



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

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PARLIAMENT OF INDIA

Friday, 8th December, 1950

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

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

EXCHANGE BANK OF INDIA AND AFRICA

***764. Shri Sidhva:** (a) Will the Minister of Finance be pleased to state the financial position of the Exchange Bank of India and Africa Ltd., which went into liquidation?

(b) Has the loan paid to the said Bank by the Reserve Bank of India been recovered?

(c) What is the decision of the Liquidators in this respect?

The Minister of Finance (Shri C. D. Deshmukh): (a) to (c). Liquidation proceedings are not yet complete, and it is therefore not possible to state anything regarding the present financial position of the Bank. The loan paid to the Bank by the Reserve Bank has not yet been recovered as the claim has been disputed by the Liquidator who has filed a petition in this regard in the Bombay High Court and the hearing in respect thereof is still to take place.

Shri Sidhva: May I know whether this amount which was given to the Exchange Bank was sanctioned by the Directors of the Reserve Bank?

Mr. Speaker: The hon. Member has put that question a number of times before.

Shri Sidhva: But no reply has been forthcoming. Therefore I am raising the question again.

Mr. Speaker: That question need not be repeated. Last time, the Finance Minister stated that proceedings were pending before the High Court and therefore he could not give the information.

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Shri Sidhva: Sir, this is an important matter.

Mr. Speaker: I do not think any arguments are necessary.

Shri Sidhva: No arguments, Sir, but with your permission may I submit that several times this question has been put and no answer has been forthcoming.

Mr. Speaker: How can the answer be given when the legal proceedings are pending. The hon. Member will see that any answer disclosed here is likely to prejudice the claim of the bank in the Court. I think the hon. Finance Minister Dr. John Matthai made that position clear.

Shri Sidhva: I wanted to know what was the decision of the Liquidator. That is not *sub judice*.

Mr. Speaker: He has disputed the claim: that is his decision.

Shri Sidhva: On what grounds?

Mr. Speaker: The whole matter is *sub judice*.

CENTRAL DRUGS LABORATORY, CALCUTTA

***766. Shri Kamath:** Will the Minister of Health be pleased to state:

(a) the name of the Director, Central Drugs Laboratory, Calcutta; and

(b) his qualifications for the post?

The Minister of Health (Rajkumari Amrit Kaur): (a) Dr. B. Mukerji.

(b) A statement showing his qualifications and experience is laid on the Table of the House. [See Appendix VI, annexure No. 35.]

Shri Kamath: Is it a fact that this officer is also an M.D. of Michigan and an M.D. of Munich?

Rajkumari Amrit Kaur: He is a D.Sc. of Michigan; he is not an M.D. of Munich.

Shri Kamath: Is it a fact that in 1944 he used to tag on "M.D. of Michigan"?

Mr. Speaker: Order, order. I do not propose to allow questions on individuals.

Shri Kamath: Is it a fact that he used to style himself as M.D. Michigan, or M. D. (Munich)...

Mr. Speaker: Order, order.

Shri Chattopadhyay: Was his appointment recommended by the Public Service Commission?

Rajkumari Amrit Kaur: He has been there for many years and his appointment must have been sanctioned in the proper way. I may add that he is an officer with the most brilliant academic career and extremely good qualifications.

Shri Kamath: Does he hold any doctorate in medicine at all?

Mr. Speaker: Order, order. Next question.

Shri Kamath: Sir, it is in the public interest.

Mr. Speaker: It is not in the public interest that an individual officer's merits should be discussed in that manner. That official has no chance of coming to the House and giving information. I admitted this question just with a view to see if there was any principle involved. No principle appears to be involved in the question and I do not propose to allow any more questions.

Shri Kamath: I want to know whether the officer possesses any doctorate in medicine, or any other...

Mr. Speaker: The hon. Member may make enquiries in private.

Mr. Kamath: That is not satisfactory. I will take it up again.

HOMEOPATHIC ENQUIRY COMMITTEE

*767. **Shri S. C. Samanta:** Will the Minister of Health be pleased to refer to the answer given to my starred question No. 1535 asked on the 10th of April, 1950, regarding the implementation of the recommendations of the Homeopathic Enquiry Committee and state:

(a) whether the views of all State Governments on the recommendations of the Homeopathic Enquiry Committee have been ascertained;

(b) if so, whether the Government of India have formulated an all-India policy in the matter; and

(c) whether Government have taken any action to implement any recommendations?

The Minister of Health (Rajkumari Amrit Kaur): (a) The views of all State Governments and all Chief Commissioners except two have been received.

(b) and (c). The Government of India have not yet formulated an All-India policy in the matter. The Report of the Homeopathic Enquiry Committee was considered by the Third Health Ministers' Conference held in August-September, 1950. A copy of the resolution adopted by the Conference on this subject is laid on the Table of the House. [See Appendix VI, *annexure No. 38.*] The Government of India are in consultation with the Medical Council of India and the State Governments regarding further action.

Shri S. C. Samanta: Since the hon. Minister has just now stated that the Health Ministers' Conference had accepted almost all the recommendations of the Homeopathic Enquiry Committee, do Government think it necessary to wait for the views of the State Governments in order to take a final decision on the matter?

Rajkumari Amrit Kaur: Yes, Sir, it is necessary, because the detailed replies from the State Governments vary a good deal and therefore the questions have to be referred back to them.

Shri S. C. Samanta: May I know when the unanimous recommendation of the Homeopathic Enquiry Committee regarding the establishment of a Central Council of Homeopathic Medicine, as accepted by the Health Ministers' Conference, is going to be implemented?

Rajkumari Amrit Kaur: Every action will be taken as soon as the views of the State Governments have been received.

Shri S. C. Samanta: Do Government think it necessary to pass Central Legislation to coordinate the Homeopathic system of medicine in the States?

Rajkumari Amrit Kaur: If it is necessary to pass Central Legislation of course it will have to be brought forward.

Pandit Munishwar Datt Upadhyay: Does the Committee recommend the starting of any training institution in Homeopathy?

Rajkumari Amrit Kaur: The recommendation of the Committee in general for teaching Homeopathy was that those who were going to practice the art of Homeopathy should have the some basic training in modern

medicine and that later they should have their Homeopathic training in Homeopathic institutions, provided they were of good enough standard.

Shri S. C. Samanta: May I know whether the Health Service is as eager to accept and utilise the indigenous system of medicine and the Homeopathic system of medicine as the hon. Minister is?

Mr. Speaker: Order, order.

Shri Jangde: Is the Government going to start a Homeopathic institution in India?

Rajkumari Amrit Kaur: All that has been covered by my answer.

INVESTMENTS BY INDIAN CAPITALISTS

*768. **Prof. Ranga:** Will the Minister of Finance be pleased to state whether it is a fact that Indian capitalists have been trying to invest their funds, accruing to them in Pakistan or transferred to Pakistan, in some European countries including England?

The Minister of Finance (Shri C. D. Deshmukh): Government have no information on the subject.

Prof. Ranga: Have Government any means by which they can possibly ascertain any export of Indian capital abroad?

Shri C. D. Deshmukh: Not in the present circumstances when there is no exchange control on our side on movement of funds to Pakistan.

Prof. Ranga: Does the same answer apply to the movement of capital to other countries also?

Shri C. D. Deshmukh: There is exchange control in regard to every other country but Pakistan.

Prof. Ranga: What is the position in regard to other countries, especially England?

Shri C. D. Deshmukh: No capital can be transferred except with the permission of the Reserve Bank.

Prof. Ranga: Has any capital been transferred that way?

Shri C. D. Deshmukh: I should require notice of that question.

Shri D. D. Pant: Do Government contemplate to check the transfer of capital from India to other countries?

Shri C. D. Deshmukh: There is complete check on the transfer of capital from India to other countries.

Shri A. C. Guha: Have any reports come to Government that some Indian industrialists have been earning foreign exchange through exporting jute from East Bengal?

Shri C. D. Deshmukh: If they export jute from East Bengal the dollars would accrue to East Pakistan.

Shri A. C. Guha: Our Indian industrialists have been taking business from India.....

Mr. Speaker: Order, order. Let not the hon. Member argue.

Shri T. N. Singh: Have Government any information regarding foreign money being accumulated in foreign countries as a result of trading by various firms? Certain firms while importing goods from abroad are earning a certain amount of commission which is credited to their account abroad in foreign currency. Have Government any knowledge of it?

Shri C. D. Deshmukh: They are supposed to declare all acquisitions of dollars. If they do not do so obviously they are circumventing the law and in that case of course Government have no information.

Prof. Ranga: What are the reasons why we don't have exchange control in regard to Pakistan while we have it with other countries?

Shri C. D. Deshmukh: With Pakistan we had a payment agreement under which it was agreed that there should be no exchange control between the two countries. After the rise of the controversy in regard to exchange rate, and as a result of flux of time, the payment agreement has expired. The present position is that we have no agreed rate of exchange with Pakistan. Unless we have such a rate it is not possible to operate an exchange control.

Prof. Ranga: Are we obliged to wait for the fixation of that agreed rate until the International Monetary Fund comes to some definite decision in regard to the exchange ratio?

Shri C. D. Deshmukh: Not "obliged to", but it is desirable.

Shri Himatsingka: In view of the exchange rate, is it likely that Indian capitalists would send money to Pakistan?

Shri C. D. Deshmukh: It is very unlikely at the moment because we are claiming that the Pakistan rupee is over-valued.

Shri Tyagi: May I conclude, Sir, that our trade and commerce with Pakistan is absolutely at a standstill today?

Shri C. D. Deshmukh: The word "absolutely" probably would be inexact. For all practical purposes it is at a standstill, but there is no reason why it should remain so. Even if there was no agreement on the exchange rate, the Member would be aware that we had an agreement in regard to jute and various other commodities in exchange some months ago.

GAZETTED POSTS IN PART C STATES

*769. **Shri Poonacha:** Will the Minister of Home Affairs be pleased to state whether it is a fact that a Common Cadre of Gazetted Officers is going to be created to fill up Gazetted Posts in Part C States?

The Minister Without Portfolio (Shri Rajagopalachari): The hon. Minister for Home is doubtful if in view of differences in language, customs and laws, and long distances, a Common Cadre for all Part 'C' States is a practical proposition. However, Combined Cadres with one or more Part C or Part A States are possible and in certain departments e.g. Judiciary and Police, it is functioning or is actively under consideration.

Shri Poonacha: May I know whether the Government of India are aware of the fact that serious administrative difficulties are experienced because of the fact that the gazetted officers in some of the Part C States are permanent fixtures there?

Shri Rajagopalachari: The difficulty arises out of the size of these States and the fact that most of the employees belong to each particular State. It is very difficult to transfer them to States with different language, different laws, and the like. But as I have already mentioned, various Departments of Government are considering schemes for slightly extending the scope for transfer and exchange and the like. In certain Departments already this facility is available, but the whole question is being considered especially, as I said, in the line of tacking to these States neighbouring States whether of Part A or Part C.

RESPONSIBLE GOVERNMENT FOR COORG

*770. **Shri Poonacha:** (a) Will the Minister of Home Affairs be pleased to state whether it is a fact that a Resolution requesting the Government of India to introduce responsible Government in Coorg within the framework of the Indian Constitution, was unanimously passed in the Coorg Legislative Council in its last Budget Session?

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

(c) Was the Chief Commissioner of Coorg asked to offer his remarks on this resolution?

(d) If so, what is the nature of the remarks offered by the Chief Commissioner of Coorg regarding this resolution?

The Minister Without Portfolio (Shri Rajagopalachari): (a) Yes.

(b) The Chief Commissioner was informed that the present time was not opportune for making any change in the constitutional set-up of the State.

(c) and (d). It is not in the public interest to disclose the nature of remarks communicated to Government, by their officers.

Shri Poonacha: May I ask what was the basis on which the Government of India communicated to the Chief Commissioner that the present moment was not quite opportune to effect any constitutional changes in Coorg?

Shri Rajagopalachari: Many reasons. Sir, one of which is the report received that the present Legislature Members there are divided into very severe factions.

Shri Tyagi: Everywhere they are!

Shri Poonacha: Are the Government aware that the resolution which is referred to in my question was unanimously passed in the Coorg Legislative Council?

Shri Rajagopalachari: It is possible, Sir, that on a particular issue they may be unanimous, but when introducing constitutional changes of a wide character the divisions will come into play. At any rate, that is the apprehension of the Government of India. It does not follow that things will be too long delayed if the situation improves.

BUDGET FOR COORG

*771. **Shri Poonacha:** (a) Will the Minister of Finance be pleased to state whether the State of Coorg has its own Budget with its Finances separated from the Central Finances so far as Coorg's Local Administration is concerned?

(b) If so, what is the share of the Income-tax that is allocated to Coorg?

(c) Does Coorg get any other Financial Aid from the Centre towards its day-to-day internal administration?

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

(b) No share of the Income-tax revenue is allocated to Coorg. In accordance with the provision in Article 264 (b) of the Constitution of India, States included in Part 'C' of the first Schedule to the Constitution do not rank as States for purposes of allocation of revenue between the Centre and the States under the provisions in Part XII of the Constitution.

(c) No, Sir.

Shri Poonacha: In view of the fact that Coorg finances are separate from the Central finances, does not a special situation arise so far as the allocation of income-tax to Coorg is concerned?

Shri C. D. Deshmukh: I don't think so, Sir, in view of the provisions of the Constitution, but I may add that Coorg does receive grants for developmental expenditure, grow-more-food, and also for road schemes financed from the Central Road Fund.

JET-PROPELLED VAMPIRE AIRCRAFTS

*772. **Prof. S. N. Mishra:** Will the Minister of Defence be pleased to state:

(a) whether four jet-propelled Vampire aircrafts have recently been brought to India; and

(b) if so, the country where they were purchased and the cost involved?

The Deputy Minister of Defence (Major General Himatsinhji): (a) Yes.

(b) The aircrafts were purchased in the United Kingdom. The cost of each is estimated at about Rs. 3.5 lacs.

Prof. S. N. Mishra: May I know whether they are quite new or are second-hand reconditioned?

Major General Himatsinhji: They are quite new, Sir.

Prof. S. N. Mishra: Is any attempt being made to manufacture or at least assemble them in the Hindustan Aircraft Factory at Bangalore?

Major General Himatsinhji: I have got the information, but it will not be in the public interest to give it. I may add that all satisfactory arrangements are being made for the future requirements of the I.A.F.

Prof. S. N. Mishra: May I know whether any further negotiations are going on with any other country for the acquisition of more aircraft of the same nature?

Major General Himatsinhji: It will not be in the public interest to give that information.

TECHNICAL ASSISTANCE SCHEME

*773. **Prof. S. N. Mishra:** Will the Minister of Finance be pleased to state:

(a) whether Government have prepared and presented their six-year plan under the technical assistance scheme of the Commonwealth countries; and

(b) if so, the finance required for its implementation?

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b). The attention of the hon. Member is invited to the Colombo Plan for Co-operative Economic Development in South and South-East Asia laid on the Table of the House on the 28th November, 1950. [Placed in the Library—See No. IV S.O. (111).] This plan contains both the six year development plan of India and a list of technical assistance required for the execution of the plan. The finance required for the implementation of the plan is estimated at Rs. 1840 crores. It is not possible to state what the cost of the required technical assistance would be as this can only be worked out on the basis of actual availabilities.

Prof. S. N. Mishra: May I know how do Government propose to make up the finance necessary for the purpose?

Shri C. D. Deshmukh: We shall try all avenues of getting foreign assistance on terms acceptable to us.

Prof. S. N. Mishra: To what extent is it expected that our internal finance will come to our help in this respect?

Shri C. D. Deshmukh: Out of Rs. 1840 crores, about Rs. 800 crores will be external finance.

Prof. S. N. Mishra: May I know whether this money will come mainly from the States or from the Centre also? If so, to what extent will it come from the States, and to what extent from the Centre?

Shri C. D. Deshmukh: It will come from both, but as regards the actual figures I must obviously have notice.

Prof. Ranga: Was it resolved at this Commonwealth Conference to seek the assistance of America in regard to this matter?

Shri C. D. Deshmukh: No, Sir. There was no resolution to seek the assistance of any specified country outside the Commonwealth.

Prof. Ranga: Are the good offices or the joint assets of the Commonwealth supposed to be invoked in order to

enable India to borrow Rs. 1,000 and odd crores which would be needed in order to fulfil this six-year programme?

Shri C. D. Deshmukh: I do not think that there is any question of the good offices of other countries being used. The schemes of India, together with those of the other countries in this part of the world, are brought together in this plan and any country which is interested in fulfilling any of these plans could open bilateral talks with India on the subject.

Pandit Munishwar Datt Upadhyay: From what countries are we to get such technical assistance?

Shri C. D. Deshmukh: No country has been designated or selected for this purpose.

Shri T. N. Singh: In view of the fact that recently some of the projects, particularly hydro-electric projects, have been dropped, may I know whether after this Colombo Plan they will be resumed?

Shri C. D. Deshmukh: I do not follow the hon. Member's question. The Colombo Plan is a plan for the next six years and there is no question of dropping anything.

Mr. Speaker: He means the present programme which has dropped some schemes. He wants to know whether such schemes which have been dropped for want of finances will be resumed.

Shri C. D. Deshmukh: I gave an answer the other day that no project has been dropped.

Shri Kamath: Is the hon. the Finance Minister in a position to assure the House that this financial or economic aid will not be accompanied by political or military strings?

Mr. Speaker: Order, order.

Shri B. R. Bhagat: May I ask what scheme of priority has been determined in this plan, and how does this priority compare with the priority which has been determined by the Planning Commission?

Shri C. D. Deshmukh: This question requires me to reiterate the whole contents of the plan. I have made arrangements for the supply of the plan in detail to all Members of the House.

Shri Tyagi: May I know if this technical assistance plan pertains only to urban industries or it extends also to cottage industries in villages and to agriculture?

Shri C. D. Deshmukh: It does not exclude any particular industry. It applies to all the projects which are included in the plan.

Shri Sondhi: Does the plan include the shipbuilding industry?

Mr. Speaker: I think the better course would be to read the plan.

Shri Sondhi: It has been given in the papers that shipbuilding has been excluded. But the Minister does not say anything about it.

Mr. Speaker: Next question.

INCOME-TAX INVESTIGATION COMMISSION

*774. **Prof. K. T. Shah:** (a) Will the Minister of Finance be pleased to state whether any estimates have been prepared of the amount of tax believed to have been evaded by those whose cases have been referred to the Income-Tax Investigation Commission, as also, separately, by those whose cases have not been so referred?

(b) How much of the tax, found to have been evaded, has been recovered or ordered to be recovered?

(c) What action, if any, has been taken against those who have been found to be guilty of such evasion?

(d) How many cases have, under the provisions of the Act establishing the Commission, been settled amicably, and how many cases are pending investigation, together with the amount of tax involved in each of these categories?

The Minister of Finance (Shri C. D. Deshmukh): (a) According to the material in support of the cases referred to the Investigation Commission, it was believed that an escaped income of about Rs. 96 crores was involved in them. On the basis of concealed income already found by the Commission, the total for all the referred cases should be over 50 crores. Since the Commission's findings are confined to what could be definitely proved or established the amount believed to be concealed must be much larger. No estimate has been made of the tax evaded by persons whose cases have not been referred to the Commission.

(b) The Investigation Commission has already reported on 9-29 crores of evaded income. The tax recoverable is about Rs. 5-25 crores. An amount of Rs. 85 lakhs has been collected.

(c) Penalties have been imposed in some cases.

(d) The number of cases settled amicably up to 31st October, 1950 is 231 and the number of cases that were pending with the Commission on that date is 1096. These figures are exclusive of 59 cases in respect of which the Income-tax Investigation Commission have made reports on regular investigation. The tax involved in the 231 settlement cases is Rs. 316 lakhs, and that in the 59 investigation cases is Rs. 209 lakhs.

Prof. K. T. Shah: May I ask whether, in the total number of cases referred to the Investigation Commission, any rules or principles were laid down according to which the order would be established for taking up particular cases and leaving the others to be dealt with later on?

Shri C. D. Deshmukh: No, Sir. I do not think that there was any such rule.

Prof. K. T. Shah: In that case, may I enquire whether the hon. the Finance Minister is aware of the fact that during his predecessor's time two years ago certain cases were not originally referred but were subsequently referred to the Commission, and whether these are cases included among those already investigated or not?

Shri C. D. Deshmukh: I do not think I can give information in regard to exact cases as to whether they have been reported on or whether they are still to be reported on. All I can say is that they are in hand.

Prof. K. T. Shah: In view of an answer given earlier this week that though the assessment has been made the amount has not yet been recovered in the full measure, may I enquire whether any steps are being taken to see that the assets of those people whose cases have not yet been settled or investigated even are not so dissipated that recovery may not be possible at all?

Shri C. D. Deshmukh: I am not aware of what precise action has been taken in regard to the assets belonging to people whose assessments are being investigated, but I am quite certain that whatever action it is felt necessary to take with a view to safeguarding the position is being taken.

Shri Raj Bahadur: May I know the number of tax evaders from whom the amount indicated in reply to part (a) of the question has to be recovered?

Shri C. D. Deshmukh: Apparently, the hon. Member means the number of groups in each case. Sometimes, it

happens that a group consists of so many cases. The total number of cases is 231, but I cannot say how many individuals are included in this number. The number of cases in a group varies within very wide limits.

Shri Munavalli: What is the maximum fine or punishment that is meted out to those persons who are found guilty?

Mr. Speaker: Is he in a position to give that information?

Shri C. D. Deshmukh: I am not. I would require notice.

Shri Jhunjhunwala: If any assessee claims before the Investigation Commission that there is no tax-evasion on his part but on the other hand he is entitled to refund, does the Commission decide such cases of refund? What I mean is that if any assessee before the Investigation Commission claims that he is entitled to a refund, instead of having to pay any income-tax, what action is taken?

Shri C. D. Deshmukh: I dare say that will be taken into consideration when the Investigation Commission makes its recommendations.

Prof. K. T. Shah: As regards those cases which according to the answer just given have not been referred, but in which case there may be an evasion, does the Income-tax Department take any steps for finding out what arrears are due from them?

Shri C. D. Deshmukh: I have no doubt they are making the fullest use of section 34 of the Income-tax Act.

Shri Himatsingka: What share, if any of the realisation will be payable to Pakistan and will any share of the cost be borne by them?

Shri C. D. Deshmukh: I do not know how this question arises. In any case I must have notice of that question.

HISTORY OF FREEDOM MOVEMENT OF INDIA

*775. **Shri Kamath:** Will the Minister of Education be pleased to state:

(a) whether an Editorial Board has been constituted for the purpose of writing the history of the Freedom Movement in India;

(b) if so, its personnel; and

(c) whether the State Governments, Indian Universities, and Indian Missions abroad have furnished any material so far?

مسئدہ آف ایجوکیشن (مولانا آزاد) :
 (اے) کا جواب نہیں ہے - (بی) یہ سوال
 پیدا نہیں ہوتا - (سی) ایک استیثیت
 منٹ ہاؤس کی تبدیلی پر رقم دیا جاتا
 ہے - اس سے معلوم ہو جائیگا کہ
 اس وقت تک استیثیت گورنمنٹوں -
 انڈین یونیورسٹیوں اور باہر کے
 انڈین مشنوں سے کتنے اور کس طرح
 کے جواب مل چکے ہیں -

[See Appendix VI, annexure No. 37].

[The Minister of Education (Maulana Azad): (a) No.

(b) Does not arise.

(c) A summary of the replies so far received by Government in the matter is placed on the Table of the House. [See Appendix VI, annexure No. 37.]

श्री कामत : इसके सम्बन्ध में क्या कोई

प्रस्तावलि प्रकाशित हुई है ?

[Shri Kamath: Has any questionnaire been circulated in this connection?]

مولانا آزاد : ہاں - گورنمنٹوں ،
 یونیورسٹیوں ، اور انڈین مشنوں کو
 جو کچھ لکھا گیا تھا ، وہ سوالات ہی
 کے فارم میں تھا -

[Maulana Azad: Yes. All that was addressed to the Governments, Universities and Indian Missions was in the form of a questionnaire.]

श्री कामत : इसकी तमाम कार्यवाही

क्या छुफिया तौर से हो रही है या खुले तौर
 से ?

[Shri Kamath: Is this work being conducted secretly or openly?]

مولانا آزاد : میں نہیں سمجھتا
 کہ اس میں کھلے طور پر اور چھپے
 طور پر کام کا سوال پیدا ہوتا ہے -
 ایک کمیٹی بتھائی گئی ہے - وہ اپنا
 کام کر رہی ہے اور یقیناً کھلے طور پر
 کر رہی ہے اس میں کوئی سیکریسی
 نہیں ہے

[Maulana Azad: I do not understand that the question of doing the work

secretly or openly arises in it. A Committee has been set up which is doing its work and is certainly doing it openly. There is absolutely no secrecy about it.]

श्री कामत : स्टेटमेंट में जो रक्खा गया है :

The response from our Missions abroad has not been very satisfactory. उसके सम्बन्ध में क्या फिर कोई कोशिश की जा रही है ?

[Shri Kamath: It is said in the Statement that the response from our Missions abroad has not been very satisfactory. May I know if further efforts are being made in this connection?]

مولانا آزاد : جسقدر مٹھیوں جمع
 ہو جانے کی امید کی گئی تھی ،
 وہ پوری نہیں ہوئی ہے - اب سوچا
 جا رہا ہے کہ اس بارے میں اور کیا
 کارروائی کی جائے -

[Maulana Azad: The amount of material that was expected, has not been furnished and it is being considered as to what further steps should be taken in this regard.]

श्री कामत : इस काम को चलाने के

लिये और इसको पूरा करने के लिये क्या
 कोई होलटाइम वर्कर्स मुकर्रर किये गये
 हैं ?

[Shri Kamath: May I know whether some wholetime workers have been appointed to conduct this work and complete it?]

