ५ फ़ी सदी सूद पर बैंक रुपयादेनेको तैयार हो । लेकिन मै तो कहूंगा कि उन को कोई भी रुपया देने वाला नहीं है। जमीन उन के पास एक एकड़ है या दो एकड़ है, उन को कोई पैसा देने बाला नहीं है। अगर उन तक पैसा पहुंचाना है तो आप को ही इस के लिए खुद सोचना होगा ।

इस के लिए तकाबी लोन है वह काफी बदनाम हो चुका है,यह सारे देश में ही, किसी एक हिस्से की ही बात में नहीं कहता लेकिन तक्करीबन सादे देश में, यह बढ़नास हो चुका है क्योंकि जब उस को बिया जाता है तो एक तरफ उसको लेने का इतमा पेचीवा ढंग है कि उस को लेना फ़ायदेमन्द है कि वह २५ फ़ी सुद्री स्याज पर हुसरे वादसी से कर्ज ले ले लेकिब यह तकाबी लोन न ले। फिर दूसरे जब यह वापिस लिया जाता है तो उस बक्त वह इतने कठिन ढंग से लिया जाता है कि

शायद एक बनिया जो २५ फी सदी का ब्याज लेता है वह शायद ज़ाइतकार से डर सकता है या काश्तकार उसकी मिल्लत कर सकता है, समुद्भवत कर सकता है, जुधासद कर सकता है और क्रिसीन किसी जन्द उस को सना सकता है। लेकिन पूकि सतनंसेंट का तकावी लोन होता है और गवर्नमेन्द्र सामने होती नहीं, किसरन को प्रह भी प्रता नहीं कि जिस अख्रमी ब्रम् प्रतंत्रना प्राहिसे । एक सिवाही जरतम है भौग तत्वा है कि चसे पता नहीं, उके को झुनम है बौर ऐसा कास करवा है। अबार बहु ऐसान करे तो उसकी चौकरी चली जायेयी, तो बह रहम कैसे करे। वह कह देता है कि या तो वह उस के ऊपर रहम कर लेया अपने बच्चों पर रहम कर ले। इसलिए मैं मजबूर हूं, किसी दूसरे अफ़ बर के पास जावो । वह दूसरा अफ़ बर भी यही कहता है। मै समझता हूं कि यह बात सही होती है, इस के कारण यह तकाबी लोन सारे देश में बदनाम है। आज तकावी लोन लेने वाला ऐसा कोई नहीं है जिस को कि दूसरे ढंग से रुपया मिल सकता है। अब अगर आप सही तौर पर यह चाहते हैं कि तकाबी लोन से लोग फायदा उठावें और देश भी फ़ायदा उठावे तो उस के लिये यह जरूरी है कि आप यह शर्त छगा, दें कि पटवारी लाजिमी तौर पर उस आदमी को सटिफ़िकेट दे जो कि धर्त को पूरा कर देता है। अगर पटवारी सटिफिकेट नहीं दे तो उसकी नौकरी छीन लें और उस तस्दीक पर रुपया दे दें इस के अलावा कोई दूसरा त्रीका नहीं है। तब तो तकाबी लोन से लोग पूरा फ़ायदा उठा सकते हैं। दूसरे, जब आप बसूल करें तो इस इलाके, प्रान्त या स्टेट, जो भी हो, उस की वैदावार की हालत को देशकर बसूल किया जाये और नरम से नरम तरीके से वसूल किया जाये।

### [ चौधरी रनवीरॉसह ]

अब में एक और बात आप से कहना बाहता था। में थह बात प्रो मोर फूड (Grow More Food) में भी कहना बाहता था, लेकिन मेरी बदकिस्मती है कि उस में मुझे समय नहीं मिला। प्रो मोर फूड में जो तरक्की नहीं हो रही है तो उसमें एप्री-कल्बरल फ़ायनेन्स (agricultural finance) का न मिलना सब से बड़ा कारण है। उस को तरक्की देने के लिए दो तीन ही चीजें हैं। उपवाचस्पति महोदय, आप शायद मेरी तरफ इसलिए देख रहे हों कि मैं जल्दी खत्म करूं या आप यह समझते हों कि मैं विषय के क्षेत्र से बाहर जा रहा हूं। लेकिन में इस को इस के अन्दर ले आऊंगा अगर आप थोड़ा सा सब करेंगे।

