

Thursday, 22nd February, 1951



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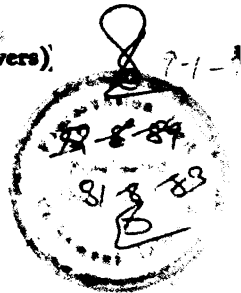
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PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VI, 1951



(5th February to 31st March, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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THE
PARLIAMETARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

1639

1640

PARLIAMENT OF INDIA

Thursday, 22nd February, 1951

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

{MR. DEPUTY-SPEAKER in the Chair}

ORAL ANSWERS TO QUESTIONS

MINIMUM PRICE FOR RAW JUTE

*1638. **Shri A. C. Guha:** Will the Minister of Commerce and Industry be pleased to state whether the Government of India contemplate fixing a minimum price for raw jute to be paid to jute growers as is done in the case of the sugar-cane growers?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): No, Sir. The Government of West Bengal have, however, taken powers to fix minimum prices of raw jute bought from the cultivators under clause 10 of the Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950.

Shri A. C. Guha: Have the Government any idea at what price jute is being purchased from the jute growers?

Shri Karmarkar: We presume that it is being purchased at the fixed price. That is our presumption.

Shri A. C. Guha: For instance the fixed price is Rs. 35 at Calcutta. I want to know at what price it is purchased from the jute growers.

Shri Karmarkar: I shall have that collected. But it is different at different places depending on the distance. In Calcutta the price is Rs. 35 per maund as my friend knows.

Shri A. C. Guha: Is it not true that the Government has got an integrated plan for the self-sufficiency of jute.

cotton and food and, if so, when the minimum price has been fixed in respect of cotton and sugarcane why has the Government not fixed any minimum price in respect of jute?

Shri Karmarkar: I am afraid the question is mixed up with two parts. As regards the first part whether there is an integrated plan, my information is that there is an integrated plan for the growth of jute, cotton and rice, I could not exactly follow the second part of my friend's question.

Shri A. C. Guha: While in respect of the other two items, namely cotton and sugarcane, minimum prices have been fixed, as also for wheat and rice when procurement is done, why has an exception been made in case of the jute growers?

Shri Karmarkar: It has not still been found necessary to fix minimum prices for jute. But as my hon. friend knows from the answer, in the Ordinance concerned Government have taken powers to fix minimum prices whenever necessity arises.

Shri B. K. Das: There was a proposal about raising the ceiling prices and it was being considered. Has any decision been taken about that?

Shri Karmarkar: No, Sir.

Shri A. C. Guha: As regards the question of minimum prices for jute being fixed, have the Government enquired how much profit the middleman is making in handling the jute from the jute grower to the mill?

Shri Karmarkar: We have had no enquiries made, but different information is conveyed at different times. It varies.

Shri A. C. Guha: Will Government make an enquiry as to what profit the middleman makes in the course of handling jute?

Shri Karmarkar: Do I understand my friend to mean by 'middleman'

the man who directly purchases from the grower and sells there?

Shri A. C. Guha: The man who directly purchases from the grower and supplies the jute to the Central Jute Board.

Shri Karmarkar: I shall have an enquiry made on that.

Shri Sarangdhar Das: Does the price that has been fixed apply to the other growing areas such as Orissa, Bihar and Assam?

Shri Karmarkar: Yes, Sir, it does.

Shri Jaani Ram: Does Government, in fixing minimum prices, consult any organisation on behalf of the growers?

Shri Karmarkar: Certainly, we consult all prominent organisations. We welcome all suggestions and we consider all of them.

Shri Jhanjhanwala: Is it a fact that because of the very low price that the jute growers are getting, they are getting discouraged to grow more jute?

Shri Karmarkar: Government does not agree that they are getting a 'low' price at Rs. 35 per maund.

Shri Munavalli: Has any representation been made to Government for fixing minimum prices for jute?

Shri Karmarkar: Not to my knowledge. But I shall make enquiries and tell my friend if there is any.

TRUSTEE COMMITTEES

*1639. **Prof. S. N. Mishra:** Will the Prime Minister be pleased to state:

(a) whether an agreed decision has been arrived at between the Governments of West Bengal, Assam and Tripura and the Government of East Bengal in the matter of setting up Trustee Committees for Evacuee Property; and

(b) if so, whether necessary legislation has been enacted to set up such committees?

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). Yes. The Governments of East Bengal, West Bengal and Assam have promulgated on the 6th February, 1951, Ordinances for setting up Evacuee Property Management Committees in their areas. The Tripura State is expected to take similar action shortly.

Prof. S. N. Mishra: May I know whether the Government of India

have examined the constitution and functions of such Committees?

Dr. Keskar: The Ordinances for setting up the Committees have been promulgated now. The Committees will be set up shortly. The question will arise only when the Committees are set up.

Shri A. C. Guha: When do the Government propose to set up the Committees?

Dr. Keskar: Very shortly.

Shri A. C. Guha: What will be the functions and terms of reference of those Committees?

Dr. Keskar: The main function of the Committee will be to look after the proper management of the property of an evacuee pending his return.

Shri B. K. Das: Has the limiting date for this purpose, namely 31st December 1950, been extended or does it remain unaltered?

Dr. Keskar: I think the date is not December 1950. The Committee will take charge of evacuee properties in the following cases:

(a) if before the 31st March, 1951 the evacuee makes to the prescribed authority a declaration of his intention not to return to his home;

(b) if, after the 31st March, 1951, the evacuee has not returned to his home whether there is or there is not a declaration by him of his intention not to return and whether there is or there is not an application by him to the Committee to take charge of his property.

Prof. S. N. Mishra: May I know whether the legislation necessary for the purpose would be passed by the State Assembly or whether it will have anything to do with the Centre also?

Dr. Keskar: As I said, the Ordinances have been promulgated by the various States and certainly the States will make legislation wherever necessary.

Shri A. C. Guha: Will the Committee also take up the properties of those who will be leaving East Pakistan in 1951, or is there a dead-line that after that date no evacuee property will be taken over by that Committee?

Dr. Keskar: I think it is mainly intended for those who have left up to the dead-line of this date which I have just now quoted.

Babu Ramnarayan Singh: Will the decision of the Committee be binding on the Government concerned?

Dr. Keskar: Naturally, the decision of the Committee will be binding on Government.

Shri B. K. Das: According to the terms of the agreement the migrants from Bihar also will come under the purview of this arrangement, that is, their properties also will be taken charge of by the Trustee Committees. Has it been decided to form a Trustee Committee in Bihar also?

Dr. Keskar: As far as the Ordinances about which questions have been put are concerned, Bihar is not included in this.

Pandit Munishwar Datt Upadhyay: Are these Committees set up jointly by the different State Governments, or are separate Committees of State Governments working under the agreement that has been reached among these State Governments?

Dr. Keskar: The Committees have been set up according to the agreement that has been reached between the two Governments. The Committees will be composed of the representatives of the minorities concerned with a presiding officer given by Government.

Shri S. C. Samanta: What will be the basis of the constitution of these Committees? Will they be formed according to the Ordinances promulgated or will they be according to the Act which will be enacted?

Mr. Deputy-Speaker: He has said already that it will be settled later on.

Dr. Keskar: Of course, the Ordinance would be converted into an Act. It makes no difference.

TRADE MARKS (INFRINGEMENT)

*1640. **Shri Sidhva:** Will the Minister of Commerce and Industry be pleased to state:

(a) how many cases of infringement of Trade Marks were reported during the years 1949 and 1950, each year separately; and

(b) in how many cases action was taken for such infringement of Trade Marks and with what results?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Government have no figures regarding the number of cases in which Trade Marks have been infringed, but several complaints have been received in recent months alleging infringements in respect of trade marks.

(b) Action in respect of infringement of trade marks has to be taken by the owners of the trade marks concerned, and not by Government. No

figures are available as to the number of cases in which action was taken by the owners, and no information is available as to the results.

Shri Sidhva: May I know whether any agency exists with the Government in regard to the detecting of such cases? If not, what are the reasons for not having it?

Shri Karmarkar: I should like to inform my hon. friend the present position. According to the law as it stands at present, the offence of infringement of trade marks is a non-cognizable offence. We have received complaints that there is a sizable number, roughly about 10,000 during the last year of infringement of such trade marks and we are considering the question as to whether it would not be better to make the offence cognizable. Therefore under the present law, we could not find out because the infringers of trade marks do not take us into their confidence.

Shri Sidhva: Has the Government no information regarding the cases that have been actually prosecuted?

Shri Karmarkar: As I said in the printed answer the figures are not at present available. We shall try to find out—but that involves enquiries in the whole of India.

Pandit Munishwar Datt Upadhyay: What are the headquarters for the registration of these trade marks and are there any territorial or regional jurisdiction or special jurisdiction according to subjects fixed?

Shri Karmarkar: It does not arise out of the question.

Shri Munavalli: May I ask how many complaints were received in the recent months?

Shri Karmarkar: The exact number of the complaints received is not with us now but a number of representations from Chambers of Commerce and Associations of manufacturers stating that in recent years the infringements have been common, have been received.

Shri Sidhva: May I know whether some merchants or the Chambers of Commerce have made representations to the Government to the effect that some printing presses have specialized in producing imitation labels? May I know with regard to this particular infringement whether Government have taken notice of that representation made?

Shri Karmarkar: Our general information is that the procedure in infringement of trade marks is to make exact replicas of the containers and

labels used by manufacturers of well-known goods and to use such containers with spurious goods and in some cases second-hand containers are used for the purpose. We have not got a specific complaint that such and such a label is used excepting one.

Shri Velayudhan: May I know whether the offices in Bangalore, Bombay and Calcutta are treated on the same level?

Shri Karmarkar: Again, I shall be very happy to answer that question if it is put down. It does not arise in my opinion out of this question.

SOUTH AFRICAN GOVERNMENT'S INSTRUCTIONS TO AIR HOSTESSES

*1641. **Shri Sidhva:** (a) Will the Prime Minister be pleased to state whether it is a fact that the South African Government have issued a new set of instructions that whenever a plane lands in that country and Indian passengers leave their seats, the Air Hostesses should put a red tape on all articles for the purpose of washing them by a hygienic process instead of the usual laundering applied to articles used by White People?

(b) If so, in how many cases have such instructions been carried out by the Air Hostesses in the case of Indian passengers?

(c) Have Government taken any action in this matter?

The Deputy Minister of External Affairs (Dr. Keskar): (a) According to the information received by Government, the South African Airways have issued instructions for special hygienic laundering of all linen and other articles of equipment used by non-European passengers travelling in South African planes. The Air Hostesses and others concerned have been asked to tag all such articles. Government are not aware whether these instructions have been issued under the authority of the South African Union Government or by the South African Airways themselves.

(b) Government have no information.

(c) This is, apparently, a further application of the policy of segregation of non-Europeans in South Africa, which is the declared policy of the Government of the Union of South Africa. As the House is aware, the Government and the people of India have taken the strongest objection to this policy which is insulting not only to Indians but to all non-Europeans. The whole question has been before the United Nations, where recently a resolution was passed in regard to this

general policy. Government do not propose to make repeated protests about various applications of this policy, but all such applications are relevant to the consideration of the main issue by the United Nations.

Shri Sidhva: Am I to understand clearly from the hon. Minister's answer that those instructions issued by the South African Government for the disinfecting of clothes etc. of the passengers arriving in South Africa are only for Indian passengers and not for all passengers?

Dr. Keskar: They are for all non-European passengers and as I said we are not sure and we do not know whether it is the South African Government who have issued these instructions or the South African Airways. As far as the passengers are concerned, it is the South African Airways who have issued the instructions.

Shri Joachim Alva: Government in the past had taken certain retaliatory measures against South Africans in India. Are those measures existing now or have they been withdrawn or relaxed? Are Government aware that a large number of South Africans in this country are posing themselves as Europeans or as nationals of this country?

Dr. Keskar: They are in force even now. They will be until the situation changes. I am not aware of South Africans masquerading under the nationality of other countries. We can only take measures against those who are South African nationals, that is those who have got a South African passport. It is not possible for us to take measures against others.

Shri Kamath: Was this new regulation, Sir, with regard to the hygienic laundering of non-Europeans' baggage introduced after the enforcement of the Group Areas Act or earlier?

Dr. Keskar: Most probably after that. I am sorry I cannot give the date.

Shri Syamnandan Sabaya: Will the Government be pleased to state if they would have any objection to Indian Airway companies passing similar instructions to their air hostesses as have been done by the South African Government against non-Europeans?

Dr. Keskar: No, Sir.

Pandit Kunnru: Have Government made any efforts to obtain accurate information on this subject?

Dr. Keskar: This is very definite and clear that the South African Airways have issued such instructions and that they are carrying them out is quite clear.

Pandit Kishore: Will Government also find out whether the South African Airways have done this of their own accord or it was under instructions explicit or implied of the South African Government?

Dr. Keskar: If the hon. Member is interested, we can certainly do that, but as I said in my answer, we do not see that any useful purpose will be served by pursuing this question, as we know well the policy and the attitude of the South African Government.

शेठ गोविन्द दास: क्या इस सम्बन्ध में साउथ अफ्रीकन इंडियन कांग्रेस से सरकार के पास कोई पत्र आया है और क्या उस पत्र में यह लिखा गया है कि यद्यपि इन नियमों के सम्बन्ध में कहा यह जाता है कि वह सब नान युरोपियन्स पर लागू होंगे पर यथायं में भारतीयों पर लागू किय जा रहे हैं ?

[Seth Govind Das: Has any communication been received from the South African Indian Congress in this connection wherein it is mentioned that although these rules are professed to apply to all non-Europeans they are in fact being applied to Indians only?]

डा० केशकर: मेरी जानकारी में ऐसा कोई खत नहीं आया है।

[Dr. Keskar: So far as I know, no such communication has been received.]

Shrimati Renuka Ray: The hon. Deputy Minister in his reply stated that the Government do not contemplate such action against all non-Europeans but if it is a fact that it was at the instance of the South African Government, would they consider bringing in similar regulation at least against South Africans?

Dr. Keskar: The number of South Africans who might chance to travel by our Airways would, I think, be infinitesimal and Government does not think it proper or feasible to pass such a legislation for a few South Africans who might be travelling by our Airways.

Shri Shikha: May I know whether this order is also applicable to the aircrafts which are flown by Indian companies between India and Johannesburg?

Dr. Keskar: There are no Indian Airways going to South Africa. Probably my hon. friend is thinking of our Service to East Africa.

Shri Karanahara Menon: May I know whether there are no international organizations like an international organization to which such insults could be referred for redress?

Dr. Keskar: There is an International Civil Aviation Organization, but I do not know whether it is competent to take cognizance of this particular matter.

Shri Kamath: Is it because Government find it difficult to distinguish South Africans from Europeans or other Whites that they consider that it is not possible or rather difficult to apply such regulations to South African passengers travelling by our Airways?

The Prime Minister (Shri Jawaharlal Nehru): There are very very few South Africans in India—I cannot give the number—very infinitesimal. Out of those very few, presumably still fewer think of travelling by air. It would mean not harassing that particular individual; but harassing all passengers to find out if possibly a South African is amongst them. Going about asking everybody, 'Are you a South African', is a totally impracticable proposition. That would mean so much resentment from every passenger that the hon. Member can only imagine that we cannot do it.

Shri Kamath: Sir, is it not possible...

Mr. Deputy-Speaker: Next question.

REHABILITATION BENEFITS TO DISPLACED STUDENTS

*1642. **Dr. Ram Subhag Singh:** Will the Minister of Rehabilitation be pleased to state whether it is a fact that displaced students who have secured scholarships are being denied other rehabilitation benefits to which they are entitled under the schemes approved by the Government of India?

The Minister of State for Rehabilitation (Shri A. P. Jain): No.

Dr. Ram Subhag Singh: May I know whether any complaints have been received by the Rehabilitation Ministry from students who secured a scholarship on merits, stating that their rehabilitation benefits have since been discontinued?

Shri A. P. Jain: At a very early stage, some complaints were received; but, action was taken on those complaints and now, if a student gets a merit scholarship, rehabilitation benefits are not denied or stopped.

Dr. Ram Subhag Singh: May I know the names of the State Governments who had denied rehabilitation benefits

to students who had secured scholarship on merits?

Shri A. P. Jain: There were sporadic cases here and there. I cannot say whether any State passed any such order.

लाला अचिंत राम : क्या माननीय मंत्री जी बतलायेंगे कि वह विद्यार्थी जो कालिजों में पढ़ रहे हैं, उनके स्टैडिपेंड में इजाफा करने के बारे में क्या गवर्नमेंट सोच रही है क्योंकि मंहगाई ज्यादा बढ़ रही है ?

[Lala Achint Ram: Will the hon. Minister be pleased to state whether in view of increasing dearness the Government propose to increase the amount of stipend given to the students studying in colleges?]

श्री ए० पी० जैन : नहीं ऐसा तो कोई विचार नहीं है ।

[Shri A. P. Jain: There is no such proposal.]

گیانی - جی - ایس - مسافر - ایسے
کے ودیارتھی ہوں گے جن کو اسکالرشپ
ماتلا ہے پر انہوں نے لون کے لئے بھی
درخواستیں دی ہیں -

[Giani G. S. Musafir: What is the number of those students who are getting scholarship but have also applied for loans?]

श्री ए० पी० जैन : अब तो लोन की कोई स्कीम नहीं है, और विद्यार्थियों के सम्बन्ध में तो ऐसा कोई प्रश्न उठ ही नहीं सकता ।

[Shri A. P. Jain: There is no scheme for loans now, and the question does not arise in case of students.]

Dr. Ram Subhag Singh: May I know the amount of monthly allowance which a displaced student gets?

Shri A. P. Jain: Intermediate in Arts and Science, Inter. Com., Diploma course in Agriculture and Veterinary Science, Rs. 30; B.A., B.Sc., B.Sc. (Ag.), B.Com., Rs. 40; Degree course in Civil, Mechanical and Electrical Engineering, Mining and Metallurgical and Medical courses Rs. 60. Diploma courses in the above group Rs. 50; Chemical, Navigational and Irrigational Engineering,

Rs. 40; Radio Servicing, Automobile Engineering and Technological courses Rs. 30; other courses not specified above Rs. 30 to 50 at the discretion of the State Government depending on the cost of each course.

Dr. Ram Subhag Singh: What is the total number of displaced students who are receiving rehabilitation benefits?

Shri A. P. Jain: I have not got these figures. The collection of these figures will mean a considerable amount of labour.

Pandit Munishwar Datt Upadhyay: May I know whether this amount that they are getting is for their maintenance or whether they have to pay school fees and other charges also out of this amount?

Shri A. P. Jain: These stipends are not meant for the maintenance of the student; but they cover the expenses on tuition fees, books, instruments and other things.

Shri K. C. Sharma: What is the total amount spent on stipends?

Shri A. P. Jain: This scheme has been started during the current year. We are not in a position to state how much will have been spent at the end of the year.

Mr. Deputy-Speaker: Next question. 1644.

Dr. Ram Subhag Singh: On a point of order, Sir, I do not know the reason why my question 1643 was disallowed.

Mr. Deputy-Speaker: It has been transferred to the Minister of States for answer on 28th February 1951.

Shri Kamath: He should have been informed.

Mr. Deputy-Speaker: I will ask them to inform him.

Shri Kamath: Informed earlier, Sir.

DEMARICATION OF BOUNDARY BETWEEN INDIA AND PAKISTAN

*1644. **Pandit M. B. Bhargava:** Will the Prime Minister be pleased to state what progress, if any, has been made towards the demarcation of fixed boundary lines between India and Pakistan in accordance with the Redcliffe and Bagge Awards?

The Deputy Minister of External Affairs (Dr. Keskar): The progress made in the demarcation of the Indo-

Pakistan boundary in the different areas is as follows:—

West Bengal—East Bengal

Out of the total length of 700 miles constituting the boundary between West Bengal and East Bengal, a length of 90 miles, in the district of Murshidabad, was referred to the Bagge Tribunal and in accordance with its Award, air photography of the area has been completed and a hydrographic survey is in progress. It is hoped that the middle of the main channel, which will form the boundary in this area will be fixed in the course of the year.

As regards demarcation of the rest of the West Bengal—East Bengal boundary, work has started in November 1950 and about 105 miles of the boundary have been reconnoitred and positions for fixing pillars have been suggested. The demarcation of the entire boundary is expected to be completed in three years.

East Bengal—Assam boundary

The demarcation of the disputed portion of the boundary, in the Patharia and Kusiara areas, in accordance with the Award of the Bagge Tribunal, is awaiting agreement between the Governments of India and Pakistan on certain matters.

The ground reconnaissance work of the undisputed portion of the Assam—East Bengal boundary is expected to be completed shortly and air photographs of the area are expected to be taken thereafter by the end of February 1951. Boundary pillars already exist in this area.

The demarcation of the boundary between Tripura and East Bengal, Bihar and East Bengal, as well as between West Pakistan and India has not yet been started.

Pandit M. B. Bhargava: What is the machinery which will decide the points of difference arising between India and Pakistan on this score?

Dr. Keskar: Broadly speaking, there have been differences only with regard to certain areas; there is no dispute about other areas. So, Government does not expect much dispute arising with regard to the main boundary. But, as I stated in my reply, there has been dispute with regard to 90 miles of boundary between West Bengal and East Bengal. It was for that purpose that it was referred to the Bagge Tribunal for award. The Award has been given and the Government is now in consultation with Pakistan Government trying to implement that Award.

Shri A. C. Guha: Are we to understand that besides these 90 miles, there is no dispute between East Bengal and West Bengal boundaries?

Dr. Keskar: There are two disputes between East Bengal and West Bengal. These are the major disputes. There might be minor quarrels, with regard, for example, to a certain village, which I referred to in reply to a question by the hon. Member. They are very minor disputes. The major disputes are only two with regard to the boundary between West Bengal and East Bengal.

Shri A. C. Guha: Is there any territory which was previously held by India and which is now held by Pakistan?

Dr. Keskar: As I stated in my reply, half of two villages is held by the Government of East Bengal which they claim as their territory; but the dispute is being settled by discussion between the District Magistrates on both sides.

Shri A. C. Guha: Is there any boundary dispute between East Bengal and Cooch-Behar State i.e. of any territory formerly under the Cooch-Behar State now integrated in West Bengal?

Dr. Keskar: I am not aware of any major dispute with regard to this boundary.

Shri Chaliha: In view of the existence of oil in Patharia Reserve, may I know whether Government will accelerate the work of demarcation of the boundary?

Dr. Keskar: As I said, the Award has been given and we are trying certainly to speed up the permanent settlement of this dispute. But, I am afraid that as long as one or two points in dispute with regard to the interpretation of the award are not settled, it will not be possible to take the next step.

Shri Raj Bahadur: May I know the reason why the work of demarcating the boundary between West Pakistan and India has not yet started, and how soon it is going to be started?

Dr. Keskar: The more urgent work, that is where the dispute was actually raised, has been taken up. But, the other one will also be taken up immediately afterwards.

Dr. Ram Subhag Singh: May I know whether our patrol, if any, in these two disputed villages were forcibly driven out by the Pakistan forces?

Dr. Keskar: I have replied very fully with regard to these villages in my reply to the other question.

Mr. Deputy-Speaker: Next question.

MATCH FACTORIES

*1645. Pandit M. B. Bhargava: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of large and small scale factories for the manufacture of matches in the Indian Union;

(b) the number of labourers employed therein;

(c) the total quantity and value of matches produced in India during the years 1948-49 and 1949-50;

(d) the total quantity and value of matches required for local consumption in India;

(e) the number and value of matches imported into and exported from India during the years 1948-49 and 1949-50; and

(f) what is the maximum productive capacity of these factories?

The Minister of Commerce and Industry (Shri Mahtab): (a) Large-scale factories—5; Small-scale factories—200.

(b) About 20,000.

| (c) Year | Quantity [in cases of 50 gross boxes of 60 sticks each] | Value (in rupees) |
|----------|---|----------------------|
| | | |
| 1949-50 | 5,23,466 | 16,35,52,125 |

(d) Total quantity required for local consumption. About 5,00,000 cases of 50 gross boxes of 60 sticks each. Value Rs. 15,62,50,000.

(e) Imports.

| | Quantity | Value |
|---------|-------------|-------|
| | Gross boxes | Rs. |
| 1948-49 | 106 | 99 |
| 1949-50 | 136 | 429 |

Exports—

Considerable quantities were exported during recent years, but exact figures are not available as the article is not separately specified in the foreign export trade returns of India.

(f) About 8,00,000 cases of 50 gross boxes of 60 sticks each.

Shri Venkataraman: Sir, may I know.....

Mr. Deputy-Speaker: I shall give preference to the hon. Member who tabled the question, in the matter of putting supplementary questions.