مولانا آزاد : نہیں - لیکن اب اس

بات پر غور کیا جا رہا ہے -

[Maulana Azad: No, but it is being considered now.]

श्री कामत : इस काम को चलाने के

लिये क्या कोई ऐसे व्यक्ति मुकर्रर किये
 गये हैं, जिन्होंने स्वतंत्रता के संग्राम में
 सक्रिय भाग लिया था ?

[Shri Kamath: Have any such persons who took an active part in the freedom struggle, been appointed for this work?]

مولانا آزاد : ہاں -

[Maulana Azad: Yes.]

श्री चट्टोपाध्याय : जो कमेटी बिठाई गई थी, उसमें क्या कोई कांग्रेस के नुमायन्दे हैं ?

[Shri Chattopadhyay: Are there any representatives of Congress in the Committee that had been set up?]

— مولانا آزاد : ہاں ہیں۔

[Maulana Azad: Yes, there are.]

श्री राज बहादुर : क्या मैं यह जान सकता हूँ कि पार्ट बी स्टेट्स में जो रियासतें थीं, उनसे भी इस सम्बन्ध में कोई सामग्री मंगाई गई है और अगर मंगाई गई है तो क्या कोई सामग्री आई है ?

[Shri Raj Bahadur: May I know whether Part 'B' States were also asked to furnish any relevant material in this connection; if so, has any material been furnished?]

— مولانا آزاد : میں نے ایسی کہا کہ تمام استیٹ گورنمنٹوں کو کہا گیا تھا - استیٹ گورنمنٹوں میں وہ استیٹ بھی داخل ہیں جو پہلے انڈین استیٹ سمجھے جاتے تھے۔

[Maulana Azad: I have just said that all State Governments were addressed. State Governments include all those States as well, which were previously known as Indian States.]

UNTOUCHABILITY

*776. Shri Kamath: Will the Minister of Home Affairs be pleased to state:

(a) whether any cases of enforcement of any disability arising out of "untouchability", in contravention of Article 17 of the Constitution of India, have been reported from any of the Centrally Administered Areas; if so, from where; and

(b) the nature of action taken by the Central Government in each case against the offender or offenders?

The Minister Without Portfolio (Shri Rajagopalachari): (a) No.

(b) Does not arise.

Shri Kamath: What, Sir, are the reasons for the delay or tardiness in

enacting suitable legislation in consonance with Article 17 of the Constitution?

Shri Rajagopalachari: As I have already said in answer to another question, enquiries are being made as to the conditions which require to be faced with fresh legislation. Rajasthan and Travancore have not yet replied and we have reminded them so recently as 28th November once again.

Conditions in Part C States differ a very great deal from place to place and in some of the States Acts are already in force by reason of the extension of provincial legislation to Delhi, for instance, and in Ajmer the Uttar Pradesh legislation has been extended and made applicable. In Coorg also there is legislation already in force.

So far as the Centre is concerned, I may add that untouchability is not practised in Andamans and the question of legislation does not arise there.

As regards newly created Part C States, in some States untouchability is not known. In some other States it is practised in varying measures. All these social reform measures and penalties to be attached to infringement of laws require consideration and consultation. That is the cause of the delay.

Shri Kamath: The hon. Minister just stated that in some States untouchability is practised or observed in varying measure. In those cases what action has been taken against the offenders?

Shri Rajagopalachari: We must have a law before we can take action against offenders. The form, shape and the extent of those laws require consideration and that is the reason for delay.

Shri Chandrika Ram: What are the States where untouchability is not known?

Shri Rajagopalachari: Did I say unknown?—it is not practised would be right I think. In Cutch, in Manipur and in Tripura what we call untouchability is not practised. I am informed.

Shri Sivan Pillay: May I know, Sir, whether Government is aware that legislation in this behalf has been passed in Travancore State?

Shri Rajagopalachari: Yes, Sir. Some kind of legislation has been passed. The question is interpreted to mean further legislation and it is in respect of that that consultation is going on.

Dr. M. V. Gangadhara Siva: Has any special officer been appointed to deal with such cases?

Shri Rajagopalachari: I am not able to follow what the hon. Member means by 'such cases'.

Mr. Speaker: What are the cases he has in mind?

Dr. M. V. Gangadhara Siva: Cases infringing the provisions of Article 17 of the Constitution.

Shri Rajagopalachari: I do not think I can throw further light on the subject.

Shri Kamath: Is Government, Sir, aware of the popular discontent over delay in this much-needed social legislation at the Centre?

Mr. Speaker: Order, order.

PERSONNEL LOANED TO HYDERABAD

*777. **Shri S. V. Naik:** Will the Minister of States be pleased to state how many of the Gazetted personnel loaned to Hyderabad were recalled and against how many was any disciplinary action taken?

The Minister Without Portfolio (Shri Rajagopalachari): 24 Police and 33 Revenue Officers on deputation to Hyderabad State were reverted to the States from which they were borrowed. 6 of these officers were reverted on charges of corruption and the States concerned have been requested to take disciplinary action against them. 51 officers were either reverted at their own request or recalled by the parent States. There were no charges against them.

Shri S. V. Naik: In view of the fact that the Hyderabad administration is top-heavy, do Government propose the speedy withdrawal of such loaned personnel?

Mr. Speaker: Order, order.

Shri S. V. Naik: How many of these loaned personnel are permanently absorbed in State service?

Shri Rajagopalachari: I don't think anyone is permanently absorbed in the States to which they are loaned. But if the hon. Member is not satisfied with my answer I would request him to give notice of a fresh question.

Shri Kamath: How many officers were reverted as a consequence of the investigation into Mir Laik Ali's escape from custody?

Shri Rajagopalachari: I said that six of these officers were reverted on charges of corruption. As far as I am aware, it would not include the cases referred to by the hon. Member.

Shri Kamath: Then is it a fact that no officer was punished or reverted as a result of the investigation into Mir Laik Ali's escape?

Shri Rajagopalachari: If the investigation resulted in no clear finding of guilt, it is probable that nobody was punished.

Shri Kamath: No certainty?

Shri M. L. Gupta: Is the hon. Minister aware that the insolent attitude and lack of grasp of local circumstances by the personnel in the services has created a large amount of discontent in the people of the State, and may I know, what efforts are proposed to be made to put more popular personnel in the services of the State?

Mr. Speaker: Order, order.

Prof. Ranga: What is the programme of the Government—for how long are these people to be loaned to Hyderabad State and are Government intending to get back our officers as soon as possible?

Shri Rajagopalachari: The interest of those States is also the interest of the Government and as long as there is lack of efficient officers in those States it is our duty to loan them from States from where it is possible to do so. It is difficult to give a time-limit for this.

LOANS FLOATED BY GOVERNMENT

*778. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Finance be pleased to state the total amount of the loans floated by the Government of India during the current financial year?

(b) Were these loans fully subscribed?

The Minister of Finance (Shri C. D. Deshmukh): (a) The Central Government floated a loan for Rs. 30 crores.

(b) The loan was fully subscribed.

Shri Kishorimohan Tripathi: What was the amount of loan proposed to be borrowed during the current financial year?

Shri C. D. Deshmukh: The estimate was Rs. 75 crores; but that allowed for the repayment of loan.

Shri Kishorimohan Tripathi: Did any State Governments also float loans?

Shri C. D. Deshmukh: Yes, I think three State Governments floated loans during this period.

Shri Kishorimohan Tripathi: May I know if any amount of loan borrowed earlier was repaid this year, and, if so, what part of the repayment flowed back into the loan in the current year?

Shri C. D. Deshmukh: The subscriptions to this new fourteen-year loan were partly in cash and partly in the form of two and a half per cent. bonds, 1950, which were due for discharge on 16th July, 1950. The total subscriptions were Rs. 30.33 crores of which 7.58 crores was in cash and 22.75 crores was by conversion of these two and a half per cent. bonds, 1950. So it may be considered that these 22.75 crores flowed back into the new loan.

Shri Kishorimohan Tripathi: Are Government satisfied that their borrowing programme has been going on progressively successfully as a result of the efforts of the Government since 1947?

Mr. Speaker: Order, order. It is a matter of opinion.

Shri R. L. Malviya: May I know for what purposes the loans were raised?

Shri C. D. Deshmukh: For the general purposes of Government.

Shri T. N. Singh: It is stated that Rs. 30 crores have been floated out of the 75 crores budgeted for. Is it proposed to float the balance of Rs. 45 crores during the current year?

Shri C. D. Deshmukh: Well, that is asking for information as to our intentions in regard to the future loan flotations.

Shri A. C. Guha: The hon. Member stated that three States floated loans this year. May I know which were the States, what were the amounts and what was subscribed?

Shri C. D. Deshmukh: I must have notice of that question. It does not arise directly in regard to the Government of India's loan.

INCOME-TAX

*779. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Finance be pleased to state what part of income-tax collected during the financial years 1947-48, 1948-49, and 1949-50 was on account of arrears of income-tax?

(b) What is the total amount of arrears of income-tax which is yet to be collected?

The Minister of Finance (Shri C. D. Deshmukh): (a) Total amount of income-tax collected and collections out of arrears were—

	Total collections Rs. (lakhs)	Collections out of arrears. Rs. (lakhs)
1947-48	1,27.25	21.67
1948-49	1,82.74	31.48
1949-50	1,54.59	27.48

(b) The total amount of arrears yet to be collected, as on 30th September 1950 is about Rs. 1.17 crores of which a sum of about Rs. 23 crores is capable of immediate realisation. The balance is pending settlement of relief claims, disposal of appeals, completion of certificate proceedings or is due from persons who have no assets, have left India or gone into liquidation.

Shri Kishorimohan Tripathi: Can the hon. Minister give a rough indication as to what percentage of assessment for every year goes uncollected?

Shri C. D. Deshmukh: I am afraid I cannot say that off-hand.

Shri Kishorimohan Tripathi: Are the arrears progressively decreasing?

Shri C. D. Deshmukh: Some indication could be had from the figures which I have already given of the relation of collection of arrears to total collection.

Shri Raj Bahadur: May I know what part of the arrears is due from persons who have left India?

Shri C. D. Deshmukh: The amount due from persons who have left India and who have left no assets in India is Rs. 5.19 crores.

Shri Himatsingka: Is it a fact that Pakistan will be entitled to 17½ per cent. from all realisations prior to 1947?

Shri C. D. Deshmukh: I want notice of the question.

Dr. Tek Chand: In view of the fact that many of these persons have gone to Pakistan, may I know whether the tax due from them has been collected?

Shri C. D. Deshmukh: I have no information.

Shri Goenka: May I know how much of the total collections was for advance payments?

Shri C. D. Deshmukh: I want notice of the question.

TAX ON TOBACCO

*780. **Shri Kishorimohan Tripathi:** Will the Minister of Finance be

pleased to state the various taxes, levy and fees charged in India on tobacco and its manufactures?

The Minister of Finance (Shri C. D. Deshmukh): Tobacco is subject to the following forms of Central taxation—

(1) Central Excise Duty on indigenous—

(i) Unmanufactured tobacco.

(ii) Manufactured tobacco products, viz., Cigars and Cheroots and Cigarettes only.

(2) Customs (Import) duty on imports of tobacco and tobacco products from abroad, and Customs (Export) duty on exports of cigars and cheroots.

As regards taxation of tobacco and tobacco products by the State Governments, the practice is not uniform. Some State Governments levy sales tax, others charge vend-fees or licence fees for wholesale and retail trading in tobacco. Local bodies also collect octroi duties.

Shri Kishorimohan Tripathi: Will the hon. Minister be pleased to state what is the total revenue that accrues to the Centre as a result of the tax on tobacco?

Shri C. D. Deshmukh: About Rs. 30 crores.

Shri T. N. Singh: May I know if there is any disparity between the excise duty levied on chewing tobacco and smoking tobacco, and whether Government have received any representation in regard to the uniformity or modification of those duties?

Shri C. D. Deshmukh: Unmanufactured tobacco in any form is subject to the duty at rates varying from 4 annas a lb. on hookah and chewing tobacco to 7 and 8 annas a lb. on fine cured tobacco going into the manufacture of cigarettes, having the highest blend of imported tobacco. Representations have from time to time been made.

Shri Kishorimohan Tripathi: May I know if any quantity of tobacco is exported from India, and if so, what is the revenue realized from export duty on tobacco?

Shri C. D. Deshmukh: I think it was export duty on cigarettes only and that was abolished from the 22nd April 1950.

Shri Dwivedi: May I know whether there are any taxes imposed in Part C States and what is the revenue realized?

Shri C. D. Deshmukh: I want notice of that question.

Pandit Munishwar Datt Upadhyay: Does the Government propose to consolidate the taxes on tobacco in order to economise expenditure?

Shri C. D. Deshmukh: The excise and the customs duties cannot be consolidated.

RULERS OF STATES

***784. Shri Raj Kanwar:** (a) Will the Minister of States be pleased to state whether it is a fact that the Central Government have recently circularised the State Governments and Departments of the Government of India to the effect that Rulers of the merged States should not be referred to as "Ex-Rulers" or "former Rulers"?

(b) If the reply to part (a) above be in the affirmative, do Government propose to place a copy of the circular issued in this behalf on the Table of the House?

The Minister Without Portfolio (Shri Rajagopalachari): (a) Yes.

(b) A copy of the circular letter has been placed on the Table of the House. [See Appendix VI, annexure No. 38.]

Shri Raj Kanwar: Is the title or style of "His Highness" recognized in the case of Rulers who were entitled to its use before the 15th August 1947?

Shri Rajagopalachari: If the question means whether those who have no personal ruling authority are still given the old title, then the answer is: It is so, Sir.

Shri Raj Kanwar: I want to know whether the title of "His Highness", to which the Rulers who enjoyed a salute up to 9 guns were entitled, was still being recognized by Government.

Shri Rajagopalachari: The dignities and privileges that have been guaranteed in the Constitution have to be maintained and so even if the administrative work is taken away from these Rulers, those who were rulers until they merged out enjoy the same dignities now.

Shri Raj Kanwar: Do Government propose to circularize the State Governments and the Departments of the Central Government to use the title or style of "His Highness" in the case of those Rulers who were entitled to its use before the 15th August 1947?

Mr. Speaker: It is practically a suggestion for action.

Shri Raj Bahadur: I want to know whether such rulers are exempt from the processes of court as distinguished from processes of law?

Mr. Speaker: That will be a different question.

Shri Kamath: Even in a case where a State has been merged in an adjoining province, is the Ex-Ruler of that state referred to as the Ruler of the merged State?

Shri Rajagopalachari: As I said already, Sir, in cases like the one stated by the hon. Member, the dignity is maintained. They are not to be called "Ex-Rulers" because that would raise a doubt as to whether they had already been deposed before.

Mr. Speaker: Order, order. Next question.

MEDICAL MEN SENT ABROAD

*785. **Shri Rathnaswamy:** (a) Will the Minister of Health be pleased to state how many medical men have so far been sent to foreign countries for higher study and research during the last three years?

(b) What are the countries to which they have been sent?

(c) What is the cost involved to the Exchequer thereon?

(d) What are the various branches of study for which they have been sent to specialise?

The Minister of Health (Rajkumari Amrit Kaur): (a) 171, including those sent on fellowships offered by the World Health Organisation and the Rockefeller foundation.

(b) The United Kingdom, some countries on the continent of Europe, United States of America and Canada.

(c) The cost to the Central Government has been about nine lakhs of rupees and the cost to the Government of Part 'A' States about six lakhs. Information regarding Part 'B' States is not readily available.

(d) A statement is laid on the Table of the House. [See Appendix VI, annexure No. 39.]

Shri Rathnaswamy: What are the various States from which these people have been sent to foreign countries for higher studies?

Rajkumari Amrit Kaur: They have come from almost all the States.

Shri Rathnaswamy: May I know how the selection is being made?

Rajkumari Amrit Kaur: The selection is always made according to rules by a Selection Committee.

Shri Rathnaswamy: Is a condition stipulated by Government that these medical men who have been trained in various branches of study in foreign countries should serve in Government hospitals for a definite number of years?

Rajkumari Amrit Kaur: Most of them are already Government servants. It has been the policy of Government since 1947 not to give scholarships to those whom Government have not already got employed or whom they are not able to employ. Therefore, the question does not arise.

Shri Rathnaswamy: May I know the number of people who have specialised in Cancer and Infantile Paralysis?

Mr. Speaker: Perhaps it is going into too many details.

Rajkumari Amrit Kaur: It is difficult for me to furnish this information offhand.

Shri Karunakara Menon: Is there any foundation for the report published in the papers a few weeks ago that the U.S.A. was willing to train a few Indian doctors at their own expense and even to employ them in America?

Rajkumari Amrit Kaur: I am not aware of any such offer having been made to the Government of India.

ILLICIT EXPORT OF CONTROLLED ARTICLES

*787. **Shri Rathnaswamy:** Will the Minister of Finance be pleased to state:

(a) whether any cases of illicit export of controlled articles to foreign countries were detected during the last two years;

(b) if so, what are the commodities which were attempted to be so exported and to which countries they were intended; and

(c) what punishments were given to the offenders?

The Minister of Finance (Shri C. D. Deshmukh): (a) to (c). The information is not readily available. It is being collected and will be laid on the Table of the House as soon as it is available.

Shri Rathnaswamy: What are the various measures taken by the Government to check this illicit export?

Shri C. D. Deshmukh: As I said the information is being collected and it is only in relation to this that information could be given as to what measures are taken to check smuggling.

DISBANDING ARMY UNITS OF VINDHYA
PRADESH

*788. **Shri Dwivedi:** Will the Minister of Defence be pleased to state:

(a) whether army units in Vindhya Pradesh have been disbanded;

(b) in how many states other than Vindhya Pradesh such disbandment has been or is in process;

(c) whether any proportion of these trained and experienced personnel shall be re-employed anywhere else in India;

(d) whether any compensation, gratuity or pension etc., is likely to be paid to the personnel to be thrown out of employment as a result of this move; and

(e) if the answer to part (d) above be in the affirmative, what is the estimate of expenditure in this connection?

The Deputy Minister of Defence (Major General Himatsinhji): (a) Presumably the hon. Member is referring to the Vindhya Pradesh State Forces. These Forces are being disbanded.

(b) I lay a statement on the Table of the House.

(c) So far as Officers are concerned those who come up to the prescribed standards of the Regular Army will be absorbed in the Regular Army or in the re-organised State Forces, if vacancies exist. Other Officers, as well as Other Ranks, who are in excess of the requirements, are being released. Attempts are being made by the State Governments concerned to find alternative civil employment for them.

(d) Yes.

(e) It is not possible at this stage to frame an estimate of the expenditure as it is not known how many personnel would be retained after screening.

STATEMENT

Disbandment of Army Units

(i) The State Forces of the following merged States have already been disbanded:—

Kolhapur, Baroda, Gujerat States, Himachal Pradesh, Cutch, Tehri Garhwal, Banaras.

(ii) The State Forces of the following merged States are in the process of disbandment:—

Rampur, Bhopal, Cooch Behar.

(iii) The State Forces of Rajasthan, Pepsu, Madhya Pradesh, Saurashtra, Mysore, Travancore and Cochin and Hyderabad are being organised on revised orders of battle and their personnel are being screened with reference to Indian Army standards. This would entail a certain amount of reduction and/or disbandment in respect of these Forces.

श्री द्विवेदी: इस बात को ध्यान में रखते हुए कि इस क्षेत्र में ब्रिटिश काल में दो सेनाएँ रखी जाती थीं, क्या सरकार अब एक सेना भी नहीं रखना चाहती?—

In view of the fact that the old Government used to keep two units at Nowgong and Rewa, now do the Government propose to keep such units at any place?

Mr. Speaker: Order, order. That is a different question. He refers to the camping or stationing of forces in different places.

Major General Himatsinhji: We are not posting any people there because these places do not come under the overall requirements of the defence of India.

Shri Raj Bahadur: May I know whether the people who were being disbanded from States' forces would be given the choice or option to be governed by the rules of pension or for gratuity which governed them before the merger with other States or under the All India rules?

Major General Himatsinhji: We are not going by the rules of the States as they were before they were merged because the mustering out terms that are being offered to them by the Government of India are much better.

Shri Raj Bahadur: My question was whether they will be given any option in view of the covenants in the Constitution to be governed by their own rules or by the new rules?

Major General Himatsinhji: They are now governed by the new rules, because the terms given by the Government of India are much better than what existed before, in the States.

Mr. Speaker: Order, order. We are going into an argument.

Shri Dwivedi: In view of the fact that the soldiers of Vindhya Pradesh are known for their chivalry...

WRITTEN ANSWERS TO QUESTIONS

FILM ENQUIRY COMMITTEE

*763. **Shri Kesava Rao:** (a) Will the Minister of Information and Broadcasting be pleased to state whether any interim recommendations have been submitted by the Film Enquiry Committee?

(b) If the answer to part (a) above be in the affirmative, what are its recommendations?

(c) When is the Committee expected to complete its work?

The Minister of State for Information and Broadcasting (Shri Diwakar):

(a) No, Sir.

(b) Does not arise.

(c) By the end of January 1951.

GOOD CONDUCT PAY

*765. **Shri R. Khan:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that Government have issued orders withdrawing the benefit towards pension of the Good Conduct Pay granted to Post Office Officials; and

(b) if so, whether the said orders have been made applicable to those retired employees who were in service prior to the issue of these orders?

The Minister of Finance (Shri C. D. Deshmukh): (a) It is not a fact that Good Conduct Pay granted to Post Office Officials counted for pension under the Civil Service Regulations. There was, therefore, no question of issuing any special orders withdrawing the benefit.

(b) Does not arise.

HIGH COURT ARREARS COMMITTEE

*781. **Shri Shiv Charan Lal:** (a) Will the Minister of Home Affairs be pleased to lay on the Table of the House a statement showing the steps that are being taken by Government to implement the recommendations of the High Court Arrears Committee generally and also with special reference to (i) formation of Standing Law Commissioners both in the States and at the Centre; (ii) curtailment of vacations in the High Courts and (iii) increasing the number of Judges?

(b) What steps are Government taking for the reformation and simplification of Substantive Law and Laws of Procedure?

The Minister Without Portfolio (Shri Rajagopalachari): (a) The recommendations made by the High Court Arrears Committee are still under consideration. We are awaiting the views of the State Governments.

(b) Modification of substantive and procedural laws, is one of the suggestions made in the High Court Arrears Committee's report, which, as already stated, is under the consideration of Government.

SALARIES AND QUALIFICATIONS OF JUDGES OF HIGH COURTS

*782. **Shri Shiv Charan Lal:** Will the Minister of Home Affairs be pleased to state what steps Government are taking for removing the differences in the Laws as administered in different States and also the differences as regards salaries and qualifications of Judges of High Courts and Judicial Commissioners' Courts in different States?

The Minister Without Portfolio (Shri Rajagopalachari): Nearly sixty Central Acts, including Acts relating to taxation, have already been extended to Part B States. Another hundred or more Acts are proposed to be extended to Part B States under the Part B States (Laws) Bill, which is now before Parliament. It is also proposed to introduce Bills in the current session of Parliament to amend the Code of Civil Procedure, 1908 and the Code of Criminal Procedure, 1898, with a view to bringing the procedural laws in force in Part B States into line with similar laws in the rest of India.

As regards the second part of the question, the Government are considering the question of revising the existing scales of pay of Judges of High Courts in Part B States. But, in view of the diverse conditions in the various Part C States, it is not practicable for the present to prescribe any uniform scale of pay for Judicial Commissioners.

RELINQUISHED LANDS

*783. **Shri Sivaprakasam:** Will the Minister of Defence be pleased to state:

(a) the total extent of land held by Government for military purposes, which has since been relinquished by them after January, 1950; and

(b) whether these relinquished lands have been restored to the original owners or disposed of either by sale or in auction?

The Deputy Minister of Defence (Major General Himatsinhji): (a) 36,400 acres of land have so far been relinquished by the Ministry of Defence.

(b) With the exception of those holdings which are required by other Ministries or by State Governments, all other relinquished land has been restored to original owners or to tenants from whom it was originally taken over. No requisitioned and hired land has been disposed of either by sale or by auction.

EXPORT DUTY ON JUTE

***786. Shri N. S. Jain:** Will the Minister of Finance be pleased to state:

(a) the present rate of export duty on Jute;

(b) the various modifications in the above rate since August 1947 with dates;

(c) the reasons for each modification; and

(d) the jute export price at the time of each modification?

The Minister of Finance (Shri C. D. Deshmukh): (a) to (d). The export duty on raw jute (including Bimlipatam; jute and mesta fibre) is Rs. 4-8-0 per bale of 400 pounds for cuttings and Rs. 15-0-0 per bale of 400 pounds for raw jute of all other descriptions. There has been no modification in the rate since August 1947. Export of raw jute has not been allowed since 21st November 1949 though shipments in respect of certain commitments continued to be allowed, as a special case, till the middle of April 1950.

MEDICAL DEGREE OF OSMANIA

UNIVERSITY

***789. Shri S. V. Nalk:** Will the Minister of Health be pleased to state:

(a) whether the Medical Degree of the Osmania University is recognised by the Government of India for the purposes of service;

(b) if the answer to part (a) above be in the negative, the reasons therefor; and

(c) when was such a request for recognition last made?

The Minister of Health (Rajkumari Amrit Kaur): (a) to (c). The medical degree of the Osmania University is not recognised for the purpose of recruitment to Central Services, Class I and Class II, as this qualification has not yet been recognised by the Medical Council of India. In response to a request for recognition received from the Osmania University in 1944 the Indian Medical Council deputed two 'Visitors' to inspect the Medical College. The report of the visitors containing recommendations for improvements which were necessary for the purpose of recognition were sent to the Hyderabad authorities in 1945. In 1947 the Medical Council of India made an enquiry from the Hyderabad State Medical Council whether they could again send their "Visitors" to the Osmania Medical College to find out whether the necessary improvements suggested earlier had been carried out. The authorities of the College asked the Medical Council of India not to send their "Visitors" until certain improvements had been carried out. They have not yet intimated if the improvements have been carried out since and if they are ready for a visit of inspection. For the duration of the War the M.B.B.S. degree of the Osmania University was recognised for the purpose of recruitment to the Emergency Cadre of the I.M.S. This was a temporary measure.