तो मैं कह रहा था कि ग्रो मोर फूड के लिए जब तक एग्रीकल्चरल फायनेन्स नहीं मिलेगा तब तक वह काम आगे बढ़ने वाला नहीं है। यह अच्छा है कि इस समय हमारे डिप्टी मिनिस्टर साहब एग्रीकल्चर भी बैठे हैं और उनको भी पता होगा कि यहां सैकंड़ों महीं, हजारों एकड़ ऐसी जमीन है जिस को आप के बड़े ट्रेक्टर आये हैं उन से आप ने जोता और वह जुती हुई रह गयी क्योंकि उसको हैरो (harrow) करने के लिए जो ट्रैक्टर चाहियें वह आपके पास नहीं हैं। आप के पास जो टैक्टर है उन से वह हैरो नहीं हो सकती । उस को हैरो करने के लिये मीडियम ट्रैक्टर (medium tractor) चाहियें और सैंट्रल ट्रैक्टर आरगेनाइजेशन (Contral Tractor Organisation) के पास बह ट्रैक्टर न होने से यह मुमकिन नहीं कि वह हैरों कर सकें।

Mr. Deputy-Speaker: I am afraid hon. Member must allow that undelivered speech to remain undelivered. He cannot use it here. I can understand the hon. Member saying rural finance is necessary for Grow More Food Campaign; but to go further and say about heavy tractors and small tractors. I do not think is germane to this issue.

चौभरी रनवीर सिंहः में यह सब रूरल फ़ायनेन्स के बिषय में कह रहा हूं। मैं यह कहना चाहता हूं कि आप इस ग्रो मोर फूड को तरक्की नहीं दे सकते क्योंकि आप के पास सरकारी तौर पर ऐसे भारी ट्रैक्टर नहीं हैं और किसानों को पैसा नहीं मिलता। ऐसी कोई व्य-वस्था नहीं है कि वह कहीं से क़र्ज ले कर २५ या ३० हजार रुपया ले लें और ट्रैक्टर ले आवें और उस को हैरो करें। चुंकि इस के बारे में आप का एक ख़ास मत है इसलिये में अपने आपको उस तरफ अधिक नहीं ले जाना चाहता। लेकिन इतनी बात जरूर कहना चाहता हूं कि अगर आप चाहते है कि देश में पैदावार बढे और देश की आर्थिक व्यवस्था जिस के लिये रिजर्व बैंक है वह सुधरे तो उस के लिए सब से जरूरी बात यह है कि आप एग्रीकल्चरल फायनेन्स को एक ऐसे ढंग से बढ़ावें कि उस में जो सिक्य्रिटी का पेचीदाढंग है वह न रहे। उस की सब से अच्छी तरकीब तो यही है कि बजाय इस के कि आप देहात में उन साह-कारों की और जिन की पहले ही से बुरी आदत है उन को आप अपना खांस एजेंट धनाय, हर एक गांव में ऐसा इन्तजाम करें कि वहां बहु उद्देशीय सहयोगी समितियां बनें ।

में यह भी समझता हूं कि इस से आप के जपर ज्यादा बोझ पड़ने वाला नहीं है । मैं मैसूर के अन्दर गया, वहां के एग्रीकलचर मिनिस्टर (Minister of Agriculture) ने बत-लाया कि किस तरीके से देहातों के अन्दर एग्रीकलचरल फाईनेन्स को देने वाले हैं और उन्होंने यह भी बतलाया कि स्टेट पर उस का कम से कम बोझ पड़ेगा। तो मैं आप को यह बतलाना चाहता हूं कि अगर आप दूसरी मिनिस्ट्रीज (Ministries) की सहायता लें तो आप आसानी से एग्रीकलचरल फाईनेन्स को बगैर किसी पैसे के सार्च के बढ़ा सकते हैं। उस की आसान तरकीब यह है कि देश के अन्दर बहुत ऐसी चीजें हैं, जिन पर कन्ट्रोल है, मल्टीपिल कोअपरेटिव सोसाइटी आप (Multiple Co-operative Society) हर एक गांव में स्थापित कर लें और उन की मार्फत आप इन चीजों अर्थात, कपड़ा चीनीं और तेल इत्यादि की तकसीम करने को दें वह आप के लिये देहात में बैंकों का काम देंगे जैसे मैंने पहले कहा था इस चीज के रास्ते में एक ही रोड़ा है और बह यह है कि जो बड़े-बड़े मेम्बर्स और अफ सर हैं और जो दूसरे भाई हैं, वह सब के सब या तो उन के भाई, भतीजे या रिक्तेबार हैं या उन्हीं लोगों में से पैदा हुए हैं। जो उन को नुकसान नहीं पहुंचाना चाहते लेकिन में एक बार फिर चेता देना चाहता हूं कि यह सवाल सिर्फ़ लाख करोड़ का सवाल नहीं है, बल्कि सारे देश का सवाल है। आप अगर कुछ वर्षों के अन्दर इस देश की आर्थिक अवस्था को ठीक न कर पाये तो इस देवा में किसी भी सरकार का टिकना बड़ा मुक्किल हो जायेगा ।