An Hon. Member: He is not putting any, Sir.

Mr. Deputy-Speaker: All right.

Shri Venkataraman: Sir, with reference to part (c) of the answer, what portion of the total quantity produced is produced on a cottage industry basis?

Shri Mahtab: I am sorry, though I myself wanted to make a distinction on that basis and get separate figures, I could not get them. But I am trying to get the separate figures.

Shri Venkataraman: May I know whether any assistance is being given to those who are carrying on the industry on a cottage industry basis?

Shri Mahtab: At present, on the contrary, there are some obstructions which I am trying to remove.

Shri Venkataraman: May I know whether representations were made to the hon. Minister that some rebate in excise duty or some preference in the railway rates may be given to encourage this cottage industry?

Shri Mahtab: As I have already said, the rules as they stand at present are against this cottage industry and I am trying to remove these obstacles or obstructions. After we have done that, we will come to the question of giving more assistance or concessions to this industry.

Pandit Munishwar Datt Upadhyay: Sir, what are the States which supply the raw materials required for this industry?

Shri Mahtab: Potassium chlorate is required and that is produced in some factories in Madras and Bengal. The main raw material is soft wood and the major portion of this came from the Andamans. At present some other States also supply this soft wood, but I do not have the detailed information with me here.

Shri Rathnaswamy: Sir, did some factories in the Madras State approach the Centre for State aid, and if so, to what extent did the Centre respond and to which companies was this aid given?

Shri Mahtab: The Centre has not got the funds at its disposal to give this kind of aid; and it is the State Governments which have to give this aid. I suppose the State Government of Madras probably was approached; if the hon. Member wants, I shall get this information from that Government.

Shri Rudrappa: Of those concerns engaged in this industry, may I know how many are Indian-owned and how many foreign-owned and what is the

Indian capital invested in it and what is the capital invested by foreign concerns?

Shri Mahtab: I am afraid I do not have that information.

Shri Ramaswamy Naidu: What are the raw materials which.....

Mr. Deputy-Speaker: The next question deals with the raw materials.

Shri Bharati: Sir, I want to know how many factories run on a cottage industry basis have gone out of existence in South India in the recent past?

Mr. Deputy-Speaker: The hon. Minister has already said that he does not have the details.

Shri Bharati: But, Sir, representations have come to the Government; I myself have made a representation about factories which have gone out of existence for lack of aid at the proper time.

Shri Mahtab: I suppose the question is as to how many factories have gone out of existence. I do not have their exact number, but I know many have.

Shri Raj Bahadur: With reference to part (e), may I know the names of the countries to which exports are made and what encouragement was given by Government to develop this trade?

Shri Mahtab: As the House is aware, there is not even complete self-sufficiency in our country with regard to matches, the production being a little less than requirement. So there is no question of encouraging the export trade. Hon. Members will remember that we have at present lost the Pakistan market and when that is revived, there will actually be shortage here.

Shri Alexander: In view of the fact that the requirements of India are less than the total production, do Government propose to prohibit imports?

Shri Mahtab: There is no question of imports at present. The factories do not produce to their installed capacities and we are now trying to make them produce to their installed capacities.

Shri Raj Bahadur: Was a considerable quantity exported last year?

Shri Mahtab: I have not got separate figures.

Shri Kishorimohan Tripathi: How many of the factories in India are Indian-owned and how many foreign-owned?

Mr. Deputy-Speaker: The hon. Minister has said he has not got this information.

Shri Kamath: Of the match-makers in India, may I know what percentage of the total production is by Indian interests and what percentage is produced by non-Indian ones?

Shri Mahtab: I think it is again a question how many are Indian-owned and how many foreign-owned.

Mr. Deputy-Speaker: No no, he is more anxious about match makers. We go to the next question. With respect to such questions which are not of very great importance, and where there may not be many supplementaries, the answer may be given in two or three items, it need not run from (a) to (f) or from (a) to (z).

RAW MATERIALS FOR MATCH INDUSTRY

*1646. **Pandit M. B. Bhargava:** Will the Minister of Commerce and Industry be pleased to state:

(a) what are the requirements of match industry both in respect of chemicals and wood in relation to their overall installed capacity;

(b) what quantity of raw material, chemicals and wood was available to these factories during the years 1948-49 and 1949-50;

(c) to what extent the industry was affected in these years owing to the insufficient supply of chemicals and wood;

(d) what steps the Government of India have taken so far for making the Indian Union self-sufficient in respect of her requirements of chemicals and wood for match industry;

(e) what quantity of raw materials in chemicals and wood are imported into India to meet the requirements of the match industry and what proportion was supplied from local resources; and

(f) by which date India is expected to be self-sufficient in chemicals and wood and whether the Government of India have any plan for making available the requisite quality and quantity of wood and chemicals from indigenous sources?

The Minister of Commerce and Industry (Shri Mahtab): (a) Annual requirements of the match industry in relation to its overall installed capacity are as follows:

| | Tons |
|--------------------|---------|
| (i) Chemicals. | |
| Potassium chlorate | 2,500 |
| Phosphorus | 200 |
| Sulphur | 250 |
| Glue | 500 |
| (ii) Wood. | 120,000 |

(b) The match factories were able to procure their requirements of these materials in full, except in the case of wood, of which only 100,000 tons were available to them in each of these two years.

(c) The industry has been able to maintain its production during the past three years.

(d) The following steps have been taken:

(i) Assistance has been rendered to two private firms in setting up their plants for the manufacture of potassium chlorate. These firms produce about 2,000 tons of potassium chlorate annually.

(ii) Assistance has been given to the industry in obtaining the necessary supplies of soft wood. State Governments have been requested to encourage systematic plantation of soft wood.

(e)

| | Quantities imported | Quantities supplied from Indian sources |
|--------------------|---------------------|---|
| | Tons | Tons |
| Potassium chlorate | 500 | 2,000 |
| Phosphorus | 200 | Nil |
| Sulphur | 250 | Nil |
| Glue | Nil | 500 |
| Wood | Nil | 100,000 |

(f) Chemicals.

(i) Potassium chlorate: India is expected to be self-sufficient in the near future.

(ii) Phosphorus: Owing to inadequate natural resources and the limited demand for this chemical, its production has not been undertaken in India so far.

(iii) Sulphur: Sulphur deposits are not available in India. The question of its manufacture from gypsum is under investigation.

(iv) Glue: India is already producing all the glue required by the industry.

(v) Wood: Industry's requirements are met from indigenous sources. Efforts are being made to augment supplies from Andamans.

Pandit M. B. Bhargava: What is the value of the imports of the chemicals and other materials required for the industry?

Shri Mahtab: I am sorry I have not got the money value.

Shri R. Velayudhan: May I know whether a large number of match factories were closed in South India because of the non-availability of band papers?

Mr. Deputy-Speaker: The Minister has already said that some factories have been closed.

Shri Mahtab: I do not know the exact number nor the exact reasons for the closing of these factories.

Shri R. Velayudhan: May I know whether the supply of band rolls is done by the Finance Ministry and not by the Industry and Supply Ministry and hence the difficulties?

Shri Mahtab: I have already said in answer to a previous question that there are certain restrictions which I am looking into and which I hope will be removed very soon.

Syed Nausherall: May I know whether Government have ever enquired as to the reasons for the closure of these cottage industries?

Shri Mahtab: This is one of the subjects which was very thoroughly discussed at the meeting of the Cottage Industries Board at Bolepur. The reasons are being further inquired into and some steps will be taken to encourage cottage industries.

Shri Karunakara Menon: Are there particular areas where the wood required for the match industry grows well and if so, in view of the vast destruction of such trees, what steps are the Government taking to see that these trees are grown on an elaborate scale?

Shri Mahtab: As I have already said in reply to another question we have addressed ourselves to the State Governments to encourage the growing of these trees.

TEA

*1647. **Shri Barman:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of tea produced annually in Assam and North Bengal districts of Jalpaiguri and Darjeeling;

(b) what quantity is being carried by Assam Rail Link at present; and

(c) what quantity is being carried through Pakistan?

The Deputy Minister of Commerce and Industry (Shri Karmakar): (a) The tea production during 1950 in Assam and North Bengal districts of Jalpaiguri and Darjeeling is estimated at 500,206,960 lbs.

(b) About 1,13,912,300 lbs. were carried by the Assam Rail Link during 1950.

(c) About 3,10,836,000 lbs. were carried through Pakistan during 1950.

Shri Barman: In view of the fact that a large portion, practically two-third, of the quantity of the tea produced in India is at present being carried through Pakistan, do the Government or the Department concerned have in contemplation in the near future any scheme to increase the capacity of the all-India link, so that all the tea produced in India may be carried by this rail link?

Shri Karmarkar: As the hon. Member knows there are two routes by which the tea produced in Assam can come—one is via Pakistan and the other is the Assam rail link. I would like to know what my hon. friend wants.

Shri Barman: I want to know whether it is contemplated in the near future to increase the capacity of the rail link.

Shri Karmarkar: I shall be happy to forward the question to the Railway Ministry.

Mr. Deputy-Speaker: Next question.

Shri A. C. Guha: Sir, I have a supplementary question.

Mr. Deputy-Speaker: It may be reserved for another question.

PIG IRON

*1648. **Shri Balmiki:** Will the Minister of Commerce and Industry be pleased to state:

(a) what was the production of pig iron during 1949-50 and 1950-51; and

(b) how much quantity has been exported during the above period?

The Minister of Commerce and Industry (Shri Mahtab):

(a) 1949-5016,60,000 tons.

1950-51..16,74,000 tons (Estimated)

(b) 1949-50..61,669 tons } of off-grade iron.
1950-51..22,384 tons }

(nine months from April to Dec., 50)

Shri Jhunjhunwala: Is any export price fixed for this or is it sold in the free market?

Shri Mahtab: No export price is fixed for it.

Prof. S. N. Mishra: What amount was imported during the same period?

Shri Mahtab: There has been no import.

RUBBER

*1649. **Shri R. Velayudhan:** Will the Minister of Commerce and Industry be pleased to state:

(a) what is the plan of Government to meet the rubber shortage in the country;

(b) whether there is any difference of views between the growers and manufacturers in fixing the price of raw-rubber; and

(c) whether any State Government had asked for freezing raw rubber for the use of manufacturers?

The Minister of Commerce and Industry (Shri Mahtab): (a) Government have recently appointed a Rubber Controller, who has been empowered to distribute all available stocks of indigenous rubber, to the manufacturers. Licences are also being issued to the manufacturers to import their requirement of rubber over and above the indigenous production.

(b) A few months ago producers and manufacturers agreed upon a price of Rs. 100 per 100 lbs. of raw rubber, but the matter is again being considered by their representative at a meeting of the Rubber Price Advisory Committee.

(c) No, Sir.

Shri R. Velayudhan: May I know whether the hon. Minister had asked the Travancore-Cochin State Government to freeze a certain quantity of rubber for the rubber factory there?

Shri Mahtab: That was some months ago: that is not the position now.

Shri R. Velayudhan: Is it not a fact that because of the freezing of the total quantity of raw rubber in Travancore State the manufacturers suffered a lot for one or two months?

Shri Mahtab: That is a fact. But most unfortunately the Rubber Price Advisory Committee have not yet sent in their recommendations. But I hope they will do it in the course of today or tomorrow and as soon as it is received it will be considered.

Shri Damodara Menon: Is it not a fact that the hon. Minister made an announcement in Madras in the second week of January that the price of raw rubber will be increased to Rs. 122-8?

Shri Mahtab: There was no announcement but when the representatives of the rubber industry, the representatives of the Madras Government and the representatives of the Travancore Government discussed the matter with me tentatively we agreed that the

rubber price should be increased by Rs. 32 and odd. However, it requires legal sanction under the Rubber Act. Under the Act the Price Advisory Committee must advise the Government on the subject. Therefore the matter has been referred to the Price Advisory Committee.

Shri Lakshmanan: May I know whether a unanimous resolution of the Travancore-Cochin State Legislature was sent to the Central Government regarding the inadequacy of the price of raw rubber and the necessity of lifting the freezing order?

Shri Mahtab: That is a fact.

Shri Lakshmanan: What action has been taken on the matter?

Shri Mahtab: I have already said that action has been taken and that the matter has been referred to the Price Advisory Committee for their opinion, which is required under the Act.

Shri R. Velayudhan: What is the difference in the price per ton between the world market in rubber and the price fixed for the Indian rubber?

Shri Mahtab: I do not know the exact information but so far as my information goes the Indian price is about Rs. 90 and the foreign price is about Rs. 450 per 100 lbs.

Shri Damodara Menon: Is it not a fact that the price of rubber tyres manufactured in India has been increased by about 15 per cent. on account of the price of raw rubber increasing?

Shri Mahtab: Not on that account. The prices of rubber manufactures have been increased in consideration of the fact that manufacturers have to import large quantities of foreign rubber.

Shri Venkataraman: Is the hon. Minister aware that as a result of his announcement during his visit to Madras which appeared in the papers the market has come to a standstill and there is no sale of raw rubber?

Shri Mahtab: It is not on account of that discussion but it is on account of the protest which the growers are lodging from time to time. As a matter of fact the situation became so bad some months back that the Government of India had to take steps to freeze the stocks and ask the Travancore Chief Secretary to distribute them. Therefore, the discussion has nothing to do with it. The matter is very much under consideration and a decision will be arrived at in a few days.

Shri Venkataraman: Did the hon. Minister know at the time when that conference was going on that the price of rubber would have to be determined by the Tariff Board?

Shri Mahtab: The Tariff Board is at present working it out. It is investigating the whole question—not only the price but various other points have been referred to the Tariff Board at the instance of the rubber industry. We are now awaiting its report.

Shri Joachim Alva: Is it true that almost all the raw rubber produced in this country is bought over by some foreign firms like Dunlop and Firestone, and the price is fixed by a Controller appointed from one of these two firms, and especially that when the world price is Rs. 400 the price for our raw rubber is fixed at Rs. 100 to the detriment of the producers in this country?

Mr. Deputy-Speaker: May I say that questions ought not to be so long? It is not possible to answer them.

Shri Joachim Alva: I will give you an explanation, Sir. I wanted to put two questions but could not get an opportunity to do so.

Shri Mahtab: If the hon. Member will refer to the rubber law he will find that there are machineries to advise Government on price fixation. Therefore the Government do not listen to this manufacturer's advice or that manufacturer's. With regard to the raw rubber going to the manufacturers, I do not understand where else raw rubber will go. It must go to the manufacturing place. It is for that reason that it is produced. I do not see any objection in raw rubber going to the manufacturers' place. With regard to the price, as I said, there is a statutory body—the Price Advisory Committee—under the Indian Rubber Act, and that body advises the Government.

Shri Sidhva: If the rate was to be fixed by the Committee, I want to know why the hon. Minister made an announcement in Madras that the rate shall be Rs. 122-8. I want to know why he made an advance announcement?

Mr. Deputy-Speaker: The hon. Minister has already said that he had discussed it with those people and that he never intended it to be an announcement.

Shri Sidhva: It was stated in all papers that it was an announcement.

Shri Mahtab: Mr. Sidhva knows it very well that it was not an announcement, but he simply repeats it.

Mr. Deputy-Speaker: We will now proceed to the next question. Enough has been said about this elastic substance.

JUTE HESSIAN

*1653. **Shri Alexander:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that jute hessian is required for packing coir mats and mattings for export to foreign countries and that a substantial quantity of jute webbing is used for stitching ends of coir rugs;

(b) whether Government have received any representation from the coir mats and matting industry of Travancore-Cochin requesting that arrangements be made for the supply of jute hessian, jute webbing and jute twine; and

(c) if so, what action has been taken thereon?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes.

(b) Yes.

(c) The position is that, owing to reduced production and increased overseas demand, the availability of hessian for internal consumptions is getting acute. It has not been the policy of Government to requisition goods for indigenous industry or individual consumers or shippers. Government are however, fully alive to the necessity of meeting the needs of various industries in the country, and efforts are being made in consultation with Jute Controller to make supplies available as far as possible.

Shri Alexander: Are Government aware that the foreign importers are insisting on manufacturers using hessian for packing?

Shri Karmarkar: My information is that hessian is not required for packing in certain industries. I am not aware that the New Yorkers are insisting upon goods being packed in hessian.

Shri Jhunjhunwala: What is the total internal requirement of hessian?

Shri Karmarkar: I have not got it ready with me now. If the hon. Member wants it I will supply it in due course.

DISPLACED PERSONS (EAST PAKISTAN)

*1654. **Seth Govind Das:** Will the Prime Minister be pleased to state the total number of displaced persons who have come to (1) India from East

Pakistan; and (ii) who have gone to East Pakistan from India during the year 1950?

The Prime Minister (Shri Jawaharlal Nehru): It is not possible to give a separate figure for immigrants either from India to East Pakistan or from East Pakistan to India during the year 1950. Fairly accurate records have been kept of all travellers, including immigrants but also including non-migrants, by train, steamer and air. No records, however, are available for people who cross the border on foot in either direction. A considerable number did so.

The figures of all travellers by train during 1950 are as follows:

From East Pakistan to India:
about 32,50,000 Hindus and
about 9,64,000 Muslims.

From India to East Pakistan: about
17,52,000 Hindus and about
12,64,000 Muslims.

These are approximate figures for both the periods, before the Agreement of April 1950 and after.

सेठ गोविन्द दास : क्या इस वर्ष जो लोग पाकिस्तान से हिन्दुस्तान को आये और हिन्दुस्तान से पाकिस्तान को गये, उन की संख्या गत वर्ष से कम है या अधिक ?

[**Seth Govind Das:** Is the number of those persons (1) who have come to India from Pakistan and (2) who have gone to Pakistan from India this year is larger or smaller than that of the last year?]

श्री जवाहरलाल नेहरू : "इस वर्ष" से क्या आप का मतलब है 1951 ?

[**Shri Jawaharlal Nehru:** By "this year" do you mean 1951?]

सेठ गोविन्द दास : जी नहीं, सन् 1948-49। मैंने जो फिगरस मांगे हैं वे सन् 1949 से 1950 के मांगे हैं। मैं जानना चाहता हूँ कि जो लोग सन् 1948-49 में आये और गये उन की संख्या सन् 1949-50 से अधिक थी या कम ?

[**Seth Govind Das:** No, Sir, 1948-49. I have asked for the figures of 1949 and 1950. I want to know whether the number of those persons who came here and migrated from here in 1948-49 was larger or smaller than that of 1949-50.]

श्री जवाहरलाल नेहरू : मेरा स्थाल है कि वह तो बहुत कम रही होगी। मेरे पास वह फिगरस नहीं हैं। आप देखिये कि शुरू में काफ़ी तादाद में लोग सन् १९४७ के आखिर में और १९४८ में आये थे, लेकिन उस सिलसिले के बाद सन् १९४८ में बहुत ही कम आये और १९४९ में भी बहुत ही कम आये। फिर ठीक एक साल भर हुआ, धानी फ़रवरी १९५० में, वह सिलसिला फिर शुरू हुआ। वह बढ़ता गया लेकिन अप्रैल में वह कम होना शुरू हुआ और बाद में बन्द हो गया।

[Shri Jawaharlal Nehru: I think that would have been very small. As you know, in the first place at the end of 1947 and in 1948, they came in very large numbers. But consequently, even in 1948, their number went down appreciably and in 1949 too the number was very small. Then, just after a year, that is in February, 1950 that flow again started. It continued to increase but in April it began to slow down and stopped afterwards.]

सेठ गोविन्द दास : जो लोग पाकिस्तान से इस मुसीबत में हिन्दुस्तान को आये उन में से कितने लोग हिन्दुस्तान में रह गये और कितने वापस गये, क्या इसके मा कोई आंकड़े सरकार के पास हैं ?

[Seth Govind Das: Have the Government any figures of the number of persons who stayed here and of those who returned to Pakistan out of those who had come from there under such miserable plight?]

श्री जवाहरलाल नेहरू : इस का तो अन्दाज़ा इसी से कर सकते हैं कि कितने लोग आये और कितने वापस गये, और फिर भी यह अन्दाज़ा ही है। ट्रैवलर्स को उस में से घटाना है, फिर एमिग्रेट्स कितने हैं, इन दोनों फिगरस को घटाने पर आप एक एप्रॉक्सिमेट फिगर पर पहुँच सकते हैं। मैंने आप को फिगरस दिये हैं जिन में वह लोग शामिल हैं जो अभी तक वापस ईस्ट

पाकिस्तान जा रहे हैं बनिस्वत उन लोगों के जो ईस्ट पाकिस्तान से आ रहे हैं।

[Shri Jawaharlal Nehru: The number of persons who came to this country and who have since returned can only be guessed and even then the figures will be approximate. The number of regular travellers and emigrants has to be deducted and after deducting these two figures we can find out an approximate figure. The figures I have given are of those who are still on their way to Pakistan and not of those who are coming from East Pakistan.]

Shri A. C. Guha: Do these figures relate only to travellers by rail or do they take into account all travellers, including those by foot or country-boats?

Shri Jawaharlal Nehru: These figures include all railway travellers plus, I believe, air and steamer travellers, but not foot travellers.

Shri A. C. Guha: And by country-boat?

Shri Jawaharlal Nehru: About boat I cannot say, but generally steamer travel is included.

श्री द्विवेदी : जो लोग ईस्ट पाकिस्तान से हिन्दुस्तान आये और फिर वापस गये, क्या उन की जायदाद के नुक़सान का सरकार कोई अनुमान लगा सकती है, धानी जो लोग आये और वापस गये और उन के इस प्रकार बीच में आने जाने से जो जायदाद का नुक़सान हुआ, क्या सरकार उस का अनुमान लगा सकती है ?

[Shri Dwivedi: Can the Government form an estimate of the loss of property sustained by those who immigrated into India from East Pakistan and then returned, that is the loss sustained as a result of their coming and going back?]

श्री जवाहरलाल नेहरू : उस का ख़ास अन्दाज़ा नहीं हो सकता है। जाहिर है कि नुक़सान तो हुआ ही होगा, ऐसे मामलों में। लेकिन अगर आप जो ८ अप्रैल का एपीमेंट है उस को पढ़ें तो उस में जायदादों के मजमून का काफ़ी जिक्र है। बहुतों को यह जायदाद

मिल चुकी हैं और यह तो रोज का तिलसिला है।

[Shri Jawaharlal Nehru: Such estimation is rather difficult. It is clear, however, that losses must have been sustained in such cases. But if you will go through the Agreement of the 8th April you will find that the question of properties has been fully dealt with therein. A number of persons have got their properties and, in fact, it is an every-day affair.]

WRITTEN ANSWERS TO QUESTIONS

PRICE OF HOUSES FOR DISPLACED PERSONS IN DELHI

*1650. Dr. M. M. Das: (a) Will the Minister of Rehabilitation be pleased to state how are the prices of houses built by the Ministry of Rehabilitation for displaced persons in the State of Delhi calculated?

(b) What are the expenditures calculated for a two-roomed tenement with reinforced concrete roof under the following heads:

- (i) cost of land if any;
- (ii) cost of labour; and
- (iii) cost of materials?

(c) What is the ground rent payable annually for each such two-roomed house?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) The price of super-structure is calculated on the basis of cost of construction.

(b) (i) The land is not sold but leased.

(ii) and (iii) Rs. 1,300 and Rs. 3,000 respectively, excluding Departmental charges of C.P.W.D.

(c) The ground rent is calculated on the basis of cost of acquisition and development of land and varies in different colonies, e.g., in Patel Nagar the ground rent on the site of 200 square yards is Rs. 69-5 per annum.

MARKETS IN DELHI FOR DISPLACED PERSONS

*1651. Dr. M. M. Das: Will the Minister of Rehabilitation be pleased to state:

(a) the number of markets that have been constructed or are being constructed in Delhi by the Ministry of Rehabilitation;

(b) the total number of shops in those markets;

(c) the number of shops let out on rent upto now to the displaced persons; and

(d) whether there is any uniformity in the rates of rent of shops in different markets?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) 15 markets have been constructed and 6 are under construction.

(b) 1516.

(c) 659.

(d) Yes. The basis of calculating the rent is uniform.

EXPORT OF CLOTH

*1652. Shri R. L. Malviya: Will the Minister of Commerce and Industry be pleased to state whether it is a fact that export of cloth from India has affected the internal supply position in the country and if so, how Government propose to meet the requirements of the country?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): Yes to some extent. To satisfy internal demand exports of fine and superfine cloth have been totally banned and for coarse and medium cloth they are restricted to 120 million yards for both hard and soft currency areas for the current half year.

EXPORT OF TEA

*1655. Seth Govind Das: (a) Will the Minister of Commerce and Industry be pleased to state the total quantities of export of tea during the last three financial years ending with 1949-50 and how does this figure compare with the export during the year 1950-51?