DELHI SUNNI MAJLIS-I-AUKAF

***790. Maulvi Wajed Ali:** (a) Will the Minister of Home Affairs be pleased to refer to reply to starred question No. 323 asked on 12th August, 1950 and state if any meeting of the Delhi Sunni Majlis-i-Aukaf has since then been held?

(b) What are the rules of procedure of the meetings of the above Committee?

(c) Will Government lay on the Table of the House a copy of the Budget of the Committee for the year 1950-51?

The Minister Without Portfolio (Shri Rajagopalachari): (a) No.

(b) The Rules and Procedure of the meetings of the Majlis are contained in Chapter III of the Delhi Muslim Wakfs Act, 1943.

(c) A copy of the Budget of the Majlis for the year 1950-51 which is in Urdu, has been kept in the Library of the House.

REDUCTION AND RECRUITMENT IN ARMY

***791. Giani G. S. Musafir:** (a) Will the Minister of Defence be pleased

to state whether it is a fact that, in certain branches of the Army, reduction and recruitment are going on simultaneously?

(b) If the answer to part (a) above be in the affirmative, what are the reasons therefor?

(c) Do Government show any consideration to the personnel consisting of displaced persons from Pakistan while effecting reduction?

The Deputy Minister of Defence (Major General Himatsinhji): (a) Yes.

(b) In view of the financial stringency prevailing in the country and the need to economise in every possible way, it has been decided to reduce the strength of the Army to a certain extent. Reduction is carried out in phases and is to be completed over a certain specified period. In doing so, fresh recruitment cannot be stopped since it is essential to meet normal wastage and existing deficiencies in various trades and also to keep a balanced and fit army in all respects and to regulate the inflow of recruits.

(c) No.

FREE PRIMARY EDUCATION

***792. Giani G. S. Musafir:** (a) Will the Minister of Education be pleased to state whether it is a fact that Government institutions in Centrally Administered Areas impart free education up to the primary standard?

(b) If so, why this principle is not followed in Government aided Schools?

The Minister of Education (Maulana Asad): (a) Primary Education is free in Government and Local Body institutions in a large number of Part (C) States.

(b) Aided schools cannot be compelled to impart free Primary Education, unless Government can guarantee to make good the entire deficit. This can be done only if sufficient funds are guaranteed.

हिन्दी का विकास

***७९३. श्री इन्द्र बिद्यावाचस्पति :** शिक्षा मंत्री यह बतलाने की कृपा करेंगे कि :

(क) क्या केन्द्रीय सरकार ने हमारे संविधान के अनुच्छेद ३५१ के अनुसार हिन्दी के विकास तथा सरकारी कार्यालयों में इसके प्रयोग के हेतु कोई निश्चित योजना बनाई है ; तथा

(ख) यदि बनाई है, तो इस योजना का स्वरूप क्या है ?

DEVELOPMENT OF HINDI

[*793. Shri Indra Vidyavachaspati: Will the Minister of Education be pleased to state:

(a) whether the Central Government, according to article 351 of our Constitution, have formulated any definite scheme for the development of Hindi and its use in Government offices; and

(b) if so, what are the details of this scheme?]

The Minister of Education (Maulana Azad): (a) The preparation of a suitable scheme is under consideration of the Government of India.

(b) Does not arise.

TRAINING IN MICONITE INDUSTRY

***794. Shri Janani Ram:** Will the Minister of Education be pleased to state:

(a) the number of students sent to America for special training in Miconite Industry;

(b) whether they have finished their education; and

(c) if so, how they are employed at present.

The Minister of Education (Maulana Azad): (a) One.

(b) Yes.

(c) He is employed as Senior Scientific Officer in Glass and Ceramic Research Institute, Calcutta.

INCOME-TAX INVESTIGATION COMMISSION

39. Shri Kishorimohan Tripathi: Will the Minister of Finance be pleased to state separately for each of the years 1948 and 1949, the amount spent by the Government of India in making various enquiries and investigations in respect of cases referred to the Income-tax Investigation Commission?

The Minister of Finance (Shri C. D. Deshmukh): The total figures of expenditure on the Income-tax Investigation Commission during the financial years 1948-49 and 1949-50 are Rs. 4,01,715 and Rs. 6,91,266 respectively. These figures include not only expenditure on enquiries and investigations in respect of cases referred to the Commission but also the expenditure incurred on the preparation of the Commission's Report regarding measures needed to prevent tax evasion. The expenditure on investigations, as such, is inseparable from the total expenditure.

Friday, 8th December, 1950

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PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

Part II—Proceedings other than Questions and Answers.

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THE
PARLIAMENTARY DEBATES
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PARLIAMENT OF INDIA

Friday, 8th December, 1950

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

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

Mr. Speaker: Mr. Alva will make an explanation.

Shri Joachim Alva (Bombay): With your permission, Sir, may I state that on last Monday, when I put the short notice question, I put the question as sent by me to the secretariat and I took no notice of the question as amended by you for the simple reason that though it was received by me, I had not seen it on account of my having been engaged the whole day on a professional conference. I am really sorry for the mistake; though I had received it, I had not seen it. This being a genuine mistake, I hope you will excuse me.

I may mention that there was genuine mistake the next day when I received a cover from the Secretariat enclosing question of another Member.

Mr. Speaker: That is a different matter.

Shri Kamath (Madhya Pradesh): On a point of order, Sir,

Mr. Speaker: No point of order on this.

Shri Kamath: Not on this; on a question; I did not then want to draw upon the limited time; it is with regard to Question No. 756. Am I to take it that it is your ruling that, where an officer of Government does something

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contrary to public interest, offensive to public morality as distinct from private morality, the matter cannot be brought on the floor of this House, and the Minister has not got a duty to enquire into the matter and tell the House as to how the matter stands . .

Mr. Speaker: Order, order. It is entirely a misconception of what I said. The hon. Member by putting questions, enquiring into individual qualifications of that particular official, meant to point out very probably that the officer was not fit for the job.

Shri Kamath: No, no.

Mr. Speaker: Order, order. That was the point of his questions. He was enquiring into the degrees, he was enquiring into his experience and what not. Then, I said that I would not allow individual questions of that type, either to support or to bring into disrepute any individual officer. I said at the same time also that I saw no question of principle involved in it. If there is anything done which is illegal, which is done in a highhanded manner, which offends against the public morals, and some question of public policy is involved, such questions would be admissible, but not questions otherwise relating to individual officers whose conduct may or may not be liked by certain Members. That is what I said. There is no further question to be discussed about this.

INDIAN TARIFF (FOURTH AMENDMENT) BILL—contd.

Mr. Speaker: The House will now proceed with the further consideration of the following motion:

“That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration.”

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

Shri Goenka (Madras): Sir, I must apologise to you and to this House for

[Shri Goenka]

having taken two hours of its time on the last day.

The Deputy Minister of Communications (Shri Khurshed Lal): Time is eternal.

Shri Goenka: I know.

Mr. Deputy-Speaker: The hon. Member has already taken two hours.

Shri Goenka: This matter is of very great importance. As you know, this jute trade accounts for more than one-third of our total exports. I was going to submit that in spite of the many opportunities given to Government from time to time to discuss this matter across the table, they have not thought it proper to discuss the matter, in that spirit and in that manner, and that is the important justification for taking this time of the House.

On the last occasion, I was speaking in regard to the Devaluation Committee. When this question was raised in the last Budget session that this Devaluation Committee did not meet and discuss this question of jute, the hon. Commerce Minister referred the matter to the hon. Finance Minister and said that the Finance Minister Dr. John Matthai will answer the query. But, the hon. Dr. John Matthai preferred *maunam* in that respect and he did not say why he did not call a meeting of that *ad hoc* committee. Then, again, I raised this subject on the 2nd August on the President's address. Although the hon. Finance Minister was good enough to bring some life back into the *ad hoc* committee, still, jute, cotton and tea which were the subjects raised in the *ad hoc* committee, were never brought before the Committee at all. Then, again, a meeting of the *ad hoc* committee was called in November; but this subject of jute was never touched. On every occasion that we wanted to discuss this matter with the Commerce Ministry, the Commerce Ministry did not think it proper or advisable to discuss the matter with any Member of this House. It does not give us any pleasure to give expression to the acts of omission and commission of the Ministry of Commerce in this open House, particularly when we belong to the same party. But, when every opportunity given to them has not been taken advantage of by them and they have treated us as untouchables, more or less, it has become incumbent upon us to express ourselves in this House and through this House to the world at large.

Then, I understand that this matter was raised in the Standing Committee

of the Ministry concerned, but the result was negligible. Although the Standing Committee came to a particular conclusion, the conclusion which they came to was not regarded as feasible by the Ministry. I will not take much of the time of the House; I will go point by point and illustrate as quickly as possible.

So far as black-marketing is concerned, it is admitted on all hands that there does exist a black-market so far as jute is concerned. It is also admitted that the controls are not working satisfactorily. It is also admitted that the black-market runs into several crores; it is immaterial whether it is 12 crores or 48 crores. This question of black-marketing is known to everybody. I have had discussions with Members of the Reserve Bank. They know that there is a big black-market in dollars in India. I have had discussion with bankers and traders and merchants, with mill owners and with black-marketeers too. It is the unanimous opinion that black-market does exist and a lot of these dollars are sold openly in the Hongkong market against which gold is smuggled into this country. Has the hon. Finance Minister ever thought whence the foreign exchange is coming for the smuggling of this large quantity of gold into this country? The other day, in answer to a question, the hon. Finance Minister pointed out that they have been able to catch hold of about one crore of rupees worth of smuggled gold. If one crore of rupees worth of gold has been caught, it is an open secret in the Bombay market and other markets that several crores worth of gold, running into 20 or 30 crores, is being smuggled into this country. Smuggling from Goa and Pondicherry is a matter not unknown to anybody. All this smuggling goes on from day to day. Have they ever considered from where the foreign exchange for this smuggling comes? The foreign exchange comes from jute and other material that we export. Deceit by means of under-invoicing and over-invoicing is a matter within the knowledge of practically every body. This matter has been referred to by us in our report on State Trading, in which we have pointed out that several witnesses came before us and told us of this practice of over-invoicing and under-invoicing which has deprived this country of valuable foreign exchange. Apart from that, all newspapers from day to day have been publishing the prices of jute goods, both controlled and what might be called uncontrolled or black-market rates. Day in and day out these have been published. All trade journals refer to these rates from time to time

I cannot see any trade journal or paper which does not refer to these things. But I do not know with what effect. To our knowledge there has been no effect at all.

Leave black-markets in the export of hessian, and let us take the internal market. Will the hon. Commerce Minister be prepared to tell us if industries like the sugar industry, the cement industry, whether they have been supplied with bags at the controlled rates? After the speech that I made the other day, I got several telegrams and telephones and letters telling me that while the price at the controlled rate was Rs. 182/7/- it was as much as Rs. 220 in the black-market, for the sugar industry. The same is the position in the cement industry and all the various other industries using these bags. Therefore, I can say that this black market does not exist only for the foreign export, but it exists even in the internal consumption also. And the House knows full well that the internal consumption of jute bags using hessian is not more than 16 per cent. As much as 84 per cent. of our total production is exported from our country, and even within this 16 per cent. there is rampant black market in the country today.

Moreover, we have to remember that this is an active poison which spreads all round as I had pointed out the other day, and if it is not checked, and checked as early as possible, I do not know what will happen. If a person indulges in black market activities and makes Rs. ten or Rs. 15 or Rs. 30 or Rs. 50, he is handcuffed and paraded in the streets. But if another man indulges in black-markets and earns in crores, he gets scot-free. Most unfortunately that is the law of our Government today.

We have been hearing a lot about this fear of substitutes for jute coming into the market. Government told us that the only thing which led Government not to increase the price of jute, and led them to see to it that it was supplied to foreign markets at reasonable rates was this fear of substitutes. If this had been the policy of Government there would be no quarrel, there would be common ground between Government and ourselves. With a view to preventing substitutes coming into the market, we must prevent the price soaring up. But, has that policy been adhered to and has it been carried out successfully? We have not been able to assure reasonable prices, I have to submit with due deference to the Treasury Benches, either in the internal markets or in the external markets.

12 Noon.

And there is another aspect of the question which I would very much like the Finance Minister and the Commerce Minister to take note of. Whatever may be the short-term policy of Government, from the figures that I have collected here it is clear that from 1935-36 to 1939-40, we have been exporting on an average 999,000 tons of jute goods per year. From 1944-45, our exports up to 1949-50 have averaged to 776,000 tons. But the export of raw jute has been increasing from year to year. In the year 1944-45 the export of raw jute has been 187.6 thousand tons and in 1949-50, the figure is 420.4 thousand tons. Therefore it is very clear that the danger is ahead of us. The danger is that while the export of jute goods has been gradually going down, the export of the raw material to foreign manufacturers has been increasing. These manufacturers manufacture the goods and sell them in the markets where India has been selling them before. That is the clear trend of things shown by these figures of export of jute goods and raw jute. This aspect of the question, I hope, Government will bear in mind.

And then there is another point on which though I would not dilate, still I have to say a few words. In India our machinery has been written down practically to a negligible amount, and therefore our cost of production is less. America wanted to establish this industry, the jute industry. In their own country the Americans wanted to manufacture jute goods, but because of our low cost of production, they were not successful in this attempt. But various other countries of the world have been getting hessian and manufacturing jute goods, for their own internal consumption. In America about 80 per cent. of the goods have been exported from India while the other 20 per cent. have been exported from Dundee and other places. This being the position, we have to see that other countries are not allowed to compete with us in the markets which we have preserved for such a long time.

I also understand that France, Italy and Japan are buying raw jute from Pakistan and they are trying to manufacture jute goods and compete with us in America and other markets of the world. This is the information which has been given to me, though I cannot swear by that information. All the same the fact remains that the danger is there ahead.

The danger of other competitors in the shape of paper bags was referred

[Shri Goenka]

to by the hon. Finance Minister. I cannot refer to it now at any length because the clock is running against me and already I see indications that I must close my remarks as early as possible. But there is one factor to which I must draw the attention of the hon. the Finance Minister, and it is this. This industry is mismanaged or shall I say managed by a clique of merchants. According to me the industrialists of this country appear to be money-changers, and by this practice of money-changing, they try to make hay when the sun shines and it is here that I want the hon. the Commerce Minister to put his foot down and see that they act in the national interest and not in any short-sighted self-interest. In this connection I may bring it to the notice of the hon. Commerce Minister that the price of jute goods had come down to about Rs. 40 in June-July when the price of raw materials, namely, bottom, was Rs. 39 and the American price was 14.5 dollars under pre-devaluation rates. That price at the rate of Rs. 35 bottom is now Rs. 55. That is the inflated price which was fixed by Government. I can recall only one similar instance. On 1st October, 1946, when the control was removed, the Government of India brought in another control fixing the prices of jute and hessian. The then Muslim League Ministry in Bengal did not agree to obey the orders of the Government of India with the result that the Central Government were forced to withdraw those orders immediately. The result was that the price which was fixed at Rs. 12 went up to Rs. 30, the price of hessian from Rs. 30 to Rs. 50, the price of sacking from Rs. 66/12 to Rs. 110. Government lost Rs. 60 crores. Today a similar situation exists. What is the remedy? Increased production alone can bring down the prices and prevent substitutes coming into the market. That is the recommendation of the State Trading Committee also and it is commonsense also.

With regard to increased production the question will naturally arise where is the raw material to come from. As I pointed out the other day we had a carry-over of seven lakh bales, we are going to produce 41 lakh bales and we have already got 15 lakh bales, altogether it comes to 63 lakh bales. Leave it to the merchants. I am certain they will deliver all the raw material we require. (An Hon. Member: Wherefrom?) Wherefrom? It will come from the place where it grows.

The hon. Commerce Minister suggested three alternatives—export duty,

State-trading and thirdly decontrol. As regards State-trading we on this side of the House have been shouting hoarse for three years for the creation of a nucleus organisation for the purpose of State-trading to take advantage of a situation like the one that has arisen in the jute market today. Except evasion and ignoring of our request for two years nothing has happened. When the matter was forced upon Government they appointed the State-Trading Committee. The Committee has reported and we do not know what the fate of that report will be. Until a State Trading Corporation comes into existence there is no chance of putting the trade under State trading. There has been unanimity of opinion that officials are not capable of managing a State Trading Corporation. Every witness who appeared before the Committee gave chapter and verse in support of his opinion that whenever Government resorted to State-trading through their officers it always ended in a dismal failure. The Committee had also to come to that very conclusion. So State-trading is not a practical proposition for the time being.

As regards export duty, as the hon. Commerce Minister pointed out you cannot go on changing the duty from day to day and therefore that is not a proper remedy for the disease from which we are suffering today.

What then is a certain remedy? I would suggest decontrol. I do so because it does not affect the cost of living index in the country. This country only consumes 16 per cent. of jute and 84 per cent. is exported outside. Rarely will you find any country resorting to control of a commodity which is mainly intended for export. That view was expressed by the hon. Commerce Minister also. I can understand control if there was control at the other end. If in the U.S.A. there is control or if the Government of India entered into an arrangement with the U.S.A. and other consumers of jute goods that for ten years they will take our goods in a particular quantity and at a price fixed on the basis of production cost plus a percentage, then certainly that would be an ideal position. I am not enamoured of a Rs. 1,500 or Rs. 2,000 duty. I was certainly enamoured of a high export duty at the time we devalued our currency, for then there was scope for it and there was no chance of competition. Now this is hardly the time when you should live upon the export duty and allow substitutes to come in or allow other countries to manufacture jute goods and take the trade away from us, which has been our

monopoly for a long time. I do not want Government to be self-complacent about this. I want at least that our Government should think in the direction of decontrol of jute goods. What will be the result if there is decontrol? Once the mills begin making more money they will know how to produce more jute. My friend said that if raw jute is decontrolled it will affect the price of rice. Is it not the policy of the Government of India to make the country self-sufficient in jute? Is it not the policy of the Government of India to put a certain acreage under jute, so that we might produce 60 lakh bales? Was not a promise made by the hon. Finance Minister in his Budget speech that this year we would be producing 50 lakh bales of jute? If it is our policy to put a certain acreage of land under jute cultivation and thus produce 60 lakh bales in this country, why then do you grudge the tillers of the soil getting a little more money? It is money from a material which you export to foreign countries. If you say that it affects rice, I say the production of sugarcane, tobacco, oilseeds, cotton and even bananas affects rice. In fact every cash crop affects rice.

Mr. Deputy-Speaker: Is this an alternative suggestion to State-trading?

Shri Goenka: I will read what the State Trading Committee had to say in regard to jute. They did not advocate State trading, unless the corporation had previous experience in handling the trade. Unless experience was gained by the corporation they did not advocate that they should take on a large business like the export of jute. Meantime, seeing the situation that was there where a lot of money was going into the black market, and having the evidence before them they came to the conclusion that decontrol would be the best remedy for the time being. I will read exactly what the Committee had to say in this respect:

"The Committee feels that the entire jute problem has to be viewed as a whole, taking both the long term and short term aspects into consideration. One possible remedy for the present black-marketing in jute goods is to abolish price control . . ."

This is exactly the policy which I am advocating now. They further say:

"The Committee understand that in imposing price control Government were influenced by the following considerations . . ."

The Committee came to the conclusion that there should be decontrol of prices. I am also begging the hon. Minister at least to think in that direction.

I will give you one or two instances. Take for instance the housing activities going on in Bombay at present. When there was control on building of new houses, not one house came into existence in Bombay.

Mr. Deputy-Speaker: Is it necessary to go into analogies like this?

Shri Goenka: I am only trying to say that de-control will deliver the goods. If one word would do then I would not go into analogies, but I can prove to the satisfaction of the House and to your satisfaction, Sir, that if there was de-control we will produce more. At the same time, I would expect the hon. Commerce Minister to tell the industry that this de-control would not be for profiteering purposes. He should tell them, "You will have to work for 48 hours immediately and increase your production, or else you face the alternative of State-trading. Either you have to take State-trading, or you have to give full production. If you don't have enough jute to go for 48 hour work, we will close down the mills for the last two months in the year." But take it from me, it will not happen. These merchants will produce—if there is money they will do anything, they will even achieve the impossible. Therefore, I am suggesting this. Please think in that direction. If you think in that direction and don't suffer from complacency, I am sure our objective will be achieved.

So far as the motion before us is concerned, it is on a Bill for levying an export duty of Rs. 1,500. I heartily support the motion because there is nothing to oppose in regard to that duty. All I wanted to suggest was that several times we have argued with the Commerce Ministry but not one hearing was given to the Members of this House in regard to this matter. Promises were made that they will circulate a note. They wanted a note from us. We gave them a note but no reply or acknowledgment was received by us. And, therefore, it became necessary for us to consider this matter here. All I say is that I will beg of the hon. Commerce Minister to consider whether he is not wrong in his policy. If he is not prepared to consider that, I will only conclude by quoting the following lines of Edmund Burke:

"Arguments exhausted, reasons fatigued, experience has given judgment, but obstinacy has not been conquered."

Shri Himatsingka (West Bengal): My hon. friends Mr. Tyagi and Mr. Goenka

[Shri Himatsingka]

have given the House most of the facts that are needed for coming to some conclusion in connection with this important industry and important item of export. As has already been pointed out, jute exports cover practically 60 per cent. of our dollar earnings. Therefore, it is very necessary that this House should come to some definite conclusions and should be in a position to give certain definite suggestions to the hon. Minister so that this industry may go on and our country may continue to earn the necessary exchange that this industry and this commodity has been giving to it.

As has been pointed out by Mr. Goenka, exports have gone down considerably from what they were in 1939. Sir, perhaps you may not be aware but when the Muslim League Ministry came to power in Bengal they took steps to reduce the acreage of jute in order to force up the prices. During the war, on account of the intention on the part of Government to supply jute products at reasonable prices, certain controls were introduced and prices were fixed both for jute products and for jute. I think the price fixed for jute was about Rs. 14 per maund and it remained at that price or near about till September, 1946. This low price coupled with the intention of the then Muslim League Ministry in Bengal, resulted in a continued decrease in production of jute and gradually the stocks with the mills also went down. Previously, the mills used to have in their stocks raw jute which would keep them going for even eight to nine months and they were always able to force down prices of raw jute. The Provincial Ministry took steps to meet that difficulty of the jute growers by cutting down the acreage under jute.

That was the position in 1946. When the prices were de-controlled they went up to Rs. 30, 35, and even 40. Subsequently, after the partition on account of various difficulties we got lesser and lesser quantities of jute and the position of the mills came to such a pass that unless Indian jute came regularly they began to feel difficulty in maintaining their production to capacity. Last year, some agreement was arrived at between the Governments of India and Pakistan whereby certain quantities of jute were to be made available to us by Pakistan. The quality of the jute that was made available was not good, but that was the agreement that had been entered into, and certain quantities of jute did come in. This year it has been suggested that the Indian Union will grow

about 42 lakh bales. That is the estimate of Government but I think that they are very much mistaken. The information that is available to the industry and to those people who keep such information, is that it will not exceed 33 lakh bales, and I think if Government be under the impression that the quantity available will be near about 42 lakh bales, they will come to grief as they have done due to wrong calculations on previous occasions.

Shri B. K. Das (West Bengal): Their calculation is that there will be seven lakh bales of *mesta*.

Shri Himatsingka: My information is that everything taken together, the quantity produced will not exceed 33 lakh bales.

Now, it is admitted by the hon. Commerce Minister that on account of the policy followed so far, a certain amount of loss has been incurred by Government and that the country also has lost something. The amount lost is in dispute and I am not going to go into whether it is Rs. 12 crores, or Rs. 40 crores as put by Mr. Goenka and other friends. It is admitted that a certain amount of valuable dollars have been lost to the country, and in order to meet the situation this present Bill has been introduced raising the duty from Rs. 750 to Rs. 1,500.

The hon. Commerce Minister has suggested that there are three courses open: One of them is to decontrol the prices of jute and jute goods, the second course is to raise the export duty, and the third is State-trading. I think, if the three remedies suggested are regarded one exclusive of the other, then I think Government will be mistaken. What I suggest should be done is that the duty should be raised because there is still margin to mop off, and then the prices should be de-controlled. What is the present position as regards jute prices? At the present moment, in America the prices are very much more than what can be mopped up by way of this simple raising of the duty from Rs. 750 to Rs. 1,500. There is room for realising the extra price that is available in America, and that can only be done if we decontrol the ceiling prices of jute goods. If we do not decontrol but simply raise the export duty, the position will be that you will get Rs. 55—the fixed price of hessian for a particular variety—plus the export duty. But there is still a big margin, which is now regarded as near about another Rs. 1,500. If you raise the duty to Rs. 3,000, it may be difficult

for you to bring it down. Therefore, what should be done is to raise the duty and at the same time to decontrol jute goods prices. The objection to this as mentioned by the hon. the Commerce Minister is—I am quoting his words:

"The jute industry would like manufactured jute goods to be decontrolled, but not raw jute. That, obviously, is not possible. An increase in the jute prices would react immediately most unfavourably on the price of rice, and raise the general price level in the country. An increase of a rupee in the price of raw jute means Rs. 35 lakhs extra cost to the Government, because Government are large purchasers of sacking both for general consumption and for barter purposes."