में हाउस का ज्यादा वक्त न लेते हुए और चूकि हमारे लायक दोस्त श्री सत्यनारायण सिंह मेरी तरफ़ कड़ी नजर से देख रहे हैं अन्त में नम्र निवेदन करता हूं कि आप चीप पौपुलेरिटी (cheap popularity) के साधन इस्तेमाल करने चले हैं उन्हें छोड़ दें और सही मानों में देश की उन्नति करें और काश्तकार को ऊंचा उठायें और उस की मार्फत अपने देश को खुशहाल बनायें।

## (English translation of the above speech)

Ch. Rambir Singh (Punjab): Sir, I am not ashamed to say that I am not an expert on Finance, but I cannot help saying that those in this House who claim themselves to be experts on finance in my opinion are not experts on finance for this country. They can be financial experts for those countries where the industries play an important place in the economic life. But in a country where agriculture has greater importance, they cannot be more successful. I think that the greatest reason why the economic order of this country is not stable, is because those who consider themselves to be financial expert, in reality are fit to be financial experts for industrial countries only. They are not experts for agricultural countries. I fully agree with you here that it is the right time when the Reserve Bank should be nationalized. I am of the opinion, in view of the conditions prevailing in the country, that there is no way by which the improvement can be brought about in the economic life.

After that with all humility I wish to express my views on the distribution of wealth in the rural areas. Today in the money market conditions are such that if an agriculturist goes to a Bank, he cannot obtain money easily, though he may be well-off economically in his agricultural world. It is a different matter that as a concession, someone may lend him money without charging any interest on it, but in the money market he cannot borrow money on a lesser interest than 18 to 20 per cent. You know that in the money market, money is easily obtainable against machinery but if some agriculturist possesses a tractor and wants to give it as security even then he cannot borrow money on an interest lesser than 19 per cent.

Apart from this, I think that financially our country has reached such a stage that no development can be

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brought about in the country by establishing Industrial Finance Corporations or such other Corporations. I have great sympathy with the Industrialists, and with others as well, especially with those who have migrated from Punjab and Bengal and for whose rehabilitation the Government have felt the necessity of establishing a separate Finance Corporation, but for the agri-culturist, who is the backbone of the country, and on whose strength this House is to be constituted after a year, something must be done. From the office in the Reserve Bank or in the other Banks, it is essential that rural finance be encouraged to the greatest number be encouraged to the greatest extent. About the amendment, which you have proposed, that the period of nine months should be extended to one year, I beg to submit that it is noth-ing short of gaining cheap popularity, but in the long run it will not be uncessful. If you want to take the successful. If you want to take the country out of the financial crisis, you will have to create revolution in the economic sphere. If you talk to the Bankers they will tell you that there is no security in giving money to the agriculturists. I say to them it is just like a proverb popular in the villages agriculturists. I say to them it is just like a proverb popular in the villages, 'Might is Right' which means that the man who has power not only calls a bad man a bad man but can also call a good man bad. Nearly all the people of this country, who read the people of this country, who read the newspapers, know this, Daily we read the news that such and such businessman or the industrialist has become insolvent. But so far we have not read that any agriculturist has become insolvent, even though he may have a bigha of land; and he may or may not have anything to pay as revenue. Excepting Punjab, where for some time the power has been in the hands of such people who understood the village problems, you go to any other province, any agriculturist even though he may power a built even though he may possess a buffalo only, would not like to save himself by going insolvent, whereas the industrialist and the businessman being in possession of millions of rupees do declare them-selves insolvents. They do so because selves insolvents. They do so because they have power in their hands. Today I do not hesitate in saying that the people who have power in their hands have no direct concern with the agri-culturists. That is why they can say so that there is no possibility of other people getting insolvent, while there is every possibility of an agriculturist becoming insolvent. You can realise You can realise becoming insolvent. the land revenue quite easily from an agriculturist and this is always done. You know it how Tagavi loan is realised in one way or the other. His crops may be good or not but he has to pay at once. He has to pay it may

he be obliged to sell his landed property or house for it. To such a man, whose so big a security you have, and from whom you can realise money so easily, you cannot lend money not only for his needs, but also for the needs of the country. By not lending him money, you can neither save the country nor him from economic crisis. If in reality you want to come out of the financial crisis of this country you will have to realise that these jute mills or the textile mills, on the export of which you earn the Dollar, cannot be of any help. Your country cannot prosper unless it grows more jute, cotton and food. In this state of affairs, you will have to admit that it is the wirel is the rural finance which is needed in the present economic condition and other sorts of finances are not so much needed. I will go to such an extent to say that for other finances there are many others besides you. In this country there are thousands of people including many journalists as well who care for those finances. But of whom you should take care as there are few to take care of them, and whose difficulties there is none to feel, you should pay attention towards his economic needs.