(b) Has there been any substantial decrease in export of tea due to floods and earthquake in Assam and if so, to what extent and of what value?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) The tea exports for the last three financial years are as follows:

| | |
|----------|------------------|
| 1947-48— | 383,984,630 lbs. |
| 1948-49— | 405,906,702 lbs. |
| 1949-50— | 439,604,683 lbs. |

Statistics are available only for the period up to December 1950 and quantity of tea exported during April to December 1950 is 301,536,424 lbs., as against the export of 350,108,089 lbs.; 265,394,730 lbs. and 290,755,853 lbs. respectively during the corresponding periods in 1949, 1948 and 1947.

(b) There has been no decrease in export of tea due to floods and earthquake in Assam.

IMPORT LICENCES

*1656. **Shri P. Y. Deshpande:** (a) Will the Minister of Commerce and Industry be pleased to state whether representations have been received from the citizens of some States to the effect that the import licences be distributed among the applicants on a proportionate State-wise basis?

(b) If so, what is the decision of Government in this matter?

The Deputy Minister of Commerce and Industry (**Shri Karmarkar**): (a) Yes, Sir. A few representations have been received, that special licences should be granted to cover the requirements of particular States.

(b) Government have carefully considered, and it has not been found practicable at present to accede to the request.

AUTOMOBILE COMPONENTS

*1657. **Shri M. V. Rama Rao:** Will the Minister of Commerce and Industry be pleased to state:

(a) the names of the automobile components which have been manufactured for the first time in India during 1950;

(b) the names of the manufacturers;

(c) the quantity and value of the components so manufactured;

(d) the quantity and value of similar components imported during the year 1950; and

(e) the amount of import duty levied on the latter?

The Minister of Commerce and Industry (**Shri Mahtab**): (a) to (c). A statement is laid on the Table of the House. [See Appendix XII, annexure No. 30.]

(d) and (e). The statistics relating to the value and quantity of various automobile components imported into India and the import duty levied on them are not maintained separately.

ORGANISATIONS FOR WELFARE OF LABOURERS

*1658. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Labour be pleased to state the names of organisations working for the welfare of labourers on all-India basis?

(b) What is the number of members under each and the number of unions affiliated to each as on the 31st December, 1950?

The Minister of Labour (**Shri Jagjivan Ram**): (a) and (b). The hon. Member is presumably referring to

the four all-India trade union organisations of workers. I lay on the Table a statement showing the number of affiliated unions and the membership of each of the four organisations (i) as claimed by them on the 31st December, 1950 and (ii) as verified by the officers of this Ministry during 1950. [See Appendix XII, annexure No. 31.]

SEIZURE OF GOLD AT LONDON AIR PORT

*1659. **Shri Rathnaswamy:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that four Indians who attempted to export gold through London Airport to India were sent for trial at the (Old) Bailey on the 20th December, 1950 and if so, with what result; and

(b) what is the total worth of gold seized?

The Prime Minister (**Shri Jawaharlal Nehru**): (a) and (b). Government have no exact information. A report has been called for and the information will be placed on the Table of the House as soon as it is available.

ARTIFICIAL SILK INDUSTRY

*1660. **Shri Rathnaswamy:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that the Indian Tariff Board conducted an enquiry into the claim of the artificial silk industry for protection and if so, what is its conclusion?

(b) What are the annual requirements of the country in artificial silk yarns and what is the country's capacity of production?

(c) What is the total number of powerlooms and handlooms working in India?

The Deputy Minister of Commerce and Industry (**Shri Karmarkar**): (a) The industry is already protected but the period of protection is due to expire on the 31st March 1951. The Tariff Board's Report on the question of continuance of protection to the industry has recently been received and is under examination.

(b) The annual requirements of the country in artificial silk yarns is about 75 million lbs. and annual production is about 4 million lbs.

(c) There are about 24,000 powerlooms and 1,40,000 handlooms.

EXPORT OF BENGAL COTTON

*1661. **Shri Rathnaswamy:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is

a fact that Bengal cotton has been allowed to be exported to foreign countries and if so, what is the quantity exported during 1950?

(b) What are the countries to which they have been exported and the quantity exported to the Dollar areas?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Yes. The quantity exported during 1950 was 1,78,814 bales.

(b) The countries to which exports were made are:

- (1) Belgium.
- (2) U.S.A.
- (3) U.K.
- (4) Germany.
- (5) Japan.
- (6) Australia.
- (7) Switzerland.
- (8) Thailand.
- (9) Canada.
- (10) Denmark.
- (11) France.
- (12) Italy.
- (13) Netherlands.
- (14) Sweden.
- (15) New Zealand.

The quantity exported to dollar areas (Canada and U.S.A.) was 28,409 bales.

MARKIN CLOTH

*1662. **Shri J. N. Hazarika:** Will the Minister of Commerce and Industry be pleased to state:

(a) how many yards of Markin cloth of 32" and 42" width have been produced in the Indian Mills during the year 1950-51; and

(b) how many yards of these classes of cloth were allotted for Assam and on what basis during the year 1950-51?

The Minister of Commerce and Industry (Shri Mahtab): (a) A Statement is placed on the Table of the House.

(b) Figures of allotment of markin cloth of 32" and 42" have not been kept. It has, however, been ascertained that the total quantity of markin cloth in various width (normally markin is made in a variety of widths this ranging from 27" to 44") released to Assam from the Ahmedabad and Bombay Selected Mills during

March/December 1950 and from Madhya Bharat Mills during November and December 1950 amounted to 48½ bales or 72,750 yards. This does not include markin cloth which Assam's nominees would have purchased from the Bombay and Ahmedabad non-selected mills on purchase authorities issued to them during 1950 and also any quantity of markin cloth which might have moved to Assam through normal trade channels out of the mills' free sale cloth.

STATEMENT

Production in yards of markin cloth of 32" and 42" width during January, 1950 to December, 1950.

| Sl. No. | Region | Production of markin cloth in Yds. | |
|---------|---------------------------|------------------------------------|--------------|
| | | 32" width | 42" width |
| (1) | Bombay City and others | 40,82,911 | 1,46,17,883½ |
| (2) | Ahmedabad City and others | 13,36,140½ | 6,47,303 |
| (3) | Indore | 23,18,141 | 23,91,644 |
| (4) | Kanpur | 23,43,502 | 13,45,971½ |
| (5) | Coimbatore | 5,29,328 | 23,30,588 |
| | | 1,06,10,022½ | 2,18,32,693½ |

EXCHANGE BANK OF INDIA AND AFRICA

*1664. **Shri Sidhva:** (a) Will the Prime Minister be pleased to state whether the High Court of Bombay has given any decision in the case regarding the loan given by the Reserve Bank of India to the Exchange Bank of India and Africa, which went into liquidation?

(b) If so, what is the decision?

(c) Who was responsible for the grant of loans and whether the procedure as laid down in the Reserve Bank of India Act for granting loans was followed?

(d) What is the loss to the Reserve Bank?

(e) From what account will this loss be met?

(f) What was the position of the Bank, from time to time, when loans were made?

(g) When were the Bank's Accounts last checked by the Reserve Bank?

The Prime Minister (Shri Jawaharlal Nehru): The parties to the dispute, namely, the Official Liquidator of the Exchange Bank of India, the Reserve Bank of India and the Sindhu Re-settlement Corporation have recently come to a compromise, and the terms of the compromise have been sanctioned by the Bombay High Court. According to these terms, the amounts recovered by the Liquidator on the realisation of the assets of the Exchange Bank (including realisations in respect of uncalled capital, but excluding any amounts recovered in misfeasance proceedings) would be applied in the first instance to settlement of claims relating to trust moneys and to trust properties, and next in order, to the general cost of liquidation and the payment of wages to certain classes of employees of the Exchange Bank. 50 per cent. of the balance would be paid to the Reserve Bank of India in satisfaction of its claim, and the remaining 50 per cent. in payment of other charges and claims including not only claims of general creditors but those of any other creditors claiming to be secured creditors, and the cost of petition and misfeasance proceedings. It is not possible at this stage to assess the actual loss that the Reserve Bank would sustain as a result of this compromise. The net loss suffered by the Reserve Bank will be met out of the provision for bad and irrecoverable debts made from its profits for the year 1949-50.

The advances made to the Exchange Bank were sanctioned by the Governor of the Reserve Bank and the procedure laid down in the Reserve Bank of India Act for this purpose was followed. There can be no question of any action being taken against any Reserve Bank authority granting the loan in the absence of negligence or fraud.

The circumstances under which the loans were granted were explained in full detail by Dr. John Matthai to the House on the 22nd March 1950 in connection with the discussions initiated by the hon. Member under rule 46 of the Rules of Procedure and Conduct of Business.

CONTROL ON CLOTH

*1665. **Ch. Ranbir Singh:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a

fact that the medium and coarse Dhoties are being manufactured by Power-looms?

(b) Is it also a fact that the yarn is given to Power-looms at controlled rate?

(c) Is it also a fact that the cloth manufactured by Power-looms has not been controlled?

(d) If the replies to parts (a) to (c) above be in the affirmative, do Government propose to impose control on the cloth manufactured by Power-looms and if not, why not?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes, except to the extent of the field reserved for handloom industry.

(b) Yes.

(c) Yes, there is no control over prices and distribution of power-loom cloth.

(d) During the period 1944 to 1947, a control was exercised over prices of cloth produced by power-loom factories equipped with more than 10 power-looms, but such price control was ineffective and complicated due to the fact that power-loom factories changed their varieties as frequently as a week or 10 days. Moreover the dispersal of the power-loom factories in remote villages and small towns makes prices control very difficult. The question is, however, under consideration.

AGRARIAN REFORMS COMMITTEE

*1666. **Shri M. P. Mishra:** Will the Prime Minister be pleased to state:

(a) whether the Planning Commission has given any consideration to the Report of the Agrarian Reforms Committee appointed by the All-India Congress Committee, over which Prof. J. C. Kumarappa presided; and

(b) whether they have come to any conclusions in regard to the recommendations made therein?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes.

(b) The Commission's conclusions will be finalised shortly.

कृषि श्रमिक

*1667 **श्री सायबे:** (ए) क्या माननीय श्रम मंत्री भारत के कृषि श्रमिकों की सम्पूर्ण संख्या बतलाने की कृपा करेंगे ?

(बी) क्या यह सत्य है कि कृषि श्रमिकों को वर्ष में केवल चार मास ही कार्य करने को

मिलता है तथा शेष आठ मास वे वृत्तिहीन रहते हैं ?

AGRICULTURAL LABOURERS

[*1667. **Shri Khaparde:** (a) Will the Minister of Labour be pleased to state the number of agricultural labourers in India?

(b) Is it a fact that the agricultural labourers get work for only four months in a year and for remaining eight months they go without any job?]

The Minister of Labour (Shri Jagjivan Ram): (a) No reliable figure is available. According to an estimate made in 1948, the agricultural labour population for the Indian Union was 34 millions.

(b) Not exactly. The duration of agricultural employment varies from State to State and from region to region and it depends on various factors like systems of cropping, nature of crops raised, etc. But the period of unemployment is, no doubt, long.]

NEWSPRINT AND OTHER PAPER

165. Shri Ramraj Jajwari: Will the Minister of Commerce and Industry be pleased to state:

(a) what are the figures in tons of the manufacture of (i) newsprint; and (ii) other paper in India and how much of the same has to be imported from outside;

(b) whether the sources of raw materials for manufacture of paper are scarce or abundant in this country; and

(c) whether Government are taking any steps to encourage paper-making industry in those areas, where the raw materials are abundant?

The Minister of Commerce and Industry (Shri Mahtab): (a) (i) Newsprint is not produced in India.

(ii) Production of paper for the years 1949 and 1950 is given below:

1949—103,194 Tons
1950—108,907 ..

To meet the country's requirements in full, approximately the following quantities have to be imported annually:

Newsprint—60,000 tons.
Paper (all—110,000 tons.
varieties)

(b) The raw material resources are abundant.

(c) Establishment of paper mills is left to private enterprise. All possible assistance is being rendered by Government for the development of the industry.

COMMERCIAL INTELLIGENCE

166. Shri Jagannath Das: (a) Will the Minister of Commerce and Industry be pleased to state how commercial intelligence, like import controls and tariff charges in foreign countries, is brought to the notice of Indian exporters?

(b) Is the information of this nature supplied by the Indian Trade Commissioners up-to-date and full?

(c) Is there any proposal to publish such matters in the Indian Trade Bulletin issued by the Ministry of Commerce and Industry?

(d) When do Government propose to publish it in Hindi?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Commercial Intelligence like import controls and tariff charges in foreign countries is brought to the notice of Indian exporters through the medium of the "Indian Trade Journal" published weekly by the Director General of Commercial Intelligence and Statistics, Calcutta. The Director General also supplies copies of printed matter on these subjects to the Principal Chambers of Commerce and Trade Association and attends to all enquiries from the business community relating to trade with foreign countries. Commercial Intelligence is also communicated to the Indian businessmen through weekly "Foreign Market Reviews" and the "Monthly Summary Circulars" circulated regularly by the Ministry to all recognised chambers of commerce and trade associations.

(b) The information is supplied regularly by the Indian Trade Representatives abroad in their fortnightly and monthly reports or in special reports on these subjects where necessary.

(c) No, Sir. The Indian Trade Bulletin is intended for businessmen in foreign countries and contains information of commercial importance and objective elucidation of factual review of current economic trends in India.

(d) The Government had a proposal to publish a Hindi edition of the Indian Trade Bulletin but it was shelved owing to financial considerations.

ENFORCEMENT DIRECTORATE

107. **Babu Gopinath Singh:** Will the Minister of Commerce and Industry be pleased to lay on the Table of the House a statement showing:

(i) the total number of cases investigated by the Enforcement Directorate during the years 1949 and 1950;

(ii) the number of cases sent to court for trial; and

(iii) the number of cases dropped at the instance of the Ministry or the Local Police?

The Minister of Commerce and Industry (Shri Mahtab): (i) 1075.

(ii) 295.

(iii) 326 cases were not sent to the Court but were departmentally dealt with.

Thursday, 22nd February, 1951

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PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

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PARLIAMENTARY DEBATES
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OFFICIAL REPORT

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PARLIAMENT OF INDIA

Thursday, 22nd February, 1951

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

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-47 A.M.

**PRESENTATION OF RAILWAY
BUDGET FOR 1951-52**

The Minister of States, Transport and Railways (Shri Gopaldaswami): I rise, Sir, to present to the House the budget for Indian Railways for the year 1951-52. This is my third budget. It will be my last one also.

Some Hon. Members: No.

Pandit Balkrishna Sharma (Uttar Pradesh): Why so despondent?

Shri Gopaldaswami: I look forward to handing over this magnificent national asset and its management to young and capable hands before the budget for 1952-53 becomes due. Over the period of 2½ years during which I have been in charge of Indian Railways, it has been my privilege to guide and continuously assist in the recovery of the railway undertaking from the abnormal shocks of the war years aggravated by the consequences of the partition of the country. The period of convalescence is nearly over now, and, if no unforeseen circumstances intervene to interrupt the completion of the plans for rehabilitation, re-organisation and development, Indian Railways will, well before the end of the term of the present Convention, attain operational efficiency fully commensurate with their status as the largest nationalised concern in the country.

I shall attempt to place before the House a brief review of the broad aspects of railway operation and management. I shall avoid as far as possible statistical details which hon. Members will find available to them in the Financial Commissioner's Explanatory Memorandum and the other printed information which will be in their hands presently. In the year 1949-50, Indian Railways established records in respect of many aspects of railway administration. Gross earnings touched the highest level. The number of passengers carried was higher than at any time previously, even as compared with the larger railway system of the pre-partition period. In the number of passenger miles, originating tons, ton miles and train miles, railway operation in 1949-50 showed, on comparable figures, results never before attained—results all the more striking when considered in the context of the difficulties under which they were achieved. These upward trends have since been more than maintained during the current year, and the year 1951-52 promises to be a year of steady progress and prosperity. The 1949-50 records will probably be improved upon in 1950-51 and 1951-52 and certain aspects of railway working will climb to new peaks. An extensive rehabilitation programme has been inaugurated this year involving large scale procurement, both in India and from abroad, of rolling stock, machinery and equipment; this will reflect itself progressively in improvements in operating efficiency. The locomotive factory at Chittaranjan has gone into production and the Government sponsored Tata Engineering and Locomotive Works have also completed arrangements for their going early into production, thus taking us another step forward in the attainment of self-sufficiency in meeting the requirements of our railways for power. The stock of passenger coaches has also been augmented by fresh acquisition and by an increase of productive capacity in existing workshops through a process of rationalisation. Passenger amenities

[Shri Gopalaswami]

are being given greater and greater attention. Relations with labour continue to be cordial and on the part of both railway management and of labour there is a greater appreciation by each of the other's difficulties in the settlement of disputed issues. The level of efficiency in administration is gradually rising and there is a significant change in the attitude of officers and men in dealing with trade, industry and the travelling public. I can assure the House that there is a growing recognition amongst railway personnel of all ranks that service and courtesy should be given the highest priority in their relations with those with whom their duties bring them into contact. All the same I am only too conscious of the fact that a great deal more remains to be done before we could claim to have eradicated all failings or effaced all imperfections.

On the financial front the position is not only sound but comfortably so. Our earnings will touch new heights. Control over expenditure has shown considerable improvement. We have consciously and effectively prevented an undue inflation of the capital at charge of the undertaking. The surpluses realised will be handsome. Our Reserve Funds are well stocked. These are facts gratifying to contemplate and they will, I hope, prepare hon. Members for the one mild shock that I shall be administering to them before I have done. I deliberately use the words 'mild shock' because, I have no doubt that it will be absorbed quickly by a patriotic, intelligent and understanding House such as the one I have the privilege of addressing.

Shri Frank Anthony (Madhya Pradesh): Insulting the House.

Shri Gopalaswami: With the inauguration of the present financial Convention regulating the relationship between General and Railway finance, the nationalised Railway undertaking entered a new phase in its existence. It compelled immediate attention being paid to large scale administrative reorganisation with a view to secure both efficiency in operation and economy in management. It is proposed to regroup the Indian Railways into 6 major zones, and a Sub-committee of the Railway Board which had been set up to study and examine the question was given the directive that, in submitting its plan, it should give adequate weight to the economic unity of contiguous regions and to the natural flow of traffic.

The zones recommended by the Committee are:-

| Zone | Name of Railway | Route mileage |
|------|-------------------------|---------------|
| 1. | Northern Railway . . | 5,259 |
| 2. | Western Railway . . | 5,552 |
| 3. | Central Railway . . | 5,315 |
| 4. | Southern Railway . . | 5,724 |
| 5. | Eastern Railway . . | 5,016 |
| 6. | North Eastern Railway . | 6,336 |

Slight adjustments between the boundaries of the different zones may become necessary as and when the formation of each zone is taken up. After a careful consideration, it was decided to adopt the recommendation of the Committee, but, before the finalisation of the plan, it was thought desirable to obtain the reactions of State Governments, Chambers of Commerce, the Railway labour federations and others interested. Though some adjustments have been suggested by some of those who have responded to this invitation, the replies received have indicated very large support in favour of the plan.

The question of the pattern of the zonal administrations has been intensively studied. With the exception of the East Indian and the Eastern Punjab Railways which are on the Divisional system, all the other Railways are at present administered on a District basis. There is a partial Divisional system on the G.I.P. Railway which is intermediate between the entirely District and the entirely Divisional systems. There is divergence of opinion regarding the suitability of the one type or the other for the reorganised zones. It is proposed, therefore, to form the zones, as far as possible, on the basis of their existing patterns until sufficient experience has been gained, enabling a proper assessment of the relative merits of either system. This course will, besides facilitating a smooth transition, entail the least disturbance to operation and reduce the movement of staff to the minimum.

Hon. Members will doubtless appreciate that, under this plan, not only the carrying out of a policy of improvement in administrative pattern and financial control, rationalisation of workshop and other operational arrangements will be promoted but economies in management and enhanced efficiency in operation will be secured. There will be substantial reduction in the overheads of the zones as a result of the

fusion of the higher administrative organisations of two or more Railways into one. Duplication of work, unnecessary correspondence between contiguous Railways and inter-railway adjustments will be largely eliminated, leading both to a reduction of staff and to a more expeditious disposal of business. The advantage to the trading public, in having to deal with a single administration on matters in which they are interested instead of with two or three, is another important point in favour of the proposed change. Abolition of dual control at interchange junctions and transshipment points will similarly result in economy and in acceleration of movement. The pooling of locomotives and rolling stock in the larger jurisdictions of the new zones will afford scope for more intensive and balanced utilisation of power and equipment, thus leading to a reduction in the number of locomotives, and, in consequence, in capital and maintenance stocks. Also, a greater rationalisation of workshop and workshop capacity will become possible, yielding a larger output at reduced cost. Centralisation of purchases and the handling and maintenance of stores will also make a considerable contribution towards economy.

The plan for the regrouping of Indian Railways was considered by the Central Advisory Council at two successive meetings. At the first meeting, after a careful consideration of the scheme, the Council gave its approval to regrouping in principle and laid emphasis on the phasing of the plan and the formation of the zones so as to cause minimum dislocation to trade, industry, operating arrangements and staff. They also wished that the detailed plan for the Southern Zone should be placed before them at the next meeting with fuller particulars. Accordingly, the plan for the Southern Zone was elaborated and placed before the second meeting with as full details as it was possible to give. The Council gave its whole-hearted and unanimous approval to the implementation of the detailed plan and desired that similar detailed plans for the other zones should be worked out and each of them placed before the Council for consideration before approval was accorded thereto.

It is proposed therefore to start in the coming year with the formation of the Southern Zone by the amalgamation of the M. & S. M., the S. I. and the Mysore Railways. The route mileage of this Zone will total 5,999 miles of which 1,755 miles will be on the broad gauge and 4,244 miles on

the metre and narrow gauges. All the three Railways are now organised on the district pattern, and district officers are answerable directly to their respective departmental chiefs at headquarters. At the apex of each Railway is a General Manager with the Heads of Departments, who, in their turn, are assisted by a number of Deputies. Control is thus centralised in the headquarters organisation. It is not proposed to disturb the district pattern, but having regard to the route mileage of the combined system and the volume of traffic which it will handle, it is feared that centralised control might become unwieldy and dilatory. It is proposed, therefore, to divide the Zone into three operational regions to provide for intermediate co-ordination. The ascending hierarchy of officers will thus consist of District Officers, Regional Deputies, Heads of Departments and the General Manager.

The three Regions of the Southern Zone will be set up by combining the broad gauge sections to form the Central Region with its headquarters at Madras. The contiguous metre gauge sections in the north and the south will form the Northern and Southern Metre Gauge Regions. The headquarters of the Southern Metre Gauge Region will be located at Thiruchirappalli. From the point of view of operation, the best location for the headquarters of the Northern Metre Gauge Region would be Hubli. It will, however, for the time being, be located at Mysore in view of the availability of accommodation and the need for starting with a minimum of staff movements.

At the headquarters of each Region, there will be planted Deputy Heads of the three major departments, namely, Operating, Mechanical Engineering and Civil Engineering, each of whom will be individually responsible to the Head of his Department at the zonal headquarters. The Regional Deputies will be given adequate financial and other powers to enable them to deal effectively with most of the work arising in the Region. The delegation of enhanced powers will lead to a more efficient and expeditious disposal of the work in the Region and also relieve Heads of Departments of a large volume of work which now is referred to headquarters, thus freeing them for more intensive inspection work and for concentrating on major problems of policy.

The amalgamation of the three Railways and the setting up of the three Regional Headquarters will necessarily

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involve a certain amount of staff transfers, but the retention of the District pattern at the bottom and the proposed location of the Regional Headquarters are calculated to keep staff movements at a minimum.

In February 1950, it was estimated that the year 1949-50 would close with a surplus of Rs. 11.02 crores. Our earnings in the last quarter of the year, however, reached a new high level and, after making allowance for unavoidable additional expenditure, the surplus realised amounted to Rs. 14.59 crores. This surplus was distributed between General Revenues and the Depreciation Reserve Fund, the former receiving Rs. 7 crores and the latter Rs. 7.59 crores.

Hon. Members will remember that in my last Budget speech I pointed out that, in framing the estimates for the current year, we were faced with several elements of uncertainty and that it would be prudent, therefore, to make a conservative estimate of revenues which I placed at Rs. 2,32.50 crores. Fortunately these uncertainties dissolved in the year to our advantage and the gross earnings are now estimated at Rs. 263.40 crores. This increase is mainly attributable to goods traffic. The factors which have contributed largely towards the increase in goods earnings are a partial resumption of trade and rail movement between Pakistan and India and the large export drive instituted to stimulate India's earnings of foreign exchange. There has also been an increase in passenger earnings attributable mainly to larger traffic than anticipated, to the Kumbh Mela, and to a general increase in the number of passengers due to increase in the number of passenger train services and the provision of improved travel facilities. The total gross receipts are now estimated to show an improvement of about Rs. 31.00 crores over the budget estimates, of which Rs. 20 crores relate to goods traffic, Rs. 7.00 crores to passenger traffic and Rs. 3.00 crores to other coaching and sundry earnings. Variations under 'Suspense' account for another crore.