I feel that the hon. the Commerce Minister is under a misapprehension. If you decontrol, there is no doubt that the prices of raw jute will go up, but what is the present position? At the present moment, the jute yield in Pakistan is said to be near about 60 lakhs of bales and in India it is about 33 lakhs. All the other countries, barring India, are being supplied with Pakistan jute at prices, which on our parity works up to Rs. 40 or so. How then do you expect jute to come on prices that you have fixed, namely, Rs. 35 or so? I may mention for the information of the hon. Minister—he may himself have that information—that whatever jute is coming into India from Pakistan is being sold not at Rs. 35 but definitely at higher prices. The higher prices may not be mentioned in the books, but not a single transaction is taking place at the controlled prices. Therefore, why be under the illusion that Rs. 35 is the control price and that the price will go up?

So far as purchases by Government are concerned, I am told that the industry is willing to supply to Government any quantity of sacking or bags that it needs for its own purposes at fixed prices. Therefore, so far as that question is concerned, it should be ruled out. There should be no difficulty there. Even yesterday, I talked on the phone with one of the important persons in Calcutta and he told me that the industry will be prepared to supply any quantity of bags that Government needs at controlled prices.

Shri Goenka: Do you think they are being supplied now at controlled prices?

Shri Singhania (Uttar Pradesh): That is being done even now.

Shri Himatsingka: I am talking of Government purchases.

Mr. Deputy-Speaker: If the prices are unremunerative, how can they supply even to Government at those rates?

Shri Himatsingka: There may be less. They can certainly cut down a certain amount of their profit.

Prof. Ranga (Madras): They will make it up by other transactions.

Shri Himatsingka: The other objection mentioned by the hon. the Commerce Minister is that they will have difficulty in barter deals. I cannot follow that argument. After all, if you exchange one commodity for another, both the countries which exchange their goods take into account the prevailing prices of their own commodities. If there is a certain price of wheat or rice in, say, Mexico and if they want burlap or sacking from us, we take into account the prices that prevail here and they take into account the prices that prevail there. On the contrary, if your prices are controlled, they will be tempted to say, "Look here, your price is Rs. 55, whereas our price is Rs. 30 per bushel of wheat". They will be tempted to point out and they will have reasons to say that our prices are controlled prices and therefore you can get only so much in exchange for a certain quantity of jute goods. Therefore, this cannot stand in the way. The two countries take into account the actual prices of the commodities to be exchanged. Therefore, the barter arrangements can be never affected by the decontrol of prices, especially when the industry is prepared to supply to Government all their needs for barter purposes at rates to be fixed by Government on a reasonable basis. Therefore, it seems to me that what Government should do is to raise the duty and decontrol the prices. The present difficulty of the industry, as has been pointed out, is the supply position of raw jute. It may be that other factors also may have come into play when the question of reduction of hours was considered, but definitely the supply position of jute is bad. The facts mentioned by Mr. Goenka as regards stocks of jute are quite correct, but we should not forget that the figures are for all the jute mills taken together. There are certain mills which have large stocks, so they can keep going for a number of months, whereas stocks with certain other mills are very low and the mills with lower quantities of jute in stock will come into difficulty. The main question, thus, is that we should have regular supply

[Shri Himatsingka]

of raw jute so that the mills may be in a position to continue working not only for 42½ hours as they have now been doing, but increase the number of hours. All the facts that have come before the House go to show that in spite of the black market prices charged from the purchasers, in spite of the fact that the prices are very high, still the needs and demands of America and other countries are not being met. Therefore, there is still room for more production being consumed by the purchasing countries. The one aim, therefore, that we should have is to have more jute made available to the mills. How can you have that done if you fix down the prices, which are unremunerative or which are much less than what the other countries have been paying to the countries which can supply jute. How do you expect the supplies to be maintained under such circumstances? Therefore, we should not stand on what may be called 'prestige'. The question of prestige may not come in. What we have got to do today is, because the control is not working properly and there are violations of the control, we should remove this difficulty, so that merchants may be in a position to bring more jute and meet the needs of the mills to the extent necessary. They cannot do so at the present moment on account of the risk that is involved in paying more than the controlled prices and selling the jute products at more than the controlled prices. In fact, as pointed out to the hon. the Commerce Minister at one of the meetings that we had of the Advisory Committee, a number of cases have been started against certain merchants who had brought in a large quantity of jute on the allegation that extra price had been paid in the purchase and also that they had sold the goods at extra price. As I said, the main question at the moment is how to make jute available and how to make the position of the mills such that they may not run short of the raw material and they may continue to be in a position to manufacture jute goods and make them available to all the countries in need of jute goods. If we do not do that I am afraid the result will be that the industry will come to grief. If you keep down prices at Rs. 35 raw jute will not come to the market. Either you do away with controls, or you shut your eyes as you have been doing. You cannot get jute unless you make it possible for every honest man to buy at any price at which it is available and make it available to the mills, particularly when they can afford to pay higher prices. Therefore the only remedy

that seems to me open at this present critical juncture is that we should remove controls on prices of manufactured goods and raw jute also.

The industry, as appears from the statement of the hon. the Commerce Minister, is against decontrol of raw jute. But that cannot be. No one will suggest that the prices of jute products should be decontrolled, whereas control should continue on raw jute. Both raw jute and jute goods should be decontrolled and should be made available at ruling prices, so that there may be no difficulty.

If you look at it from another point of view, whether it is control of prices, or whether it is otherwise, the mills are not affected. They are being paid the prices fixed by Government. Whether or not certain other persons charge higher prices, you leave that out; but so far as the mills are concerned, they are making their profit all right. Then, who are the persons who are affected by this control on prices of raw jute and jute products? It is the middlemen; it is the purchaser. If you really take into account the effect of this control, as was mentioned by my hon. friend Mr. Goenka, a large number of persons who are shippers have been knocked out automatically, because the five per cent. that has been allowed for shipment has enough temptation to the mills to take to shipping themselves and thereby oust other persons who are engaged in the trade. Similarly a large number of brokers and persons who were doing business of purchasing from the mills and then selling it to shippers, have also been knocked out because of the control of prices. You cannot have any contracts, because it is not available at controlled prices and money has to be paid under the table, or by other methods. Therefore, all these middlemen have been affected without any gain to the country. On the contrary the country has been put to a definite loss both by way of income-tax and otherwise. Whatever money is coming to this country by black-market is going outside the books, leaving no share to Government. Therefore, Government is the worst loser on account of this control: so also middlemen.

Mr. Deputy-Speaker: Does the hon. Member feel that the welfare of the middlemen is the welfare of the State.

Shri Himatsingka: The middlemen who have been carrying on this business are the middle class people, mostly.

What I was going to submit to you is, so far as the managing agents are concerned, they are big industrialists

and capitalists. You have protected them by fixing the prices of raw jute and jute products. You have given them certain definite profits. On account of control you have given them opportunities to make profits on account of higher prices ruling in America. Those prices, if they could be brought into the books would have gone to shareholders in the shape of dividends, and these shareholders are mostly middle class people. The action of the Government has, therefore, mostly affected people who should be protected. Certainly this is highly detrimental to the interests of the country, detrimental to the interests of business and detrimental to the long-term interest of the industry.

Now, even if you want to have State trading . . .

Mr. Deputy-Speaker: The hon. the Finance Minister wants to intervene in the debate; I intend calling upon him before lunch.

Shri Himatsingka: I shall finish in a short time, Sir. The hon. the Commerce Minister said that 90 per cent. of the goods had been taken possession of and 'directioned' under Government orders. The effect of such directioning has been that the profit which the managing agents and the mills, or the shippers might have made has been taken off and passed on to the American buyers. Instead of allowing the people here to make money you send that money to the American middlemen. The parties to whom these goods have been directioned at controlled prices have sold it to consumers at high prices. The consumers in America have not been supplied at controlled prices. This again is a foolish step in the sense that instead of the money being allowed to come into this country in one shape or another, it is sent away to foreign countries, without benefiting either the Government or any national. One could understand that instead of A getting it B or C gets it; but neither A nor B nor C has got it and it has been sent overseas to persons who can look after themselves.

Even if you want to have State trading you have to decontrol prices. I cannot understand the logic of Government. They want jute goods to be made available to foreign countries at reasonable prices. Well and good. If you want to have State trading, that will only benefit you if you take advantage of the ruling prices in America and sell it at the best prices available; otherwise, there is no sense in having State trading—in buying at

fixed prices and selling it at fixed prices. Decontrol is necessary whether you want to bring profit to the people who are in the trade or whether you want to bring the profit to Government. You cannot charge more than Rs. 55 if the control continues. Therefore, whether you want to have State trading, or whether you want to have free prices left to the trade, decontrol is the *sine qua non*. Without that you cannot think of State trading, because you cannot get any profits. Therefore, looked at from any point of view decontrol is absolutely necessary.

My hon. friend Prof. Ranga asks for whose benefit this control is being continued. To me it seems that control is being continued for the benefit of the outsiders or it may be under the belief that the long term interest of the country might require this control. The only angle that you have to examine it from is whether in the interests of the country from a long-term point of view you should continue the control. As you will have noticed from the facts supplied, all the foreign countries are taking jute from Pakistan. It was a different thing when there was no partition and this country could decide whether to send raw jute or not. At the present moment, because there are no mills in Pakistan so far—and even if mills come into existence within the next twelve months it will be only two or three—they have to export jute, and if the jute does not come to India they have to send it to other countries. There are in other countries 44,000 looms as against 68,000 or 67,000 in this country. Therefore, if they get full supplies of raw jute from Pakistan there is no bar to these looms being put into action not only one shift but two or three shifts and meet the demands of the rest of the world and thereby deprive this country of the advantage that it has of supplying hessian and other goods to America.

That is the position and, therefore, my suggestion is that under no circumstances should the control on prices continue even for a day. In this connection I may also mention that this matter was raised in the Standing Advisory Committee attached to the Commerce Ministry. So far back as 13th August, 1950, this question was raised by Members of the Committee. I also happen to be a Member of that Committee. And there was a definite resolution arrived at that prices should be decontrolled. I shall read the relevant portion from the Minutes of the meeting that were sent to us.

Prof. Ranga: Was it unanimous?

Shri Himatsingka: Yes. It is as follows:

"Price control over jute goods exports.—The position leading up to the Government's decision to control prices of jute goods exports was fully explained. During the course of the discussion that followed, *pros* and *cons* of continuation of control were discussed. Some members expressed their misgivings against the continuance of this control. The committee favoured decontrol but that the time as to when it should come into effect should be left to Government to decide."

What happened was that the Members at that time wanted this decontrol to be made effective immediately after the meeting, but then it was mentioned that we should try to have it, say, about the first week of October when we expected the International Monetary Fund to decide this question of exchange. Even at present what is happening? In spite of the fact that this exchange position has not been cleared up and exchange rates have not been fixed, whatever jute is coming is financed by money sent by private sources. And if there be no difficulties raised so far as the trade is concerned, then it will finance itself. The exports from this country will be quite sufficient to meet the imports from Pakistan, and it will be to the advantage of both the countries and the people of both the countries will be benefited thereby. Therefore, we should not have any difficulty in coming to a conclusion so far as this question is concerned. In my view the long-term interest of the industry also requires and calls for immediate de-control. After all, the jute mills industry is a well organized industry as has been pointed out by several hon. Members, and it is well-known. In fact even Government has depended, rightly or wrongly, on the thing being made effective by the industry itself. They know their interests. If they do not, well, they will suffer.

Prof. Ranga: Can we get a higher price in America by de-controlling it?

Shri Himatsingka: My hon. friend Mr. Ranga asks whether we can get a higher price in America. Very definitely. That is the whole question. As a matter of fact, the price in America is more than double of what is fixed and there is no reason why we should not get it. At the present moment the fear of substitutes is also practically non-existent. The price of cotton in America is more than double the cotton prices here. The price of paper also has gone up very considerably—hundred per cent. or even more.

There is therefore no risk of any substitutes coming into the market. If they do, it will be for the industry to decide as to when and how to meet the menace, and certainly they will be in a better position to decide that than the Government here.

I, therefore, suggest that so far as the duty is concerned it should be raised and the prices should be de-controlled.

One more matter. I have sent in a suggestion that Government should have the right to reduce the duty also. I was told that there is some provision in the existing Act. I could not, however, find any provision.

The Minister of Commerce (Shri Sri Prakasa): It is in section 3 of the Sea Customs Act.

The Minister of Finance (Shri C. D. Deshmukh): May I enquire from the Minutes of which Committee meeting the hon. Member was reading?

Shri Himatsingka: The Standing Advisory Committee attached to the Ministry of Commerce.

Shri C. D. Deshmukh: Sir, you must have heard of this Sanskrit poem:

Apriyasya cha pathyasya

Vakta srota cha durlabhah.

That is, rare indeed is the speaker and the listener of the unpleasant as well as the wholesome. We have heard a lot of unpleasant things said here and I have no doubt that the speakers believed that what they were saying was very wholesome. I now represent a listener who has realized how unpleasant some of the things said have been. But there is still a lingering doubt in my mind as to whether some of the things that have been said and some of the prescriptions that have been urged are really going to be wholesome for us.

Before I take up the specific points that have been made by the previous speakers, I should like again to try and define the scope of this discussion which you did the other day. The question is should there be export duties on the articles mentioned, and should they be as proposed in the Bill. The question of de-control is obviously relevant as a factor influencing the quantum of duty. But if arguments in favour of de-control are valid they must weigh in favour of a higher duty, as the arguments of Mr. Himatsingka, and not of a lower duty

as prices are expected to rise with de-control. Therefore, I take it that so far as the Bill is concerned there is general approval of the quantum of duty mentioned in the Bill.

Then there was discussion of the possibilities of State trading. Now, that is also relevant since, if any kind of State trading is introduced then the export duty automatically merges in the State's margin of profit. De-control I propose to deal with a little later, but I might as well say here what I have to say in regard to State trading, and that is, as my hon. colleague the Commerce Minister has stated, that the matter is still under consideration. Mr. Goenka wondered what the fate of the recommendations of the State Trading Committee's report is going to be. Although he added that he expected that any state trading would be a dismal failure, I myself would not go so far. My personal view is that in the existing circumstances, we shall find on examination that State trading in a commodity like jute will probably be found to be inadvisable. With the ex-soldier's courage, Mr. Tyagi has trodden on the thorny ground of the theory of export duties. Therefore, I think, a few words on that subject would not be out of place. I may refer him to the Encyclopedia of the Social Sciences. It would tell him that these duties existed in ancient Greece and Rome, because they are indeed pretty ancient. Their objectives have been mentioned (1) of course, they are a source of revenue (2) they are the means of preserving the supply of food or of raw materials, and therefore, they are used for the conservation of the natural resources of a country or for safeguarding internal consumption. Incidentally, there is an interesting fact which I find there and that is by 1660 these duties had been imposed in England on 212 articles. I mention this because you might hear complaints of the arbitrary action taken by the Government of India in imposing some of these duties on about a dozen articles. The third use of export duties was in the colonies of the European nations where they put them on the raw material exports to other countries in order to give themselves and their own manufacturers a preferential advantage, and in non-industrial countries they are frankly used for revenue purposes, but the incidence is usually small in the case of goods in which there is international competition, but where there is a monopoly or a quasi-monopoly, then they can be on the high side, as the incidence of the duty then tends to fall on the foreign consumer. An example of that is given there and that is the Chilean export

tax on sodium nitrate, which for many years furnished something like half the total Chilean revenue. Such a duty can remain high if it is desired to stabilize world prices at a high level for the benefit of the producer, but obviously, there are limitations to squeezing the foreign consumer. The high price may be expected to encourage competition from other producers or may foster the growth of substitutes or the foreign consumption or the demand may not be very elastic, and therefore, consumption will fall with advance in prices. The Chilean monopoly of nitrate has recently been—the House will be interested to know—severely curtailed by the rapid growth of international competition from synthetic and by the by-product of Nitrogen. I mention these facts because they carry a lesson for us.

Mr. Tyagi referred to developing production by utilizing the proceeds of export duties for the purpose, that is to say, by ear-marking them specifically for the purpose. (*Interruption.*) It is proposed to be done in Australia, I believe. Such a use is not unknown in Brazil. The proceeds of the coffee export tax were used to finance some coffee improvement schemes. Incidentally, outside competition has now considerably checked the Brazilian control of coffee prices at high prices maintained by means of high export duties.

Now, our major objective is in a sense revenue, but more essentially it is the control of inflation by checking the rise of internal prices by drawing off wind-fall profits. They are an attempt to tax high profit margins before they can impinge on the economy.

Shri Tyagi (Uttar Pradesh): I said something in connection with wool and sheep.

Shri C. D. Deshmukh: I am turning to some of the raw things which Mr. Tyagi mentioned—I mean raw wool. There has been more or less cent. per cent. increase in the price of wool and I do not think that the imposition of this export duty is going to hurt the shepherd, much less the sheep. So, I do not think Mr. Tyagi need anticipate any difficulty in wool gathering. It is only to a few black sheep that he might say: "Ba ba black sheep have you any wool" and I hope the answer will be as encouraging as in the nursery rhyme. I will continue in the afternoon, Sir.

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

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

[MR. DEPUTY-SPEAKER in the Chair]

Mr. Deputy-Speaker: The hon. Finance Minister was wool-gathering.

Shri C. D. Deshmukh: Well, in regard to wool, difficulty was raised in the matter of *ad valorem* assessment of wool. *Ad valorem* assessment has become necessary because wool is of different grades and qualities and its value differs widely so that a specific duty would be very unequal in itself, and may weigh heavily on the lower grades. On the other hand, from the customs point of view, *ad valorem* assessment does present some difficulty, as an hon. Member said, as a considerable amount of wool exports are sold on a consignment basis and prices are determined after auction in the United Kingdom. Under the Sea Customs Act, the market value is the F.O.B. value obtaining at the ports. So, in the absence of contract documents indicating the price at the time of the export, customs houses will have to take consignment goods value similar to that for goods which are exported at about the same time on contracts with specific prices. I admit that there is a certain amount of difficulty here. The position will be watched and if there are likely to be large differences between the contract prices and the prices of auctions in the United Kingdom, then, we shall have to apply our mind again to the method of assessment.

Shri S. C. Samanta (West Bengal): On a point of information, may I know why auction takes place at Liverpool and not in our own country?

Shri C. D. Deshmukh: Each trade has its own practice, obtaining over a long period. I suppose we are not the principal suppliers of wool. So, it must be part of the general trade convention. I cannot give any more adequate answer to that question.

Mr. Deputy-Speaker: There are certain centres of trade in the world.

Shri C. D. Deshmukh: They have developed over centuries.

Shri S. C. Samanta: There are other countries where they have auctions in their own places.

Shri Tyagi: Perhaps, you get a better price in Liverpool.

Shri C. D. Deshmukh: These things, I think, are influenced by the relative

importance of the country. We are important exporters of tea and we are making attempts to see that Calcutta also develops into an auction centre. These are matters which are only developed after certain experience has been gained.

To return to wool, Sir, while he was on the wool sack, Mr. Tyagi referred to brandy. I think he criticised our narrow policy of taxation for earning revenue and he cited the case of imported liquor generally and the case of importing brandy for 50 lakhs. His figures are wrong and therefore, his arguments are wrong. My figures are as follows: 1947-48: brandy 30 lakhs, all liquor 3,72,00,000, revenue from liquor 1,92,00,000; 1948-49: import of brandy 27 lakhs, all liquor 2,11,00,000, revenue from liquor 1,74,00,000; 1949-50: import of brandy 13 lakhs, all liquor 1,80,00,000, revenue from liquor 110 lakhs, not fully realised, but expected. I should also mention that more than half of the liquor imports comprise drugs, medicines, chemicals containing spirit, and whisky is only about one-sixth out of that. The present exchange allocation for all liquor is 50 lakhs.

Shri Tyagi: I wish the hon. Minister good luck. But, I want to know whether really some brandy was imported from the point of view of earning revenue recently or not.

Shri C. D. Deshmukh: I think it was imported for humanitarian purposes.

Shri Sondhi (Punjab): Due to cold weather?

Shri C. D. Deshmukh: I shall now come to cotton waste. I shall not waste much time on it because most of the difficulties that have arisen to which our attention was drawn by people interested in the trade, or people who were interested in those people, have been removed, I think, by the action that we recently took. We made special arrangements in the interests of those who had entered into forward commitments, in recognition of the fact that they had bought forward also from the millowners, so that all the incidence of the duty would have been entirely on them, and we realised that that might have been on the heavy side. I shall next come to raw cotton, and I found that while on raw cotton Mr. Tyagi got himself entangled in short and medium cloth. It is true that last year we had the curious spectacle of our importing expensive cotton for our own use and exporting our cotton in the form of short and medium cloth. I think, this year, that

position is in the course of being corrected. We have put a ceiling on the export of short and medium cloth, and also we find that with the rise in prices generally, our fine and superfine cloth is selling very well in the foreign markets. That is very cheering tendency and we hope it will continue, because, if it does, then we shall be able to import cotton, process it, and export it and earn the processing profits.

In regard to jute, I shall have to say a good deal. I should here like to refer to Mr. Tyagi's complaint against the Commerce Ministry. What I would like to say is that the rule of the administrator must be distinguished from the role of the speculator and that of the *post mortem* critic with his beautiful and clear hind-sight. The administrator has to make his judgment while the events are shaping themselves and things are not quite so clear as they are when that time has passed, you can look back and get a clear idea of what mistakes if any have been made. I would however agree that perhaps the jute control organisation of the Commerce Ministry requires to be reinforced; I think it wants an astrologer, a *ganitagna*, . . .

Shri Sondhi: They are available now.

Shri C. D. Deshmukh: . . . and a *gunnythagna*, a fellow who is well versed in calculations and sacks. Such a man would, I am sure warn the Commerce Ministry in advance about Korea and other international complications that have taken place since.

Now, talking of *gana tantra* brings me to my friend Mr. Goenka who has flung at us a fervent flood of figures. In spite of his belief to the contrary, I can assure him that we also have some figures and some of them happen to be a little more up-to-date than his.

Before dealing with some of these figures—and I do not propose to go very deep into them—I should like to deal with his complaint about the treatment meted out to the *Ad hoc* Devaluation Committee. I was not here all the time, and I cannot very well say why his very important report or note on jute was not attended to, if indeed it was not. I should imagine that it was considered with all the respect that was due to it and perhaps there was some failure in not informing him of the conclusions arrived at. In any case, he has admitted that the matter came up in the Budget discussion and he had another opportunity of having his say, although it was not with such elaborateness as

we have had now on this occasion. He did point out then that in his opinion, the export duty ought to be raised. I do not think he suggested then that decontrol was the remedy. Well, when I came on the scene, I got to know of these grievances and I took the earliest possible steps to convene a meeting of the Devaluation Committee. I think we met on the 10th August, and I think Mr. Goenka is slightly inexact when he says that this matter was not referred to them. I have here a copy of the memorandum circulated by the Ministry of Finance, Economic Affairs Department, and I think it was sent to all the members of the *Ad hoc* Committee on Devaluation, on the 5th August, 1950, and in one of the paragraphs—no it is in clauses—in clause 4 we dealt with the jute situation. Perhaps if Mr. Goenka refers to his papers again, he will find that what I say is correct.

Shri Goenka: I know it.

Shri C. D. Deshmukh: Then I think his charge is not quite correct that the matter was not referred to them at all. What happened at that committee was that there were so many important subjects that were discussed that this matter perhaps did not receive that amount of consideration which . . .

Shri Goenka: This matter was not touched at all.

Shri C. D. Deshmukh: When a note is circulated, it is open to the members to raise any matter in which they are interested. Well, I think the first part of that meeting was taken up with my apologies on behalf of the Ministries of Commerce and Finance for not having called the meeting earlier, and I explained to them that I considered their advice was valuable and would continue to be valuable; and then I went on I forget which—perhaps to cotton textiles or something else. What I say is, it was none of our fault that the matter was not highlighted in that meeting.

Then Mr. Goenka complains that even in the November meeting, this subject was not referred to. The reason is obvious. That meeting took place, I think, on the 10th November when Parliament had already begun its session and we had put in a Bill on this very subject. Had we not done so, he would not have had this opportunity that he had now of explaining his views in such details. So I cannot see where his grievance lies against the *Ad hoc* Devaluation Committee, at least so far as the period after August is concerned.

[Shri C. D. Deshmukh]

Incidentally I might deal with one of the points he has made about smuggled gold and how I thought it is financed. Well, I think it is financed in the way he suspects, by over-invoicing imports and under invoicing exports. But we should really be a wonderful country if we were able to remove all these evasions. I do not believe we are unique in that respect. Generally speaking our import-export controls, I think, are fairly effective, although there are perhaps many faults with the actual administration; but they have been and are being corrected from time to time. I do not believe there is any country in the world which can claim that they have completely eliminated black markets. And I do not really know what that argument of his leads to, except that by analogy he is to say that therefore your control in jute must have failed entirely. Well, I believe my colleague the Minister of Commerce will have something to say about that; but we are not inclined to agree with Mr. Goenka that the control has failed so entirely and completely, because if that had been so, then prices would have been higher, much higher than even before, and the consumers of jute goods in America would not have represented to us as they are doing now, that we should make efforts to make our goods available at more economic prices.