Now I want to put before you one or two points as a practical way out. I know that the Reserve Bank has issued a circular to the Co-operative Banks that if they accept this condition, I do not recollect the exact percentage, that they should get on loan money at the rate of three per cent. or so and should lend at the rate of four to five per cent. to the actual tiller, or the landlord or the tenant, then only they can get money other-wise not. But what is the result of this? You know that in every bank. this? You know that in every bank, may it be the Co-operative Bank or the Scheduled Bank or other Banks, the their shareholders have separate interest and that interest is never the interest of the country. The result of this state of affairs is better known to you. I wish that when you speak let me know how much money has been given to the agriculturists under that circular, that you sent and is not it a fact that there was none to take money on loan, or the people and the country did not need the money. But it is not so. The truth behind this is that the Co-operative Bank or other Banks declare that why they should bother themselves with the task of money. Why this collecting this their responsibility, botheration be because this one or two per cent., that is given to them, does not cover even their expenses. Thus considering the present economic order I will ask you with humility that either you humility nationalize it and run it in an official way, or proclaim it to other Banks that whatever they earn by other means they cannot earn unless they contribute such an amount of money towards rural finance. If you do not issue this strict direction, you may call it strict, I think it to be of a mild nature, it would not be of any help. You may ask the Banks that if someone purchases a tractor, the bank will be willing to advance him money at five per cent. But I say that there is nobody to advance them money. Though they possess one or two acres of land yet no one advances them money. If money is to be advanced to them, you yourself are to think the ways for that.

Taqavi loan given for this purpose is much defamed, in the whole of country. I mean that not in any one part of the country but nearly in the whole of the country it is unpopular because when it is given, it is not useful as the system of its repayment is quite complicated. It is better for an agriculturist to borrow money at the rate of 25 per cent. than to take Taqavi loan. But the way in which this loan is realized is very trouble-some. A Bania (money lender) who charges 25 per cent. interest, may have some consideration for the agricul-turist or the agriculturist may ask for his mercy anyhow. But as the Taqavi loan is given by the Government, the agriculturist does not know whom to approach. A policeman goes and asks him to repay. As he has been ordered so he has to carry it out, and if he does not do so, he stands to lose his job, hence he does not care to show mercy. He considers whether he should show mercy to the agriculturist or to his children. Therefore whatever officer is approached he pleads helpless in the matter. All the officers say the same thing. In my opinion that is why the Taqavi loan is unpopular. Today one who can borrow money by any other means will not ask for the Taqavi loan. Now if you want in right earnest that people and the country as well should take benefit of Taqavi loan then it is necessary that you impose a condition that the Patwari must issue the continent to Patwari must issue the certificate to those who abide by the terms. If the Patwari does not issue the certificate his services should be terminated and on the verification of the same he should be given loan. There is no other way. In that case people can have the full benefit of Taqavi loan. Besides this when this loan is realized it should be realized taking into consideration the conditions of the crops in the region or province or the state,

whatever it is, and should be realized in the gentlest possible way.

I wanted to submit one more point. I wanted to submit that during the 'Grow More Food' discussion but unfortunately I could not get time then. The greatest reason why there is no improvement in the 'Grow More Food Campaign' is because of the unavailability of agricultural finance for that purpose. Mr. Deputy-Speaker Sir, you are looking at me so that I may finish it soon or you may be thinking that I am going away from the topic. But I will come to the point if you kindly just wait.

I was submitting that unless the 'Grow More Food Campaign' receives the agricultural finance it would not on smoothly. Fortunately the go Deputy Minister of Food and Agriculture is present here, and he too knows it that thousands of acres of land, which were put under plough by the newly arrived heavy tractors, remained only ploughed, because we did not have those tractors that are required to harrow that land. It cannot be harrowed by those tractors that we have and as the Central Tractor Organization does not possess medium tractors so it is not possible to harrow the land.

Mr. Deputy-Speaker: I am afraid hon. Member must allow that undelivered speech to remain undelivered. He cannot use it here. I can understand the hon. Member saying rural finance is necessary for 'Grow More Food Campaign', but to go further and say about heavy tractors and small tractors. I do not think is germane to this issue.

Ch. Ranbir Singh: I am submitting all this in connection with rural finance. I wish to submit that the 'Grow More Food Campaign' cannot make progress because the Government do not possess heavy tractors and the agriculturists cannot borrow money. There is no such arrangement from where they may borrow 25 or 30 thousand rupees and purchase a tractor and then harrow that land. As you have your own opinion about it. I do not wish to draw your attention to that. But certainly I wish to submit so much that if you want that the crops be better and the economic order of the country improve, for which there is the Reserve Bank, then it is most essential that the Agricultural Finance be so developed that the complicated system of security may not stand in way. The best way to achieve this is to introduce multi-purpose societies in

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every village instead of appointing the corrupt money lenders to act as special agents in villages.