The original estimate of working expenses, namely, Rs. 166.59 crores is now likely to rise to Rs. 180.31 crores due to several important post-budget developments. The most important of these is the decision to extend the application of the Central Pay Commission's scales of pay and allowances to the staff of ex-States Railways, which came under the control of the Centre

with effect from 1st April 1950. Anti-sabotage and other security measures for prevention of accidents and repair of damages caused by natural calamities, such as floods and cyclones in North Bengal and Madras and earthquakes in Assam, led to heavy unforeseen expenditure. In view of the rapid deterioration in the international situation, it was decided that arrears in repairs and maintenance of rolling stock and track should be overtaken as quickly as possible and the standard of maintenance should also be improved to equip the rail transport system to face any emergency. This also necessitated considerable additional provision. Similarly the acceleration of the implementation of the Adjudicator's Award and of the recommendations of the Joint Advisory Committee approved by Government necessitated increased additional expenditure which had not been provided for in the Budget. There were other minor factors also which have all contributed to increase the budget estimate by Rs. 13.72 crores.

I hope hon. Members will not, from what I have said above, get the impression that economies in working expenses have been neglected. Although the revised estimate as now framed exceeds the original by Rs. 13.72 crores, it is only Rs. 2.48 crores more than the expenditure actually booked in 1949-50 for the Indian (Govt.) Railways. This increase is completely off-set by the provision of Rs. 2.73 crores in the current year on the implementation of the Adjudicator's Award. In other words, even after allowing for the large expenditure of a special nature which I have already referred to, the working expenses are below the actuals of 1949-50. In the first seven months of the current year, there was also an increase of about 5 per cent in passenger train miles and about 2 per cent in goods train miles, compared to the corresponding period of the previous year. This heavier traffic which has brought in additional revenue to the extent of Rs. 10 crores has also been financially accommodated within the reduced allocation.

A provision of Rs. 17 crores was made in the estimates of the current year as appropriation to the Depreciation Reserve Fund. The withdrawals from this Fund have been running at a level of Rs. 35 crores a year during the last two years. If merely the present rate of appropriation were to be maintained, there is danger of the Fund getting completely liquidated in the next three or four years. As the House is aware, in terms of the new

Convention both the inflationary and improvement elements in replacement costs, which were previously charged to Capital, have from the current year, to be charged to the Fund, thus adding to the drain on the Fund. The costs of replacements have also increased nearly fourfold since pre-war times and bear no relation to the costs on which the rate of depreciation had been determined. The expenditure involved in the replacement and renovation of assets of the ex-States Railways is also considerable. I consider, therefore, that it is only prudent that the appropriation to the Depreciation Reserve Fund should be related to the annual outgo of funds and should, therefore, be increased to Rs. 30 crores in the current and the coming financial years. Provision has been made accordingly.

An increase of Rs. 1.29 crores under Miscellaneous Expenditure is accounted for by the provision of more quarters for Class IV staff recruited in connection with the implementation of the Adjudicator's Award and the execution of several necessary but unremunerative operating improvements in progress. The revised estimate of the dividend payable to General Revenues will be higher by Rs. 72 lakhs and amount to Rs. 32.57 crores. As a result of the variations I have referred to, it is now estimated that the surplus in the current year will stand at Rs. 14.24 crores against Rs. 14.01 crores estimated in the Budget. Out of this surplus, Rs. 10 crores will be credited to the Development Fund as originally provided and Rs. 4.24 crores. to the Revenue Reserve Fund against Rs. 2.01 crores in the budget estimates.

Before I proceed to deal with the budget estimates for 1951-52, I must needs refer to a very important factor which has to be taken into consideration in framing a budget. The budget estimate is ordinarily a projection of the present into the immediate future. In making such a projection, it has to be generally assumed that the prevailing conditions will not materially alter in the ensuing year and that hopes based on these will not be frustrated. We have, however, had sufficient experience during the current year of the many imponderables and uncertainties in the internal and the international situation, which militated against such an assumption and which dictated our proceeding with more than ordinary caution. That explains why there is a special reason for us at the present juncture to appraise, as correctly as we can, the prospects for

the budget year in the light of the deterioration in the present economic conditions which my hon. Colleague the Finance Minister will unfold when he comes to present his General Budget. He will, no doubt, also inform the House of the plans he has evolved for containing that situation. I must, however, refer briefly to that situation in so far as it affects the plans and programmes of the railway undertaking. As the House is aware, the country has experienced unusual difficulties of an economic character. Our plans on the food front have miscarried as a result of natural calamities which have prejudicially affected food production and of international developments which have interfered with the flow of imports. There have been the inevitable repercussions in consequence on the price level in and outside the country. What is of greater consequence to us has been the continued deterioration in the ways and means position of the Government as a whole. Their bank balance is running low and not much success has attended their efforts to raise capital resources in the market. The different Ministries which have put forward competing claims for capital resources have found more than ordinary difficulty in obtaining the finance necessary even for minimum developmental activities. Railways are in a peculiar position in this respect. They have, in the recent past, lent impressive support through the three earmarked funds balances to the general ways and means position of Government. That support expressed in terms of money was of the order of Rs. 121.71 crores at the end of 1948-49 and Rs. 129.63 crores at the end of 1949-50. The closing cash balance under General funds at the end of these two years was Rs. 165 crores and Rs. 149 crores respectively. The total of our fund balances at the end of the current year is estimated at Rs. 150.94 crores which, it may reasonably be guessed, will constitute a larger proportion of the closing cash balance under General funds than in the two previous years. These two sets of figures have only to be compared to indicate how difficult a financial position the Government would have been in but for the support given by Railways. I have throughout, however, held the view that the separation of Railway from General finance should not extend to the point of demanding that Railways should bank on their own outside the Government. That would be doing a disservice to the general tax-payer and might prejudice the financing of railway expenditure in years when railway balances will not be so prosperous as they are to-day. I have, therefore, willingly agreed to a limitation of our demands for the

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allocation of capital resources with a view not to starve, or severely to curtail, the resources that should be made available for developmental activities in agriculture, industry, other forms of transport, and, in fact, in all those Government activities which ensure security and make for economic betterment. In the ultimate analysis, it is on the healthy development of these other activities that transport, particularly rail transport, thrives. At the same time, it is not possible to escape the position that, unless rail transport is restored and developed to a minimum pitch of efficiency, it cannot fulfil its role in the maintenance of economic stability, internal security and external defence. We on the Railways cannot, therefore,—indeed, we cannot afford to—retard the pace of progress which we have recently initiated. Efficient and adequate rail transport is of paramount importance in the logistics of our expanding economy. The problem that in framing this budget has confronted me is, therefore, how we could maintain and even somewhat expand our development programmes without prejudice to developments in fields on which Railways have necessarily to lean for their custom. This, naturally, has led me to make a review of our present revenue position with a view so to adjust it as to ensure the financing not only of the mounting revenue expenditure in the coming years but also of the capital resources which we shall increasingly require for rehabilitation and expansion.

The immediate problem that faces me is the magnitude of our rehabilitation requirements. Railways were caught in the doldrums of depression in the early thirties, and from then onwards, the revenues were insufficient to meet even the interest charges due to General revenues. As a result, the Railway Reserve Fund was heavily drawn upon and the accumulations in the Fund were completely dissipated. This was followed by raids on the amount at the credit of the Depreciation Reserve Fund to meet these interest charges. In 1935-36, a moratorium had to be declared and the payments to General revenues suspended. In such financial difficulties, maintenance had to be slowed down or deferred from year to year; renewals and replacements had to be limited to the minimum permitted by the requirements of mere safety in operation. The emergence from the trough of depression and the attempts made thereafter to overtake arrears of maintenance

and replacements were rudely interrupted by the war which started in 1939. In the first phase of the war, Indian Railways were called upon, despite their deficiencies and difficulties, to release locomotives, wagons and track material for the Middle East. Over 8 per cent. of metre gauge locomotives and 15 per cent. of metre gauge wagons on Indian Railways and 4,000 miles of track and 4 million sleepers were released for use overseas and in India on military projects. This necessitated the dismantling of as many as 26 branch lines. In the second phase of the war, the battle front spread to the east, and India became the base for mounting an offensive in the east. As a result, the transport system was strained almost to the breaking point. Indian Railways were thus faced with abnormal and accelerated wear and tear on capital equipment. In the circumstances, even though the load of maintenance far exceeded the physical capacity of existing workshops, a large number of these had to be diverted to the manufacture of munitions. The maintenance and renewal of railway equipment received scant attention. Abnormal arrears accumulated. Internal facilities for rehabilitation were appreciably reduced or incapacitated by the mobilisation and intensive utilisation of workshop equipment in the war effort. When the hostilities ended, Railways were left with major problems which were not susceptible of immediate solution. Long term plans of post-war rehabilitation and development carefully drawn up were stultified by the effects of the Partition. This tremendous problem has been faced by Indian Railways with courage and persistence during the last three years. While great improvement has been registered, a substantial fraction of the damage still remains to be remedied.

The present holding of locomotives of all gauges of various types totals 8,337 of which about 18 per cent. is under or awaiting repairs. The average age of these locomotives is 30 years as compared with their economic life of 40 years. There are also numerous types of locomotives mostly of an obsolete type for which spare parts are not readily available. The present rehabilitation policy aims at reducing the number of types to the minimum and bringing ultimately the average age of holdings to about 20 years. When this position is secured, it will be possible not merely to reduce the holding by more than 10 per cent. thus securing considerable economy both in capital and maintenance

costs but also to lower appreciably the percentage of locomotives which are now immobilised on account of delay in carrying out repairs. For reaching this position, it has been planned to obtain and replace 1,260 locomotives over a period of five years commencing 1950-51.

The present holding of wagons is of the order of 2½ lakhs which require, on the basis of a 40 year economic life, a normal replacement of 5,600 a year. Arrears of replacement are estimated at 20,000 after making allowance for the orders which have been placed in the year 1950-51. Thus, for rehabilitating the wagon position, the plan provides for the acquisition of 12,000 to 13,000 wagons a year for the next four years. The average age of wagons is also high and, therefore, the cost of maintenance and repairs is abnormal. Further, this places a load on the workshops far in excess of capacity installed which was designed to meet only the normal maintenance requirements. An addition to the wagon fleet has also been necessitated by the opening of the new Assam Link. The completion of the Kandla-Dessa link in the near future will similarly accentuate the shortage of wagons which has to be overtaken in order to ease the movement position and free it from disabilities and restrictions.

The total holding of coaches in terms of four-wheelers is about 31,650. Their average age is extremely high, the condition of the stock is, in many cases, poor and yet they have to stand up to more intensive use than they can in order to meet the demands of the heavy passenger traffic. Repairs and maintenance have, therefore, to be deferred until these become inescapable. The cost of maintenance and repairs is, therefore, excessive, and, in the majority of cases, the repairs to be undertaken are comparable almost to the rebuilding of bodies. If the problem of overcrowding on Indian Railways is to be successfully tackled, the procurement programme should at least be of the order of 1,500 four-wheelers per annum for the five years commencing 1950-51. The House will appreciate that the capital requirements for fulfilling this essential minimum programme amount to a formidable figure, yet this has to be squarely faced. The unsatisfactory ways and means position of Government is a major difficulty in finding sufficient funds for carrying out this programme. I have felt it, therefore, to be my duty to submit to the House proposals for augmenting railway receipts calculated to surmount this obstacle.

I shall now turn to the financial prospects for the coming year. I have assumed that there will be no significant variation in the volume of import or export traffic carried by rail. As regards internal traffic, although the major industries are maintaining their current production and the crop position next year is unlikely to be worse than that in the current year, there are trends which indicate that we have reached the peak in our earnings on goods traffic. Receipts from goods traffic are therefore placed at Rs. 2 crores or about 1.5 per cent. less than the revised estimates for the current year. Should there be a further deterioration in the international situation, the picture will necessarily undergo a change.

On the present basis of fares, passenger earnings are likely to be maintained at the present level, particularly, as new rolling-stock has been put into service and greater amenities are being provided for lower classes of travel. Should the tourist traffic receive any substantial impetus, it will assist in arresting somewhat the drop in upper class earnings. On the whole, the safest estimate I could make is that the present pattern of revenue from passenger traffic is likely to be reproduced in the budget year. I should, however, utter a word of warning. While the additional capacity and facilities which are being created at additional cost will improve the conditions of travel, it does not necessarily follow that it will attract additional passenger traffic to offset the increased costs. There is likely, however, to be a drop in revenues in parcels traffic. Taking all these factors into account, the coaching earnings are placed at one crore less than the current year's earnings. I estimate accordingly that the total gross traffic receipts would be of the order of Rs. 250-40 crores, which is Rs. 3 crores less than the revised estimates for the current year.

The estimate of working expenses for 1951-52 has been placed at Rs. 186.75 crores which is Rs. 6.44 crores more than the revised estimates of the current year. The budget estimate for next year will reflect for the first time for a whole year the effect of the full implementation of the Adjudicator's Award, costing Rs. 8 crores. The break-down of the additional provision by major heads is roughly: staff Rs. 389 lakhs, maintenance Rs. 266 lakhs and freight on fuel Rs. 13 lakhs. The increased provision under staff is intended to meet the cost of normal annual increments

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and the fuller implementation of the recommendations of the Joint Advisory Committee. The increased provision for repairs and maintenance is to facilitate more extensive rehabilitation of track and rolling-stock.

The provision for more 'A' type staff quarters and necessary unremunerative operating improvements will raise miscellaneous expenditure by over Rs. 1 crore. The appropriation to the Depreciation Reserve Fund is proposed to be maintained at the amount for the current year, viz., Rs. 30 crores. The dividend payable to General Revenues is expected to increase to Rs. 33.37 crores.

The estimates for the three Southern Railways have been separately prepared as it is not possible at this stage to assess the financial effects of the operations of the zone which will be progressively formed in the course of the coming financial year. The expenditure will however be well within the combined provision for the three Railways.

A sum of Rs. 45.83 crores was entered in the budget estimates of the current year to carry out the works, machinery and rolling-stock programmes. The revised estimate of expenditure on this account is Rs. 61.31 crores or an excess of about Rs. 15 crores. This is mainly the consequence of the decision to accelerate the rehabilitation programme in view of the deterioration in the international situation. An additional allotment of Rs. 3.04 crores has been made for track renewals alone and Rs. 1.55 crores for rolling-stock recently ordered abroad as a result of the Financial Commissioner's visit to Europe. An extra allotment of Rs. 76 lakhs was made to speed up the progress of the Mukherian-Pathankot Project—a strategic line—in order to complete it before the target date.

The allocation for the programme of expenditure of a capital nature in 1951-52 is Rs. 66.5 crores. Out of this, about Rs. 38 crores are required under rolling-stock and machinery, Rs. 26 crores under works, Rs. 1.5 crores for investments in TELCO shares and 0.5 crore in road services. The budget provision in 1951-52 for new acquisitions including the orders placed abroad is Rs. 24 crores and that for programmed deliveries is Rs. 11 crores. The provision for machinery is Rs. 3 crores, Rs. 0.5 crores for new acquisitions and Rs. 2.5 crores for programmed deliveries outstanding from previous orders which are expected to be completed in 1951-52.

Under 'Works' the most important is the Mukherian-Pathankot Project for which a provision of Rs. 200 lakhs has been made in the coming year. This, together with the provision made in the current year, will bring the total outlay on this project to Rs. 3.47 crores at the end of 1951-52 against the estimated cost of Rs. 3.89 crores. The Chittaranjan Locomotive Works will get Rs. 95 lakhs. There is also a provision of Rs. 78 lakhs for the Kalayan Power House, Rs. 45 lakhs for the construction of the Pandu Headquarters and Rs. 20 lakhs for a new station and marshalling yard at Alipur Duars on the Assam Railway.

The total expenditure estimated under the Development Fund is Rs. 8.29 crores, out of which Rs. 3 crores will go to passenger amenities and Rs. 1.45 crores for staff quarters and staff amenities. The total budget provision under all Demand Heads on staff quarters and staff amenities is Rs. 4.55 crores. In pursuance of the undertaking given by me on the floor of the House, provision has been made in the budget year for starting work on the restoration of eight of the lines which were dismantled during the war. Two new lines, will between them get an allotment of Rs. 50 lakhs.

Rs. 46.72 crores out of Rs. 66.5 crores for expenditure of a capital nature in the budget year will be financed by withdrawals from two of our earmarked funds and Rs. 19.78 crores will be financed from General Funds, and constitute an addition to the Capital at charge. The ways and means position of the Government is, however, so inadequate that both the withdrawals and the advance will have to be financed almost entirely out of the contributions we shall be making in the budget year to all our three earmarked Funds. (Pandit Balkrishna Sharma: What about the shock?) But for our being in a position to do so, we would have drastically to curtail our programme of expenditure of a capital nature, by something over 20 crores.

And now Sir, to the mild shock. I have indicated how narrow is the margin between railway revenues and the expenditure chargeable to those revenues. We have carried out an extensive plan of repairs. We are making rapid progress with rehabilitation and have, from this year onwards, accelerated its pace. We cannot be content with mere repair and rehabilitation. We have got to raise standards in every direction so that our railways may stand comparison with railways elsewhere in the

world. Further, in a vast country like India, we cannot continue indefinitely the policy of starving expansion. The need for construction of new lines to fill gaps and to open up unopened country is clamant. All this demands our looking ahead with both vision and imagination. It means a higher level of expenditure, both revenue and capital. We cannot entirely and always count upon the assistance which can be looked for from General finance. It is in this comprehensive context that the Government have taken the decision to enhance passenger fares.

Several Hon. Members: No, no.

Shri Gopaldaswami: I knew it would produce a shock and I hope it would be absorbed before I finish.

Let me assure the House that the enhancement I am proposing is intrinsically justified and will not throw on the consumer of railway service a burden which he cannot legitimately be called upon to bear. A study of the economics of railway operation will, I trust, convince hon. Members that a certain measure of adjustment in our fare structure has been long overdue if we apply to it the principles which should govern the determination of a fair price for the service rendered. The price level in the country has now risen to over 400 as compared with 100 in 1938. This is fully reflected in the increase in the wage bill on the Railways. The cost of fuel now stands at 471 taking the figure for 1938 at 100. As against all this, the increases in average railway fares and freight rates are only of the order of 46 and 73 per cent. respectively. In other words, the increase in fares and freight rates has lagged woefully behind the increases in operational costs. The cost of renewals and replacement, which play an important and essential role in the execution of the rehabilitation programme, has also increased fourfold. Had Railways been under company management or been run on a purely commercial basis, the fare and freight structure would undoubtedly have been revised long ago. This was one of the hard facts which stared me in the face from the time I came to be in charge of Railways. I held my hand however and deferred tackling this problem because I felt that, having regard to realised revenues and actual expenditure, I should not tap this resource except when it became necessary to do so. I consider that, in the present financial situation in the country and the imperative needs of rehabilitation, stabilisation and expansion, I must face with

firmness the task of inviting the approval of the House to an enhancement of railway fares. (Some Hon. Members: No, no.) I know that the proposal will, in the first instance, as indicated now produce in the minds of hon. Members an unfavourable reaction. But I have no doubt that, when they have applied their minds to the matter in the light of all the facts and literature that I have placed before them, they would give their approval to the small increase in fares which I contemplate. (Some Hon. Members: No, no.)

Economies in administration and operational expenditure have been and are being comprehensively explored. There is a limit, however, to such economies on the Railways. They cannot be made if the effect of doing so would detract from operational efficiency and the provision of adequate facilities to trade, industry and the travelling public. A model job analysis has been conducted in the office of the Railway Board, and Railway Administrations have been asked to follow this example. But the most perfect job analysis will not release funds of the magnitude likely to create an impression on the gap which has to be bridged if the financing of all that I have indicated is to be adequately provided for. The integration and regrouping of the different Railway systems are bound to produce economies in the cost both of administration and operation. But this will perforce materialise only gradually over a period of years. It is premature to assess these economies accurately. But even they when realised will not enable us to avoid raising additional revenue.

Our attempt to improve the revenue position has, therefore, necessarily to be directed towards an adjustment of freight rates and passenger fares. The rationalisation of the freight structure which was carried out in October 1948 was intended to remove the anomalies of the past by introducing telescopic scales of freight and establishing a more scientific basis of charge for the haulage of goods. This change was effected mainly in the interests of trade and industry, though it brought in some additional revenue resulting particularly from the raising of some unduly low rates.

Passenger fares in India were standardised on a uniform mileage basis for all Railways in January 1948. While this helped to equalise the low fares charged on a few Railways with the fares charged on other Railways, the basis of charge was left undisturbed. This equalisation hardly pro-

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duced any perceptible effect on the revenues of Railways as the average distance travelled by a passenger was of the order of 32 to 33 miles. To put it in a different way, it may be stated that, for each ton of goods hauled per mile in 1949-50, we recovered 10-10 pies, and for each passenger carried per mile 4-55 pies, as compared with our takings of 5-84 pies per ton mile and 3-12 pies per passenger mile in 1938-39. The increases work out to 73 per cent for goods and 46 per cent only for passengers. In other words, the incidence of the increase has been borne mainly by goods traffic. Even though the passenger fares were unduly depressed in relation to the level of freight rates pre-war, the ratio in 1949-50 has been further disturbed in favour of passenger traffic. In considering any further adjustment of the freight rates, it is necessary to bear in mind possible inflationary stresses and their inevitable repercussions on the price level in the country both of industrial and of consumer goods. On these considerations, I feel that it would be extremely inadvisable to increase freight rates further in the context of our requirements of additional finance.

Our attention has, therefore, to be turned to the possibilities of securing additional revenue by an adjustment of the passenger fare structure. As I have already stated, our passenger fares have always been unduly depressed and are among the lowest in the world. They do not bear any relation to-day either to the economic situation in the country or to the economics of railway operation. I should like to invite attention to the fact that, while in all sectors of the economic life of this country we have called upon consumers of goods and services to pay high prices and incur large sacrifices, we have continued to acquiesce in the consumers of rail transport not contributing their legitimate share to easing the burden of large increases in the cost of railway operation. It is in the Inter and Third classes that any enhancement in passenger fares will be most productive. In the case of the upper classes, other considerations inevitably intervene such as what the traffic can bear, having regard to the competition of alternative forms of transport such as the one my hon. Colleague is in charge of. An increase in rail fares, particularly in the two lower classes, will also be anti-inflationary in character. I have, however, no intention of shifting the entire incidence of increased cost to the shoulders of the travelling

public, and the proposals which I make are severely restricted to our requirements of additional finance and my desire to keep down the increase in fares to the absolute minimum. I might mention that, even after making these adjustments, the additional financial resources that may become available will soon get absorbed, and will, in the not distant future, be found not adequate enough to meet fully the rehabilitation and development programmes which we are looking forward to implementing. It may not be irrelevant to point out also that, in terms of real purchasing power, the increases which I propose to give effect to will bring the fare level only to about 32 per cent of pre-war fares.

My specific proposals for revision of fares from 1st April 1951 are:

| | |
|---|-------------------------|
| First class fares should | |
| be increased from . 24 to 27 pies per mile. | |
| Second „ do do . 14 to 16 pies | |
| Inter „ do do . 9 to 10 pies in the | case of express trains |
| | & 7-5 to 9 pies in the |
| | case of other passenger |
| | trains. |
| Third „ do do . 5 to 6 pies in the case | of express trains & |
| | 4 to 5 pies in the case |
| | of other passenger |
| | trains. |

An Hon. Member: Loot.

Shri Gopalaswami: I am sure all of it will go to the pockets of the Government and the benefit of it will, no doubt, be realised by hon. Members also. I should like hon. Members to read this speech in cold print, and after sleeping over it for a night see whether they have the same feeling against it as they seem to have now.

I do not disguise from myself the fact that, in British days, lower class railway fares in this country were a constant target of attack, both in the legislature and in the Press. It used to be urged that the third class fare level was unduly high and was part of a policy of exploitation of the common man for the benefit of an alien Government and of companies which were controlled by British capitalists. To-day, with an entirely state-owned railway system, administered by a National Government pledged to the amelioration of the conditions of life not merely of their own employees but of the masses generally, such criticisms have lost

all their point and would betray an imperfect appreciation of the general policy of Government and the realities of the economic situation. Since the advent of independence, there has been an arresting change in the policy at the back of railway administration and there is a fuller appreciation of its responsibilities and obligations towards both its patrons, the travelling public and its nearly one million workers.