Now I shall turn to the historical perspective in regard to this management of the control of jute goods. As my colleague said, the industry was in a bad way just before devaluation, and we had been receiving evidence that we were losing ground in the United States and indeed that was one of the reasons which influenced us in arriving at the decision to devalue. Then having done that, it would have been a Gilbertian procedure if we had proceeded to again raise our prices so as to neutralise devaluation entirely. And I think that is the answer to the question which Mr. Tyagi asked. Soon after devaluation, I happened to be in New York and was in close touch with the consumers of our jute goods there, and I discussed the matter with them. At one time I myself was inclined to think, perhaps it would be worthwhile taking off the ceiling—I cannot trace the papers here—but I believe that I conveyed some sort of suggestion in my capacity as financial representative of Government. They pointed out that the raw jute position was not quite certain, and that they did not want to prejudice the chances of obtaining raw jute after a solution of the exchange difficulty with Pakistan. But I believe that that policy was right, looking back

now, because after a little while, when it became clear to the American consumers that our raw jute would be available as a result of some agreement, prices started falling which shows that the rise in December-January was solely due to their expectation that later on Indian jute mills would be in difficulties. By June prices had come down within one cent of the parity price inclusive of the duty. The parity price was about 16 cents and the spot price was 16.20 or 16.18 cents or so. But for the development of the Korea situation, I believe we should have been able to demonstrate that the policy that we followed was the correct one and that only a very small margin was left within which the black-marketeer could operate. The situation as it appeared to us after the outbreak of hostilities in Korea was explained to the *Ad Hoc* Devaluation Committee. We are aware that suggestions were made then that perhaps decontrol was the best policy. But at that time I expected to go to Paris in connection with the meeting of the International Monetary Fund and I had every expectation that the question of the par value of the Pakistan rupee would be solved at that meeting. That was within a week or ten days after the session. I am not quite sure of the date. Anyway I left on the 29th August. The meeting was on the 6th September and I thought that in a fortnight's time the whole question would be settled. We had extended our own area of jute and we had encouraging reports of the sowing. Pakistan had also made an agreement with us which was being implemented and there was the prospect of the dispute between the two countries being settled, which meant that our jute position was going to be tied up beautifully. Once that had been tied up I think every one will recognise that this question of the control loses its importance. As long as raw jute is available to us we can unseal all the looms, we can increase the number of working hours from 42 to 48. We can turn out jute goods much cheaper than any of our competitors.

I was away for a month and a half and returned in the middle of October. I found that this question meanwhile had been piling up. We took the earliest opportunity—it was the first step before we did anything else—of raising the duty from Rs. 350 to Rs. 750. We also started considering the question of State trading and within a month of that action we found that there were some difficulties which we had not foreseen in the beginning with regard to State trading. Therefore we took another first-aid step, so to speak, and that was to raise the duty to Rs. 1,500. In view of all this:

I really do not see where Government showed that inaptitude with which they have been charged not only by critics outside but by friends inside also. I have not very much to say for the factious outside critics. They remind me of the maxim: *Andha-golangula-nyaya*. There was a blind man and he did not know which way to go. There came then a good Samaritan and he put the tail of a young cow into the blind man's hand and said "You follow that cow's tail". You can well imagine the result. I think such guides are not reliable, however much they may swear by the cow's tail. I am referring to outside critics, Sir.

As regards the critics inside the House I am prepared to attach very great importance to the views they have put forward. But there are pros and cons which have to be weighed very carefully. They themselves realise that the fortunes of the jute industry, which is one of our most important industries, are likely to be affected by any action that we may take. Therefore we should not take any action lightly.

I have got heaps of literature here which shows what the American view is of the future possibilities of our jute industry. There is a paper here in particular which we received from the Commerce Ministry of the U.S.A. in the middle of January last and their conclusions were that we have to be very cautious in what we do in regard to our supplies of burlap to them: otherwise there was a very great danger of our losing the market. I shall not weary the House with the figures that I have, because the lesson of it to my mind is quite clear.

I had quoted certain figures showing how paper bags were replacing jute bags and there I think Mr. Himatsingka said that that danger does not exist, because paper prices have gone up. I do not know the cause and the effect. It may be that they have gone up partly because of general reasons or partly because jute bag prices have gone up. We are in a sort of vicious circle and it would be too simple to assume that merely because paper now is not in a competitive position we can afford to take measures, the only effect of which would be to increase the price of our manufactured jute goods to U.S.A.

Shri Himatsingka: Why increase the duty then?

Shri C. D. Deshmukh: If you decontrol they are bound to increase: there is no question about that, unless we have raw jute. The key to all this

problem is raw jute and nothing else. You may diagnose it any way you like but the prognosis is a certain reliable supply of raw jute.

Shri Himatsingka: That is my point also.

Shri C. D. Deshmukh: If you solve that issue you have solved all other issues. I shall not take up the time of the House by quoting the figures. I am prepared to prove the case to the hilt as well as my hon. friend was able to do. I have been in possession of these figures for a much longer period than he has been.

Shri Goenka: That is true.

Mr. Deputy-Speaker: Have our Trade Commissioners said anything in this regard?

Shri C. D. Deshmukh: No, because I only came back in November. I came back with an up-to-date appreciation of the situation there and I had several meetings with the Commerce Ministry. It was considered that it was not necessary again to call upon the Trade Commissioner.

Another small minor effect of taking off control would be that many of our existing contracts would come into trouble. There would be some difficult period of adjustment but I do not wish to overstate the importance of that argument.

It seemed to me that Mr. Himatsingka rather brushed away lightly the possible reaction on the food situation. Here again it may be that he is right or he may point to sugarcane, jute or cotton and say food prices do not stand in any jeopardy. I am not so sure, for these things are cumulative in effect. Simultaneously if you take action in the direction of increasing the cotton price, you follow it by raising the sugarcane price, then you go to another area and increase the jute price and thereafter to other sectors and increase the prices of some other cash crops, I fear that the cumulative effect may be sufficient to unsettle the mind of the cultivator who is supplying grains to us, especially in the very difficult conditions this year and it may influence him to withhold his grain. If he does, we are the sufferers.

Shri Goenka: Is it not the policy of Government to make the country self-sufficient in jute?

Shri C. D. Deshmukh: I am not referring to the direct replacement of

[Shri C. D. Deshmukh]

cereals by jute. That area is not a very extensive one. I believe that we shall be losing about 120 to 150 thousand tons of cereals by the extension of jute. It may be utmost 200,000 tons. That by itself would not be very much. I am referring rather to the possible indirect effects of our increasing the prices of cash crops. Today although the Agriculture Ministry and others concerned were very chary of entertaining any idea of controls on things like oilseeds, they are considering—it is not secret—it very seriously. The problem is still with us and in this year of all years I should be very reluctant to take any possible risk that would affect the food situation. We have fortunately the exchange to buy the food. Ships are being ordered. Within the next six months a ship laden with grains will be touching our shores every day. But even so we must be very chary. Somewhere some ships may be held up. After all the inner man has to be satisfied every day and he cannot wait for five or six days before a ship touches our shores. Statistics do not sustain an empty stomach. That is an argument which makes us very reluctant.

Pandit Thakur Das Bhargava (Punjab): Even if there is some divergence the crops will not be ready before another six months.

Shri C. D. Deshmukh: The hon. Member is still on the point of divergence. I am not concerned with the problem of direct divergence at all.

Mr. Deputy Speaker: He means indirect divergence.

3 P.M.

Shri C. D. Deshmukh: Yes, on the psychology of the provider of our food. I place the argument before the House—it is for them to attach whatever importance they are inclined to attach to it.

So, although one sees in the short run various advantages from this golden fibre—which my hon. colleague described as the noose—by leaving it uncontrolled, I say, don't kill the noose that lays the golden eggs—I mean the goose.

Shri Tyagi: Just as you choose.

Shri C. D. Deshmukh: We have to be very careful what action we take. So, I claim that we may have been delayed a bit by expectations which proved wrong as, for instance, in regard to the Pakistan rupee, but on the whole I believe we have acted

circumspectly and expeditiously, and I say that we are still keeping our minds open in the sense that we don't take a decision for all time. We shall be watching the situation and if it alters materially, well, then it is open for us to take another decision. I would like to repeat again that in the meanwhile what we ought to do is to see whether there is any chance of an agreement with Pakistan which would supplement towards the end of the season the supply of jute that would be available to our mills, and that we may not follow the will-o'-the-wisp of this Pakistan rupee settlement which has led us into these repeated delays. I myself don't bar out that when the interests of two parties are concerned, one to sell and the other to buy, there may be means of bridging the differences between them in a restricted sphere. In the meanwhile, I agree that the competitors in other countries are taking advantage of the situation and much of the raw jute is going to them. Even if that were to happen, I suppose its effect, when it begins to be felt, could only be in the direction of keeping down prices. All the same it is necessary that we should not allow the prices of our jute products to go very high if we want to keep our position in the world market. I don't think there is any difference in opinion in regard to that.

I have more or less finished. Mr. Goenka was kind enough to refer to my hon. colleague as the son-in-law. I would in that connection commend what *Mahamahopadhyaya* Pandit Krishnamoorthi Shastri, the poet laureate in Sanskrit in the Madras State has said about the father-in-law:

"Kshamahinair naiva shwasurpada madhyasitumalam."

That is to say, it is no good being a father-in-law unless you have lots of patience.

Shri Hussain Imam (Bihar): Before I commence my remarks on the Bill . . .

Mr. Deputy-Speaker: Hon. Members would kindly be brief. We have already spent two days over this Bill.

Shri Hussain Imam: Yes, Sir. But the example was set by Mr. Goenka of taking three and a half hours.

First of all, I wish to make a representation to the hon. Finance Minister in connection with the request that I made yesterday that we should have a day to discuss the sterling balances as well as the Colombo Plan, as that also awaits discussion. Secondly, I should like to explain to the House on behalf of myself as a member of the Standing

Committee of the Department, why this Bill came in the form in which it has. It is expected that the members of the Standing Committee are to enlighten the hon. Ministers with the viewpoint of the House; and we would be singularly failing in our duty if we did not bring to the notice of Government the feelings of this House. My own reason, or rather defence, is that the Bill had to be introduced before prior consideration by the Standing Committee, as it was a taxation Bill. It is a proper safeguard which is taken by every Government not to bring forward for discussion taxation measures before they are made effective. It is for this reason that we have a provision for anticipating the sanction of the House and collecting taxes immediately after the Bill is introduced, for sixty days, pending its passage.

There is a fundamental difference which distinguishes this Bill from the other money Bills. Throughout the democratic world, it is a well-established principle that no measure of taxation can be brought forward by the executive without the sanction of the people's representatives. But that presupposes the burden of taxation falling on the citizens of the country. This practice was established since the Magna Carta on the principle that the taxation is to fall on the backs of the people who are represented in the House. The nationals cannot be taxed and should not be taxed and I hope will never be taxed without the proper sanction of this House. But, when they are taxing not our own nationals but foreigners, surely that principle and that deterrent does not apply in the same manner as it would if the taxation were in the shape of an import duty. Because, in the case of an import duty the incidence would have been borne by the consumers inside the country. Here what we are doing is that we are mopping up the profits which were likely to be made either on this side by the traders in this country, or profits that are likely to accrue to the foreign importers. I therefore submit to the House that while safeguarding and upholding the principle of 'No taxation without representation', we should distinguish from that principle the case of this Bill. Here we are not controverting the well-established and fundamental principle.

I agree with Mr. Goenka that the only stable and final solution of the matter lies in increased production. But circumscribed as we are with a hundred and one problems on our shoulders, is it possible for us to be idealists? Let us consider the facts of the jute industry of the world, not of

India. I remember from the statistics published in the United Nations bulletins that more than 60 per cent. of the jute looms are situated in India and a little more than one-third are in the rest of the world. That is the installed capacity, neither the producing capacity, nor the actual production. What we have done is that we have sealed looms under an agreement by the Jute Mills Association. Then, again, we have reduced the hours of work. These two factors reduce our production to an extent of which I have no figures with me. I would like the Commerce Ministry to study these actual production figures of the world and find out what proportion falls to our account. My own analysis is that in the coming year, 1951, probably our production will be about 50 per cent. of the world production. That takes away the ground that we have the monopoly of production in jute. No doubt, we had—when I say 'we' I mean the old India, i.e. India plus Pakistan—we had the monopoly of raw jute production, but we never had and we do not now have any kind of monopoly in the production of finished products. Now, in view of the fact that we have reduced our production, we have reduced the hours of working, we are really placing a premium on the foreign manufacturers of hessians. They will be able to buy the jute at higher prices from Pakistan and even at the higher prices they will be able to sell the hessians at cheaper prices. The present condition of the jute market is not a normal condition. It is an abnormal condition, brought about by the Korean war, and the general scare and the expectation of a third World War. If the situation cools down, instead of the hon. the Commerce Minister having to increase the tax, I think that the time is not very far off when he may have to reduce it, because as it is, the incidence of our customs duty comes to 88 per cent. of the cost of hessian. I do not think that it would be possible to continue with this high export duty for any length of time. As I said, it will help the foreign producers. It will give them protection and induce them to buy very much more from Pakistan.

In this connection, I was told—though not by a really reliable authority—that raw jute is being exported by Pakistan via Calcutta and there is a very appreciable amount of jute which has been exported like this.

Shri Himatsingka: That is correct. More than two lakh bales a month.

Shri Hussain Imam: That should be a warning. By every increase of the duty, you are placing a premium and

[Shri Hussain Imam]
 helping Pakistan to find a market for its jute.

Much has been made about the open market price of hessians in America. As was well pointed out by the hon. the Commerce Minister, the open market price is a shade of our black market. Would the House approve of the principle that the countries from which we import foodgrains should place an export duty on their food exports on the same basis and analogy that the black market prices in India are of the order of Rs. 35 a maund of wheat?

Prof. Ranga: What is the big idea?

Shri Hussain Imam: I say, this is fantastic. I feel exactly as my friend Prof. Ranga feels. It is not the black market price which should be the guiding principle. It should be the control price. As the hon. the Commerce Minister and the hon. the Finance Minister pointed out, the difference between the landed cost now and the prices in the afloat market is very small. What I feel is that when the duty was introduced at Rs. 350 a ton, it was sufficient under those conditions and the abnormal rise of the price was due to three things: firstly, war—this was the most potent; secondly, fear that the production of India will be very much smaller and thereby exports would be reduced; thirdly, the unwillingness of people to embark on importing things from Pakistan due to the fact that there is untold delay. When the ships come to Chittagong port, they have to stay there for weeks, sometimes four weeks, sometimes five weeks and sometimes even six weeks. These were the reasons that had made this windfall possible. I think the hon. the Commerce Minister was very modest when he said that he asked the Finance Minister about the present he was making to him and he was indifferent. I think it is a windfall, the like of which it has not been the good fortune of any Finance Minister to see. By raising the duty to Rs. 1,500, he is going to get something like three times the income which he was having from the export duty on jute goods before.

I believe that the present trend of jute prices is likely to go down in the not very distant future. I also believe that production will start in countries where previously it was negligible due to the fact that we are increasing the price of jute products. I feel that the hon. the Commerce Minister was perfectly justified in saying that we must be very careful while taxing jute. As it is, substitutes are invading the market. They have ousted us from many markets. Even in our own country, cement is now being sent in paper

bags. If paper can oust jute right inside the country (*Interruption*).

Prof. Ranga: It has not ousted.

Shri Hussain Imam: Not ousted, but it has replaced it at many places. Dalmias are sending their cement in paper bags. I have studied the question of the replacement of jute bags by paper bags in America. While the consumption of paper bags has increased by nearly four times the quantity that used to be consumed before the war, the increase in jute consumption is only about 30 per cent.

Shri Himatsingka: We cannot supply.

Shri Hussain Imam: It is not a question of 'cannot supply'. It is a question of the fact that the problem of India versus Pakistan jute has only arisen in September last year, when we had devaluation. Before that, there was no trouble. But I say, we had sealed off our looms much before that. The number of hours were reduced even before that. So you can very well realise that it was not that our things were so cheap that we could compete. We had to find artificial props to keep up the prices. It is a well known principle that with reduced production and increased demand, the prices tend to go up. Is it the policy of Mr. Goenka that we should produce more, sell more and reduce the prices? The result will be that the income of Government from the duty will be reduced and the problems of the foreign purchase of foodgrains will be increased. These two harms are bound to come when we allow decontrol of jute prices. People will, as usual, try to grow the thing which will give them the largest profit. The reason why we are having the present production of jute is that the prices are fixed. Next year, if we allow the prices to go up,—it is only about three months more for the jute sowing season to commence,—if we allow this diversion, it will mean a very large increase in production. I would remind the House of what happened to the sugar industry in 1935. I come from a sugar-cane producing area in Bihar. We had to sell cane at the trifling price of Rs. 0-3-6 a maund.

Mr. Deputy-Speaker: The general effects of decontrol have already been witnessed in many other lines. So, I do not think that the hon. Member need go into that.

Shri Hussain Imam: I merely touched it. I am not elaborating it. I feel that placed as we are, we cannot choose whatever we like. Our choice

is restricted by our plan of self-sufficiency in food as well as in jute and cotton—I do not want to leave cotton behind. We have to integrate production of the three things in such a manner that we may have all these things increased gradually by bringing more land under the plough than by diversion. That will naturally take time and I think that a Government and a people who are impatient cannot succeed in the end. I, therefore, feel that the Bill deserves well of this House.

Pandit Kunzru (Uttar Pradesh): The Finance Minister towards the close of his remarks reminded us that the main problem with which we are concerned was that of the supply of jute. Yet this question has received very little attention at the hands of those quarters who have taken part in the debate so far.

It is, I know, the responsibility of the Ministry of Agriculture to take the measures necessary to increase the production of jute, but I think that my hon. friend the Commerce Minister could, in spite of this, have given us some indication of the general policy of Government with regard to the future jute production. My hon. friend said that the shortage of jute which the mills would be faced with even if the hours of work continue to be as limited, as restricted as they are now, could be made good only if it was possible for us to buy jute from Pakistan. It may be true that this year at least we cannot supply the mills with the jute that they need from our own production. But what he said created some uneasiness in my mind with regard to the future policy of Government. Let us suppose that in the course of the next three or four years the exchange difficulty is satisfactorily settled—what will Government do then? Will they revert to the previous state of things? Will they allow their production to go down to the level at which it stood at the time of the partition? The jute grower has served the country magnificently. When partition took place, I believe we produced only 25 per cent. of the total jute production of India and Pakistan. Today, taking the figures given by my hon. friend the Commerce Minister, it seems that jute to the extent of 60 per cent. of our requirements is grown in India. It is very necessary for the country to know what policy Government propose to follow in regard to this matter in future. Will they leave the producer, the cultivator, who has done his best to respond to the country's need in the lurch? If they unfortunately do so, they will perhaps never be trusted by the poor cultivators

again. I think it is, therefore, necessary, in my humble opinion that the production of jute should not be allowed to fall below the present level. If the future course of prices makes it impossible for the Indian cultivator to continue production of jute to the present extent, that is another matter. Government will not be responsible for it. But Government themselves should do nothing to place the cultivator, who has served them well, in a difficult position by their own action.

The next question that arises in this connection is whether, after the settlement of the exchange difficulty, Government will only be concerned with the maintenance of the production of jute at the existing level, or will the present policy of expanding it remain in force. The previous Finance Minister assured us in one of his speeches that it was the policy of Government to take such steps as would ensure that the jute industry was not exposed to avoidable risks in future. He himself was in favour of our becoming self-sufficient in jute. The Food Minister has assured us that we can grow all the jute that we require without reducing our ability to become self-sufficient in respect not merely of food, but also of cotton. I do not know to what extent his calculations are correct, for the Export Promotion Committee was of a different opinion. The Food Minister has never placed before us the data that would enable us to judge whether his optimism is justifiable or whether the calculations of the Export Promotion Committee are more dependable. But, assuming for the time being that the Food Minister's anticipations may turn out to be correct, we should like to know whether Government will continue to make an effort to make India self-sufficient in respect of jute and cotton. It is true that if such a policy is followed the total quantity of jute available in India and Pakistan would be much more than is available now. But, as the Finance Minister has said, if prices fall considerably below their present level it should be no cause for dissatisfaction. Indeed, the present situation is abnormal, and to the extent that the threat that the jute industry now faces from the competition of other commodities is removed it should be a matter of satisfaction to us.

The next question on which I should like to be enlightened by the Finance Minister and the Commerce Minister is this. If we desire that the jute cultivator should be able to sell his jute, should be able to get the maximum price that he can for his jute, and that every ounce of jute available in the country may be procured for the

[Pandit Kunzru]

jute industry, it is necessary that certain facilities for the purchase of jute should be provided in India. Government know well the arrangements that exist in regard to the purchase of Pakistan jute at the present time. Facilities have been provided for the storage of jute and for its transport. In addition to this, financial facilities too are available. But contrast with this the state of things existing in India. It is surprising that in spite of the handicaps from which the jute grower and the purchaser of jute suffer, the production of jute has risen so appreciably in the course of two years. If the facilities that I have suggested are provided, if there is a well organized jute market in India, there can be little doubt that even in the present circumstances more jute may be available to the jute industry than the jute interests consider possible at the present time. This is a matter that should have been attended to by Government long ago. Why their attention has not been directed to this matter, I do not know. But whatever the reasons for it may have been, it is necessary that the arrangement for the purchase of jute in India should be no less efficient than that for the purchase of Pakistan jute.

My hon. friend Mr. Hussain Imam spoke of the danger of diverting Pakistan jute to foreign mills. I appreciate the force of his argument. But it seemed to me that when he was speaking, he was thinking only of the jute trade between India and Pakistan.

[SHRI HIMATSingka in the Chair].

The exchange question affects not merely jute but the entire trading relations between the two countries. It affects cotton and foodgrains and hides and skins and so on. And it affects the price at which we are to sell our goods to Pakistan. The question therefore is not as simple as he thinks. In April last it seems that Government thought this matter to be as simple as my hon. friend Mr. Hussain Imam seems to think. But I am glad to see that they have taken a more correct view of the matter and are not prepared, at least just now, to repeat the action that they took in April last.

The question whether jute prices should continue to be controlled or not has been discussed fully by the hon. Members who have taken part in the debate. You, Sir, suggested that the ceiling on export prices should be removed. You thought that this need not affect internal prices. I am inclined, however, to agree with the Finance Minister rather than with you. It is hardly likely when jute export is de-controlled that the jute grower will

not put the maximum pressure on Government to have the control on prices of raw jute removed. If the control on raw jute is removed we shall be faced with a tremendous danger. There will be not merely unprecedented competition among the purchasers of jute and a large, perhaps a wide, rise in the price of raw jute, but we shall also be faced with the effect of this rise on other commodities, particularly on our foodstuffs. My hon. friend the Commerce Minister referred to the effect that the rise in the price of raw jute would have on the price of rice. But it will not stop there. It will affect the whole of our economy. It seems to me therefore that there will be a serious danger if we de-control jute export. I am glad to know that Government are not inclined at present to agree to the suggestion made by more than one hon. Member in this respect. So long as the supply of jute continues to remain limited, it would be a most dangerous thing to decontrol jute export.

I should like to say a word about the enhancement of the duty on hessian, proposed by Government. By an Ordinance issued towards the end of October last, the duty was raised to Rs. 350, and it is proposed in the Bill before us, which was published on the 18th November that it should be raised to Rs. 750. Within less than a month of the issue of the Ordinance that I have already referred to, Government have found it necessary practically to double the export duty, but we find that the price of hessian in America is substantially above the price at which it should be sold, after taking into account the new duty. There is a substantial difference between the price as it should be, taking into account the duty of Rs. 750 and the price at which hessian is selling in the American market. Now, my hon. friend said in his opening speech that Government had not taken action earlier to raise the duty on hessian, because they wanted to have time to see whether the price at which hessian was being sold in the American market would last. The situation being what it is, those conversant with the jute industry are inclined to think that the present American prices are not likely to go down in the near future. The situation is undoubtedly abnormal and we should do all in our power to see that the export trade resumes its normal features as soon as possible but for some time, at any rate, our hope is not likely to be realized and no efforts of ours can affect the situation. I should, therefore, like to know why Government have proposed a duty that is already leaving a large margin for people who are expert in selling jute

goods in the black market. Is it intended, after the Bill is passed, to take action, to raise the duty, if Government find that in the course of the next three or four weeks the American prices do not go down? People are already suggesting that the export duty on jute should be raised to Rs. 2,000 or Rs. 3,000. I am not in a position to say what it should be, but the financial journals and the jute goods prices published in the daily papers make it clear that the margin, between the prices as it should be and as it is now, is very large. I hope that my hon. friend, the Commerce Minister will be able to tell us why Government are leaving this wide margin now and whether it is their intention subsequently to raise the duty further.