I think that due to this no additional burden would be thrown on you. When I went to Mysore, the Minister of Agriculture there told me the method how agricultural finance is being introduced in the villages and also told me that this would have minimum burden on the State. I want to tell you that if you seek the help of other Ministries, you can easily develop the agricultural finance without spending a single pie from the State. The easiest way is that there are very many controlled commodities in the country. Multiple co-operative societies may be established in every village and the distribution of such things as cloth, sugar and oil be entrusted to them. As I submitted before there is only one obstacle in the way that the senior members and other officers of the societies are either brothers, nephews, relatives or family relations and they do not want to harm them. But once again I warn you that it is not the question of a few millions but is a question of the whole country. If within few years the economic order of this country is not improved it would be difficult for any Government to remain in the office.

'I do not want to take more time of the House and as my hon. friend, Shri Satya Narain Sinha is staring at me, so in the end I will request you to give up these cheap means of popularity, that you are going to adopt, and to lead the country towards progress and improve the condition of the agriculturist and through him make the country prosper.

**Prof. Ranga:** My hon. friend, Ch. Ranbir Singh has just now given us a graphic picture of the needs of our own kisans for more and more finance and also of their difficulties in obtaining that much-needed finance in order to carry on their own agricultural operations and make their contribution to this Grow More Food Campaign about which we are all so very keen. That only underlies the failure of the **Reserve Bank** of India to fulfil one of its most important objects for which it was brought into existence in 1934. Sir, even in the earlier days when in 1927 and afterwards in 1928 the first **Reserve Bank** of India Bill was introduced into this House, this object was placed very prominently indeed, before the Government of the day to be fulfilled by the Reserve Bank of India, if and when it came into existence. But most unfortunately. Sir, till now, so little, when we remember the needs of the peasants in this country, has been done by the Reserve Bank of India to deserve the confidence that was reposed in it. Sir, it may surprise the House when I tell them that in 1934 an amendment was moved by one of the Members that credit should be advanced to the agriculturists collectively and also through the scheduled banks but only to the extent of 1/5th

tively and also through the scheduled banks but only to the extent of 1/5th of the total investments of the Reserve Bank of India. That was the measure of their expectation from the Reserve Bank of India. One fifth of the total transactions was the credit that was to be advanced by the Reserve Bank of India and this was expected to be given to the peasants in this country through their co-operative societies and also through scheduled banks. But the then Finance Member took objection to that and he got it removed on the plea that he did not wish to place any such limit at all and that he expected in the then near future the Reserve Bank of India would be able to advance to a much greater extent credit to the agriculturists. I would like my hon. friend the Finance Minister to tell us whether at any time or at any stage during the last 16 years of its career this Reserve Bank of India had reached up to even 1/5th, not it has it had been suggested in the earlier Bill of 1927 but even 1/10th of its own advances to the banking institutions in this country.

Secondly, Sir, in those days it was suggested that the Reserve Bank of India should be prepared to lend money to the agriculturists through their co-operative societies for a period not exceeding one year. Therefore, my hon. friend, Mr. T. T. Krishnamachari was not quite correct when he said that the amendment that is proposed by my hon. friend, the Minister is so generous. In 1927 itself there were hon. Members who were making this demand that it should be extended to a period of one year and after fourteen years, my hon. friend the Minister comes forward and says: Now here is an amendment that I am moving only to extend this credit period to one year. Government has taken fourteen years to see the wisdom of that amendment; it was not even an amendment moved by an hon. Minister in this House and I am glad to remind the House that he was no other than Mr. T. N. Rama-krishna Reddy who was your predecessor from that area of Rayalaseema and who represented that area in the Cen-tral Legislative Assembly. Mr. T. N. Ramakrishna Reddy moved that amendment and he based his amendment on the recommendation made by the Central Banking Enquiry Com-mittee and the Central Banking En-quiry Committee was supported oy certain British Banking experts who

were brought over here to this country. Fortified as he was with all these, he made that recommendation so long ago as in 1934 and the then Government would not accept it and the Government ment of this country and the present Government also have waited for the last three years in order to come forward with this very small amendment indeed. Sir, if we look at this amend-ing Bill purely from the narrow point of view, there would be no need at all for any discussion; there would be no need for a Select Committee to go into it because almost all the points that it, because almost all the points that are covered by these amendments are non-controversial; we could easily get it passed straightaway in one sitting and give sufficient leisure and give an op-portunity for my hon. friend to attend to his other more useful and important work. But I do feel that it would be a very good thing indeed for my hon. friend to take advantage of the Select Committee still and take the Members of the Select Committee into his con-fidence and take advantage of their advice and consult them in regard to those important points that you your-self have raised and also by other friends and especially Messrs. T. T. Krishnamachari and B. Das. I wish to express my sense of gratitude to to his other more useful and important to express my sense of gratitude to Mr. B. Das for keeping alive our eter-nal demand, and unsatisfied demand, for the nationalisation of the Imperial Bank of India. It may be possible for other people to find all sorts of excuses for delaying that necessary reform; but, it would certainly not be fair for my hon. friend the Finance Minister, expert as he is in Banking, to postpone any further this necessary reform Lecause it is very badly needed in this country. I think it should be possible for him to allay the fears of the many so-called experts who go about saying that if you think of nationalisation of the Imperial Bank of India, you would be jeopardising the banking structure of this country and the credit market and so on. I do not think it is such a serious matter at all. The same coun-sels of despair were held out to us when we were going to nationalise the Reserve Bank of India. The Reserve Reserve Bank of India. The Reserve Bank has not crumbled to pieces and the banking structure has not gone to bits. This country's credit has not gone down at all by the nationalisation of the Reserve Bank. I see no reason why the nationalisation of the Imperial Bank should endanger our credit structure or our reputation in the wide world. There is one special reason why I am anxious that the Imperial Bank at least should be nationalised, if not the whole banking structure. I am not prepared today to ask for the nationalisation of the whole of the banking industry in this country here and now for very many reasons. But, I