By way of anticipation of possible criticism in the House, let me also invite the attention of Hon'ble Members to one important consideration. The revenues accruing from the enhancement of passenger fares are intended for the stabilisation and expansion of the railway undertaking. It might be pointed out that we shall not in actuality be spending immediately the additional funds that we raise. That is so. But those revenues will go into our earmarked funds i.e., railways earmarked funds, and be held to our credit; they will also earn interest from General revenues until the latter are in a position to release them for expenditure in future on the railways. Until they are so made available, they will serve to fortify the ways and means position of the Government, and Railways should feel proud of the assistance they are able to render to General Finance. It should be a source of satisfaction to the railway user that he now has an opportunity to render a certain amount of financial assistance to the tax payer who had borne in the past considerable losses on his account. The important fact to remember is that no fraction of the additional amounts raised will be annexed by General finance and that the sum in entirety will contribute to the strengthening of the capital resources of Railways to be drawn upon in the coming years when the ways and means position of Government becomes more comfortable.

To sum up the revenue estimates for 1951-52, the increase in passenger fares will give us about Rs. 19 crores, and, with this addition, the gross traffic receipts will improve to Rs. 279.50 crores. Including the appropriation to the Depreciation Reserve Fund, the total working expenditure will stand at Rs. 216.97 crores. The net traffic receipts will thus be Rs. 62.53 crores which, after allowing for the net miscellaneous expenditure of Rs. 7.31 crores, will leave a net revenue of Rs. 55.22 crores. Out of this, Rs. 33.37 crores will be paid to General revenues as dividend under the Convention. The resulting surplus, namely, Rs. 21.85 crores is proposed to be distributed between the Development

Fund (Rs. 10 crores) and the Revenue Reserve Fund (Rs. 11.85 crores).

The picture of the position of the three Reserve Funds will be as follows:

| (In crores of rupees) | | | |
|---------------------------|---------------|---------------|---------------|
| | 1949-50 | 1950-51 | 1951-52 |
| Depreciation Reserve Fund | 109.01 | 119.37 | 114.54 |
| Revenue Reserve Fund | 6.82 | 12.79 | 25.23 |
| Development Fund | 13.80 | 18.78 | 21.11 |
| TOTAL | 129.63 | 150.94 | 160.88 |

The total of the Reserve Funds at the credit of Railways will stand at Rs. 160.88 crores at the end of March 1952.

In introducing the Budget for 1949-50, I had referred at some length to the operational difficulties on the Railways which had caused a great deal of concern to the public. Last year, I indicated how the deficiencies had been progressively reduced. The House would naturally expect me to state generally the existing position. Loading on the broad gauge had been generally smooth and free. On the metre gauge, the position on the Southern Railways had been generally satisfactory. On the Northern Railways, although the loadings improved, demands could not be met fully as there was an acute shortage of metre gauge wagons—a deficiency which the specially energetic measures now taken will make good. The vagaries of the river Ganga also affected adversely movement across the ferries connecting the two gauges. The volume of traffic carried has, however, tended to be more than that handled in the previous year. The trend of steady improvement in operating efficiency to which I made reference last year has been fully maintained.

The movement position has further eased by the receipt in the course of the year of 113 broad gauge and 33 metre gauge locomotives and 3000 new wagons in terms of four-wheelers. 715 coaching vehicles were also commissioned during this period. This addition to the movement potential has been fully reflected in the increased traffic handled without any deterioration in either wagon turn-round or the punctuality of the services.

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It was a pity that attention in the past had been concentrated mainly on the rehabilitation of the broad gauge system, thus accentuating the difference in the levels of performance on the two gauges and giving rise to legitimate complaints from areas served by the metre gauge. Special steps have now been initiated to remove this imbalance and to bring up the performance of the metre gauge system to the level of the broad gauge system. Orders which have been placed in the current year, both abroad and in India, are therefore predominantly for metre gauge stock. 150 improved type YP locomotives have been ordered for the metre gauge and the supplies are expected to be completed by mid-1952. Similarly, 8,000 metre gauge wagons have been ordered overseas which should arrive in the country in the course of the financial year to supplement the order for 7,000 wagons placed in India. 250 metre gauge third class bogie coaches ordered abroad are also expected to be commissioned in the course of the coming year. Orders for 100 WG locomotives for use on the broad gauge have been placed on Chittaranjan and 50 YG locomotives for use on the metre gauge have been placed on the Tata Locomotive and Engineering Co., Ltd.

Hon. Members must be aware that the first locomotive from the Chittaranjan Locomotive Works steamed out on 1st November 1950, the function being blessed by the presence of the President of the Republic. The factory itself is making good progress in all directions. The targets of production which have been prescribed are being maintained, and 36 locomotives are expected to be turned out in the coming financial year. Similarly the Tata Locomotive and Engineering Co., Ltd. sponsored by Government and established under direct Government encouragement and assistance is also expected to commence production in the course of the budget year.

The plan for establishing a coach building unit in the country has been somewhat retarded in implementation owing to the time taken in deciding on the future of the Hindustan Aircraft Limited, but it is expected to take final shape in the next few weeks, and a provision of Rs. 50 lakhs has, therefore, been included in the estimates for 1951-52.

During the year, my attention was attracted by the condition of railway stores on the different railway systems, and I was greatly perturbed by information I received as to the increase, and lack of balance, in railway store

holdings. These, while immobilising a large volume of money, have been responsible for the failure to maintain the flow of supplies towards the fulfilment of repairs and maintenance programmes. The yearly purchase of stores, exclusive of foodgrains, stands at the level of Rs. 70 crores, and the value of the closing balances under stores had risen from Rs. 36 crores on 31st March 1949 to Rs. 46 crores on 31st March 1950. Even after making allowances for supply difficulties and increases in price levels, the position is far from satisfactory. I decided, therefore, that an investigation into the stores arrangements on the Railways should be undertaken with a view to bringing about improvement and rationalisation for provision, procurement, issue and holdings of stores. A committee with Mr. A. D. Shroff, Director of Tatas, whose services were very kindly placed at my disposal for functioning as Chairman, and with representatives of Railway finance, Railway stores and the Ministry of Industry as members, is now engaged on this task. I expect their report by the end of the current financial year, and I am confident that, as a result of their labours, considerable improvement, both financially and organisationally, will become possible.

It is only natural that the quality of the performance of the railway undertaking in passenger transportation should be judged not infrequently by the amenities and facilities it provides for the travelling public. The largest proportion of passengers travel by the lower classes and therefore the provision of amenities and travel facilities for this category has to receive the highest priority. All steps which have recently been initiated in this direction are designed first progressively to overtake the problem of over-crowding and secondly to improve the comfort and conditions of travel. The provision of additional train services and the commissioning of an increasing number of the improved type of coaching vehicles are steps in this direction. 126 additional trains including 41 extensions of existing services have been introduced. 55 short distance supplementary services for third class passengers have been instituted. The number of Janata expresses carrying exclusively long distance third class passengers between important termini and other stations has been increased to 18. Additional coaching stock has been ordered both in and outside the country and the capacity of existing workshops has been rationalised and mobilised to increase production of coaching stock. The cumulative effect of these measures

and others, either planned or in execution, can only get expressed over a period of time, but the position will go on improving steadily as every effort at producing better travel conditions is being brought up to pre-war standards and more fans are being installed in waiting halls, covered platforms and third class coaches. Special steps have been taken to attain more hygienic conditions both in carriages and on station premises, though in view of the lack of co-operation from the public the results produced have not been satisfactory as they might be. Improvements have been effected in regard to supply of drinking water to passengers by the installation of additional water coolers and by augmenting the strength of watermen at important stations, particularly in the summer season. Railway Administrations have provided in the course of the year electric fans in the waiting halls of 100 stations and in the covered platforms at 51 stations; 37 stations have been electrified and additional drinking water facilities have been provided in 191 stations. These results, which are directly attributable to the continuing pressure of criticism in Parliament, are, I confess, on the low side. but the problem is being energetically tackled and the annual expenditure of Rs. 3 crores will be continued until an acceptable minimum standard is reached.

I know how anxious and perturbed hon. Members were on the quick succession of serious accidents to trains which occurred in the earlier half of the current financial year. About the causes of these accidents, there has been a good deal of speculation and uninformed criticism. It has been suggested that the majority of these accidents was attributed to sabotage merely to cover up the unsuitability of the new type of locomotives, the unsatisfactory maintenance of the track and the negligence and deficiencies of Railway administrations. I owe it to myself and the House to give some indication of the steps which have been taken to prevent or reduce to the minimum the occurrence of such accidents in future.

I leave out of consideration the hundreds of minor accidents which have not involved loss of human life but have resulted in small injuries to individuals and damage to rolling stock. They are of the type which occur on all railway administrations, and, taking a comparative view, they have not, in number, been larger than in comparable systems elsewhere in the world.

There have, during the current year, however, been nine accidents to passenger trains which have resulted in considerable loss of human lives. Four of these were major disasters. These were the derailment of the Kumaon Express on the O.T. Railway in April, the derailment of Punjab Mail and the accident to the Toofan Express in May and August respectively on the E.I. Railway and the derailment of the Kashmir Mail on the E.P. Railway in September. The number of persons killed in these four cases were 36, 92, 29, and 12 respectively. The first three of these were clearly cases of sabotage due to tampering with the track. The fourth has been reported to be due to error of judgment. In connection with the Punjab Mail accident, certain persons have been placed before the court for trial. In regard to the accidents to the Kumaon Express and the Toofan Express, the investigation has not resulted yet in fastening the responsibility on any particular persons. In the fourth, the railway officials alleged to be responsible for the error of judgment are being dealt with departmentally.

The finding of the Government Inspector of Railways as regards the cause of the accident to the Toofan Express was challenged and suggestions were made from responsible quarters that the accident was not due to sabotage but to defect in the proper maintenance of rolling stock. I decided, therefore, to have a judicial enquiry made into this case. A judge of the Calcutta High Court was appointed for this purpose. He recorded all the evidence available, and, after making such further investigation and inspection as he considered necessary, he came to the conclusion that it was a clear case of sabotage. His findings exonerate the Railway Administration from the unjustified charge of negligence.

The prevention of sabotage has been discussed with the State Governments, the General Managers of Railway Administrations, security police and others concerned. As a result, arrangements have now been completed for the intensive patrolling of vulnerable sections of railway track, for the running of pilot engines where and when the situation demands it and for the increased provision of armed guards. Special devices have also been introduced on certain railways in order to make the tampering of track more difficult. Railway staff have been warned to be more vigilant, and a larger delegation of powers has been made to responsible officials to take prompt disciplinary action in cases of neglect of duty. I do hope hon.

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Members appreciate that, in the recent past, in any case since September last, the scare of railway accidents has been demonstrably less than it was before. So far as railwaymen are concerned, there has been a perceptible improvement in their alertness. Prompt disciplinary action may have had something to do with this, but the bulk of the credit for this improvement must go to the response which railwaymen of all ranks have made to appeals to them from me, from the public and from the Press. I am glad of this opportunity to say this. The evidence of this greater alertness is in the number of possible major accidents which have been averted by the watchfulness which many railwaymen down to the ranks of gangmen have exhibited in various parts of the country. A monthly return of accidents, both major and minor, is received by the Railway Board from all Railway Administrations, and a consolidated review for all railways is issued promptly drawing pointed attention to the number of accidents, the causes thereof and the steps taken by each Administration in this connection. This review, I hope, has had the effect of inducing Railway Administrations to compete with one another in a race for the prevention of accidents.

Two French Railway Engineers, one a specialist on locomotives and the other on track, have been placed at my disposal by the French Railway Authorities at my request to assist the Railway Board in the investigation of the complaints regarding the unsuitability of the new type of locomotives and the deficiency in the maintenance of track. These experts have completed a tour of the railways and submitted their report to me on the 19th February 1951. The House will be interested to know that these engineers are satisfied that the W.P. locomotive as designed and built is a safe unit for operation on the main lines of the Indian Railways upto 60 miles per hour and that the quality of track maintenance adequately meets the requirements. The report contains a number of suggestions all of which will be examined most carefully and action initiated promptly for giving effect to such of them as are accepted by Government.

Progress has been maintained in developing designs and improving mechanical equipment in the Central Standards Office. The efficiency of the new type of locomotives burning low grade coal is largely attributable to the

excellent work done by this office. The question is under active consideration of setting up a Railway Research and Test Organisation to study, analyse and resolve problems having a direct bearing on safety, efficiency and economy in operation. This organisation is intended to fulfil a complementary role to the National Laboratories and to supplement the work done in these Laboratories concentrating on specialised railway research. The organisation for economic research has undertaken the study of specific economic and financial problems and the interpretation of the reoriented statistical returns. The results have been encouraging and are being increasingly used in the formulation of policy and the designing of control measures to achieve greater economy and efficiency. A study for evolving a formula for allocating expenditure more accurately and rationally between goods and passenger traffic is in progress to enable us to assess the rationale of existing fare and freight structures and to consider such adjustments as may be necessary. It is obvious that a progressive organisation like the Indian Railways must have at its disposal competent machinery for the continuous study and analysis of all problems affecting operation, as it is only through this study and research, both in the technical and economic fields, that operating and economic controls can be made really effective.

As stated by me repeatedly both in Parliament and elsewhere the Government stand committed to a policy of continually improving the status and ameliorating the conditions of railway workers. The Central Pay Commission's recommendations have been extended to all railway employees including those who were in receipt of low scales of salaries on the ex-Indian States Railways. The anomalies resulting from the application of the C.P.C. scales have also been examined at great length by the Joint Advisory Committee consisting of representatives of both railway labour and the Railway Board with an independent Chairman. The bulk of the recommendations of this Committee has also been implemented at the cost of additional recurring expenditure of Rs. 2 crores a year. I must here express my appreciation of the manner and spirit in which the Chairman and the representatives of the workers and the Railway Board sat together to resolve points of difference amicably and in mutual appreciation of each other's difficulties.

The provision for housing labour is being maintained despite financial

difficulties, and better facilities for medical relief and education have also been given. The total bill for the year on labour welfare is Rs. 7.95 crores. The relations of labour with management have generally been cordial. There is a growing consciousness of responsibility amongst the great majority of railway workers, and this has now found expression in an improvement in productivity measured by the yardstick of train miles, vehicle miles etc., from 69.38 in 1949-50 to 78.1 in 1950-51. I hope that this rate of improvement will be continued and that the index of 100 in 1938-39 will be reached and possibly surpassed in the not very distant future. The plan for a greater association of labour wherever possible with the administration has taken a step forward by providing for the association of labour representatives in the formulation of proposals for labour welfare works including the provision of hospitals, canteens, staff quarters and the like. It should be possible, in the coming years, to extend the field of collaboration further.

I would like to make a reference, in passing to the question of enhancement of the rates of dearness allowance which has been raised by railway labour. As this is a matter of general governmental policy, it has to be viewed from the standpoint of the situation in the country as a whole. The satisfactory financial position in which the railways find themselves today cannot in itself justify the payment of increased dearness allowance to railway workers when no other workers in Government employ get it. I am sure that railway workers will not seek to have themselves treated on a basis of discrimination *vis-a-vis* other workers. The hope entertained over a year ago that Governmental action would successfully break the vicious spiral of wages and prices chasing each other has not materialised. The general economic position in the country is in all conscience one of peculiar difficulty in this respect. The general financial position is, if anything, more difficult still. I must therefore appeal to railwaymen to approach this problem with a recognition of the realities of the general economic and financial situation.

I would like to add a word about the response which railway workers spontaneously made over a year ago to the appeal of their own leaders for compulsory savings out of wages for helping in strengthening the ways and means position of Government. Railway workers drawing pay not exceeding Rs. 250 p.m. are now allowing a monthly deduction in their wages or

salaries as their contribution to a Railway Savings Provident Fund. The proceeds of this contribution which the workers concerned have agreed to make for a period of two years will be returned to them at the end of that period with interest at 2 per cent. The amount that has accumulated in this Fund up to the end of January 1951 is Rs. 101.35 lakhs. I desire here to express my appreciation of this patriotic, and as it happens unique gesture of railway workers.

Shri K. C. Bakhle, Chief Commissioner of Railways, since Sept. '47 will, at his own request, proceed on leave from 1st April next, at the end of which he will retire from railway service and make his services available to private enterprise under a high level business concern. He has had a distinguished record of 27 years in the Indian Railway service. On the transfer of power, owing to the departure of a large number of British holders of key posts on the Indian Railways, those posts came to be held by Indian officers of the Railway Service, a very large number of whom had been denied experience in such key posts previously. These Indian officers have more than proved their mettle and competence. Not only have the pre-partition standards of work been maintained, but in not a few aspects of railway administration have these officers been responsible for real improvement. Amongst the many officers who have contributed to this result, Shri Bakhle is perhaps the most conspicuous. I am grateful to him for the assistance he, as the holder of the highest executive office on the Railways, has given me. I wish to give public expression to my appreciation of the frankness with which he has tendered advice to me—a frankness which I encourage all my officers to cultivate—of his capacity for hard work and above all of his high sense of discipline. I can only congratulate the business concern which will have the benefit of his services and wish him all success in his new sphere of work.

I have already referred to the economy which, as the result of a job analysis, is being carried out in the office of the Railway Board. I have given serious thought to possible changes in the constitution and functioning of the Railway Board itself, but have come to the conclusion that, for the time being, I will make no major changes, though I have decided to reduce the strength of the Board and introduce changes in the manner in which that Board now functions.

The Railway Board, as at present constituted, consists of a Chief Commis-

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sioner, a Financial Commissioner and three functional Members, together with the Secretary of the Transport Ministry. The Chief Commissioner is not in charge of any specific portfolio and is now responsible merely for presiding at the Board meetings and for overall functional supervision and co-ordination of work. He is the adviser of Government on all technical matters and has the power to overrule his functional colleagues. The Financial Commissioner has a special position and cannot be overruled in financial matters. He is permitted to have direct contact with the Finance Minister, whom he keeps informed of developments in the Railway Ministry.

With the constitutional changes and with a Minister responsible to Parliament coming to be in charge of Railways, the functioning of the Board has altered substantially. There is now a regular weekly meeting of the Board as a whole with the Minister, where several questions of policy are discussed and settled. Overall co-ordination is ensured first at the Board and then at the Minister's level. The need for an officer of the Board who is not burdened with departmental responsibilities is not now by any means compelling. The different Members of the Board constitute what may be described as an All-India Railway Executive, whose administrative work is suitably distributed amongst functional heads, each of whom presides over his particular department of railway activity. On questions which require co-ordination among these different departments, the Members come together and reach decisions as a collective body. The Minister controls the work of the Board and all directives given by him are carried out by it. The post of Chief Commissioner will therefore be retrenched from 1st April next, and the Board reconstituted with three functional Members and the Financial Commissioner. The Secretary of the Transport Ministry will, under existing conditions, continue to be, *ex-officio*, an additional Member. One of the functional Members will be appointed Chairman of the Board and, in that capacity, *ex-officio*, he will function as Secretary to the Ministry. He will be responsible for the work of the Board as such and for the intra-Board co-ordination required for this purpose. He will also be in charge of the small secretariat attached to the Board, in addition to being a functional Member. The Financial Commissioner will retain his special position and function as Secretary to the Ministry in matters financial. The Board will function as a corporate body, advising the Minister on all major questions of policy

and issuing such executive orders as are necessary for the administration of the Indian Railways.

As a result of the retrenchment of the post of Chief Commissioner and certain other economies in the organisation of the Board's Office, including a reduction in the status of the post of Secretary to the Board, economies to the extent of over Rs. 3½ lakhs will be immediately realised—a saving of over 16 per cent. on the total establishment charges of the Railway Board.

For the assistance I have received from the Railway Board and all ranks of railway personnel working under them throughout the country, I desire to convey my grateful thanks. I am honestly convinced that they are all making every effort to give of their best to the duties which they have to discharge. I have been pleased to learn from many intelligent people who have come into contact with them, or have had opportunities of seeing them at work, that the spirit of service is growing among them and that their relations with the public are getting better and better. The few deviations from this rule which occasionally find their way into newspapers do not detract from the general improvement that is taking place. I do hope that officers and men will strive not merely to do better work, but to do it with the courtesy, consideration and good feeling which should characterise all those who are engaged in public service. I wish also to convey to hon. Members of the Railway Standing Finance Committee and the Central Advisory Council for Railways my thanks for the support I have, throughout, received from them.

Sir, winding up my speech last year, I said "Indian Railways are doing well and will do better". Some critics of that speech thought that this was a bland ending to an otherwise exhilarating tale. An emotional peroration is however not amongst my failings, and I can only end now by saying "Indian Railways have, since I made my last budget speech, done definitely better and will do better and better still in the future".

Mr. Deputy Speaker: The Budget papers will be distributed now and the House will re-assemble at 2-45 P.M.

The House then adjourned for Lunch till a Quarter to Three of the Clock.

The House re-assembled after Lunch at a Quarter to Three of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

DEMANDS FOR SUPPLEMENTARY GRNTS FOR 1950-51—concl'd.

DEMAND No. 15.—MINISTRY OF AGRICULTURE

The Minister of Food and Agriculture (Shri K. M. Munshi): One point that was made by my hon. friend Mr. Hussain Imam was with regard to imported sugar. It was stated that it put the country to a loss. Now, the House will remember that as the position of sugar supplies stood in last August and September, it was anticipated that there would be short supply in November and December resulting in a break-down of the rationing system and a steep rise in price of black market sugar. Anticipating these difficulties attempts were made through the United Kingdom Government to buy a small quantity of imported sugar in order that these adverse effects may not follow. We succeeded in buying a small quantity and the result has been that we were able to prevent a break-down in November and December. The exchequer will gain about Rs. 30 lakhs. There has been no loss because that sugar has been sold at no-profit no-loss basis by the States; it also prevented to a large extent the rise in the prices in the black market. Therefore, it is not correct to say that the sugar that was imported put the country to a loss or that it was unnecessary.

Again, there has been a certain amount of criticism that our policy with regard to sugar has been uncoordinated and vacillating and there has been a shortage as a result of it. I think some of the Members who said that, had forgotten the large part which many Members of this House played in the forging of this policy two months ago. In the first instance, I do not think that it is the policy which is responsible for the shortage. I have already pointed out the reasons for shortage of sugar production. Of course, there is one sovereign remedy for those who believe in de-control: de-control the whole thing and you will get any amount of sugar. But that is a course which Government has not advisedly taken and is not prepared to take in the light of circumstances as exist at the present moment. If, therefore, we have got to keep some kind of control or the other, we try various methods of keeping down rising prices. We tried the method of licensing *kolhus*: it failed. And ultimately as a result of joint deliberations of a very large number of Members of this House, the present policy

was adopted. I hope it will be the final policy because it has given to the *gur* manufacturers the liberty to keep their *kolhus* on which they were very keen, so that this cottage industry is not affected. It has given to the factories, though they complain very bitterly about it, what Government consider economic prices. It has also the merit of giving to Government 10 lakhs of tons which would be enough to meet Government's normal rationing commitments. At the same time a free market has been created as a result of not only keeping down black market prices, but giving an incentive to production which is very necessary and to which my hon. friend Mr. Kapoor has attested. He very rightly made a point about the fact that individual factories, if they reach a particular limit, have not been allowed to seel. But he will realise the difficulties. Government can have a discretion to fix either the production limit of 1948-49 or 1949-50 advisedly, because to some factories one would be beneficial, while to others the other would be beneficial. We tried our best to get the sugar manufacturers to come to an agreed settlement on this question, because if we gave the lower production year all over India the production would be 8.5 tons and we will be short by 1.5 lakh tons. If we gave the higher production year it would have gone to roughly 11 lakh tons and we only wanted to have ten lakh tons. So a formula has been evolved which I am glad to say has been received very satisfactorily by the industry. While taking the average of the two years (1948-49 and 1949-50) any factory which produced the average or above the average will have its lower year's taken into account, so that there will be an incentive at both ends. They will try to overstep the average, so that if they do that, they will get double benefit. They will get the right to sell in the free market; they will also get the difference between the lower year and 7 per cent. and the average which is necessarily larger.

With regard to the point made by my hon. friend Mr. Kapoor, I have no objection whatsoever to consider the case of those factories which reach their average of the two years and to see whether without any loss to Government the surplus quantity could be released for the free market. I am quite willing to do it and I hope that will give an incentive. At the same time this policy has to succeed, if the rationing system has to be maintained and I am glad to see that even the sugar manufacturers themselves have:

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realised the responsibility and have more than once assured me that they will do their utmost to give to Government ten lakh tons on which the rationing system is based. This shows that the policy has not failed, that it has to some extent succeeded and it is solely due to the fact that the policy, was not evolved by Government, but by the collective wisdom of about two-thirds of this House.