पंडित ठाकुर दास भार्गव : जनाब चैयरमैन

साहब, मैं आप का शुक्रगुजार हूँ कि आप ने मुझे बोलने का मौका दिया। यह जो सवाल जूट का है वह एक तरह से इस वक्त टेढ़ा सा सवाल बन गया है।

श्री श्यामनबंन सहाय : यह झूट का सवाल है जूट का सवाल नहीं है।

पंडित ठाकुर दास भार्गव : कुछ मॅम्बर साहिबान फरमाते हैं कि यह जूट नहीं सारा झू ही है और कुछ मालूम भी ऐसा होता है क्योंकि आनरेबिल कामर्स मिनिस्टर साहब ने जो अपनी तक़रीर की उस में भी उन्होंने एक तरह से यह तसलीम किया कि १२ करोड़ रुपये का नुक़सान इस देश को हो चुका है। श्री गोयनका साहब का अन्दाज़ा उन के मुकाबले में कहीं ज़्यादा है और चन्द और साहिबान ने भी जिन्होंने अपनी राय जाहिर की है इस का अन्दाज़ा ज़्यादा बतलाया है। लेकिन बदकिस्मती से इस मामले में मैं जाती तौर पर किसी ऐसे नतीजे पर नहीं पहुँच सका कि जिस को मैं कह सकूँ कि वह तसल्लीबल्खा है। लेकिन मैं यह जानता हूँ कि इस्तगासा चाहे, कुछ ही कहता रहे, लेकिन अगर मुलज़िम भी किसी क़दर इक़बाल कर ले तो यह मान लेना चाहिये जहाँ तक मुलज़िम कहता है वहाँ तक तो कम से कम ठीक है ही।

श्री गोयनका : हिन्दी में बोलिये, आप तो उर्दू बोल रहे हैं

पंडित ठाकुर; दास भार्गव : मेरी उर्दू भी हिन्दी के मानिन्द है। इस वक्त मुझे एक मसल याद आती है। वह यह कि मोर नाश्ते हुए जब अपनी शकल को और अपने पैरों को देखता है तो निहायत खुश होता है, पर जब वह अपने पैरों की तरफ़ देखता है तो वह रोता है कि परमात्मा ने ऐसे अच्छे तौ मुझे पर दिये मगर पैर ऐसे ख़राब क्यों दे दिये। जब मैं इन बाईस मिनिस्टरों की शकल की तरफ़ देखता हूँ, जिन में से हमारे कामर्स मिनिस्टर साहब का दमकता हुआ चेहरा और हमारें फाइनेन्स मिनिस्टर साहब का खुशगवार चेहरा भी शामिल है, तो मेरी तबीयत खुश हो जाती है। जब मैं बड़े बड़े बुज़ुर्गों की तरफ़ निगाह डालता हूँ, जिन में राजाजी, सरदार साहब और हमारे प्राइम मिनिस्टर (Prime Minister) साहब हैं, और जब मैं स्टेट मिनिस्टर साहिबान (Minister of State) की तरफ़ निगाह डालता हूँ और करमारकर साहब और दूसरे साहिबान को देखता हूँ तो मेरा दिल बाग़ बाग़ हो जाता है उस मोर की तरह से। जब मैं मिस्टर सत्य नारायण को देखता हूँ तो मैं नहीं बतला सकता कि मेरा दिल कितना बाग़ बाग़ हो जाता है। लेकिन मैं यह अर्ज़ करूँगा कि जब मैं उन के सेक्रेटेरियट (Secretariat) को देखता हूँ, गोकि उनमें बहुत से लोग इज्जत के काबिल हैं और इतने देशभक्त हैं कि उनके सामने हमारा सर झुकता है, और ख़ास तौर से जब मैं कामर्स डिपार्टमेंट (Commerce Department) की तरफ़ देखता हूँ तो मैं आप को यक़ीन दिलाता हूँ कि मैं अपने आप को आपे में नहीं रख सकता। मेरी समझ में नहीं आता कि यह कामर्स डिपार्टमेंट इतना कमर्शियलाइज़्ड (commercialised) क्यों हो रहा है। मैं निहायत अदब से लेकिन निहायत दर्द के साथ यह अर्ज़ करना चाहता हूँ कि जितनी शिकायतें इस मिनिस्ट्री (Ministry) के

[पंडित ठाकुरदास भागवत]

बारे में सुनी जाती है। उतनी शिकायतें अगर सब मिनिस्ट्री एक जगह मिला दी जायें तो उन की नहीं होंगी। जो ताकतें इस बिल में मांगी गई हैं वह अनयूजुअल (Unusual) हैं। लेकिन चूंकि हमारे कामर्स मिनिस्टर साहब फरमाते हैं कि वह आयन्दा सतक रहेंगे और विजिलेंट (Vigilant) रहेंगे इसलिये हम उन को यह ताकत देते हैं क्योंकि यह हमारी नेशनल गवर्नमेंट (National Government) है। लेकिन अगर यह नेशनल गवर्नमेंट न होती और कोई विदेशी गवर्नमेंट होती तो मैं जब तक पार्लियामेंट (Parliament) में रहता हरगिज यह ताकतें उन को न देता।

सन् १९४६ में जब इस किस्म की तजबीज हमारे रूबरू आई तो मैंने उसी वक्त एक एमेंडमेंट (Amendment) पेश की कि हम विदेशी गवर्नमेंट पर एतबार नहीं कर सकते। आज हमें एतबार है। आज हम जानते हैं कि जो हमारे मिनिस्टर साहबान हैं वह निहायत देशभक्त हैं और वह अपना काम अच्छी तरह करेंगे। लेकिन देशभक्त होना अलग बात है, शरीफ होना अलग बात है। अगर मुझ से कोई कहे कि शराफत दिखावो तो मैं अपने कामर्स मिनिस्टर साहब को जो शराफत का मुजस्मा है पेश कर सकता हूँ। लेकिन हम आज जरूरत इस बात की है कि हमारे मिनिस्टर साहब ऐसे होने चाहिये जो निहायत होशियार हों, जो इतने चालाक और उस्ताद हों कि जितनी खराबियां उन के डिपार्टमेंट में हों उन को वह अच्छी तरह काबू कर सकें।

इस सिलसिले में मेरे ताज्जुब की कोई इन्तहा नहीं रही जब कि मैं बम्बई गया तो कुछ मुझे दोस्तों ने पूछा कि साहब अब

के आप ने अपने कामर्स मिनिस्टर साहब क्या बना दिये हैं। मेरा तो इस में कोई अख्तियार बनाने में नहीं है। मैं तो यह जानता हूँ कि उन्होंने कितना अच्छा काम पाकिस्तान में और आसाम में किया है लेकिन मेरे दोस्त ने कहा कि आप के कामर्स मिनिस्टर साहब तो कहते हैं कि मुझे तो अब नया इल्म हुआ है और मुझे पता ही नहीं था कि हिन्दुस्तान से कपड़ा बाहर भी भेजा जाता है तो वह कामर्स के बारे में क्या जानते होंगे। मैं जानता हूँ कि अपने मजमून में वह कितने माहिर हैं, वह इस को खूब अच्छी तरह जानते हैं। लेकिन मैंने इन दी स्ट्रीट (Man in the street) यह बात तो नहीं जानता। मैं इन दी स्ट्रीट तो शिकायत करते हैं कि हमारे कामर्स मिनिस्टर साहब खुद ही कहते हैं कि मैं नावाकिफ हूँ दूसरी तरफ मुंशी साहब कहते हैं कि मैं फूड और एग्रीकल्चर (Food and Agriculture) के बारे में कुछ नहीं जानता।

श्री कामत : कल्चर (culture) जानते हैं।

पंडित ठाकुरदास भागवत : हां कल्चर जानते हैं। तो मैं पूछता हूँ कि जब मुझ से इस तरह लोग पूछते हैं तो मैं उन को क्या जवाब दूँ। जब कोई पूछे कि क्यों ऐसा मिनिस्टर रखा है जो अपने आप कहता है कि वह कुछ नहीं जानता तो मैं उन को क्या जवाब दे सकता हूँ। मैं कहता हूँ कि यह बाहर के लोग जो हैं वह खुद आप की इतनी खूबियों को नहीं देखते हैं, वह तो आप को जांचते हैं रिजल्ट (results) से। अगर आपके डिपार्टमेंट में इतनी खराबियां हैं, लोग कहते हैं कि यह करप्शन परसोनीफाइड (corruption personified) महकमा है, तो मैं नहीं समझता कि मैं आप की इस शराफत का क्या करूँ, मैं आप के इन खूबसूरत परों का क्या करूँ। मैं तो कहता हूँ कि आज हमारा

देश दुखी है, आज देश का हर एक आदमी दुखी है। हमारे माननीय गाडगिल साहब इतने गुस्सा हुए थे जब डिसप्लेस्ड परसन्स (Displaced persons) के साथ ५ लाख रुपये का झगड़ा था। आज १२ करोड़ रुपये वह खुद बतलाते हैं। मैं कहता हूँ कि यह चीज इतनी ग़लत है कि जिस को मैं इन दी स्ट्रीट बरदाश्त नहीं कर सकता।

मुझे फ़ायनेन्स मिनिस्टर (Finance Minister) साहब की यह भाषा जो थी कि मैं बाहर के क्रिटिक्स (critics) को तो यही जवाब देता हूँ कि मॅड डॉग्ज़ (Mad dogs) की तरह कहते हैं और हाउस (House) में डोसाइल डॉग्ज़ (Docile dogs) हैं, मैं इस को नहीं मानता। मैं अदब से अर्ज करना चाहता हूँ कि आप इस क्रिटिसिज़्म (Criticism) को चाहे यहां देखिये या बाहर देखिये, आप मेहरबानी करते हैं जो हमारी थोड़ी क़दर करते हैं, लेकिन.....

Shri C. D. Deshmukh: On a point of personal explanation, Sir, when did I call mad dog? Did the hon. Member say that I called anybody mad dog?

Pandit Thakur Das Bhargava: These words were not used; but the expression meant that.

आपने फ़रमाया कि बाहर के जो क्रिटिक्स हैं उन की निस्बत तो मेरा कुछ और ख़याल है लेकिन हाउस में जो क्रिटिसिज़्म हुआ उस की मैं क़दर करता हूँ। तो आप जो इस की क़दर करते हैं तो आप ने हम में और बाहर के आदमियों में इतना फ़र्क तो कर दिया। मैं नहीं कहता कि आप ने कोई मोटिव (Motive) एट्ट्रीब्यूट (attribute) किया है। मैं यह कहना चाहता हूँ कि आप जो कहते हैं कि बाहर का क्रिटिसिज़्म कोई चीज़ नहीं है तो चाहे वह दुस्त हो या ग़लत हो,

मैं इन दी स्ट्रीट की मांग यह है कि आप बाहर के क्रिटिसिज़्म को भी उतना ही क्रिटिसिज़्म समझें जो कि हाउस में होता है। मैं नहीं कह सकता कि आपने कोई मस्त अल्फ़ाज़ कह दिये। मैं जानता हूँ कि बाहर का क्रिटिसिज़्म कोई हमेशा दुस्त नहीं होता है, वह हमेशा ठीक भी नहीं होता है। और मैं जानता हूँ कि हाउस में भी जितना इस मामले को आप समझते हैं हम उतना नहीं समझते। कम से कम मैं अपनी बाबत तो कहता हूँ कि आप में से हर एक मिनिस्टर जिस लियाक़त के साथ अपने काम को समझता है उस लियाक़त से हर एक मेम्बर गुप्तगू नहीं कर सकता। आप २४ घंटे उसी काम की धुन में रहते हैं। हां जो मेरा जाती काम है जिस में मैं २४ घंटे रहता हूँ उसके लिये आप कहें कि मैं नहीं जानता तो मैं बुरा मानूँ। लेकिन इस के लिये मैं बुरा क्यों मानने लगा। लेकिन जो यह क्रिटिसिज़्म होता है इस का आप को जवाब देना होगा। आप यह न समझिये कि बाहर का क्रिटिसिज़्म निकम्मा है, मैं इन दी स्ट्रीट इस से सैटिसफ़ाइड (Satisfied) नहीं हूँ।

Shri C. D. Deshmukh: All I said was that the remedy suggested by the outside critics might not prove a reliable guide in solving our problem and might lead to incalculable results. I do not know how the hon. Member misunderstood what I have said.

Pandit Thakur Das Bhargava: Even if I have misunderstood, the criticism that I have made is not such as my hon. friend should take exception to. If I am misunderstood, I am sorry. I understood him to say that so far as outside criticism is concerned, it is not factual or fully informed whereas criticism inside the House was. What I said, as a matter of fact, is that outside criticism is as much entitled to an answer here as inside criticism. That is all.

[पंडित ठाकुर दास भागव]

मैं अब अपने मजमून पर आता हूँ। सवाल तो जनाब वाला अलग था, यह तो मैं ने ज़िम्नी तौर पर अर्ज कर दिया। मेरे दिल में आप के लिये बहुत इज्जत है और इसलिये मैं इस क्रिटिसिज़्म (criticism) को इस हालत में नहीं देखना चाहता। इस के अन्दर कोई ऐसी बात नहीं है जिस को मैं छुपा कर रखूँ और मेरे ख्याल में बहुत से मेम्बर साहबान के ख्यालात में जाहिर कर रहा हूँ। मैं तो कामर्स मिनिस्टर साहब के बड़े अफसरान से बाकिफ भी नहीं हूँ। लेकिन मेरे पास जो शिकायतें आई हैं उन्होंने जाहिर कर दिया है कि कंट्रोल के साथ करप्शन ही भरा हुआ है और इस डिपार्टमेंट में, इम्पोर्ट कंट्रोल (Import Control) में जो शिकायतें हैं वह इस तरह की हैं कि इन को कोई शरूस छिपा नहीं सकता।

जनाब वाला, मैं जूट के बारे में अर्ज कर रहा था। इस सिलसिले में मैं एक चीज़ कहता हूँ और जिस को फायनेन्स मिनिस्टर साहब ने भी माना और वह यह कि जब तक जूट की पैदावार नहीं बढ़ेगी तब तक यह सवाल हल नहीं होगा। मैं अब से अर्ज करना चाहता हूँ कि आज गवर्नमेंट के पास इंटीग्रेटेड स्कीम (Integrated Scheme) है, फूड की, रुई की और जूट की एक इंटीग्रेटेड स्कीम है जिसकी रू से जूट की काश्त को बढ़ाये जाने की तजवीज़ है। एग्रीकल्चर डिपार्टमेंट (Agriculture Department) दावा करता है कि इस मरतबा भी उन्होंने कई लाख गांठों की प्रोडक्शन बढ़ा दी है और अगले साल भी उनके बढ़ाने की तजवीज़ है। मैं अब से अर्ज करना चाहता हूँ कि जूट की प्रोडक्शन का बढ़ना हरगिज़ मुल्क के मफ़ाद के खिलाफ नहीं है। वह हरगिज़

हरगिज़ इस बात पर असर नहीं करता है कि राइस फील्ड्स (rice fields) के अन्दर जूट बोया जायेगा। मैं इस पर यकीन नहीं करता हूँ। यही बात गन्ने की निस्बत कही जाती थी। लेकिन पिछली दफ़ा जो आंकड़े एग्रीकल्चर मिनिस्टर साहब ने पेश किये उन से जाहिर था कि यह जो डर है वह बिल्कुल बेबुनियाद डर है। आप एक तरह की फ़सल को दूसरी तरह की फ़सल में तबदील आसानी नहीं करते। यह बात बिल्कुल साफ़ है कि हमारे मुल्क में किसान एक फ़सल को दूसरी फ़सल से फ़ौरन ही से तबदील नहीं करते। यह कभी नहीं हो सकता क्योंकि क्या यह माना जा सकता है कि जो हालत इस साल है वह कई साल तक ऐसी ही चलती रहेगी। अगर आज भी आप जूट की काश्त को एनकरेज करेंगे तो ५ साल के अन्दर भी उस का पूरा असर नहीं मालूम होगा और उस के लिये बहुत अरसा लग जायेगा। जूट की जो काश्त होगी उस का असर हरगिज़ फूड पर नहीं पड़ेगा। मैं तो समझता हूँ कि जूट की काश्त को बढ़ाना खुद एग्रीकल्चर पालिसी के मुआफ़िक है और आयन्दा सालों में जब इस के ठीक तरह से असरात मालूम होंगे तो मुझ को यकीन है कि फूड की हालत भी अच्छी हो जायेगी। यह ज़रूरी है कि जूट की काश्त को बढ़ाया जाये। लेकिन यह तभी बढ़ सकती है जब कि किसान को इनसेंटिव (Incentive) दिया जाये। इस के वास्ते सब से ज़रूरी बात यह है कि जिस तरह गन्ने के लिये क्रीमत् मुक़र्रर है उसी तरह इस के लिये भी कम से कम क्रीमत् मुक़र्रर कर दी जाये। मैं चाहता हूँ कि बहुत बड़े बड़े इलाकों में किसानों की हालत को सिक्योर (secure) कर दिया जाये। मेरी यह अर्ज है कि जिस तरह गन्ने की काश्त करने वाले किसानों को आप ने यू० पी० में सिक्योर कर दिया

है इसी तरह जूट पैदा करने वालों को भी आप सिक्योर कर दें। आप कोई ऐसी कम से कम कीमत मुकर्रर कर दें जो कि रैम्युनिरेटिव प्राइस (remunerative price) हो। बिना इस के किये न तो उन की हालत सिक्योर होगी और न जूट की काश्त बढ़ेगी।

मैं दूसरी बात यह अर्ज करना चाहता हूँ कि यह ख्याल करना कि हमारी जूट की मानोपली (monopoly) है यह कतई गलत है। हमारे जूट के दुनिया में कम्पीटीटर्स (competitors) हैं। दुनिया के अन्दर और जगह लूमस (looms) भी हैं। इस में शक नहीं कि ६० फ्री सदी लूमस हमारे यहां हैं लेकिन फिर भी ४० फ्री सदी तो दुनिया में और जगह हैं। इसलिये हम को इस बेसिस पर ख्याल ही नहीं करना चाहिये कि हमारी इस में मानोपली है और हम चाहे जैसी क्रीमत चाहे जिस वक्त मांग सकते हैं। पाकिस्तान में बड़ा हिस्सा जूट का पैदा होता है और यह बाहर के देशों को जिन में लूमस हैं जूट भेज सकता है।

4 P. M.

लेकिन इस को भी मानते हुए मुझे इस में कहने में जरा भी ताम्मुल नहीं कि मैं इस पालिसी को नहीं मानता। हमारा दुनिया के अन्दर रहना और दूसरे मुल्कों से ताल्लुक यह चाहता हूँ कि हम ऐसी क्रीमतें रखें जिस से उन को सहूलियत हो जाये और अगर यह सूरत थी तो मैं बड़े अदब से अर्ज करना चाहता हूँ कि ८० से ३५०,७५० को १५०० तक ड्यूटी ज्यादा की गई। उन की सहूलियत के वास्ते हम बने हुए हैं, उन को हमें सहूलियत देना चाहिये। अगर यह दुस्त है तो मैं आप की खिदमत में एक छोटा सा मामला पेश करता हूँ और आप से उस का जबाब लेना

चाहता हूँ। अगर यह बात दुस्त है कि अमरीका की तरफ की हमारे देश में डीवैल्यूशन से पूरी क्रीमत क्यों न आई। अक्टूबर सन् १९४० से अगस्त सन् १९४६ में प्री डिवैल्यूशन पीरियड (pre-devaluation period) में ३९६.२ थाउजेन्ड टन माल बेचा जिस की क्रीमत उन्होंने हम को ५२२१ लाख रुपये दी थी जो बराबर थी १५८२ लाख डालर के। लेकिन उस दूसरे पीरियड में अक्टूबर १९४९ से अगस्त सन् १९५० में क्या चीज हुई। हम ने उन के पास ३३०.२ थाउजेन्ड टन माल भेजा और जिस के एवज में उन्होंने हम को १२५३ लाख डालर दिये और इस तरह से कहने को यह कहा गया कि रुपया हम को किस क्रदर तादाद में ज्यादा मिला लेकिन डिवैल्यूशन के हिसाब से हम को पूरा रुपया नहीं मिला। अमरीका को कम डालर देने पड़े और ७६.६ क्रीमत के एवज हमने ९६ पर सेंट माल दिया।

तो मैं अदब से अर्ज करना चाहता हूँ कि आखिर बीच में वह फर्क कौन खा गया और किस वजह से खा गया। यह क्रीमत कहां गयी उन को तो सिर्फ १२५३ लाख डालर देने पड़े। अमरीका को तो कम क्रीमत देनी पड़ी लेकिन करस्पोंडिंगली (Correspondingly) ज्यादा ऐमाउन्ट (amount) नहीं आया। ४४ पर सेंट से हमारे पास ज्यादा नहीं आया और उस का फायदा हमें नहीं हुआ तो यह फायदा कौन ले गया, अगर अमरीका वालों को वह नहीं मिला। मैं ने अपने लायक दोस्त से एक सवाल पूछा था कि आप यह बतलाईये कि जो य ने ५५ रुपये मुकर्रर जूट की सी गज की है और वहां १२० में बिकता है, तो इस के बीच में रुपया कौन खा जाता है। मैं ने यह उन से यह सवाल पूछा था कि मुझे यह बतलाया

[पंडित ठाकुर दास भार्गव]

जाये कि यह रुपया कौन खा जाता है। दूसरे यह कि आप का नुकसान कितना हुआ। नुकसान तो इस वक़्त तक बतलाया नहीं गया। मेरे सवाल पूछने पर ग्रानरेवुल मिनिस्टर (Hon. Minister) साहब ने उस का जवाब देना मुनासिब न समझा और आज जो बतलाया जाता है १२ करोड़ तो शायद १२ करोड़ न हो इस में भी कम हो। मैं चाहता हूँ कि आज हिन्दुस्तान की ऐसी गिरी हुई हालत में चाहे एक करोड़ का नुकसान हो, या दस करोड़ का नुकसान हो, या पांच करोड़ का नुकसान हो, नाकाबिले बर्दाश्त है। तो मैं यह अर्ज कर रहा था कि मैं ने जो दूसरा सवाल पूछा था रुपया कहाँ गया तो उन्होंने कहा था : दोज परसन्स इन दी ट्रेड (those persons in the trade) खा गये। यहाँ ५५ रुपया है और वहाँ १२० रुपया है, तो १० रुपया ट्रान्सपोर्ट बगैरह का निकाल दी जिये, तब भी बाकी इतना रुपया कहाँ गया और उस को कौन खा गया। यकीनन गवर्नमेंट आफ इंडिया (Govt. of India) को वह रकम इन्कम टैक्स के जरिये से नहीं पहुंच सकता था, क्योंकि यहाँ पर तो ५५ रुपया कीमत है और इस तरह से वह रुपया हथम करा गया। यह गवर्नमेंट की ओर से इस मामले में इतनी ज्यादा डिस्पैरिटी (disparity) कीमतों में होने की वजह से ब्लैक मार्केटिंग को एनकरेजमेंट नहीं है तो और क्या है। मैं अदब से अर्ज करूँगा कि दिस इज नोट फ़ेयर टु दिस कन्ट्री (this is not fair to this country)। मैं यह मान सकता हूँ कि शोज आप भी तबदीलियां ड्यूटी के रेट में नहीं कर सकते तो भी अगर पहले बस्त पर यह ड्यूटी बढ़ाई जाती तो देश का इतना नुकसान न होता। यह जो आप न अस्थिर मांगा है कि हालात की

वेसिस पर आप ड्यूटी को बढ़ा व घटा गइँ, यह मौजूदा हालात में मुनासिब ही है क्योंकि वह अस्थिरात न होने की वजह से मुल्क का नुकसान हुआ है। मैं इस असूल को मानने को तैयार हूँ। जिन के वेस्टेड इन्ट्रेस्ट (vested interests) होते हैं उन का तो इन्ट्रेस्ट यही रहता है कि चाहे इस मुल्क को कितना ही नुकसान क्यों न हो उन की जेबें भरी रहनी चाहियें। गवर्नमेंट कन्ट्रोल करती है ब्लैक मार्केटिंग (black marketing) को रोकने के वास्ते और सख्त से सख्त कानून इस वास्ते लाये जाते हैं। इशेनशियल सप्लाई (essential supply) का गवर्नमेंट कानून लाई और उस का मकसद निहायत मुनासिब था, लेकिन गवर्नमेंट की अपनी पालिसी और लापरवाही की वजह से वह बेकार साबित हो रही है। हम यहाँ पैसे पैसे के लिये तरसते हैं, शरणार्थियों को एक पैसा नहीं दे सकते हैं, और मुल्क का इस तरह से फ़ाईनेनशियल लौस (financial loss) होता जाता है। हमारे कार्मस डिपार्टमेंट (Commerce Department) का यह हाल है और मुझे उस को बयान करते हुए बहुत तकलीफ़ होती है। १२ करोड़ रुपये का कपड़ा बाहर से पिछले साल मंगवाया गया। इस गवर्नमेंट के राज्य में जो हुकूमत में आने से पहले विदेशी कपड़ों को जलाया करते थे, उन्होंने १२ करोड़ रुपये का विदेशी कपड़ा अपने देश में मंगाया। मैंने इस के बारे में जब अपने प्राईम मिनिस्टर साहब से पूछा कि यह किस की करतूत हैं, आप तो वह हैं जो विदेशी कपड़ा जलाया करते थे, तो उन्होंने मुझ से कहा कि मुझे इस की कुछ खबर नहीं है। फिर मैंने कार्मस मिनिस्टर साहब से पूछा तो उन्होंने कहा कि इन्डस्ट्री एन्ड सप्लाई मिनिस्ट्री (Industry and

Supply Ministry) ने वहां कपड़ा मंगाया है। तब जा कर मैं ने इन्स्ट्रू और सप्लाई मिनिस्टर से इस के बारे में पूछा तो वह भी कोई जवाब नहीं दे सके।

श्री त्यागी : ऐयाशी हो रही है।

पंडित ठाकुर दास भार्गव : मैं बड़े दुख और अफसोस के साथ यह अर्ज करना चाहता हूँ कि हम में से हर एक मੈम्बर जो आप के साथ और आप की पार्टी और गवर्नमेंट के साथ है, हम अपने दिल के फफोलों को आप को दिखा नहीं सकते कि हमारे लिये यह नाकाबिले बर्दाश्त बात है कि जिस गवर्नमेंट की हम इज्जत करते हैं, जिस को हम इतना अच्छा समझते हैं और सारा देश पूजा करता है, वहां ऐसा अन्धे हो। आप ने हर एक ने जो आज गवर्नमेंट में है, आजादी की राह में मुक्त के खातिर कुरानियां की हैं, तो अगर ऐसी गवर्नमेंट भी मुक्त का अच्छे तरीके से इन्तजाम नहीं कर सकती है तो मुझे डर है कि कोई भी दूसरी गवर्नमेंट हमारे देश में इन्तजाम नहीं कर सकेगी और जिसके मानी होंगे कि देश का राष्ट्र के लोगों का बिल्कुल फसटेशन (frustration) हो जायगा और भरोसा उठ जायगा।

श्री हुसैन इब्नम : जापानी कपड़े के मुतालिक क्या आपने अभी फरमाया था ?