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am certainly keen about the nationalisation of this Imperial Bank because I want this Bank with all its hundreds of branches all over India to come to the rescue of our kisans and cottage industry workers, and agriculturists, as it alone could. If, on the other hand, my hon, friend the Finance Minister is not prepared to accept this advice, within the next one or two months, I would like him to consider very seriously the advisability of establishing at an early date an Agricultural Finance Corporation, which we have been asking for, and which the present President had offered to establish at an early date, when he was in our midst here in this House, as the Minister for Agriculture. Such an Agricultural Finance Corporation, or a nationalised Reserve Bank with hundreds of branches all over India, is very badly needed in order to make credit available for our kisans.

Coming to this period of twelve months. I wish to remind my hon. friend the Finance Minister that even twelve this period of twelve months may not be enough. I was making this sugges-tion to my hon. friend Mr. Krishnation to riv non. Friend Mr. Krisnna-machari and he assured me, as also Sir George Schuster had assured the Central legislature in 1934, that it would still be possible for the Bank to re-discount its bills and also to get the time extended. In actual practice, it has not happened. Therefore, I would like the her Finance Minister to would like the hon. Finance Minister to examine the advisability of further extending the period from twelve to 18 I might also inform the months. House that in the beginning it was only six months; then some hon. Members, as I told you, Mr. Ramakrishna Reddy and others, wanted it to be raised to 12 months. The then Government came to a compromise and extended the period to nine months. Now, my hon. friend comes forward and says that it may be raised to 12 months. I wish to suggest to him that it may be raised to 18 months.

Shri Sondhi: Ask for 24 months; you will get 18 months.

**Prof. Ranga:** I am not asking for 24 months. I want to go stage by stage. If it were found later, in the light of experience, that 24 months would be necessary, I would not lag behind my hon. friend Mr. Sondhi in asking for 124 months. When I am asking for 18 months, I have in my mind certain institutions which are catering to the needs of agriculturists. There are these Land Mortgage Banks. They advance money to the agriculturists for periods of ten years and twenty years. I cannot, of course, expect the Reserve Bank of India to extend credit to this

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extent and for this long period. Nevertheless, I want the Reserve Bank of India to be able to have the necessary power to extend to the Land Mortgage Banks credit for as long a period as is absolutely found necessary by the Presidency Land Mortgage Banks.

Then, Sir, till now, the Reserve Bank of India has tried to advance credit to the Provincial Co-operative Banks. To what extent it has succeeded, I do not know. I had expected the hon. Finance Minister to give us some information in what manner and to what extent the Reserve Bank of India has been able to advance credit to the agriculturists when he was introducing this Bill. I do hope that later on he would be able to give us some information in that regard. In addition to these Provincial Co-operative Banks which alone are mentioned in this Act, I wish other Banks also, especially the Land Mortgage Banks, and other Co-operative Societies, the Provincial Marketing Society and their net-work of lending and sales societies are also mentioned here, so that the avenues through which the Reserve Bank would be able to make its funds flow to our kisans, could have been extended and more broad-based.

Even in the earlier days, it was suggested that the Reserve Bank of India should be prepared to lend money to individual agriculturists in a more or less direct manner. It was not favoured in those days; it need not be favoured even now. But, it should be possible for the Reserve Bank of India to go farther than the Provincial Cooperative Banks and reach up to the District Co-operative Banks which are also carrying on sound business, and recognise them in the same manner as the so-called schedule banks are being recognised. I have not come across any instances where any District Cooperative Banks have failed in their business whereas, on the other hand, one can mention a number of schedule banks which have come to grief. Therefore, it must be possible for the Reserve Bank to reach up to the District Co-operative Banks also.