Shri J. R. Kapoor (Uttar Pradesh): What I wanted was that the policy enunciated on the 1st of December should not be modified, or changed as is envisaged in the statement of 3rd of February.

Shri K. M. Munshi: That policy is not changed and let us hope that it will succeed, so that there will be no necessity to change it in future.

At the same time I want Members when they criticise to remember that this is the first time an experiment is being tried in this particular commodity of having a controlled market just enough to supply the minimum needs and a parallel free market which will enable those who want extra stuff to obtain it. We have to study this peculiar method that we have adopted with a view to seeing whether it contains the germ of any future possibilities. I therefore submit that the criticism that this is a vacillating policy is not correct.

As regards the criticism of lack of coordination, I must say, on behalf of State Governments, that after this policy has been forged the State Governments have done their best to co-operate and carry on this policy. I must in this connection pay a tribute to the Government of Uttar Pradesh, though it had to take very stringent measures, it has whole-heartedly co-operated with the Centre in carrying out this policy and seeing that production is stimulated as far as possible. There is no lack of coordination in this matter.

I hope, Sir, that I have satisfactorily explained all the points made by hon. Members and that there will be no more comments about the sugar policy till we see ten lakhs in our hands.

Shri Satish Chandra (Uttar Pradesh): Sir, may I ask one question, with your permission? What are the views of the Uttar Pradesh Government with regard to *khandsari* industry? Has he heard anything recently from the Uttar Pradesh Government about the affairs of that industry, and are not the views

of the Uttar Pradesh Government completely at variance with those of the Central Government.

Shri K. M. Munshi: The Uttar Pradesh Government at one time stated that Rs. 28 was the appropriate price of *khandsari* later on it was recommended that *khandsari* price should be raised. The matter is being examined and if it is found, as is alleged by my hon. friend and other people, that it is uneconomic, certainly Government will consider it. But so far, apart from the pressure on the State Governments, we have failed to find actually any economic reason why we should raise Rs. 29 to Rs. 35 or Rs. 40 as is claimed. But I have not the least objection if my hon. friend comes over to me and satisfies me that the Rs. 29 is uneconomic. I am not concerned with the pressure of the local people. But if I am satisfied that Rs. 29 is an uneconomic price I will do my best to remedy it. But so far I have no reason to be satisfied that it is uneconomic.

Shri S. V. Naik (Hyderabad): May I put one question? Will the hon. Minister be pleased to consider the question of increasing the price of the sugar produced in the Nizam Sugar Factory in view of the uneconomic price of the same?

Shri K. M. Munshi: Well, the matter is being examined. No decision has been taken.

Mr. Deputy-Speaker: The question is:

"That a supplementary sum not exceeding Rs. 75,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of Agriculture'."

The motion was adopted.

Shri Kamath (Madhya Pradesh): Sir, a request was made yesterday that Demand No. 98—Capital Outlay on Industrial Development—might be taken up first this afternoon.

Shri Satish Chandra: Sir, the biggest Demand is No. 73. It is for Rs. 14,62,23,000 out of the total Demand of about Rs. 20 crores. If you allow a Demand to be picked up for discussion without strictly adhering to the order paper, this is the biggest Demand. So I suggest that Demand No. 73 should have the first priority.

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): Sir, may I make a submission? What matters in a Demand is not so much

the amount involved as the subject-matter. The importance of the matter is relatively great. It cannot be judged entirely by the money involved in the grant asked for.

Mr. Deputy-Speaker: I do not want to reopen a matter which has been decided already. Originally it was thought that two hours would be allowed for this. Now it is not possible. We shall go on till 4 o'clock.

Shri Satish Chandra: Till 5 o'clock.

Mr. Deputy-Speaker: No. At least there will be half an hour for the other Demands. We will finish this Demand if possible, by 4 o'clock or 4-30. There must be time for the other Demands. Possibly we may take the other Demand where Rs. 14 crores is involved.

DEMAND NO. 98.—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT

Mr. Deputy-Speaker: Motion is:

"That a supplementary sum not exceeding Rs. 10,59,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951 in respect of 'Capital Outlay on Industrial Development'."

Economy Cut in respect of Government Housing Factory, Delhi

Shri Kamath: Sir, I have got two cut motions. I do not propose to move cut motion No. 10 of List No. 1, but I wish to move cut motion No. 28 of List No. 3. I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,59,000 in respect of 'Capital Outlay on Industrial Development' be reduced by Rs. 7,000."

The demand in respect of the Factory is Rs. 7,000. Though the total demand is to the tune of Rs. 19 lakhs and odd, as the amount is to be realized from some other source the demand under this sub-head is only Rs. 7,000. So I propose to move this amendment asking for the complete refusal of supplies under this particular sub-head—Rs. 7,000 to the Government Housing factory.

3 P.M.

Last year on the 15th of March when the Health Ministry's demand was under discussion in this House—this Housing Factory has been shunted to Capital Outlay on Industrial Development now, but till now it was under the Ministry of Health. I had warned the House that we should be prepared to witness the ignominious

failure of this project. That was on the 15th of March, 1950.

Mr. Deputy-Speaker: I find that three or four persons are anxious to speak on this matter. The hon. the Prime Minister would also like to speak. Therefore I suggest that no hon. Member need take more than fifteen minutes.

Shri Kamath: The Health Minister on that occasion asked the House to be patient and said that given time this factory might produce something worthwhile. She said, "I do not see why it should not be used with success here (that is in India) and I believe that when this factory does begin to produce, it will be able to produce something that is definitely worthwhile". Then I said, "Something, but not a house". Today my prophesy—evil prophesy perhaps it was—has been fulfilled. When I raised this discussion in the House I was supported by my hon. friend Mr. Tyagi who has, however, lately crossed the floor and become a 'Bhogi'—and several other hon. friends of mine including Mr. Sidhva, Mr. Goenka, Dr. Deshmukh, and Mr. Sondhi who is an active Member of the Standing Finance Committee but who is unfortunately absent today. The whole conception and execution of this project from start to finish has been—may I use soft words—very wrong. When the project was conceived, a landscape architect who now occupies the position of the Director of Housing in the Government of India and the Managing Director of the Government Housing Factory, was deputed to England to investigate into this matter and contact various firms and find out which firm would be most competent to execute the project in our country. He stayed there, I am told, for three weeks or so and submitted a report to the Government of India through the then Finance Minister who happened to be in England at that time. Whatever his personal qualifications as a landscape architect may be, I for one am convinced that it was wrong on the part of Government to have deputed him to England to investigate into a matter for which he had no experience and no competence. It is just like asking an ass to do the work of a horse. The report was submitted to the Finance Minister and later on an agreement was drawn up between the Government of India and a certain consulting firm—Structural and Mechanical Development Engineers, Ltd.—who had no experience at all of this particular type of foamcrete houses. The agreement was weighted heavily in favour of the consulting firm, and that firm had done erection of only two double-storeyed houses in

[Shri Kamath]

England, and the rest of their experience was confined to building houses with aluminium sheeting and such other light alloys; but our Health Minister was persistently misled by her advisers in the Ministry into saying on the floor of the House that this consulting firm had vast experience in this line. On the 12th December 1949, when this matter was first raised by me in the House, she said:

"The firm has very wide experience in the development and use of foamed cement and have done considerable research work on the subject. They acted as consultants for the Aircraft Industrial Research Organisation on Housing in the United Kingdom which produced 75,000 houses in factories. Foamed cement was used in the construction of these houses."

As a matter of fact it has now transpired that their experience was confined only to two double-storied houses in foamed cement and the rest was confined to building houses with aluminium sheeting and such other light alloys. It is unfortunate that the report of the Committee that was appointed in pursuance of the promise given by the Finance Minister last August in this House has been suppressed in so-called public interest; if that was available to the House it would have thrown considerable light, if not full light, upon this whole matter and how this matter has been bungled from start to finish.

Later on when this matter was taken up for execution, questions about this matter were asked in the House on several occasions, but I may say that the answers were merely fabricated answers on the floor of the House. Who fabricated them and for what purpose, God only knows, but most of the answers that we got were completely fabricated and there was no basis for the statements that were made from time to time regarding the progress of the factory.

I have just now said about the firm's background and their experience. So also when the factory went into action long after the promised date, various excuses were advanced, why it could not go into action earlier, but when it did go into action panels started cracking, and the breakage of panels increased from 30 per cent. in October to 60 per cent. in November. Yet this fact was suppressed by the Minister in the House when a question was put to her directly about this particular breakage matter. That also, I believe, was due to wrong information supplied to her by her advisers in the Ministry.

The next point that arises in this matter is this. When the Mulgaonkar Committee was enquiring into the whole matter the Minister was asked in this House why the work was advertised, the Minister glossed over the matter and said that the public were only invited to see but actually advertisements continued coming in the Delhi papers very frequently during December and there was an amusing advertisement of a man holding a house in the palm of his hand, as if it was such a light affair; but actually what exactly was the state of affairs about the breakages, and whether the panel was guaranteed and durable and sound, that was all suppressed.

Then, Sir, a very strange transaction took place. When the matter was under inquiry by the Mulgaonkar Committee, the Health Ministry sold or transferred to the Rehabilitation Ministry 100 houses for the use of refugees. That is stated in this Demand.

"During this period recoveries from sale of houses amounting only to Rs. 5.72 lakhs have been taken in reduction of expenditure, being the value of buildings erected by the factory for the Najafgarh Health Unit and some residential quarters for refugees etc."

It appears that Government does not care what happens to refugees, as to what sort of houses they live in and whether the houses collapse, or whether they are pinned inside the houses someday. The Committee, I understand, recommended that the houses are unsafe for human habitation and must not be sold to the public. In spite of that the Government disregarded the recommendation of the Mulgaonkar Committee and has sold 100 houses to the Rehabilitation Ministry.

Then, Sir, another point is: the Standing Finance Committee which met on the 7th February under the chairmanship of the Finance Minister passed a unanimous resolution, which is in the hands of my colleagues here. In the history of the Standing Finance Committee this is the only resolution of its kind, and passed unanimously in respect of any demand submitted by Government, since Swaraj came to us. They have passed severe strictures upon this project. They say:

"The Committee could not escape the conclusion that the technical advice on the basis of which the scheme was embarked upon was tendered in an irresponsible manner, and it was

regrettable that a commitment for a large capital outlay was entered into without competent confirmatory opinion having been obtained on all aspects of the scheme. The Committee also felt doubtful if the technical management of the Factory gave information to Government at an early enough stage which might possibly have saved unfruitful expenditure. The Committee urged strongly that Government should give immediate consideration to the question of fixing responsibility for the incompetent technical advice which it has received at all stages of the venture."

After this, I need not say much about the way this project has been bungled and mismanaged, and how the Minister has been bamboozled at various stages of the venture. It was said some time ago in a British magazine that these prefab houses were being built in our country so as to afford an easy exit for the devil passing from one door to the other. I mentioned that in the last session that the consulting firm was building houses so as to afford "an easy exit for the devil entering into one door to pass out through the other". I do not know from where the devil has come and where it has gone to stay, but I can say this much that this whole venture has been bedevilled by incompetence, ignorance, in-experience, irresponsibility and I may say, almost fraud played upon Government by incompetent technical advisers. The least that the House expects is the implementation of the resolution of the Standing Finance Committee, which met specially for this purpose for one full day and discussed this measure, under the Chairmanship of the Finance Minister himself. This Committee passed unanimous resolution asking for an enquiry to fix the responsibility for the colossal and ignominious failure of this project and if that much is not implemented by Government we will only be compelled to think that Government attaches no value to such resolutions of important committees of this House which have given thought to the matter and over which one of their own ministers, the Finance Minister, had the honour to preside. I would, in the end, say, Sir, that it is rather regrettable that the Government was led, or rather misled into this costly venture and that it has turned out to be a big fiasco. But, one can only be happy, even, at this stage, that further squandering of the poor harassed Indian tax-payer's money will be avoided by the unanimous recommendation of the Mulgaonkar Committee, of which two Members were

officers of government and only the Chairman was a non-governmental person. It is very fortunate that they have come to a unanimous recommendation in this matter and have asked the Government to wind up this show, and try to see whether the factory can be put to some other use, if at all. I am however very doubtful on that point. I think much of the capital equipment will have to be written off and the waste that has been incurred will have to be borne with a heavy heart, in the hope that Government will at least learn lessons for the future.

Mr. Deputy-Speaker: Cut motion moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 10,59,000 in respect of 'Capital Outlay on Industrial Development' be reduced by Rs. 7,000."

The Prime Minister (Shri Jawaharlal Nehru): My colleague the Health Minister will, no doubt, somewhat at a later stage, deal with this matter because she is acquainted with most of the facts. I should like to place before the House certain considerations which we as Government and I specially, have had before us in the course of the last two and half years or whatever the exact period may be since this project was considered by us.

The House knows that housing or lack of housing is one of the principal problems facing us in India. In the Planning Committee, we have discussed this question in its various aspects with experts and others, as to how to fulfil this lack and what to do about it. It is a terrible problem all over the world, more so in India at present. Because of this, we as Government considered all the aspects of it two and a half years ago and we came to the conclusion that it was highly desirable for us to experiment with pre-fab housing. It was obvious to us then, as it is now, that large scale house construction in India must necessarily be by what are called traditional methods, may be improved traditional methods, of course, but traditional methods. We could not reach the hundreds of thousands of villages in India, or hundreds of thousands of towns in India with pre-fab houses. Nevertheless, the demand was so great that we felt that we should experiment with pre-fab houses in one place, or two places, etc., and that this would fulfil a small part of the demand, a very small part, but nevertheless a very helpful one. It is not a question of replacing the traditional methods.

[Shri Jawaharlal Nehru]

Secondly, and this was more important, traditional methods get into ruts and do not improve unless some impetus for improvement, some new idea, some push, some competition comes in their way. We in India, in this as in many other things, have got into ruts and we do not improve because we have no compulsion to improve. Therefore, if new systems of house construction are brought in, they may succeed or they may not succeed, but they bring new ideas which can be *mutatis mutandis* translated into traditional buildings which will result in improved traditional structures. They will make better houses or speed up their construction. Therefore, the central reason why we thought of pre-fab houses was, in a small sense to actually supply in part the need which was very great, but much more so from the point of view of bringing in these new ideas which may be fitted in to some extent in traditional construction.

Some of us have spent a good deal of time in looking at housing problems in other parts of the world and trying to compare them with our own problems, and the various experiments that they have had in other parts. They have had hundreds of experiments in England alone. I suppose they must have had scores of hundreds of them; many of them failed, some succeeded, some largely and some in a lesser degree. Ultimately, they have evolved with this record of success and failure new and varied methods of construction and they have constructed a large number of houses. In India, we have been experimenting in various ways. There is a Housing Research Institute which has just been formalised, that is experimenting on different types of roofs, different types of windows and different types of panels, etc. In the Punjab, in the refugee houses and elsewhere, they have experimented on soil construction of a special type, and so on and so forth. All these are experiments going on to find out what the suitable thing is. In our plans we felt that in so far as it is possible, we should use, obviously, local material and not material which has to be imported. From this point of view, we came to the conclusion that it was very necessary for us to give a start to pre-fab housing in this country so as to find out how it could improve generally or specifically in that matter.

May I correct a statement made by the hon. Member? We did not send the Director of Housing, or whatever he was called, at the time....

Shri Kamath: He became Director later, perhaps.

Shri Jawaharlal Nehru: Whatever he was, we did not send him to England for this purpose. He went there to attend a number of Conferences and other things, quite apart from this particular housing project.

Shri Kamath: May I, Sir, for the information of the Prime Minister and of the House, state that at the meeting of the Committee of the Cabinet held on 27th May 1948, it was decided that steps should be taken to establish House-building factories in India at an early date and that Dr. Koenigsberger should proceed to the United Kingdom as soon as possible to investigate the possibility of adapting to Indian conditions the methods used in the United Kingdom for building pre-fab houses, and explore the possibility of setting up a Housing factory in India?

Shri Jawaharlal Nehru: I remember that. Permit me to go on. He was going to attend a number of Conferences in Switzerland and elsewhere on various subjects connected with his work, planning and other things. We asked him to remain there for a week or two to investigate pre-fab houses also. My point is that he did not go for this purpose. There is no point in it: I am merely correcting a fact.

At that time, the Finance Minister Mr. Shanmukham Chetty was also going there. Discussing the matter in the Cabinet we authorised Mr. Shanmukham Chetty to go into the matter carefully and because we wanted to get things done as rapidly as possible, we authorised him, if he approved after proper consultation, to give his temporary agreement, so that it may be considered by the Cabinet later. Our charge was really given to Mr. Shanmukham Chetty. Dr. Koenigsberger was asked to report to him there as representing our Government. Dr. Koenigsberger and some others there reported to him. Mr. Shanmukham Chetty apparently saw some houses there. As a result of that, he approved of this plan and this particular project. Mr. Shanmukham Chetty came back and said that he had approved of this. These are the details attached to that project. Finally, it was examined by some people here and it was accepted with variations or whatever it was.

Shri Kamath: Examined by the technicians? By the P.W.D. here?

Shri Jawaharlal Nehru: I cannot say who examined it. I think that Mr. Kamath is right. I do not think that at that stage a very proper examination took place. I cannot recollect the

exact persons who did it; but it was examined by the P.W.D.; I do not remember. It was sent to the P.W.D. They did not, I think, give a thorough examination; they gave some examination, I remember they sent a note on this project

Shri Kamath: They rejected.

Shri Jawaharlal Nehru: However, the point is, we entered into this contract largely because Mr. Shanmukham Chetty had practically entered into it before he returned from England. And we entered into it because we were anxious to make a beginning from the larger point of view of bringing in new ideas in regard to house constructions in this country. Frankly speaking, it is perfectly true that this scheme or project has not succeeded as we expected it to succeed; but it has not failed ignominiously as Mr. Kamath may say.

Shri Kamath: It is a matter of opinion.

Shri Jawaharlal Nehru: It is not a question of opinion, but it is a matter of the approach to the question. I have examined a number of these houses in England and a number of these pre-fab projects have had a difficult time in the beginning. They did not make good, but they have ultimately made good. The whole point is this. You have a factory there now and it is a magnificent factory; there is no doubt about that, one of the finest you can have in India. The point now is to evolve a proper mixture, to see what components should be put in, how much of cement or sand or something else. If the mixture is correct and you make a proper panel, you have succeeded; but if the mixture is not correct, then you have not succeeded. The panel breaks down and gets cracked. Then it becomes a thing for scientific experimentation for the experts. In a thing like that, naturally we have to profit from other people's experiments also. There is no reason why we should take up ourselves something which requires long experimentation etc. though, of course, materials differ in various countries.

Anyhow, two or three facts are clear. At the earlier stage there was not enough examination of this scheme as there should have been. That is point number one. The second point is one on which I do not wish to say much because we are consulting the law about it—the responsibility of the British firm with regard to this matter. It is difficult to discuss it when we are considering the matter in the legal field. But the real point

that faces us, not merely with regard to the housing factory, but in regard to the larger field of house construction is this. How can we profit by or how can we use what we have? I have no doubt at all that this factory can be used in many ways. First of all I am not at all clear in my mind whether it cannot be used now or tomorrow for the construction of complete houses. We have asked our National Physical Laboratory and they have assured us that with a little experimentation it may be possible to produce panels which can be used for the houses. They are not dead sure about it—nobody can be.

The next question that arises is, having produced them we have to see whether that will be at an economic cost. You may produce them, but it may be a costly business. Therefore we have to consider again whether they will be produced at an economic cost.

The other point is this. Even to-day this factory can produce what may be called components of houses on a mass scale, that is to say, roofing materials, windows, panels of doors etc. that fit in with the programme of traditional house-building, with proper bricks. I am pointing out the ways in which this can be used to economic advantage. It can also be used in another way. It can be used in the light industries or other industries. This is always open to us. As a matter of fact, we even now have offers from industrialists which are financially advantageous to us, to let them use the factory for their own purposes. But we want to see how we can use it either for making houses or for making the components of houses.

As I have already stated, I think a number of errors and mistakes were made in this business, largely due to inexperience of the Government; largely again, due to a certain, well, over-optimistic spirit of Mr. Shanmukham Chetty who entered into this agreement, more or less, before he came, and we accepted it and did not check it up as closely as we ought to have done. But the fact to remember is this. Whenever such experiments have been made in England or elsewhere, of pre-fab houses, to begin with they had a lot of trouble because it requires a very delicate mixture of the various components. If the mixture does not come off or if the quality of the components differed, you have to go on experimenting with them till you succeed. There is nothing extraordinary in that. We need not think that it is something very unusual or extraordinary that has happened here. This

[Shri Jawaharlal Nehru]

is the case in almost every country. It is a question of experimenting. Either you look upon it as a pure commercial venture, or as an experiment, or a mixture of an experiment plus a commercial venture. The real way to look upon it is as a mixture of an experiment and a commercial venture. And the intention is to make it a commercial venture as soon as possible. But there is always the element of experiment in these pre-fab houses.

Another point is this. I venture to say that the two or three experiments we have made in pre-fab houses round about Delhi, apart from the housing factory and others, have already led to certain improvements in the construction of traditional houses in Delhi by the P.W.D. Thus they have got some new ideas and they have applied them to the building of houses in the traditional way, thereby improving them and slightly cheapening their cost or improving their durability. As a matter of fact, we have profited to some extent here, though it is difficult to say to what extent.

Finally, what I place before the House is this. A number of errors have been committed; there is no doubt about it. We were at that time rather, if I may say so, taken up by the first report we got from Mr. Chetty who, we thought had examined it thoroughly and we accepted it and went ahead, and the factory was built—a very fine factory. But when it came to the making of panels, these panels did not bear much weight, or were not found to be strong enough to bear the weight that was put upon them, though the panels could be used for other purposes. But it is not difficult to make them strong. But then the cost factor comes in and we have to consider whether it is worthwhile doing it. Of course it is a scientific matter which we are investigating. There is no doubt even now that the factory can be used for the making of components of houses provided we decide to do so and give up the other experiments, or we may do them together. There has been loss undoubtedly, but the loss has not been considerable, because the main cost incurred has been over the factory and it is there—a very fine factory. And the experiments have taught us several lessons and they may succeed. We are not, at the present moment, relying on the British firm for these experiments. It is our job, for our scientists and others to see how best we can utilise it.

For the last many months, apparently due to Mr. Kamath's

insistence and drawing the attention of the House to this matter, many of us have looked repeatedly into it. As a matter of fact, we have sent competent persons, expert engineers and businessmen and others to see and report on it. We have also appointed a committee and got their report also, and if necessary, we shall appoint other expert committees to judge the responsibility for this or that. But the main thing we must do is to utilise it to the best advantage. I do personally believe, after seeing these papers, that there has been a certain amount of slackness—I may frankly say that. The original error came from the way Government dealt with it two and a half years ago. They went ahead rather more quickly than they should have done and they should have examined the process a little more carefully. Nevertheless, normally speaking, in an experiment like this what I wish the House to consider—indeed not only in this matter but in other matters also—is this. If we are going to attempt anything, to make progress in new directions, we shall inevitably have to experiment and to submit to failures and to expect failure or some lack of success. Otherwise you cannot simply go ahead in any experiment or method of construction or anywhere else. Our methods of construction in India to-day are highly unsatisfactory. They are expensive in the long run, and they are slow and we can never get going fast enough unless we intend to change them completely and basically, unless we improve them in a variety of ways. As a matter of fact, they are improving and many new ideas have been adopted. There has been marked improvement in some aspects since this pre-fab business came in. The mere fact of it has improved some of our methods and we have got new ideas and they have been rightly adopted. So that in future I hope the House will be perfectly willing, not in regard to this matter, but in other matters, to experiment in order that we may go ahead much more speedily and at less cost. In countries like the U.S.A., England, France, Switzerland or Germany the number of experiments in housing that are taking place day to day is prodigious. They see at the end large sums of money coming out of them, although they spent some money in the beginning. If we do not develop on the line of those experiments and trials we will not get out of the rut that we are in.

Shri Kamath: May I know from the hon. Prime Minister whether the Government is prepared to accept

the resolution of the Standing Finance Committee and order an enquiry into this matter, and further whether Government propose to keep the Mulgaonkar Committee report suppressed in the public interest?

Shri Jawaharlal Nehru: There is no question of suppressing any paper. As I pointed out to the hon. Member this matter is being considered from the legal point of view and it becomes a little difficult if one is asked to publish all the papers in that connection. At the right time they will be placed before the House.

Shri Kamath: As regards the Standing Finance Committee resolution?

Shri Jawaharlal Nehru: I regret I have heard of it only now for the first time when the hon. Member read it out. I have neither heard of it nor know anything about it. We shall certainly consider every resolution but as to what steps we will have to take it will be for the Government to consider.