पंडित ठाकुर दास भार्गव : विदेशी कपड़ा बाहर से मंगाया गया। उस जनरल लाईसेंस के अन्दर हजारहा और लाखों रुपये का विदेशी कपड़ा हिन्दुस्तान में मंगाया गया। मैं इस वक्त सारी उस की पास्ट हिस्टरी (past history) में नहीं जाना चाहता हूँ। मैं जानता हूँ कि हमारे आनरेबुल मिनिस्टर साहब आज वहां के इनचार्ज हैं और मैं देखना चाहता हूँ कि आयन्दा इस का क्या असर होता है और मैं अर्ज करना चाहता हूँ

कि यहाँ वही चीज होनी चाहिये जो मुक्त और गवर्नमेंट के इन्स्ट्रू में हो, और जो पुराना तरीका चला आ रहा है वही तरीका अगर आज भी इन के जमाने में कायम रहता है तो मुझे डर है कि आप अपने मुहकमें का इन्तजाम नहीं कर सकेंगे। आप के पास आप की मदद के लिये डिप्टी मिनिस्टर साहब हैं, जिन पर हमें पूरा भरोसा है और अगर आप के यहाँ बैठे हुए पूरी तरह ठीक से इन्तजाम नहीं हो सकता, तो आप उन को अमरीका भेज दें। आप स्टेट ट्रेडिंग (State trading) का कैसे इन्तजाम कर सकते हैं। उस के बारे में आप दस वर्ष में फैसला करेंगे और यह फसल निकल जायेगी। यह जो आप कहते हैं कि सबस्टीट्यूट (substitute) आयेंगे तब होगा और इस बीच में ब्लैक मार्केटिंग जारी रहेगी। तो इस को रोकने की तरकीब क्या है? मैं अर्ज करूंगा कि या तो आप मेहरबानी कर के इस स्टेट ट्रेडिंग को शुरू कर दीजिये और सारों को छोड़ दीजिये, सिर्फ जूट के अन्दर आप ले लीजिये। लेकिन इस में स्टेट ट्रेडिंग फौरन शुरू करने में दिक्कत यह आप को है कि आप के पास तुरन्त आदमी नहीं हैं, आप बिजनेसमेन को रक्खेंगे नहीं, उन पर तो आप एतबार रखते नहीं कि वह आप का ठीक तरह से काम करेंगे। और आप को तो वही इस्टीरोटाईप्ड ब्यूरोक्रेट्स (stereotyped bureaucrats) मिलेंगे जो न तो मार्केट के ट्रेंड (Trend) को समझते हैं और न बिजनेस को और न किसी और चीज को और स्टेट ट्रेडिंग के शुरू करने में यह बहुत बड़ी दिक्कत है। लेकिन मैं आपकी खिदमत में अर्ज करूंगा कि डिप्टी मिनिस्टर साहब को अमरीका भेज दिया जाये जिन पर कि देश को पूरा भरोसा है और वह वहाँ बैठ कर इस के बारे में स्टेडी करें और

[पंडित ठाकुर दास भार्गव]

कोई ठीक रास्ता निकाले। इस चीज को कन्ट्रोल कर के अगर आप नहीं कर सकते हैं तो आप इस को जूट को डिक्न्ट्रोल कर दें। इस के सिवा मुझे दूसरा कोई रास्ता नज़र नहीं आता। आखिर जूट खाने की चीज तो है नहीं जो डिक्न्ट्रोल करने से जिस की वजह से देश में कहर, अकाल पड़ जायेगा ऐसा कुछ भी नहीं होने वाला है। नतीजा यह होगा कि इधर आप ने कन्ट्रोल प्राईस का किया हुआ है, उधर आप डिक्न्ट्रोल कर देंगे, तो सारे का सारा या आधा-परदा रुपया कम से कम इन्कमटैक्स की शकल में तो मिल जायेगा।

यह सतत तो नहीं होगी कि चूक सारे का सारा पचपन रुपये के हिसाब से ज्यादा बही पर नहीं लिखा जा सकता, नहीं तो इनवेस्टिगेशन ट्रिब्यूनल (Investigation Tribunal) मार डालेगा, पुलिस वाले पकड़ ले जायेंगे। इसीलिये वह क्या करते हैं कि अपने रिश्तेदारों को शिपर्स (shippers) बना लिया है, उन को ज़रिये वह सब कुछ करते हैं। इस का आप को इलाज करना चाहिये, सभी लोगों में कमजोरी होती है, दुनिया के अन्दर हर आदमी ऐसा है जो लालच में फँसता है और जुर्म करता है। लेकिन मैं अर्ज करता हूँ कि हर क़ानून के खिलाफ़ जुर्म की शुरुआत गवर्नमेन्ट करती है और इसी लिये लोग ब्लैक मार्केटिंग करते हैं। इसलिये मैं निहायत अदब से कहना चाहता हूँ कि आप स्टेट ट्रेडिंग नहीं करना चाहते तो मुझे और कोई रास्ता नहीं दिखाई देता है। यह ठीक है कि ऐकाएकी कोई काम करने से ऐनारकी (anarchy) फैल जाती है, मगर मैं जानता हूँ कि इसके अन्दर कोई कन्फ़ूजन की चीज नज़र

नहीं आती है। अगर आप यह समझें कि अमरीका वाले आप के साथ रियात करते हैं तो आप याद रखिये कि अमरीका वाले ऐसा करने वाले नहीं हैं। वह सब्स्टिट्यूट इस लिये बनाने से बाज़ नहीं रहते कि उन को हिन्दुस्तान से हमदर्दी है, इस लिये जहाँ तक मैं समझता हूँ, जहाँ एक दूसरे से ट्रेड का सवाल है, हम एक दूसरे से बहुत फासले पर बाँके हैं, हम अपना इंटरेस्ट देखते हैं वह अपना इंटरेस्ट देखते हैं। मैं नहीं कहता कि आप अपने शार्ट टर्म इन्टरेस्ट (short term interest) को देखिये आप अपने लॉग टर्म इन्टरेस्ट (long term interest) को देखिये, लेकिन मैं यह कह सकता हूँ कि इस डिक्न्ट्रोल से उस पर बहुत ख़राब असर पड़ता नहीं दीखता। मुझे अफ़सोस है कि अपने बुजुर्ग दोस्त से जिन के लिये मुझे इस क़दर एहताराम है, यानी पंडित कुंजरु से इत्फ़ाक नहीं करता। हाँ, चेअरमैन साहब ने जो कुछ कहा वह मैं समझ सकता हूँ कि डिक्न्ट्रोल से फ़ायदा होगा, इसलिए नहीं कि मैं डीक्न्ट्रोल की सभी चीज़ों में मानने वाला हूँ बल्कि मेरा ख़याल है कि जूट के डीक्न्ट्रोल से देश को नुक़सान नहीं पहुँचेगा बल्कि फ़ायदा ही फ़ायदा होगा।

मैं अदब से दो तीन बातें अर्ज करना चाहता हूँ। और वह यह कि पहले तो आप अपने मुहक़मे को सुधारिये और उस की रेपुटेशन को ऊँचा कीजिये। और अगर कोई अफ़सर जिस के लिये ऐसा मालूम हो कि वह गलती करता है तो उसको हरगिज़ न बख़्शें। एक आदमी को बख़्शाने से आप पेंतीस करोड़ आदमियों का नुक़सान करते हैं। मैं ख़ास तौर पर आप के मुहक़मे को नहीं कहता, सारी गवर्नमेन्ट

में यह हालत है। जब किसी पर मुकदमा बनता है तो सारी गवर्नमेंट के अफसरान वह झूटे स्प्रीट डी कोर (esprit de corps) के उसूल से किसी पर मुकदमा नहीं बनाने देते। मिसलों तक को उड़ा देते हैं, कागज़ गायब कर देते हैं, मं अदव से अर्ज करूंगा कि अब जमाना बदल चुका है, जैसे हम बदल चुके हैं, जैसे हमें अपनी गवर्नमेंट पर भरोसा है उसी तरह हम चाहते हैं कि जो आप के नौकर हैं वह भी उसी तरीके से पैट्रिया टिकली काम करें जैसे आप करते हैं और अपनी पुरानी बातों को छोड़ दें।

दूसरी बात में यह अर्ज करना चाहता हूँ कि मुझे पता नहीं कब आप स्टेट ट्रेडिंग के लिये फ़ैसला करेंगे, न नौ मन तेल होगा न राधा नाथेंगी न स्टेट ट्रेडिंग की स्कीम बनेगी न कोई काम होगा। मैं कहना चाहता हूँ कि इस जूट का इन्तज़ाम कर दिया जाये क्योंकि इस के अन्दर बहुत बड़ी रकम इन्वॉल्व्ड है।

तीसरी बात में यह अर्ज करना चाहता हूँ कि अगर आप कोई इन्टेरिम (interim) इन्तज़ाम नहीं करते तो आप डिक्ट्रोल पर अच्छी तरह गौर कीजिये। मैं कोई इस पर एक्स्पर्ट नहीं हूँ और इस-लिये मैं जोर शोर से किसी बात पर खास तरह पर तबजह नहीं दिला सकता, मैंने अर्ज किया कि आप जूट की कम से कम कीमतें मुकर्रर कर दीजिये ताकि हमारे किसान सिक्क्योर हो जायें। अगर आप का स्याल है कि यह इन्मेक्क्योर तबजीज है तो कमेटी मुकर्रर कर दीजिये, आप की तो आदत है कमेटी मुकर्रर करने की, तीन चार महीने इसी तरह लग जायेंगे। आप उस कमेटी की बात को मान या न मानें, कब आप

कमेटी की हर एक बात मानते हैं; लेकिन कम से कम यह तो होगा कि आप से जो कुछ हो सकता है वह आप ने किया।

हो सकता है कि अपनी दुःख की कहानी कहने में मैंने अपने दोस्त आनरेबल कामर्स मिनिस्टर साहब को तकलीफ़ पहुंचाई हो, लेकिन मैं अदव से अर्ज करना चाहता हूँ कि मेरा कतई यह इरादा नहीं है, मैं तो सिर्फ़ अपने दिल की बात आप के सामने रखना चाहता हूँ।

(English translation of the above speech)

Pandit Thakur Das Bhargava: Sir, I am grateful to you for giving me an opportunity to speak. The present jute problem has rather turned to be a complicated issue.

Shri Syamnandan Sahaya (Bihar): It is more a problem of corruption than that of jute.

Pandit Thakur Das Bhargava: Some hon. Members remark that it is not the problem of jute but it is a story of corruption and it also seems to be such, for the hon. Minister of Commerce in a way has admitted the fact that this country has already suffered a loss of Rupees twelve crores. Some other hon. Members including Shri Goenka, who have just expressed their impressions regarding this issue, feel that the Government have suffered much more loss than what has been stated by the hon. Minister. Unfortunately, I personally could not draw any such conclusion as may be said to be satisfactory. But so much I do believe that in case of the prosecution story being confessed in parts by the accused, at least the confessed version should be treated as correct, if not the entire story.

Pandit Thakur Das Bhargava: My you are speaking in Urdu.

Pandit Thakur Das Bhargava: My Urdu too is like Hindi, I am reminded of a proverb; while dancing a peacock becomes highly pleased when he looks at his feathers and appearance but ultimately when he casts a look on his legs, he weeps for the unfortunate fact that although the Almighty has given him such beautiful feathers yet his legs are quite ugly. Similarly when I look

[Pandit Thakur Das Bhargava]

at the faces of these twenty-two Ministers which include not only the beaming face of the hon. Minister of Commerce and the pleasant personality of the hon. Minister of Finance but also the faces of the elderly statesmen like Rajaji, Sardar Sahab and the Prime Minister and the appearances of the hon. Ministers of State and Shri Satya Narayan, my heart is overwhelmed with joy like that very peacock. But I will humbly submit that when I turn to their Secretariat and especially to that of the Commerce Ministry, I may assure you, I cannot but lose my temper. I admit that there are many persons in that Ministry who deserve all respects and who are so patriotic that we bow our heads to them. I do not understand why this Commerce Ministry is getting commercialised. I will submit with regrets but all the same with respect that the complaints against this single Ministry are much more in number than the collective complaints against all the Ministries taken together. The powers sought for in this Bill are rather unusual. Despite this, the House is about to vest the powers in the Government for the hon. Minister of Commerce has assured us that in future he would be cautious and vigilant and also for the fact that we have a national Government. Had it not been a national Government and had there been any foreign Government in its place, I would have been the last man in the Parliament to agree to these powers being given to them.

In 1946 when a similar Bill was put before us, I had moved an Amendment that we cannot rely upon a foreign Government. Today we have confidence in our Government. We are satisfied that the hon. Ministers are highly patriotic and they will discharge their duties faithfully. It is true that to be a patriot and to be a gentleman are two separate entities. If anybody asks me about nobility, I will quote the example of the hon. Minister of Commerce in this connection who is nobility personified. Today we want our Ministers to be so wise, clever and tactful as may stop the evils prevailing in their respective Ministries.

My wonders knew no bounds when during my visit to Bombay some of my friends asked me as to what type of man had been appointed Commerce Minister. So far as I am concerned I have no hand, whatsoever, in this appointment. I am aware of his fine work done in Pakistan and Assam; but my friend told me that the hon. Minister of Commerce had stated that the office he was holding was an altogether new experience to him and that he did not know even the fact that cloth was

also exported from India. Under these circumstances, my friend added, how the hon. Minister could be supposed to know anything relating to Commerce. I know that the hon. Minister of Commerce is expert in the affairs of his Ministry and he understands them well. But the man-in-the-street is not aware of these facts. He complains that the hon. Minister himself admits that he is inexperienced. Besides, Shri Munshi states that he knows nothing about food and agriculture.

Shri Kamath (Madhya Pradesh): They know culture.

Pandit Thakur Das Bhargava: Yes, they know culture. Well, what reply should I give to those persons who put such questions? When I am asked as to why such a Minister had been appointed who himself has declared that he was quite ignorant, what reply can I submit? The outsiders do not count their personal merits; they on the other hand, judge them by the results they have obtained. If in reality their Ministry is full of so many evils that people feel that this department is nothing but corruption personified, what am I to do with their nobility or their attractive personalities? Our country is in misery today, every man of our country is unhappy. Shri Gadgil had felt so angry at the problem of the displaced persons which involved an issue of only rupees five lacs, but today the hon. Minister of Commerce himself admits that the Government has suffered a loss of no less than rupees twelve crores. This happening is so unjustifiable that the man-in-the-street is not to tolerate it.

I do not agree with the hon. Minister of Finance in as much as he says that he considers the outside critics as mad dogs and those within the House as docile ones. I wish to submit that whether he finds such criticism inside or outside certainly it is his kindness that he has got a certain regard for us, but.....

Shri C. D. Deshmukh: On a point of personal explanation, Sir, when did I call mad dog? Did the hon. Member say that I called anybody mad dog?

Pandit Thakur Das Bhargava: These words were not used; but the expression meant that.

The hon. Minister of Finance had said that he had quite a different idea about the outside critics but he always kept a regard for the criticism made in the House. Certainly he had appreciated the criticism made in this House and therefore he had made a distinction between these two types of

critics. I do not mean that he had attributed any motive. What I mean is that he did not attach any importance to the outside criticism while the man-in-the-street feels that he ought to have given to it also the same importance as he gave to the criticism made in this House. I never meant that he had uttered some harsh words and I know that the criticism made outside is not always true and just type of criticism. I know this fact also that we do not understand this matter so precisely as he does. I for one am sure that every member cannot talk about certain matters with that efficiency with which every Minister understands his own work. They devote their whole time to these matters. I may take it ill if you blame me for not knowing anything above my personal work which I am involved in for twenty-four hours. On the other hand, why should I mind all this? But outside criticism is entitled to an answer. Let them not take it as useless talks for the man-in-the-street is not to approve of this presumption.

Shri C. D. Deshmukh: All I said was that the remedy suggested by the outside critics might not prove a reliable guide in solving our problem and might lead to incalculable results. I do not know how the hon. Member misunderstood what I have said.

Pandit Thakur Das Bhargava: Even if I have misunderstood, the criticism that I have made is not such as my hon. friend should take exception to. If I am misunderstood, I am sorry. I understood him to say that so far as outside criticism is concerned, it is not factual or fully informed whereas criticism inside the House was. What I said, as a matter of fact, is that outside criticism is as much entitled to an answer here as inside criticism. That is all.

Now I come to my point. Sir the question was different, I have stated this incidentally. I have great respect for you and this is why I do not like this criticism in that way. There is nothing in it which I should keep secret, and I think that expression of opinion by several Members has disclosed it. I am not acquainted with the high officials of the Ministry of Commerce. But the reports, which I have received, have made it clear that there is corruption due to Control System and no one keeps a secret of the reports about the Import Control Department.

Sir, I was submitting about jute. I want to submit one thing in this connection and which the Minister of Finance has also admitted, that this

problem cannot be solved until the production of jute is increased. I beg to submit that at present the Government have the integrated schemes for food and cotton, and there is an integrated scheme for jute also, according to which there is a proposal to increase the jute cultivation. The Agriculture Department claims that this year also it has increased the production by several lacs of bales and it proposes to increase the production in the coming year as well. I submit it with all humility that the increase in the jute production is never against the interests of the country. It never affirms that jute will be grown on rice fields. I do not believe it. The same argument was put forward for sugarcane production. But the figures, which the Minister of Agriculture presented in the last session, showed that this fear was absolutely baseless. You cannot change-over from one crop to the other. This fact is quite apparent that the agriculturists of our country do not generally change-over from one crop to the other. It is never so possible because it can be maintained that the condition would proceed for many years as it is this year. Even if you encourage the jute cultivation at present, it will not show complete results within the period of five years, but will take sufficiently long time. This jute cultivation will never affect the food production. I am of the opinion that it is in accordance with the agriculture policy, and by the time the effects thereof manifest themselves, I am hopeful that the food situation will improve. It is necessary to increase the jute cultivation. It is possible only when the cultivator is given an incentive. Therefore the most important thing is to fix a minimum price for jute as in the case of sugarcane the price has been fixed. I want that in the large areas of land the status of the cultivators should be secured. My submission is that the jute cultivators should be made secure as the sugar cultivators have been made secure in the U. P. You must fix some minimum price which should be a remunerative price. Without this price neither their status will be secured, nor will there be any increase in jute cultivation.

The other thing which I want to submit is that it is absolutely wrong to think that we have the jute monopoly. We have some competitors in the jute market. There are looms also in the other parts of the world. There is no doubt that we have 60 per cent. of looms in our country, but 40 per cent. of them are in other countries. We, therefore, should not view this fact on the basis that we have jute monopoly and that we can demand any price at any time. Pakistan produces a

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major portion of jute and can supply it to those countries where looms exist. But admitting this fact I have no hesitation to say that I do not agree with this policy. Our being a Member of world's nations and having relations with them demand that we should fix such prices as to facilitate them and if the position was such, I humbly submit, then why the duty was raised from 80 to 350, then to 750 and then to 1500. We are here for their convenience and we should provide them with facilities. If it is correct, I quote a small incident and demand the reply from you. If it is correct then why the full prices of commodities resulting from devaluation were not received by our country? From October 1940 to August 1949 in the pre-devaluation period we sold 316.2 thousand tons of goods and they fetched us 5221 lacs of rupees. The amount was equal to 1582 lacs dollars. But what happened in the second period from October 1949 to August 1950? We exported 330.2 thousand tons of goods and in exchange of that they paid us 1253 lacs dollars. But we did not get the full price as a result of devaluation. America had to pay less amount and instead of 76.6 per cent, we had to send goods worth 96 per cent.

Hence I beg to ask as who took away the money? Since they had to give only 1253 lakhs of dollars, where did the balance go? Although America had to pay less, the corresponding amount was not more. We did not get more than 44 per cent, and that did not bring a profit to us. Who had the profit then, if not America? I had asked this question from my able friend to tell us that while the price had been fixed at Rs. 55 per hundred yards of jute, it was actually sold at Rs. 122 there, then where did the balance go? Secondly, what was the amount of loss suffered by us? The loss was not disclosed. The Minister did not consider it worthwhile to reply my question. Today we are appraised of a loss of rupees twelve crores. It may probably be less than that, but what I want to emphasize is that in the present critical position of the country any loss is unbearable—be it of one crore or 10 crores or 5 crores. With regard to my other question as to where did the money go, he had said: 'The money went to those persons in the trade.' But while the rate is Rs. 55 here and Rs. 120 there, and if Rs. 10 are discounted as transport charges, what happened to the rest of the money? Where did it go and who took it away? Surely that amount could not reach the Government of India through income-tax because the price here is only Rs. 55. Thus that

amount was misappropriated. Is not this policy on the part of the Government, viz., that of keeping so much disparity between prices, an encouragement to blackmarketing? I would say this is not fair to the country. You yourself cannot resort to make changes in duty everyday. However, if this duty had been increased in the past, the country would not have suffered to that extent. The power sought by you to increase or decrease the duty in accordance with circumstances is reasonable in the present context because the country has suffered on account of non-existence of these powers. Those who have vested interests are interested only in filling their own pockets, however the country may suffer from that. Government imposes control in order to check blackmarketing and very harsh laws are enacted for that purpose. Government brought forward the Essential Supplies Act with a very honest intention, but that is proving to be ineffective due to the policy adopted and undue indifference on the part of the Government. Here while we live from hand to mouth and cannot render any monetary help to the refugees, the country is suffering a financial loss to such an extent. I am pained at this attitude of the Commerce Department. Under the administration of this Government foreign cloth worth 12 crores of rupees was imported last year in the country. The very same persons who form the Government today used to burn foreign cloth before they came into power. When I asked the Prime Minister as to who was responsible for such a state of affairs, for he was one of those who used to burn foreign cloth, he said that he did not know anything about the matter. Then I asked the Minister of Commerce and he replied that cloth was imported by the Ministry of Industry and Supply. So I made enquiries from the Minister of Industry and Supply and he too could not give a reply.

Shri Tyagi: Revelry is rampant.

Pandit Thakur Das Bhargava: It is with a feeling of deep sorrow and pain that I have to state that every one of us, who is with your party and Government, feels it to be intolerable that such a state of affairs should prevail in a Government whom we respect and whom the country adores. Indeed, we cannot show our wounded hearts to you. Everybody in the present day Government has made sacrifices for the cause of country's freedom. If such a Government cannot manage things properly, I fear, no other Government can, and that would lead to frustration among the people and losing their confidence.

Shri Hussain Imam: What had you stated regarding Japanese cloth just now?

Pandit Thakur Das Bhargava: Foreign cloth worth lakhs of rupees was imported under the Open General Licence. I do not want to go into its past history. I know that our hon. Minister is in charge of that and I want to see the future results. It hardly needs to be said that only those things should be done that are in the interests of the country and the Government. If the old systems and traditions continue even today, I fear you would not be able to manage your Department. The Deputy Minister is there for your assistance and he enjoys our full confidence. If you cannot manage things properly from here he may be sent to America. How can you wait for State-trading? You will take a very long time to come to a decision and the present crop season would pass. You expect that things would be all right as soon as substitutes begin to arrive. But meanwhile blackmarketing would continue. How would you check it? I for one would request you to begin State-trading in jute only, leaving others aside. But the difficulty with you in starting State-trading is that you have no men just now. You would not take in businessmen for you do not rely upon them. So you would get only stereotyped bureaucrats who have no knowledge of business and who do not understand the trend of the market. This is, therefore, a very great difficulty in starting State-trading. Hence I would request you to send the Deputy Minister, in whom the country has full confidence, to America, so that he may himself study things there and find out a way. If you cannot set things right by means of control, then let jute be de-controlled. I cannot see any other way out. After all jute is not an edible commodity that may cause famine if de-controlled. Nothing of that sort would happen. While price control continues, the result of de-control would be that all the money, or a part thereof, could be realized at least in the form of income-tax. They cannot show all the money in their account books at a rate higher than Rs. 55 for that would lead to detection by the Income-tax Investigation Tribunal or arrest by police. To escape this, they have devised the method of appointing their relations as their shippers and through them they carry on business. You must find a remedy for this. Everybody has his weakness. Persons in this world are prone to temptation due to which they commit crimes. But it is the Government that first violate the law and that makes people indulge in blackmarketing. Therefore, I submit, that

I do not see any other way out than State-trading. No doubt a work begun abruptly spreads a condition of anarchy, but there seems to be no confusion in this. If you are under the impression that the Americans are favourably inclined towards us you are wrong. Americans are not such. They do not refrain from making substitutes because they have a leaning for our country. So far trade is concerned, America and India are far situated and both of us look to our own interests. I do not mean to say that you should look to only short term interest. You may take into account your long term interest, but I can say that de-control does not seem to affect it much adversely. I am sorry I do not agree with my old esteemed friend Pandit Hirday Nath Kunzru. I however, agree with the views expressed by the Chairman that de-control would be beneficial, not because I am against controls as such but because I believe that de-control of jute would do no harm to the country but would on the other hand be beneficial.

I would like to submit a few things more. You should first of all improve your Department and restore its reputation. No officials, who may be found committing mistakes, should be maintained, for if you would overlook the mistakes committed by one of them, you will cause 35 crores of people to suffer. I do not particularly mean your Department only, such is the condition of the entire Government. When a prosecution case is made out against somebody, the officers of the Government do not let the prosecution take shape on the plea of false *esprit de corps*. They even tamper with the files and documents. Times are changed now. Since we ourselves have changed and have confidence in our Government, we want that all the Government servants should work patriotically like you and do away with their old habits.

Secondly it is uncertain as to when you would decide about State-trading. Neither the sky will fall, nor shall larks be gathered—neither the scheme of State-trading would be chalked out, nor anything would be done. I would emphasize therefore, that arrangements be made for this jute because a huge sum of money is involved in it.

Thirdly if you cannot make any interim arrangement, you should certainly consider the measure of de-control. Since I am no expert in the matter, I cannot draw attention by making a hue and cry towards any particular aspect of the problem, but my submission is that you should fix minimum price of jute so that our cultivators may have a feeling of security. If you consider

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it to be an immature proposition, let a Committee be appointed—after all it is a habit with you to appoint Committees. Three or four months would pass in this way. You may or may not accept the recommendations of that Committee—you always do not—but this would at least show that you did whatever you could.

It is possible that I may have hurt the feelings of my friend, hon. the Minister of Commerce, by relating this woeful tale, but that certainly was not my intention. I only wanted to put before you my feelings and reactions.

The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha): Sir, the question be now put.

Mr. Chairman: There seem to be several hon. Members desiring to speak. I would request hon. Members to try and be brief and then we can finish the debate on the Bill today.