Again, in those days it was suggested that the Reserve Bank should be prepared to lend money on the collateral security of agricultural produce kept in public warehouses. Unfortunately, the then Government did not accept that suggestion. I do hope my hon. friend the Finance Minister would try to find some means by which it would be possible for him to encourage the Provincial Governments and the Provincial Banks also to construct a network or chain of these public warehouses for the storage of agricultural ` Bill

produce so that on their security, it would be possible to raise the necessary banking paper and for the Reserve Bank also to advance capital to agriculture.

Lastly, Sir, I am sorry, I am not able to agree with my hon. friend Mr. T. T. Krishnamachari when he inveighed against the Industrial Tribunal which had made certain recommendations. In view of the fact that I do not know the recommendations themselves, I do not wish to say more than this. I would like the hon. Finance Minister to examine these recommendations carefully and if needed, appoint another Tribunal consisting of people who know the banking business, and the difficulties of bankers, so that they may make more acceptable and more reasonable recommendations so far as the bank employees are concerned.

Shri B. Das: The hon. Labour Minister will not accept that proposition.

**Prof. Ranga:** I mention this point only for this reason. I am sure my hon. friend Mr. Krishnamachari also does not wish that the bank employees should be kept in a perpetual state of discontent. What we want to achieve is some sort of agreement between the employees and the banking interests themselves.

Sir, my hon. friend Mr. Krishnamachari also referred to the rate of interest and I am in entire agreement with him in what he said in this connection. There is such a great disparity in the rates of interest prevailing in the towns and those in the villages, and even in the villages, between the rates of interest that an agriculturist has to pay and the rate that a moneylender charges from a fellow moneylender, that something has to be done in this matter. The only way in which the rates can be controlled is to have a network of banks, more and more banks in the whole country, especially in the rural parts. I am not, however, in favour of the recommendation of the Rural Banking Enquiry Committee, that the joint stock banks themselves should be encouraged to start branches in our villages. On the other hand I would like the Finance Minister and the Central Government as well as the State Governments to take the earliest possible and the most dynamic and organised step on the lines that the Government of U. P. have done. They have started a network of co-operative banks in all the villages so that whatever money may be obtained from the towns or from the rural rich people could be attracted into these banks and could, so to say, be again ploughed back into the agriculture. Otherwise, I am afraid, if the joint stock banks were to be started in the villages, the likelihood is that the rural finance would be removed from the rural areas and turned into urban industries and urban occupations.

Lastly, I would request my. hon. friend, the Finance Minister to consult the Select Committee in regard to all these points and take advantage of their presence with him may be for some hours, and then obtain their views and have frank discussions with them on all these points and try to formulate some acceptable agreement as between themselves so that it would be possible for him to base his next Bill on those conclusions. Sir, I would very much have welcomed a more comprehensive and more ambitious and more useful Bill to come as his first contribution to this Parliament after he became the Finance Minister than what he has given to us, especially when I know the very high qualifications of experience that my friend has brought into the service of this State.

Shri Tyagi: I want to raise one point. I have to remind you, Sir. that during the last session, you were good enough to give a ruling from the Chair that in the matter of amending Bills the Government will take care to tring out along with the amending Bill, as a sort of an appendix the original sections of the Bill which they seek to amend so that we may be able to follow the business better. But, now, Sir, they have put in so many amending Bills before us, and none of them has those pages giving the original sections. I want the Government to bear in mind the fact that the rulings given in this House have to be respected by them and that this discourtesy will not be shown again.

Mr. Deputy-Speaker: The Finance Minister in his opening remarks has already observed that he was elaborating on each one of the clauses in detail because he could not find the time to bring out the notes on the clauses. Of course, I agree that hereafter all Government Bills and other Bills also, should contain not only the clauses, but also the various sections in the original Act that are sought to be amended—the corresponding extracts of the sections which are to be amended. That will facilitate references in the various stages of the Bill.

Shri Hussain Imam: Sir, I am thankful to you for the elucidation that you have just given, for that was one of the main points I was about to make in my speech. I do feel that there should be no retrograde step. The difference in the manner in which the legislature is treated, the care and attention shown to it, in the time of the British and at the present time should be for the good and not otherwise. That was one of my main points. Yesterday also I had occasion to remark that whenever commercial Bills are presented, there must be a full statement of the facts behind them. Similarly, as has been so ably pointed out by my hon. friend Mr. Tyagi and yourself, Sir, there should be notes on the clauses and the necessary clauses of the original Act which are to be amended, because we find that we connot get a copy of the Act in the library even. The library cannot have 300 copies of an Act to be given to each Member who may be interested in it. Therefore, it is very necessary that these orders of yours should be acted upon.