Shri Sidhva (Madhya Pradesh): I would like to give the actual facts regarding the factory and also my impression and concrete suggestions to the Government. I do not know whether any member of the Government knew about these prefabricated houses except the Prime Minister or whether anybody thought of constructing a factory in India until I drew the attention of the hon. Minister in this House to it on the 1st March 1948. My question then was:

"Will the Minister of Health be pleased to state whether the attention of Government has been drawn to a report from (so and so) stating that more than 17,000 houses were completed in Britain during the year 1947 and 12,400 prefab houses built in July 1947?"

The hon. Minister replied that she knew nothing about it. When I put a supplementary question she said that she would enquire into the matter and place the matter before the House. Rightly she did so. I pursued the matter further and on August 18th I put further questions in the House and it will be found that instead of the Minister of Health giving me a reply Dr. Mookerjee comes into the picture and makes an announcement that Government have decided to start such a prefab factory in India.

I took a little interest in the matter for the reason that there was a great demand for houses in these days, particularly on account of the refugees who had come from the other side. I applied my mind to the problem whether the number of houses required would ever be built in the manner in which traditional house-building is carried on. I felt whether some other procedure could be found if we have to deal with housing problem satisfactorily. Hence I put the question and I was glad Government took interest in the matter and decided to establish a factory.

The Prime Minister has given us some history of the factory, although I would have liked him to give a little more. I have personally visited the factory nine times, six times all by myself as surprise visits and three times with the officials of the factory. The important point in the construction of houses in this factory was that time is the essence of the matter. The object which actuated us was to see that the houses are completed as early as possible, within a year. That was the main object of constructing this factory. From that point of view I was worrying the officials besides the Minister from time to time by putting questions here as to why the delay took place. And I was given "to understand that parts of the factory were left in Calcutta, some in Bombay and that they could not come in time. All these excuses were given to me, with which I was not satisfied. I told this to the hon. Minister from time to time and said to her at some stage "Please listen to me also and not only to your officials. I can assure you that I have taken interest in the matter as I wanted houses to be produced as early as possible and that was the object of constructing the factory." As usual, I am sorry to say my advice did not find favour with the Minister, because at that stage she believed the official version. She gave me in writing in a letter dated the 10th September 1949 and further said that it was now expected that the first house would be produced by the factory in November 1949. Yet after getting all this information I told some of the officials "Why do you not give the proper advice to the Minister? Why do you want to bring the Government into disrepute by giving them the false impression that the houses will be produced so soon. Tell them the correct position and the Minister will give a correct statement in the House."

[Shri Sidhva]

I got a copy of the agreement from the hon. Minister as I wanted to see where lay the fault. Unfortunately, as the Prime Minister just now stated, Mr. Shanmukham Chetty did not at all apply his mind to this while he was in London, when the agreement was executed. Let me state frankly that this agreement is a one-sided one in favour of the contractors. There is no time limit for the completion of the factory. There is a clause that any number of British officials can be brought here at the expense of the Government. There I found where the fault of the delay was. We were to pay all the expenses of a number of Britishers who were to be brought here and a number of them came. There is a provision in the agreement that a technician will be brought as also a cement technologist and that Indians will be trained but as far as I know nothing of the kind happened. I do not know whether the cement technologist arrived here. This agreement was executed on the 12th October 1948 between the Government of India and the firm. The Structural and Mechanical Development Engineers, Ltd., whose registered office was stated to be at 2 Buckingham Place and their place of business in India was at 17 Cunningham Road, Bangalore. When I went last time to Europe I took a little interest to see what type these houses are. Until I saw the house I had no idea of the prefab houses. I saw thousands of houses in England, in Europe and in Austria, two or three stories high and very well built. So nobody can pooh-pooh the idea of prefab houses and anybody who does so is mistaken. I wanted to see this firm's workshop and I went to Birmingham. There was no workshop, although we were told that there was a big factory. I went there and had to come away without seeing any factory. What I feel in this matter is that the engineers have played many tricks with us. One trick is that about 52 lakhs, I am subject to correction, have been invested in the factory. Out of it 38 lakhs are in stores of which 18 lakhs are for aluminium sheets. I do not know whether the Mulgaonkar Committee investigated this matter. I am bringing it to the notice of the Minister that 18 lakhs worth of aluminium sheets were ordered when the factory was not put up and just at the time when through devaluation the prices were going up. The weight of the aluminium roof was fixed at 500 lbs. weight.

I speak subject to correction about this weight of 500 lbs. Well, the

order was sent to India House where probably the contractors got it changed to 750 lbs. Again here I speak subject to correction on this figure also—it may be a few pounds more or less. Any way, they entered into a cost plus contract. Sir, the other day I was explaining to the Railway Ministry the meaning of a cost plus contract. A cost plus contract is a dangerous thing to be entered into with any contractor and the sooner the Government gives up this system the better it is for us. It has made a difference of nearly Rs. 16 crores in the case of the Sindri Factory. Of course the hon. Minister might say that the prices have gone up. I do not dispute that. But a cost plus contract is a dangerous thing. Generally when you place an order at a particular cost the contract is fixed. But plus means that whatever prices prevail at the time of shipment the indenter has to pay them. That is no contract—it is obtained at the market price.

So, they took the advantage of the cost plus contract—I do not know who was responsible for agreeing to it. There was this cost plus contract and then devaluation made a further difference. In all this I would like to know what the Finance Ministry was doing. Was there any check up? The order was placed at the rate of 500 lbs. but the specification was changed to 750 lbs. Is there any proper accounting system or not? Day after day, in Ministry after Ministry, we find the same faulty accounting system. What can the Minister do? It is the accounting system which the Finance Minister should put right. We must overhaul the whole system. We have got so many accountants and auditors. We have so many highly paid auditors. And when these things come to our notice we feel pity and are sorry for our administration.

Shri Gadgil: Do not break my table.

Shri Sidhva: Mr. Gadgil, you ought to be sorry for this rather than pass these ridiculous remarks. You are one of the Members of the Government and you are in charge of the P.W.D.

The point to which I would like to draw attention is that 1,000 aluminium roofs were lying unused.

An Hon. Member: Wastage.

Shri Sidhva: I would not say wastage because they will be used. But the sooner they are used the better it is for all. Of course we have lost because the aluminium prices have gone up and we have to pay the price under this cost plus system.

As far as the factory is concerned, I do not know what is its defect. I am not a technical man, but only ten days ago when I went and saw the factory I thought there was something wrong somewhere—either, as the Prime Minister said, in the mixing of cement and sand, or in the construction of the machinery. I do not know what the Mulgaonkar Committee has stated about it—I do not know even whether they have referred to it. But the fact remains that this factory could not be condemned and we cannot say, as my friend Mr. Kamath suggested, that it has proved a fiasco. I would not subscribe to that view. Whatever be the defect, I would request my hon. friend, Mr. Kamath, to apply his mind constructively over this matter. It is public money that has been spent on it. People say close it down. We have spent over eighty lakhs and you say close it down. For what? If there is some mistake, hold the man responsible liable for it. Take the money from him.

Shri Kamath: I am one with you there.

Shri Sidhva: But the factory should be run. The other day I met a foreign prefabricated manufacturer who had come to Delhi. He came and saw me about three weeks ago. I told him, "Please go away if you are talking about prefabricated matters to me. My Government and the Members of my Parliament are so much prejudiced about it that they would not like to talk to you." However, he came to my place and etiquette demanded and I talked to him. He told me he was prepared to purchase this factory or to take it on a long lease and produce houses without asking the Government to invest a single pie—his manufacturers will invest all the money. It was a good piece of news to me. I told him to communicate it to the Minister of Health or to the Prime Minister. I do not know whether he has gone to them...

The Minister of Health (Rajkumari Amrit Kaur): Yes.

Shri Sidhva: I understand he has gone to the Minister. He has put a definite proposal. What does it mean? He wants to take advantage of the defect of the factory and purchase it or take on lease.

Shri Kamath: Will he buy the factory?

Shri Sidhva: Yes, he is prepared to buy it.

Shri Kamath: Then let him pay one crore and buy it.

Shri Sidhva: I am not prepared to sell this factory. I want improvements to be effected in it and it to be converted into a State Factory. I certainly do not approve of the present management. It must be entrusted to a responsible commercial concern. Here I would request my hon. friends and the Prime Minister that they should not look only to the half a dozen or so of the big business men who alone are supposed to be business men. There are hundreds of good middle-class business men who have got plenty of commonsense and business ability. And if you entrust this to them I can assure you that it will succeed. Men of honesty, character and integrity will be in a position to run this factory very efficiently. You have only to find out the man—you will not find any difficulty in that. Of course if you want to confine yourself only to three or four big industrialists, big capitalists, then that is a different matter. They are big industrialists, I do not dispute. I do not dispute their intelligence about business matters. But you should not confine yourself only to these five or six people. It would be better if we take advice from the hundreds of others.

I would suggest that immediately a committee of engineers should be appointed to find out what is the defect in the factory. I saw some of the building materials being made up, for instance, small bricks. I was told that these will bring down the cost by 5 to 10 per cent. I do not know about it, but if that is so the factory work should go on. The small parts are coming out all right—it is only the big parts that develop cracks. If they are to be used let them be used after making a full enquiry. Let the factory run on that basis. Let the engineers enquire and make a report on what is the defect. It is just possible that in prefabricated Engineering there may not be any Indian engineers because this work started in Europe only after the last war. Therefore, I would suggest that some good engineer, a man with ability and good experience, from Europe should be brought over and for about four or five months he should be asked to see what is wrong. I am not ashamed if anybody comes from abroad, there is nothing wrong in it. And under this agreement though Indians were to have been trained, the contractors have done nothing towards it. Some Indian

[Shri Sidhva]

engineers should be sent for training immediately. Government also should lose no time over this matter. The Ministers are so much engrossed in other matters. I would not like this subject to be transferred from one Ministry to another—to Mr. Mahtab or to Mr. Gadgil. You may transfer it from one Ministry to another but the position will be the same because the governmental methods are quite different from those of the commercial institutions. I have read the literature on factories elsewhere. If our factory is run on the lines of similar European factories, we would be able to supply houses to a great number of people needing them. Even today we need more houses. The Rehabilitation Minister has always been questioned here about how many houses have been built for the displaced persons. There is a great demand for houses even today and we would not be losing anything if we build houses through this factory. I am told that some people are prepared to purchase these houses at three or four thousand rupees because they are directly in need of houses. These sums may seem rather costly as compared with the Rs. 2500 originally promised, but the point is that within that amount you get a house very quickly and you can solve your problem with the greatest satisfaction.

With these words I would request the Prime Minister to see that this concern is handed over to a person for better management and he should appoint a committee of engineers to find out what is the defect. I am not in favour of closing down or selling this factory or giving it on lease. A representative of another firm has come, he represents a firm with millions of dollars, but I do not want to give it to him. I want it to be run efficiently by a company. My friend Mr. Kamath said it is inauspicious and prophesied that the factory will fall. My prophecy is quite different. Time alone will tell you that this factory is going to bring happiness to this country.

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

Shri Sarangadhar Das (Orissa): I have listened to discourses on the prefab housing factory for quite a long time now, but not a single house has been produced either with prefab material or otherwise. I do not wish to criticise what has been done nor do I bother whether the factory is retained as a property of the Government or is handed over to some better person

who can produce houses. What I feel convinced about is that the Government and most of our educated people have the wrong mentality about this housing problem. I was not a Member at the time when the Labour Minister made the splendid speech—reported in all Calcutta papers—which I read and admired him for having risen from the bottom and yet not forgotten the underdog when he promised one million houses in ten years. But the next year when somebody asked him how many houses out of this million had been built, he said, as far as I remember, that there was neither the material nor the money nor the personnel and consequently no houses could be built.

Sir, there is too much talk nowadays about progress. Our Prime Minister himself always talks of progress. I happened to live, although over a quarter of a century ago, in one of the most progressive countries of the world, namely, America. I lived there for eleven years. In that progressive country, pioneers lived in tents, in wooden huts and in all kinds of improvised dwellings until they were financially able to build better houses. In the University in which I studied, namely, the California University, for about fifty years there were about a dozen wooden buildings to house Departments like Botany, Agriculture etc. From those wooden buildings, Scientists were produced who became world famous at the end of the last century. Unfortunately, in our country during the last fifty years we always used to think of brick and mortar. Whenever we wanted to found a school, first of all we collected some money to build a big building and then there was nothing left to pay to the teachers and consequently there was no teaching. In this modern age, we are thinking of concrete and prefab houses. All over this country, people are building houses with village engineers, village materials and with very little cost within a short time. It is here that I differ from my friends both in the Government and outside. When you have no money, no material and no engineering personnel, what is the use of thinking of concrete houses and brick houses? Why do you not build mud houses? In the olden days, people were living in mud houses. Because there were dacoits and thieves, they sealed all the doors and kept no windows. Now that we know the necessity for ventilation, we may keep some windows with wooden railings. If you do this, you need not import anything from abroad. In most parts of the country, forests are nearby from where you can get timber and even if the forests are a little far away they are

not going to be more than 200 or 300 miles away. So you can get these materials easily. I suggest that the Labour Minister and the Health Minister should have gone into this question with this mentality that we must depend on our own country and build with our own materials and through our own personnel. In the villages they build mud houses according to different patterns and types to suit local conditions. Those villagers are the inheritors of the accumulated knowledge of generations and the houses built by them last for even more than a century. My own house was built eighty years ago and lately I wanted to test it. I thrust a crowbar into the wall and it recocketed without making any appreciable dent. So, this knowledge from books is not necessarily the height of wisdom nor is the knowledge accumulated by Europeans and Americans the last word. The knowledge accumulated by our people from experience and from nature, although it is not related or described in books, is far superior to the knowledge that foreigners have acquired. It may be that their knowledge is suited to their circumstances while ours is suited to our circumstances. I am not very particular about your following any one of these systems. What I mean to say is that we must give up this mentality of going in for foreign things and we must put our feet on the soil of this country and not in England or New York and think of sky-scrapers. Every person, whether he is a beggar or a small cultivator or a landless labourer, must be given a house. Never mind if it is a mud house. Let them live in the mud houses for twenty years during which time they will be contented and satisfied and would produce more wealth. Twenty years from now when there is plenty of wealth, you can raze to the ground all the mud houses and give them two-storeyed or three-storeyed houses as you please. It is no use merely talking of houses, houses and houses and yet no house is being produced. Whenever any house is produced anywhere, it is leaky and water falls through in the first monsoon. Our mentality is that we have a 'beer income' but a 'champaigne taste'. What we earn is not enough to buy even beer but we want champaigne. We dream of champaigne while there is not even beer. Therefore, my suggestion to Government is that not only in regard to housing, but in other matters as well, they should get down to the level of the ordinary people, to their living, to their thinking and from this low level, they should build up to the European standard.

Rajkumari Amrit Kaur: I have listened to the speeches made by hon. Members who have spoken this afternoon—doubtless many more would have spoken had there been time—with the attention that they deserve. I do not think that any new points have been made, because the Housing Factory has been a matter of criticism, especially by my hon. friend Mr. Kamath, over a long period. I do not wish to deny the debt I owe him really for having always kept the housing factory in the forefront and having brought defects perpetually to my notice. I have to admit with very great regret that the present position, as far as production of houses from the factory is concerned, is not satisfactory and that the high hopes we had held that houses would be produced have not materialised.

Shri Kamath: At last admitted.

Rajkumari Amrit Kaur: After what the Prime Minister has already said—I am very grateful that he spoke—there is not much for me to say. No one can blame the Government for having taken a decision to enter on a venture which if it had been successful, as far as the production of houses is concerned, would have helped to no small extent in solving our housing problem, at any rate in Delhi and its environs. In all the advanced countries of the world, especially after the destruction caused by the two world wars, pre-fabrication or pre-casting and other modern methods of building have greatly eased the burden of housing. These methods have not only speeded as a factor in their favour, but they have also given many new ideas which can be and have been incorporated by traditional builders.

Cheap houses for us are, of course, very necessary; but I have to admit that hope deferred makes the heart sick. I am not, therefore, surprised at the disappointment that has been caused, or even the anger and resentment that have been caused, by the fact that we have not been able to go into mass production. I share this disappointment to the full.

Now there is no doubt that the failure of the technicians, that is the British Firm that were asked to advise us, to produce durable wall panels of foamcrete is the real cause of our inability to produce saleable houses. Therefore what action we are to take in the matter of this failure is something which is engaging the active attention of the Government and the House will appreciate that I cannot, and should not, at this stage say any

[Rajkumari Amrit Kaur]

more in regard to our position *vis a vis* the Firm on the floor of this House.

Now, I want to tell the House that we were by no means asleep, as far as the working of the factory was concerned, because as soon as the production of panels began to show a high rate of breakage, a committee was appointed to look into the matter. An hon. Member said that perhaps at an earlier stage we might have done something which would have saved the Government money. That is a perfectly incorrect attitude of mind. We could not say that anything was wrong with the factory until the factory had been built and until it was in a position to produce. Nothing could have been said, because after all we were in the hands of technical advisers who assured us that the panels would be produced.

Shri Sidhva: What about the time-limit?

Rajkumari Amrit Kaur: As far as the time-limit is concerned, I have had people from various foreign countries coming here and visiting the factory and they have all told me that the factory itself has been put up in record time: they could not have done it earlier wherever they were. There is no doubt that owing to the going down of one or two ships, owing to the fact of delays in transport here, we were not able to get going as quickly as we might have done. Delays were caused, but they were genuine delays.

As far as the designs were concerned, they did not give us any time limit. The moment we had any evidence at all that the panel was not satisfactory, we took the only step that we could and the present position, therefore, is that while the factory itself is a first class factory we have now to consider the ways and means of making the best use of it. That it can be well used so as to pay dividends to Government in due course is an absolute certainty. I hope that Government will be appointing almost immediately, a small expert committee, according to one of the recommendations of the Mulgaonkar Committee, to report on this aspect—that is, how best to put the factory into use at once. As the Prime Minister has already said, it can go into use at once by making component parts of houses. But whether that will be paying and whether that can go on along with experimentation in regard to wall panels for houses, all these factors have got to be gone into.

Shri Sidhva: What will be the terms of reference of that committee?

Rajkumari Amrit Kaur: The term of reference will be to what use the factory can immediately be put—or rather what will be the best means of using the factory.

My hon. friend Mr. Sidhva said that some foreign gentleman had been to him. I may tell the House that more than one offer has been already received from parties who are anxious to take over, whether on lease or by some other arrangement, and make use of the factory, all of which goes to show that there are no defects in the factory itself. I would, therefore, plead with the House to have faith (*Shri Kamth: Patience!*) and patience also and let me assure it that the money spent on the factory is not only not a loss, but a definite asset to our country. It is the only factory of its kind here—it is unique. Even if you do not use it for housing, you can make use of it for any light industry, and use it with advantage. But I hope it will be used for housing. Moreover the larger part of the money spent on the factory is in the shape of plant, machinery, buildings etc.—so that it is all here in the country.

Shri Sidhva: What about aluminium roofs?

Rajkumari Amrit Kaur: The moment we found that aluminium had gone up in price, we only imported 1,000 roofs which will be used. Aluminium had to be ordered, but the first estimate of how much aluminium was required in the house was inaccurate. That is the fault of the advising firm.

Shri Sidhva: My point is who changed the specification from 500 lbs. to 750 lbs. and why was a cost plus contract entered into.

Rajkumari Amrit Kaur: I think the price of aluminium went up because of devaluation.

Shri Sidhva: That is not the point. Who changed the specification? No answer is forthcoming to that.

Rajkumari Amrit Kaur: I will tell you later after enquiry.

Therefore, I say that in no way can the factory itself or the project, be said to have been an ignominious failure. After all pioneering is not a cheap venture at any time and in a field which is so extensive and which is so vitally in need of experimentation if a certain amount of money has been over-spent, I think the House should not grudge it.

Only the other day I read a book in which it is said that the British

Government has written off £ 36½ millions, if not more, over the groundnut experiment.

Shri Kamath: It is in Africa far away from U.K. Here it is in Delhi right under your nose.

Rajkumari Amrit Kaur: I regret a certain amount of money has been wasted. What we have to do now is to see what best use we can make of the factory itself.

My hon. friend Mr. Kamath said that the Government of India had not been well advised. Well, the Structural and Mechanical Engineers were recommended to the Government of India as consultants by the authorities in the United Kingdom and they said that the experience which this firm had collected in this capacity would qualify them as the best possible consultants. We were told that they had been given a special contract by the Ministry of Works in U.K.—so that we were advised that they were a good firm. Then proposals for the factory were submitted first of all to the Indian High Commissioner in London and then scrutinized and approved by a Housing Committee appointed by the Cabinet here which did include among its members three Chief Engineers and a large number of other official and non-official advisers. I am aware of the resolution that has been passed by the Standing Finance Committee. I am putting it before the Cabinet. As I told you the whole matter is before the Cabinet to come to a decision and every attention will be paid to everything. But I do want to assure the House that as far as I have been able to see there have been no *mala fides* anywhere. If there has been any fault it has been that there has been too much credulity and belief in the firm that had been recommended. As soon as we found that they were not able to give us satisfactory wall panels, we have taken the only action we could.

Shri Kamath: Hold an enquiry and fix the responsibility.

Rajkumari Amrit Kaur: I have told you that that resolution is before the Cabinet and they will no doubt consider it.

Shri Kamath: And do not suppress the report.

Rajkumari Amrit Kaur: As far as the Mulgaonkar Report is concerned there has never been any thought in my mind to want to suppress its findings from the House and I assure the House that I shall lay it on the table as soon as it is possible for me to do so. But in view of our position

vis a vis the company it would be prejudicial to the best interests of Government to make it available to the public at the moment.

Shri Sidhva: Make it available. at least to the Members in this Session.

Rajkumari Amrit Kaur: If I make it available to the Members it is public. That is my trouble. But the moment I am able to do it I will do so. I want to repeat that no one shares with the House more than I do the regret at the delay that has occurred, but I venture to hope that the factory and all the money that has been spent in the factory will pay dividends in the long run and will not be a loss to Government.

Shri Kamath: What a hope!

Shri A. C. Guha (West Bengal): Sir, may I seek some clarification about some other items of this Demand? Under the same Demand there are several other items.

Mr. Chairman: The hon. Member should have stated it before the hon. Minister was called upon to speak. Now he has no chance, I am afraid.

The question is:

“That the demand for a supplementary grant of a sum not exceeding Rs. 10,59,000 in respect of ‘Capital Outlay on Industrial Development’ be reduced by Rs. 7,000.”

The motion was negatived.

Mr. Chairman: The question is:

“That a supplementary sum not exceeding Rs. 10,59,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of ‘Capital Outlay on Industrial Development’.”

The motion was adopted.

Mr. Chairman: Now I shall proceed to the other Demands. I shall first take up Demand No. 73.

Shri Sidhva: May I submit that Demand No. 24 relates to Food and Subsidiary Food. Last time also we have lost Rs. 6 lakhs and the amount involved this year is Rs. 98,000. This is an important matter as it is becoming a permanent feature.

Mr. Chairman: On the suggestion of Mr. Satish Chandra it was, I think,

[Mr. Chairman] decided by the Deputy-Speaker that Demand No. 73 should be taken up after Demand No. 98.

Shri Goenka (Madras): How do you come to No. 73? Yesterday it was decided that priority should be given only to No. 98. Otherwise it would have been taken in the regular course of things.

Mr. Chairman: Probably the hon. Member was not here when the Deputy-Speaker said that Demand No. 73 would be taken up after Demand No. 98.

Shri Goenka: Yesterday the Speaker was good enough to observe that unless there was a consensus of opinion in the House that a particular Demand should get preference over other Demands, the Demands should be taken in the regular order and no preference should be given to any particular Demand.

Shri Satish Chandra: Demand No. 73 may be taken up if the House agrees to do so. Otherwise it may proceed in the regular order. If the House desires that being the biggest Demand No. 73 might be taken up, I shall speak.

Shri Sidhva: There is no question of biggest.

Mr. Chairman: I thought the Deputy-Speaker had stated that No. 73 should be taken up after No. 98. But if the hon. mover of the cut motion in regard to Demand No. 73 is not anxious to have this Demand first, I would rather like to have the opinion of the House as to which Demand is to be taken up first. If the House wants any other Demand first, I would take it up.

Lala Achint Ram (Punjab): Demand No. 74.

Mr. Chairman: Is there any objection?

Shri Goenka: I was hoping against hope that we will reach No. 19, namely, the Import Control Office.

Shri Satish Chandra: I cannot understand Mr. Goenka's objection to the request that a particular Demand at the end must be taken up first. It was he who made the suggestion which was accepted by the hon. Deputy-Speaker, and Demand No. 98 was discussed. But when another Demand is being taken up he comes forward with objections.