Shri A. C. Guha (West Bengal): This Bill is being debated for two days and the matter is so important that it requires elaborate discussion in the House. If two Members could take practically a whole day, I do not understand why the discussion should be stifled and others denied the opportunity to take part in the discussion.

Various aspects of the question have been discussed but there are some points which have not been sufficiently stressed upon by the various speakers. Mr. Himatsingka who is now in the Chair touched on one point regarding the shareholders. It has been said repeatedly by Members and has been acknowledged by Government that the jute industry is practically the principal industry, particularly for earning foreign exchange. Since the Partition we have been short of jute supply by over 50 per cent. Our jute production has fallen by 70 per cent. or more. Government should have been aware of the critical situation that was likely to arise in the jute industry. The Finance Minister said that only an astrologer could have warned the Commerce Ministry about the coming Korean war. It does not require an astrologer to give the necessary warning. This year in April—i.e. long before the Korean war,—they had increased the tariff from Rs. 180 to 350 and it has been increasing ever since. It is not only due to the Korean war that the crisis in the jute industry has been created. The crisis had been admitted by the Finance Minister when he said that we were short of jute supply. Yet Government had taken no step to ensure the supply.

Shri C. D. Deshmukh: I did not say those words "short of supply".

Shri A. C. Guha: He may not have said short of supply but the most important factor he mentioned was the need to ensure supply. When he has admitted that I would say Government ought to have taken proper steps in time to ensure that supply, knowing full well that the country has been short of supply since the Partition.

Last year when we had a deal with Pakistan regarding jute there were some political objections to that at that time. But since that political crisis is over, I do not understand why the deal was not continued and renewed efforts not made to procure jute from Pakistan. The crisis in the jute industry is due to that. Production has been reduced; the mills are working only for 4½ hours; some of the looms have been sealed.

We have been too complacent about our monopoly position in jute, which is almost a myth. After partition Pakistan possesses the major portion of raw jute. Besides the 72,000 looms in India, there are about 45,000 looms outside India. So they can get raw jute from Pakistan and increase their production; and we have been curtailing our jute production. It may be news to Members that Pakistan has already started a new port—Chalna—on the Khulna side, which will have the necessary inland river connections with the jute producing areas. The first ship to that port has already left Calcutta to take a load of raw jute. So besides Chittagong they will have another port to export raw jute from East Bengal. Moreover many Indian merchants and capitalists who have been in the trade are trading in jute in Pakistan and exporting raw jute from Pakistan, which in a way is detrimental to the Indian jute industry. The looms outside India will have a better supply of raw jute. In view of this crisis, Government is now increasing the tariff duty to an almost absurd amount. Of course, under the present circumstances when the gap between our price and the price prevailing in the U.S.A. is so big, Government must have the tariff duty increased. Otherwise, what is the position? The Government of the country was losing every day lakhs of rupees and the whole amount was being taken by a few big capitalists. As has been stated by my friend Mr. Goenka, those who have not been established shippers have now suddenly turned into established shippers. Government has practically placed the entire trade into the hands of the Jute Mills Association. The Central Jute Disposal Committee

which is a subsidiary body of the Jute Mills Association is responsible for supplying raw jute to all the jute mills. It has failed to supply the raw jute, and everybody knows that some of the jute mills were purchasing raw jute at higher prices than the fixed price of Rs. 35. The jute mills were handing over their manufactured goods to the Controller of Jute who is also the Chairman of the Jute Mills Association. And indirectly, the entire jute products go under the control of the Jute Mills Association. So, it is the Jute Mills Association controlled by the Europeans that is controlling the entire jute industry of India.

My friend Pandit Thakur Das Bhargava has rightly pointed out that the jute growers have not been benefited by this exceptional boom in jute trade. They should have been given a minimum fixed price for the jute they produce. Pandit Kunzru has rightly pointed out that the jute grower has served the country in great crisis. Therefore, they should have a fair deal from Government. The price has been fixed at present at Rs. 35, but what amount do the growers receive? In between the purchase of raw jute and the selling of the manufactured goods, only the Jute Mills Association and the big merchants and capitalists are the gainers. The jute growers are denied their due share in the high prices. The shareholders—the middle class people who contribute to the capital of these mills—are also denied their due share in the profit. From beginning to end it is only the Jute Mills Association which controls the entire industry and the jute magnates are making the profits both from the supply of raw jute and the disposal of manufactured goods. This is a position which Government should remedy immediately. I hope they will take effective steps to see that the growers may get a fair price and may get some benefit of the boom in the trade. The shareholders also should get a share of the profits. The whole thing should not be allowed to be pocketed by the few merchants and capitalists, mostly European.

Under the circumstances, I think State-trading should have been the best thing which the Government could have adopted. The Committee on State-trading has already recommended that this is the easiest sector where State-trading can be introduced. The jute trade is a concentrated trade. Only 84 mills are in India and they are mostly in one area. So, it is easy for Government to introduce State-trading. Even at present all the manufactured goods of these 84 mills are surrendered to the Controller of Jute.

He takes possession of all this on the authority of Government, though he is himself an interested party. If Government can take control of all the manufactured jute, I cannot understand what is the difficulty in disposing of these manufactured goods to the American buyers. We have only been told here that that would not be profitable for the business or for the country. But we have not been told what are the reasons for that belief. The entire jute production comes under the control of the Government's nominee, the Controller. The question then remains is only of disposing of it to the purchasers in America. That can easily be done by Government. However, I can understand the difficulty of Government. They must be afraid of some serious industrial breakdown if they dare go against the wishes of the Jute Mills Association. They must have been afraid of that. If that is the position, then under the circumstances an increase in tariff is the only alternative.

But we should not bank too much on our monopoly position. The hon. Finance Minister has today cited the case of Chilean nitrate. Chile was getting something like 50 per cent. of her revenue from the export duty on her nitrate. Now that nitrate has been substituted by synthetic nitrogen. In Bengal, some decades ago we had the indigo cultivation and that also has been substituted by synthetic indigo. So, we should not be complacent as regards jute. We should not be so sure. Not only cotton and paper are there, but there are other fibres also which can compete with jute. The previous Commerce Minister told us that there were so many varieties of substitutes that had been competing with jute. As such, we should not be too complacent. To have a tariff so high, to raise it from Rs. 350/- to Rs. 1,500/- in the course of four or five months, may give a sort of warning to the purchasers there and they may also have some articles on which they can retaliate. So, we should be careful about that. Considering this danger also, I think State-trading would have been the best course for Government to adopt. If Government feel that they cannot accept that, the next best alternative for them is to increase the tariff duty.

Shri Jhunjhunwala (Bihar): There are certain objectives to which everybody agrees, and it is only on the means by which these are to be achieved that differences have arisen. At the outset I want to say that I shall not take the time of the House by quoting figures and disputing one against the other.

[Shri Jhunjhunwala]

I shall rely on the accepted figures. One of the objectives of Government in controlling the jute price was to see that there may not be any substitute in foreign countries so that our jute trade may not be totally stopped by substitutes coming and competing with our jute whereby we might be washed out of the market. The second thing which is being said is that if we produce jute and decontrol it there will be inflation in foodstuffs. The hon. Finance Minister stated that if we produce about 200,000 tons of rice less, we shall be able to produce enough jute for our requirements. The third thing on which difference has arisen is whether the method followed by Government, in order to have our jute trade going on, of controlling the price of jute has been in the interest of the country or not and whether Government, in keeping with the interest of the country, has been successful in carrying out this objective. In reply to this, it has been said that the prices which we got for our manufactured jute goods were too low as compared to those which could have been paid by the American importers. It has been said that there is great black marketing in manufactured jute goods. Government is disputing the figures given by others so I shall take Government's own figures. Government say that there has been black marketing to the tune of Rs. 12 crores. This is only in respect of 10 per cent. of the jute goods that have gone in the open market outside the quota, that is, 10 per cent. of the goods which have been sent from here have been sold in black market and the black market money earned is to the tune of Rs. 12 crores. This proposition has been accepted by Government. Now, the total value of the goods that have been exported comes to Rs. 144 crores, and ten per cent. of this comes to Rs. 14 crores, and on goods worth Rs. 14 crores according to control rate Government say that there has been black marketing to the tune of Rs. 12 crores. In other words, there has been no black marketing in respect of 90 per cent. of the goods which have been exported. The first question I would put to Government is: How do you say that in 90 per cent. there has been no black marketing? Is it because that these 90 per cent. goods have been sent through the so-called established exporters? If it is because of that, then, I would say this: if Government blindly believe in the established notion and have gone by the fact that whatever the established importers or exporters do is O.K. and if any newcomer comes in and if anything is given to him, it is only he that indulges

in black marketing, then with all due deference to Government and to the present Commerce Minister—for whom I have got great regard—I wonder if he has satisfied himself thoroughly that there has been no black marketing in 90 per cent. of the goods which have been exported. If he has satisfied himself through all kinds of enquiries that there has been none, then I have nothing to say. But if he has merely gone by the established notion that I have mentioned and has come to the conclusion that there has been black marketing only in 10 per cent. and not 90 per cent. of the goods, then in my humble opinion he is making a blunder. It is not that only the small exporters indulge in black marketing. Big people indulge in it much more than the poor people do.

Shri Tyagi: In everything.

Shri Jhunjhunwala: It may be that they have little chances while the bigger people have bigger chances.

Shri Sidhva (Madhya Pradesh): Poor people cannot make Rs. 12 crores. Rich people must have made Rs. 12 crores.

Prof. K. T. Shah (Bihar): Let the poor take the blame.

Shri Jhunjhunwala: If black marketing comes, as I have just now said, to Rs. 12 crores and if the Commerce Minister has gone by the established notion that the established exporters and importers do not indulge in black market, I am not prepared to believe it. On the basis of 12 crores of rupees having gone in black market only in 10 per cent. I say that at least Rs. 100 crores have gone into the black market in all 100 per cent. goods. As has been stated by my hon. friend P'andit Thakur Das Bhargava, we have to reply to the public and tell them, "well, here are the proofs against the allegations which you are making". They say that they are being blamed. They say that the whole of their trade is being taken out of their hands and being given to the established importers and exporters. By raising the shipping commission to five per cent., whatever little the small shippers used to earn has been taken away from them and it has gone to the big exporters, millers and others. This is the first point on which I would like the hon. Minister to enlighten us.

If what I have said is true, namely, that he has not satisfied himself, I really do not understand how the objectives which Government had in view have been fulfilled. If we take a 100 per cent. lower price of the goods which we export to foreign countries and then say "Well, we have been able to preserve our trade", I do not know what

this preservation means. It is true that in order to keep our trade going we may have to charge a somewhat lower price. I also realise that we have to be vigilant to see that the price does not go up so high that substitutes come in.

Now, just as there is an established notion in some minds that there is black marketing only in quarters other than the established exporters and importers, similarly there is an established notion in some minds that decontrol is bad everywhere. But decontrol has also its own advantages. I do not think that the whole industry wants decontrol of jute manufactured goods as well as jute, but people seem to think that because the industry wants something, therefore there must be something wrong in it. I would request hon. Members not to go by what they say. It is because of the control which Government have been carrying on in the past that these so-called big importers and exporters are making the largest profits. If you will see their books, you will see that they are making huge profits—sure profits—to the extent of Rs. three or four per bag, in sugar for instance. When there is decontrol, there is competition, and of course at times the consumers might have to pay a little high price, but the so-called black marketeers do not and cannot make much profit. The whole of the profit goes, when there is control, to a chosen few and these are the so-called established people.

Babu Ramnarayan Singh (Bihar): Shame.

Shri Jhunjunwala: The hon. the Finance Minister said that 200,000 tons of rice will be affected by decontrol of jute, with the result that the price of food-stuffs will go up. This will create a psychological effect on the mind of the people and they will take more to the cash crop rather than to the food crop. But then we have to keep one thing in mind. We have to keep our jute and other industries going on. If that is so, we have to compete in production of jute and jute goods with other countries. It may be that due to the Korean War the prices of all things have gone up. But this phenomenon will not last long. A slump is bound to come sooner or later and we have to prepare ourselves from now on that we produce sufficient jute, so that we supply jute cheap to the mills; and then we shall produce cheaper jute goods and shall be able to compete with other jute and jute goods producers and other substitutes. Whatever you may say we have not been able to check blackmarketing.

[MR. DEPUTY-SPEAKER in the Chair]

We have failed in keeping down the prices, either of jute or of jute manufactured goods. That is our past experience. If that is so, then what is the good of making this show that we have got control over jute, that we have got control over jute goods and console ourselves that everything is all right, when the result is exactly otherwise. As my hon. friend Pandit Thakur Das Bhargava said it is only from results that we shall be judged. It is not by our capacity to introduce control, or decontrol, that people will be satisfied. If they are able to get things at a cheaper rate, it does not matter to them whether there is control, or no control. It is only by manufacturing and supplying jute goods at a cheap rate that we shall be able to compete with other countries and also prevent substitutes capturing the market of jute goods.

Mr. Deputy-Speaker: Hon. Members are aware that we have already spent three days over this Bill. If the hon. Member has any new point to make, he may pursue that point.

Shri Hussain Imam: On the first day the time-limit was three hours!

Mr. Deputy-Speaker: Hon. Members are aware that even in our Constitution export duty is contemplated. It is a duty imposed for revenue purposes and it is distributable to the provinces. Now it is a question of enhancement of the duty from Rs. 750 to Rs. 1,500. Of course, the policy of controls may be incidentally referred to. I do not know why the hon. Minister himself referred to it—that threw open the flood-gates of discussion of controls in general. All that has to be said has been said. I think we must close this Bill today. I would request hon. Members to confine themselves to new points, if they have to make any.

Shri Jhunjunwala: The new point which I was trying to make was whether the method that is being adopted by Government will attain their objectives.

Mr. Deputy-Speaker: There is no other objective than to get revenue. The only objective of the Bill is to increase the export duty from Rs. 750 to Rs. 1,500. On account of increase in prices they want to impose an additional duty and get revenue. That is all the purpose of the Bill.

Shri Jhunjunwala: What we are dealing with is the method which Government is following, and this to my

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mind does not appear to be in the interests of the country. In the course of his speech the hon. the Commerce Minister said:

"Here I should like to pay a tribute to my predecessor who thought so generously and acted so nobly in this behalf. He studied the whole problem; he found out what it cost the producer of raw jute and fixed the prices there. He studied what it cost the manufacturer to produce his goods, gave him a sufficient margin of profit and fixed the prices of jute goods there. He also found out what the requirements of the different countries were and allotted quotas to them, so that no country should be starved of the product of which we had the monopoly."

Mr. Deputy-Speaker: Is it the hon. Member's contention that this Rs. 1,500 is too high. If, on the other hand, he considers it low and wants to further enhance it, he should table an amendment, which would require the sanction of the President. This kind of argument is irrelevant for the purposes of this Bill.

Shri Jhunjunwala: What I want to point out is that we are dealing very generously with other countries at the cost of our own. When, Sir, you were not in the Chair, I pointed out that the loss suffered by us is to the tune of Rs. 100 crores. According to the Commerce Minister we have definitely allowed money to go into the pockets of black-marketeers in America. We are so generous so far as others are concerned.

Mr. Deputy-Speaker: That is the very reason why they are taking powers to enhance the export duty. Now all arguments may be addressed so far as that matter is concerned. I am sorry to interrupt the hon. Member, but it is no good saying the same thing which has been already said so often by other hon. Members.

Shri Tyagi: It only shows the opinion of the House.

Mr. Deputy-Speaker: The opinion of the House is expressed by way of vote.

Shri Jhunjunwala: Sir, one thing I have not been able to understand. As soon as our new Finance Minister assumed office I thought, and I still believe, that our finances will be managed very well. But the one thing which I have not been able to understand and which I would like to be made

clear is, as to what the hon. the Commerce Minister meant when he said:

"I should like, if I may, also to pay a tribute of admiration to my noble and hon. colleague, the Finance Minister. When I went to him with this offer of these extra dollars, he looked at me and said, 'I simply don't care.' I don't think any Finance Minister will be found so indifferent to dollars unless they came in a proper way. He offered to help me to find out the exact amount at which the duty should be levied, but he did also tell me that this for him could only be a wind-fall and he was not very much interested."

When Government knows that the dollars are going in the black market is it not the duty of Government to see that either the black-marketing is stopped or that this should go to the proper coffers? I quite agree with the hon. the Finance Minister when he does not care for the black-market dollars, but we are trying to take all the taxes which had been evaded and we have appointed an Income-tax Investigation Commission for it, but are allowing crores and crores of rupees to go by means of black market, which would otherwise come to Government.

Shri C. D. Deshmukh: May I say that the reference is really to the quantum of duty? I said to my colleague that in determining the quantum of duty I would not allow revenue considerations to dominate and I would think more of the long-term interests of the jute industry. It had no reference to black market profits at all.

Mr. Deputy-Speaker: But it is unfortunate that the language should be so wide as to create the impression that the Finance Minister is absolutely indifferent to what happens. That is the meaning that it conveys.

Shri Tyagi: The fact remains that the full profits were not mopped up.

Shri Jhunjunwala: What I have stated hitherto is regarding what Government is doing. There is one point which I want to be made clear and it is this. Regarding State trading the Commerce Minister said that his greatest anxiety is that so many other people who are in the trade will be displaced. He said that that is one of his anxieties and difficulties in finding out as to whether he should take to State trading or not. But it has been fully explained by my hon. friend Mr. Himatsingka as to how so many thousands of people have been put out of trade by keeping

the whole control with the Government officials or the mill-owners or the Chairman of the I.J.M.A. as has been stated by my hon. friend Mr. Tyagi.

Shri Sondhi: But they were smaller people.

Shri Jhunjunwala: That is the allegation which is being made by the jute balers, jute growers, shippers and so many other classes, that is, that the whole profit—whatever it was, black-marketing in America or black-marketing here—by increasing the shipping commission to five per cent. they have taken away. Some people were there making some profit and earning their livelihood and now they have been driven out.

With these remarks I would say that taking all these things into consideration it is for Government to see as to what method they should follow.

Mr. Deputy-Speaker: Mr. Karmarkar.

Some Hon. Members: Is he replying to the debate?

Mr. Deputy-Speaker: Yes.

The Deputy-Minister of Commerce (Shri Karmarkar): Coming at this stage in the debate which has lasted for three days and in view of the short time at our disposal I have abandoned my original idea of entering into details regarding some of the important points made on the floor of this House.

The jute industry in India is already suffering under very great difficulty. As the House is already aware, supply of the raw material at the moment is one of our difficulties. As we are also aware, fluctuating world prices, making it difficult for us to hunt after and catch at them and evolve what might be considered a stable policy, is another difficulty. The third difficulty is the growing use of what might be termed as substitute-materials in our normal foreign markets. A fourth difficulty—and this is a fact which has to be agreed to on figures—is that as a cumulative result of all these reasons the fact is there, and it is a disquieting one, that apart from the fact that whatever has happened ever since October 1949, since as long back as 1946 our foreign market of hessian has been slowly and gradually falling. The exports to the United States in 1947 were less than in 1946, and progressively it has been so.

Prof. Banga: Is it in value or in quantity?

Shri Karmarkar: In both value and quantity. Rising world prices have not made any difference, and it is certainly the fact of quantity that should make us disquieting much more than value. The fact is this that unless we take the greatest possible care regarding every step that we take, beset as we are with these numerous difficulties, unless we take all possible steps, it would be a very difficult thing indeed to prophesy as to what might happen to this industry. There is also—and I mean absolutely no offence when I say that and my hon. friends in this House will certainly believe me when I say that—there is also a fifth difficulty. It is, if I may respectfully say so, the way in which we allow ourselves to think aloud in a manner that might be more beneficial to others than ourselves. We all speak in terms of the supply of raw jute. I will not dilate on the point. But I wish Members had realized, if I may respectfully say so, the immense amount of mischief that might very easily be done if we go into details of what we are producing and what we have been producing in the past. That has been the recent reason as to why our raw jute supplies have fallen short. It is a question of difference, the dispute between us and Pakistan. Now, that question is there. We might be right, we might be wrong in sticking to our own point of view regarding the question of the parity of the Pakistan rupee and the Indian rupee. But then, when such serious issues are on the anvil and when anything that we, representatives of the people as we are, say or do might have the least undesirable effect on the situation, I should certainly very humbly invite the attention of this House to the fact that sometimes, maybe as in times of war, and in times of economic crisis certainly to my mind so far as our economic situation is concerned, we are in a crisis; not in an overwhelming crisis, but certainly a sort of situation which should make us very serious about it—we have to be careful. I should humbly submit to this House that one of our difficulties in our economic problems in general, and as it has happened during this three-day discussion on this question of jute also, is that we sometimes allow ourselves to think aloud in a manner which perhaps, in my humble opinion, we need not. I will not dilate on that point. It is a question of opinion. As I said before I am not going into the details but one of the broad points of the vivisection or *post mortem* examination that was sought to be made is about the extent of the loss. The hon. Minister of Commerce's statement that 12 crores might be the figure has been, in my opinion, misunderstood as if that

[Shri Karmarkar]

was a statement of fact arrived at, after considering all the data before us. Firstly we have a definite figure of the exports of hessian to the markets of the United States. There can be no doubt about that.

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There is also a series of quotations of spot prices and afloat prices in the American market. There is no doubt about that. It does not require any extraordinary skill or knowledge of mathematics to make two and two into four and calculate what might possibly be the maximum loss that might have been incurred on account of the fact that we have not related our prices to the world prices. Now, the whole thing is so complicated. I might mention one aspect of the question: that for part of the period there has been what you call 'directional arrangements'. My hon. friend gave all figures and said for instance, that 77 per cent. of our hessian exports to the U. S. A. go to the bag manufacturers and he argued that it was not possible with any amount of direction to reach all the corners of the U.S.A. That is a point on which we can only surmise and those of us who have watched different calculations have seen that possible estimates of losses have varied anywhere between Rs. two crores to Rs. 100 crores, as our hon. friend Mr. Jhunjunwala just now said. On that point, it is very difficult to join issue, unless people who have indulged in the speculative market come out with a correct statement of what exactly they have done during the last 12 months. All that we could do is to depend upon what calculations we could make, between the prices as controlled by us and the resultant prices in the U. S. A. and what we might term as spot and afloat prices.

Shri Jhunjunwala: I want to make one correction. I have simply inferred from the statement made by the hon. Commerce Minister. He said that there has been black-marketing of 12 crores, on ten per cent. I say that if there has been black-marketing on ten per cent. I am not prepared to believe the statement. I say there has been black-marketing equally on 90 per cent. and if it is the opinion that established shippers and established traders do not indulge in black-marketing, I am not prepared to believe it, unless the hon. the Commerce Minister has made thorough enquiries and has come to the conclusion that there has been no black-marketing. If he has come to that conclusion, then I have nothing to say.

Shri Karmarkar: Arising out of my hon. friend's interruption, I thought it

was an agreed fact that there has been some black-marketing. I was only on the quantum of black-marketing and my humble submission is that there is absolutely no way to find out the extent of black-marketing unless we have more definite data on the point.

Secondly, I wish I had sufficient time to put forward before this House figures in elaborate detail. I will cite an example.....

Shri J. R. Kapoor (Uttar Pradesh): In fairness to the Commerce Ministry, we should give ample opportunity for them to reply to the various charges that have been levelled against them.

Mr. Deputy-Speaker: If Government is anxious to have more time, I have no objection. Let us not say that Government is anxious or that the Minister must have more time.

Shri Karmarkar: We are not at all too anxious to take the time of the House. There are other measures that are coming before this House. Coming back to the point, I was trying.....

Mr. Deputy-Speaker: Hon. Members cannot compel the hon. Minister to go in detail. We ought to leave him to decide for himself.

Shri Sondhi: He should not take advantage of the lack of time to explain his position. (*Interruption*).

Mr. Deputy-Speaker: Certainly it is not right for the hon. Member to lose the tone. Is it open to hon. Members on the one side to compel hon. Member to take time. It is open to him to accept or not to accept the suggestion. In any case the application does not come from him.

Shri Sondhi: He pleads the lack of time only and that stands in the way of giving the explanation.

Mr. Deputy-Speaker: It is a mode of expression.

Shri Karmarkar: To come back to the point that I was trying to make, I would just invite the attention of the House to one or two salient facts regarding the last twelve months. For instance, I admit, we had to fulfil our obligations to Argentina regarding the supply of jute bags. Just at that moment there arose a panic in the New York markets and we found that the spot price immediately ran high and when later on we came to an agreement with Pakistan regarding a limited supply of raw jute, we noted that in April and May the spot price went down, and in

fact, if we take a careful survey of the prices that were current during the last 13 or 14 months, it will be obvious...

An Hon. Member: There is no quorum, Sir.

Mr. Deputy-Speaker: Hon. Members need not think of devices to avoid a quorum.

Shri Sondhi: Let us meet on Monday.

Mr. Deputy-Speaker: After all we are moving in a family spirit. If hon. Members are so anxious, I won't say anything. We have spent three days already. It is not that we have wasted them. I am not making any aspersion. I am one of the hon. Members here. The first day was taken rightly on a question of law. It was really that which ultimately influenced Government to come forward with an amendment. The other two days were spent in general discussion. Surely, as hon.

Members will find, there are a number of other items on the agenda and therefore, it was felt that we might conclude the debate today, but in the interest of the debate, it appears that unless the hon. Minister takes more time and gives us some more satisfactory figures, he will not be able to satisfy hon. Members here and the public at large outside. Therefore quite in keeping with the desire of the House, I only appeal to hon. Members not to resort to devices. They can certainly tell me what I should do.

Prof. Ranga: It was far from my mind. Why do you assume that there was such a desire at all.

Mr. Deputy-Speaker: The Professor is sitting in front of me; he did not hear what passing from the other side.

The House then adjourned till a Quarter to Eleven of the Clock on Monday the 11th December 1950.