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I personally wanted to speak only on one point, and that is whether it is possible to set right all the troubles of the agriculturists and the rural areas by means of amendments of this Central Act. I very much doubt that. In the old days, our insistance on Nationalisation was due to the fact that there were alien interests, and we thought that if we had nationalisation we would be able to manage things better. But from the experience that we have gained of nationalisation, especially in the Department of Transport, we are being disillusioned. Nationalisation sometimes makes the position worse. Take the case of the Imperial Bank. There is a world of difference between the Imperial Bank and the Reserve Bank. The Imperial Bank does not dis-charge the functions of the Reserve Bank. It is a bank which has to assess the creditability and the soundness of the debtors. These things you cannot do by means of training in the l.C.S. or in the Indian Administrative Service; that comes from experience of the working of banks alone. Therefore, I think there should be from our side a greater amount of restraint. When-ever Government Bills come up, we should not, as in old days ventilate our grievances. We are now in a better position and we should be more prac-tical and understand whether things can be done, and also how things have can be done, and also how things have to be done. Of course, the complaint that the Reserve Bank has not been pushing forward agricultural credit is very justified. There can be no ex-ception to that. But by amending the Reserve Bank Act, would we be able to establish agricultural credit to the satisfaction of the rural people with-out creating land-mortgage banks and without creating an agency in the without creating an agency in the shape of co-operative provincial banks with branches all over? It is im-possible for a central Bank to open

#### [Shri Hussain Imam]

branches in the villages to give credit to the people. Its function is to re-discount and facilities for re-discount will come only if there are people pre-sent who will discount the bill first. Have we created such an agency which is functioning in other places? Sir, we have to do many things, and if we we have to do many things, and if we hurry to do things whenever and wherever we can, the result will be that the legislation will become so cumbersome that it will not serve the purposes for which it was brought in. I personally think that it also shows want of care on the part of Govern-ment. The hon. Finance Minister mentioned that there was a lacuna which was being provided for by amending clause 8 of section 6. As an admission of something which had been overlooked the House should be indulgent in such cases. In the stress of the moment something might have been overlooked. But we must also try to find out why this kind of thing does happen. I am always a believer in prevention being better than cure. These are due to the fact that the sessions of the legislature are too short. I wish to point out that the Govern-ment of a Free India cannot follow in the footsteps of the British in India, namely having two sessions in a year, one of 15 or 20 days and the other of two months. If we cannot have a continuous session due to the vagaries of the season we must have longer sessions, so that we may have time for more informed criticism of Government departments. We may also real-ise retrospectively what we are doing ourselves. Are we competent to criticlise? There are things in which it is folly for us to criticise. There is an old saying in English that a politician is thing and every thing of every thing and every thing of something. How many of us can say that about ourselves?

5 P.M. Shri Naziruddin Ahmad: He knows nothing of everything.

**Mr. Deputy-Speaker:** Is there any need for all this digression?

Shri Hussain Imam: Sir, my work has been lightened by your ruling. I very much regret the amount of information which the Government has given today and how much less it is than what they used to give in the old days. We must legislate in a more leisurely manner. That a Bill is introduced and it must be passed immediately should not be the rule. Yesterday, a Bill was introduced of which we knew nothing. But there was this saving grace in that it was a money Bill, and therefore it could not be circulated to us beforehand. When there are extenuating circumstances we do not mind, but when there are no extenuating circumstances .....

Mr. Deputy-Speaker: They have agreed in principle.

Shri Hussain Imam: What I was saying was that there was no hurry about this Bill. It could have been introduced a day or two afterwards with the notes on clauses. There was no need for its being introduced on the particular day and proceeded with today. If a little attention is given by the Minister in charge of Parliamentary Affairs to our convenience, I think ir future we will have no more grouse about it.

The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha): Sir, with your permission I would like to propose that the name of Prof. K. T. Shah be added to the names of the Members of the Select Committee on this Bill, which was proposed this morning.

**Prof. K. T. Shah** (Bihar): Sir, I regret I cannot now accept the inclusion of my name. I am sorry that it did not strike ordinarily that there are people who are qualified in certain matters. Especially after I have had the misfortune of speaking about it to somebody, I cannot accept the proposal.

Mr. Deputy-Speaker: The Member was not spoken to on this matter. Is it?

Prof. K. T. Shah: No.

**Mr. Deputy-Speaker:** Still when the hon. Minister requests the hon. Member he may serve on the Committee.

Prof. K. T. Shah: All right, Sir.

Mr. Deputy-Speaker: The hon. Finance Minister. Does he accept it?

Shri C. D. Deshmukh: Sir, I gladly accept the proposal.

Shri Naziruddin Ahmed: Sir, it was only with the hope of hearing the names proposed for the Select Committee that we were waiting. Now that we have heard it, at least for the purpose of informing what passes in our mind and to give our reaction we should be given some chance of speaking. especially after hearing all this.

**Mr. Deputy-Speaker:** I cannot follow the hon. Member. He cannot have an opportunity specially after the Minister has been called. The Finance Minister will speak tomorrow.

The House then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 22nd November, 1950.