Mr. Chairman: Since there is no agreement I would rather take the Demands seriatim.

Several Hon. Members: That would be the best.

DEMAND NO. 17—MINISTRY OF EXTERNAL AFFAIRS.

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 2,61,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of External Affairs'."

There is no cut motion on Demand No. 17. I will proceed to put it to the House. The question is:

"That a supplementary sum not exceeding Rs. 2,61,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of External Affairs'."

The motion was adopted.

DEMAND NO. 19—MINISTRY OF COMMERCE

Mr. Chairman: Motion is:

"That a supplementary sum not exceeding Rs. 3,66,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of Commerce'."

Shri Goenka: Rightly or wrongly it has fallen to my lot to initiate the debate on the Ministry of Commerce every year during Budget time for the last 3 or 4 years. Last year while initiating the debate upon the Ministry of Commerce, I made the observation that so far as the acts of omission and commission in regard to the work of the Import Control Office was concerned, I will leave it for a later period because according to the Ministry of Commerce, the whole Department was being reorganized and we had just sanctioned a certain sum of money for the reorganization of that Department. Unfortunately, Sir, although a year has passed, the Import Control Office is as bad as ever (*Interruption*). My hon. friend, Mr. Firoz Gandhi says that it is much worse now. I am not prepared to say one way or the other, but I must say that the Import Control Office has not improved at all. Now, Sir, several complaints come to

us day in and day out in regard to the various matters relating to the Import Control Office. Here is a Demand for giving them Rs. 3,37,000 more for the re-organization of the Import Control Office.

I would not like to go at this stage into the figures and justification for the Demand, but I will first deal with the matter of policy and then I will come to the figures. So far as the matter of policy is concerned, the hon. the Commerce Minister was good enough yesterday to ask me if I had any complaint and he wanted me to hand over a copy of my complaints to him and I did it. I did it only in regard to the items which were public property and I did not give him the list of items which were given to me in confidence and which I could not even disclose to the House.

I gave him 3 complaints. There is rule so far as the Import Trade Control Office is concerned, that no licenses for the importation of Diesel oil engines for the purposes of Grow More Food Campaign will be granted unless and until the importer had technical knowledge, unless and until the importer had an organization for the purpose of giving technical advice and assistance to the buyers of these engines. It is a perfectly justified rule which has been laid down by the Government, but what happens in actual practice? In actual practice, it is not observed. It is influence which tells in the final analysis. I have instances in which licenses have been granted for a large sum of money to those who have never been in the trade who do not know what these Diesel engines are, except that they are gamblers who sell these engines at a higher price and become money-changers. I have given that complaint to my hon. friend, the Commerce Minister.

Then there was another instance, a very glaring instance indeed, in regard to tear gas. There is only one importer in this country of tear gas required for the Home Ministry. The only person who purchases gas materials is the Home Ministry and since they very badly wanted a certain quantity of tear gas, they placed an order with this particular firm. This particular firm applied for a license with the recommendation of the Home Ministry and the Deputy Controller of Import, whoever the person concerned may be, said: "Unless my fees are paid, the license will not be granted." This gentleman thought that this is a requirement for the Home Ministry and it will be wrong to pay him his usual fees. So, he refused and the license

was also refused. (*Interruption*) I do not know what his views are, but the fact was that the license was refused in spite of the fact that the Home Ministry said that they wanted it. Tear gas could not be used by anybody except by the Government and the Police; they urgently wanted it but the license was refused and the matter was taken up at a higher level. Naturally the license was granted but I do not know what action has been taken against the officer concerned.

About a couple of months ago, when I was in Madras, a man who is not known at all—I do not know whether that firm ever exists—purchased a license for Rs. 6 lakhs worth of paper and this license was sold in the market and the man who sold it made a profit of Rs. 4 lakhs by selling it to a particular merchant. People tried to find out who the merchant was; the merchant was unknown; he was not an importer at all and when I enquired, I was told that the license was issued to the actual importer. But one fine morning could a dealer become an actual consumer of paper worth about Rs. 6 lakhs? Further I was told that further licenses have been given to the very same dealer. Those licenses had been sold in the open market in Madras and the letters of credit have been opened not by the dealer concerned, because he is not known; he has no banking account and he has never been an importer before but for the first time he is an importer now. It may be that from the place where the dealer comes, he might have got the recommendation of the Director of Industries as the actual consumer but is it not for the Import Trade Control office to find out how one fine morning a man has become the actual consumer of such a large quantity of paper which he never imported before and where he had never paid even the income-tax? I do not know how these things work, but my experience is that when a *bona fide* consumer applies for an import license, it is delayed for months and months and when he sends in reminders, he gets no reply and when he wants to see the person concerned, in person, no interview is granted. The difficulty is that nobody is able to get a license unless personal influence or other influences act in several cases. I am not suggesting that in all cases that happens. That is the state of affairs in the Import Control Office and I do not know what will happen when this new reorganization takes place, because it seems to me that the more the staff you want, the more money you want to spend and the more corruption you create in the Department. That has been the experience of the

[Shri Goenka]

last 3 or 4 years. I do not know what the remedy is. Unfortunately I have been insisting year after year on the Commerce Ministry to have an organization to find out what are the commodities for which there is forward dealing in India, what are the commodities which are in short supply in the country, what are the commodities where the prices are much higher than the replacing costs and base their import policy on the footing of the requirements of each commodity in this country. For instance, I will give you a long list of commodities like camphor, mercury, window glass, thermos flask, cycles and cycle parts, shaving blades, sewing needles and the like and in all these little commodities forward trading is done to the tune of lakhs of rupees. You will not believe that even in sewing needles there is a forward market in which lakhs of rupees change hands. What actually happens here. Nobody knows what is the requirement of the country, what is the cost of importation and what is the market price and how much gambling goes on in these commodities. Nobody knows in the Commerce Ministry at all if a man has 'beared' the market, if a man has shown a large quantity without having the stock. I do not know whether he actually used the amount. But one fine morning you find that that commodity comes from O.G.L. Down comes the cost price and the man makes a profit. Things like mercury was quoted in the market at double the imported price but somebody 'bulls' the market in Calcutta, Bombay and Madras and after six weeks, we find mercury on the O.G.L. Today the price of mercury in India is 50 per cent. more than the cost price in foreign countries. What actually happens is that in the absence of any knowledge in regard to the local price in Calcutta, Bombay and Madras, in the absence of knowledge in regard to forward trading in these commodities, in the absence of knowledge of the actual stocks in the prevailing market, licenses are issued and these licenses are misused sometimes and sometimes they are used, sometimes large profits are made, sometimes people bear the market, sometimes people bull the market. I am not blaming anybody for it but it so happens that coincidences so conspire together that what suits a particular dealer becomes the accomplished fact by putting a commodity in the O.G.L. or by taking it out of the O.G.L. This state of affairs is certainly not in the interests of the country. Everybody will admit that this is a state of affairs which we must set our foot down. I am not here to

be lecturing on Economics. But, leakage in control is the worst thing that could happen in the economics of any country. If there is leakage in controls, the whole edifice falls to the ground. What actually happens is this. These are not transactions which are done through the usual trade channels; these are all paper transactions. Profits are made and even my hon. friend Mr. Chintaman Deshmukh cannot reach them.

The other day, I was shocked and surprised when my hon. friend the Commerce Minister said that the price of paper had not gone up. It is true that in regard to indigenous paper, Government has not increased the prices, nor have the mills asked for an increase in the price, because there is a decent margin of profit in the paper which they manufacture. But, so far as foreign paper is concerned, the market has more than doubled. Today, a licence for paper for one lakh gives the importer more than a lakh of rupees. That is the state of affairs. The hon. Commerce Minister said that he did not know whether paper prices have gone up. He thought that the prices had not gone up. That is exactly the crux of the whole situation. I do not know whether the multiplication of individuals in the Import Control office is going to improve the situation at all. What is really needed is a knowledge of the market, a knowledge of the stocks, a knowledge of the importation, a knowledge of the prices. Unless and until we know how these commodities for which we use valuable foreign exchange are used in this country, there is no hope for us. So far as the Import Control Office is concerned, after all is said and done, large sums of money are handled in that department; temptation is put in the way of small clerks drawing a salary of Rs. 100, 200 and 300. It is but natural. Unless there is supervision, unless there are checks and counter-checks, there will be a certain amount of corruption. This is where, I beg the hon. Commerce Minister to apply his mind and see whether after all these four years of tragedy, we can save the situation, and see that we do not import those things which we really do not require, and that we import those things which we really require. He should see that we put a stop to this gambling in those commodities and that people do not bear and bull the market and finally he should see that these things are not put on the O.G.L. and taken out of the O.G.L. so that they may have their profits and get out of the market. That is the state of affairs to which the hon. the Commerce Minister must apply his mind.

Then, Sir, I come to another aspect of the question; that is the financial aspect of the question. It is said here that the Finance Ministry agreed to the creation of certain departments in Calcutta and Bombay provided that a corresponding number of posts would be surrendered by the Office of the Chief Controller of Imports. No surrender was made; but these posts have been created. I would like you to refer to page 54 of the reasons given for this Demand. There, the pay of officers is shown as Rs. 74,000; pay of establishment, 26,000; total pay of establishment is 100,000. But, allowances and honoraria are shown as Rs. 113,000 and other charges Rs. 1,53,000; the actual Demand is Rs. 3,66,000, although the pay of Officers is only Rs. 100,000. It was a condition precedent to the Finance Ministry giving their sanction for the creation of these posts that the Import Control Office in Delhi should surrender certain posts and that they would be transferred to those various places.

Again, Sir,.....

The Deputy Minister of Commerce and Industry (Shri Karmarkar): Does not the hon. Member want to hear our reply?

Shri Goenka: I have nothing more to add and I would like to hear the reply from the hon. Minister rather than take the time of the House.

Mr. Chairman: Will the hon. Minister require 20 minutes? Or shall I call another hon. Member to speak?

Shri Karmarkar: I will take only seven minutes so that the House may be in possession of certain information in connection with this matter.

The Minister of Commerce and Industry (Shri Mahtab): I will take only ten minutes, Sir.

Shri Karmarkar: Sir, within the short time at my disposal, I cannot indulge in the luxury of covering all the points and the whole field that was sought to be covered by my hon. friend Mr. Goenka. There will be more opportunities to discuss them in the course of the Budget discussions. I shall deal with only one point which is relevant to the Grant before the House, and that is the Administration of Import Control.

I shall not deal with the details of the amount asked for, but I would like to take the liberty of inviting the attention of the House to some salient

facts connected with the administration of Import Control in the Commerce and Industry Ministry during the last year.

As my hon. friend Mr. Goenka is doubtless aware, the whole trouble arose on account of the large number of applications pending at the commencement of 1950. As many as 8500 applications out of the old OGL concessions were pending. Because we opened out the field to new-comers last year, the applications increased in number and round about the middle of 1950, we had about 80,600 applications to deal with. Thus, partly on account of the re-organisation that we had already resorted to and partly on account of new work, we asked for additional staff. An idea of the amount of work that this organisation had to dispose of during this year can be had if I just invite the attention of the House to the number of applications received and the number of applications disposed of. For instance, for the period January to June 1950, altogether at the headquarters and at the Port offices, 1,27,350 applications were received; out of them, 1,27,298 applications have been disposed of and the balance remaining is 52. As regards the period July-December 1950, the total number of applications received is about 1,20,000 and the number disposed of is 1,13,725. New applications for the new period are coming in and this information is up to the end of 15th January 1951. The applications received till that date for the current period were 7,179. The date is yet to come. The number of applications disposed of is 650 and there are pending 6529 applications. For the first six months of the last year, the number of applications pending is 52, for the second period it is hardly 6 per cent. of the total number of applications, and for the current period of course, current licensing is going on. I would invite the attention of the House to the fact which is acknowledged by the leading business interests and representative organisations that during the last year, there has been a distinct improvement in the amount of disposals. That is point No. 1.

There was another point made by Mr. Goenka, about invidious distinctions. When I came in and took charge as Deputy Minister, this was also one of my headaches as to when to make an exception from the general rule, and I found the exceptions were a greater headache than the general rule. During the last seven months the practice has been to ob-

[Shri Karmarkar]

serve the rules strictly and no exception should be made from the general rule. If hon. Members will bring to my notice any deviation we shall consider them and the best or the worst will be done. We have recognised and given exception in deserving cases and one such is one made when my hon. friend approached me on behalf of his Press, but then we applied it as a general rule to all cases of a similar nature. Whenever we have made an exception we are prepared to justify it. I am sure that in the import control as it stands to-day no exception is undeservedly made and if any is given, very serious notice will be taken and I would be grateful to hon. members who will take interest in these matters and bring to our notice such cases or instances of invidious distinction.

I will not take more of the time of the House. There is only one more point. There have been complaints that our treatment has been more liberal than it ought to have been or less liberal than it should have been. For instance last year there was the scare about penicillin and we put it in the O.G.L. and then we found that there was plenty of it in the market. Then we got the complaint that there is too much of it because we had put it in the O.G.L.—because the trade wants a commodity to be scarce to make it worthwhile.

The House will agree that to-day the balance of trade is an index of what we have done in regard to the quantum of import as against the foreign exchange available. If the hon. Members will study the figures as no doubt, they have and the import policy, they will find that last year the policy has been framed on the safe side so as not to land the country in any trouble on account of the O.G.L. as in the year before last. It is possible that in certain instances large licenses were not utilised. But we do not have the statistics to find out how much was not utilised. We have to balance all the related factors and then devise our policy. It will be agreed that during the last two periods the policy for the succeeding period has been printed and published well in advance and I am happy to say that this has led to satisfaction on the part of trade and industry. I am eager that hon. Members should take more and more interest in these matters and bring forward as many instances and complaints as they come across to the notice of the Commerce and Industry Ministries, and the more they do this

the greater will be our improvement. They should also appreciate where there is improvement and deprecate where there has been none. My hon. friend has access here and in the trade and everywhere and he can see that we are improving and so I oppose the cut motion.

Shri Goenka: I have not moved the cut motion.

Shri Mahtab: Hon. Members have made complaints about the Import Control Offices here and in the branches and my Deputy Minister has shown by giving statistics what the position actually is. He has shown that the applications have been disposed of more expeditiously than before. I think it will be admitted that applications are now being disposed of more quickly and the rules are being followed. The instances quoted by Mr. Goenka are, unfortunately within the rules. God has given us human beings ingenuity to circumvent the rules whenever it suits us. That is the difficulty. In this particular case things happened in such a way that there might have been a serious error of judgment, but that is a question for consideration. I will refer to specific cases later on. To begin with, let me clear one or two points.

When the House passed the Budget last time they provided a lumpsum of Rs. 3 lakhs for reorganisation. At that time reorganisation was considered necessary and so for the import control, out of a sum of Rs. 22,62,300 they set apart—it has been clearly laid down in the Budget—Rs. 3 lakhs as lumpsum for reorganisation. After recalculation that sum has now come to a little more and the Finance Ministry agreed to the increase, provided some staff are made over to the branch offices. And we have done that. From the Central Office three posts of Asst. Controllers and six Assistant U.D.C. have been transferred to ports with the concurrence of the Finance Ministry. Two posts of Assistant Controllers and 2 U.D.C. posts have been kept vacant at headquarters. When this was done, in the meantime, in Bombay the number of applications has risen from 20,000 to 38,000 as a result of the decentralisation. Some hands have been sent there and there has been reduction here. The House will see that the recommendations of the Finance Ministry have been given effect. If there are specific cases and if they are brought to my notice, I shall personally enquire into such cases. About diesel engines as hon. Members know the rules are that

licenses should be given to firms who do after-sale service. Exceptions have been made where the State Governments and co-operative societies are concerned, on the recommendation of the Agricultural Ministry. The question to be examined in the case of those who got the licenses without this after-sale service is whether they were got direct from the office. In that case it is a matter for consideration. If it on the recommendation of the Agricultural Ministry, then the matter becomes more complicated.

Then regarding the case of the paper license from Mysore, curiously enough that application has been very strongly recommended by the Director of Industry of Mysore and according to the rules the license has been given to the actual user as certified by D.I. of Mysore. In order to know who are the actual users, the certificate of the Director of Industry has to be taken, otherwise the Government has no agency to verify the matter. And in this case the D.I. has not only recommended the application but he has strongly recommended it. If we are to enquire into the whole thing we will have to go a very long way and I am not sure if that even will actually take us, anywhere.

Shri Sidhva: Why not? It will end.

Shri Goenka: May I ask the hon. Minister why in the case of licenses for Rs. 5,000 and Rs. 10,000 objections are raised and why in such a large case costing about 6 lakhs no objection was raised?

Shri Mahtab: All the cases have to be considered on their merits. As I said in this particular case, the application was strongly recommended by the Director of Industries and it cannot be easily overlooked by the Import Control Office here.

With regard to the tear gas business, a firm applied for a licence. The Chief Controller forwarded that application to the Bombay Port Office, because according to him it fell under a certain serial number under the rules. The Bombay office returned that saying that it fell under some other serial number and not the one mentioned by the Chief Controller. In the meanwhile the Home Ministry intervened and the licence was granted. The allegation is that all these were done with some ulterior motive. But it is very difficult to prove these motives. It may be an error of judgment. Why one officer thought that the application came under a particular serial

number and another thought that it came under a different serial number it is very difficult to know. Yesterday I looked into the matter and it appeared to me *prima facie* that there is some defect in the classification of goods and probably some mistakes were committed on account of wrong classifications. If that is correct I am told that it would require more money to set things right. As soon as an action required more money it would be referred to the Finance Ministry. So I thought it required more consideration.

I place all the facts before the House not to defend anybody. The complaints are well known. Hon. Members must believe it that perhaps I know more of such complaints than any hon. Member in the House. But the question is to find out a solution. It is no use cornering arguments here, as it is done in the market with regard to goods. What I propose to do now is that I am devising some means with regard to these complaints and I am prepared to receive as much assistance as possible from hon. Members who are very much interested in the subject. I want to have discussions with them to find out solutions, not to know facts but to give effect to accepted suggestions. Hon. Members will very soon know about it.

Shri Sidhva: I have made certain suggestions to your Deputy Minister.

Shri Karmakar: Sir, I have always entertained Mr. Sidhva's suggestions with the greatest readiness and considered them.

Shri Mahtab: When the machinery comes into effect hon. Members will have opportunities to make their suggestions and something will be done. At the same time I must say that while we are discussing these things let us not run away with the idea that this country alone is afflicted with such complaints and not others. Curiously enough I find from American journals that things there are not better than here. I do not quote that to defend ourselves. While we must take all possible steps to correct ourselves let us not develop any inferiority complex. My friend Mr. Goenka has better knowledge of these matters than myself and I shall of course consult him whenever occasion arises and I am sure his assistance will be available to me.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 3,66,000, be granted

[Mr. Chairman]

to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of the 'Ministry of Commerce'."

The motion was adopted.

Mr. Chairman: The question is:

"That the respective Supplementary sums not exceeding the amounts shown in the third column of the order paper, except in case of heads of Demands Nos. 11, 13, 15, 17, 19 and 98, be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of the corresponding heads of Demands entered in the second column thereof."

The motion was adopted.

[As directed by Mr. Chairman, the motions for Demands for Supplementary Grants which were adopted by the House are reproduced below:—Ed. PP.]

DEMAND No. 20—MINISTRY OF LABOUR

"That a supplementary sum not exceeding Rs. 1,26,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of Labour'."

DEMAND No. 24—MINISTRY OF FOOD

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ministry of Food'."

DEMAND No. 29—PAYMENTS TO OTHER GOVERNMENTS, DEPARTMENTS, ETC., ON ACCOUNT OF THE ADMINISTRATION OF AGENCY SUBJECTS AND MANAGEMENT OF TREASURIES.

"That a supplementary sum not exceeding Rs. 17,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Payments to other Governments, Departments, etc., on account of the administration of Agency Subjects and management of Treasuries'."

DEMAND No. 35—LIGHTHOUSES AND LIGHTSHIPS

"That a supplementary sum not exceeding Rs. 56,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Lighthouses and Lightships'."

DEMAND No. 37—TRIBAL AREAS

"That a supplementary sum not exceeding Rs. 24,07,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Tribal Areas'."

DEMAND No. 38—EXTERNAL AFFAIRS

"That a supplementary sum not exceeding Rs. 16,09,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'External Affairs'."

DEMAND No. 39—SURVEY OF INDIA

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Survey of India'."

DEMAND No. 48—EDUCATION

"That a supplementary sum not exceeding Rs. 1,80,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Education'."

DEMAND No. 51—AGRICULTURE

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Agriculture'."

DEMAND No. 53—INDUSTRIES AND SUPPLIES

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March,

1951, in respect of Industries and Supplies'."

DEMAND NO. 62—JOINT STOCK COMPANIES

"That a supplementary sum not exceeding Rs. 67,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Joint Stock Companies'."

DEMAND NO. 63—INDIAN DAIRY DEPARTMENT

"That a supplementary sum not exceeding Rs. 26,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Indian Dairy Department'."

DEMAND NO. 64—MISCELLANEOUS DEPARTMENTS

"That a supplementary sum not exceeding Rs. 24,06,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Miscellaneous Departments'."

DEMAND NO. 70—TERRITORIAL AND POLITICAL PENSIONS

"That a supplementary sum not exceeding Rs. 1,48,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Territorial and Political Pensions'."

DEMAND NO. 71—SUPERANNUATION ALLOWANCES AND PENSIONS

"That a supplementary sum not exceeding Rs. 14,67,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Superannuation Allowances and Pensions'."

DEMAND NO. 72—STATIONERY AND PRINTING

"That a supplementary sum not exceeding Rs. 43,17,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Stationery and Printing'."

DEMAND NO. 73—MISCELLANEOUS

"That a supplementary sum not exceeding Rs. 14,62,23,000 be

granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Miscellaneous'."

DEMAND NO. 74—EXPENDITURE ON DISPLACED PERSONS

"That a supplementary sum not exceeding Rs. 26,51,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Expenditure on Displaced Persons'."

DEMAND NO. 79—GRANTS-IN-AID TO STATES

"That a supplementary sum not exceeding Rs. 30,71,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Grants-in-aid to States'."

DEMAND NO. 80A—EXTRAORDINARY PAYMENTS

"That a supplementary sum not exceeding Rs. 10,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Extraordinary Payments'."

DEMAND NO. 81—RESETTLEMENT AND DEVELOPMENT

"That a supplementary sum not exceeding Rs. 23,08,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Resettlement and Development'."

DEMAND NO. 83—PREPARTITION PAYMENTS

"That a supplementary sum not exceeding Rs. 2,63,25,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Prepartition Payments'."

DEMAND NO. 85—AJMER

"That a supplementary sum not exceeding Rs. 6,18,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Ajmer'."

DEMAND No. 87—HIMACHAL PRADESH

"That a supplementary sum not exceeding Rs. 3,91,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Himachal Pradesh'."

DEMAND No. 88—BILASPUR

"That a supplementary sum not exceeding Rs. 56,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Bilaspur'."

DEMAND No. 89—BHOPAL

"That a supplementary sum not exceeding Rs. 13,93,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Bhopal'."

DEMAND No. 89A—VINDHYA PRADESH

"That a supplementary sum not exceeding Rs. 2,10,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Vindhya Pradesh'."

DEMAND No. 91—TRIPURA

"That a supplementary sum not exceeding Rs. 11,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of "Tri-pura'."

DEMAND No. 93—RELATIONS WITH STATES

"That a supplementary sum not exceeding Rs. 1,09,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Relations with States'."

DEMAND No. 95—CAPITAL OUTLAY ON THE INDIA SECURITY PRESS

"That a supplementary sum not exceeding Rs. 3,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Capital Outlay on the India Security Press'."

DEMAND No. 104—CAPITAL OUTLAY ON CIVIL WORKS

"That a supplementary sum not exceeding Rs. 2,63,98,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Capital Outlay on Civil Works'."

DEMAND No. 105—COMMUTED VALUE OF PENSIONS

"That a supplementary sum not exceeding Rs. 38,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Commutated Value of Pensions'."

DEMAND No. 106—PAYMENTS TO RETRENCHED PERSONNEL

"That a supplementary sum not exceeding Rs. 4,57,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Payments to Retrenched Personnel'."

DEMAND No. 108—CAPITAL OUTLAY ON SCHEMES OF STATE TRADING

"That a supplementary sum not exceeding Rs. 1,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1951, in respect of 'Capital Outlay on Schemes of State Trading'."

APPROPRIATION BILL

The Minister of Finance (Shri C. D. Deshmukh): I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1951.

Mr. Chairman: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1951."

The motion was adopted.

Shri Deshmukh: I introduce the Bill.

The House then adjourned till a Quarter to Eleven of the Clock on Friday the 23rd February 1951.