

Friday, 23rd February, 1951



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PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VI, 1951

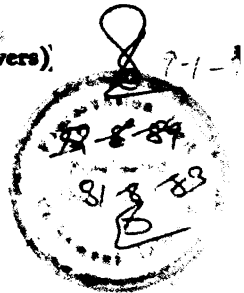
(5th February to 31st March, 1951)

Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951



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

1679

1680

PARLIAMENT OF INDIA

Friday, 23rd February, 1951

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

[MR. DEPUTY-SPEAKER in the Chair]

MEMBER SWORN.

Shri Muldas Bhudardas Vaishya
(Bombay).

ORAL ANSWERS TO QUESTIONS

IMPORT OF TRACTORS

*1669. Shri Sidhva: (a) Will the Minister of Food and Agriculture be pleased to state the total number of tractors imported during 1950 and the total number of tractors that are now in use?

(b) What is the cost of tractors imported during the year 1950?

(c) Through what agency or agencies were they imported and were tenders invited?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) The total number of tractors imported into India during 1950 was 4676. Out of these, the Ministry of Food and Agriculture imported 240 tractors, all of which are in use. Information with regard to the total number of tractors actually in use in the country is not available.

(b) Rs. 4,81,69,006 out of which the cost of tractors imported by the Ministry of Food and Agriculture was Rs. 1,61,47,224.

(c) Tractors imported on behalf of the Ministry of Food and Agriculture were purchased through the D.G. I & S. after inviting tenders. The rest were imported by commercial agencies.

Shri Sidhva: Sir, the hon. Deputy Minister has stated that the figures of

tractors which are in use are not available. May I know how many tractors belonging to the Government of India are now in use and how many are not in use?

Shri Thirumala Rao: All the tractors of the Government of India are in use now.

Shri Sidhva: May I know, Sir whether any of the tractors imported are idle to-day and whether an enquiry into this matter was suggested by the Food Commissioner and the matter was entrusted to Mr. Kharegat, and if so what was his report?

Mr. Deputy-Speaker: Does it relate to a period earlier than 1950?

Shri Sidhva: No, Sir, it relates to tractors imported by the Government of India in 1950.

Shri Thirumala Rao: May I make it clear to Mr. Sidhva? Such of these tractors as went out of use are now all renovated and made fit for use and are being used.

Shri Sidhva: Sir, may I know whether Mr. Kharegat made these remarks, that "both the sets, namely, the 90 tractors bought from Allis Chalmers Tractor Works through Mr. Passabhai Patel and the 90 other tractors purchased from Electroc Co., through Messrs. William Jacks, gave mechanical troubles frequently and the Ministry should not have purchased them as they were not suited for this soil, that a few should have been tried before placing such large orders, that there is great strain on these tractors and they are therefore likely to wear out shortly?" May I know whether this is correct and if so, what steps have been taken by Government in this matter?

Shri Thirumala Rao: The report has been given due consideration. Some of the tractors are being renovated and most of them have already been renovated.

Shri Sidhva: Is it a fact that Mr. Kharegat has said that some of the tractors are still remaining idle and

some are not in use constantly but are being sent to the workshops for repairs with the result that the overhead charges have piled up? If so, what has been the expenditure on these repairs?

Shri Thirumala Rao: Sir, I would like to have notice.

Shri Sidhva: May I know whether most of the 1,250 ploughs and pan-breakers bought by the Agricultural Ministry at a cost of about Rs. 21 lakhs and imported by Mr. Passabhai are lying idle and whether Passabhai, on enquiry admitted that this is unsatisfactory, but he was compelled by the Supply Department to use parts which are unsuitable. Is it true that Mr. Kharegat has said that a departmental enquiry on this point by a qualified engineer is called for? And may I know, Sir, what the Agricultural Ministry and the Chief Engineer and the C.T.O. have been doing in this matter and whether an enquiry of the nature suggested by Mr. Kharegat has been instituted?

Shri Thirumala Rao: I submit to you, Sir, that a discussion of Mr. Kharegat's report does not exactly arise out of this question? If the hon. Member wants information about that report, I will supply the information, it is not with me at present. The question was about the number of tractors imported in 1950, and these questions do not relate to that main question.

Mr. Deputy-Speaker: To what period does the Kharegat Report relate?

Shri Sidhva: It was made in July 1950, Sir. It relates to the period 1949-1950. Mr. Patil, the Food Commissioner, I was told, found that the tractors are very unsatisfactory and so he wanted an enquiry to be made and this enquiry was conducted by Mr. Kharegat, an ex-official of the Agricultural Ministry, who is now retired. Sir, this is a very serious matter and I want to know what steps have been taken by Government in this matter.

Shri Thirumala Rao: I may assure my hon. friend that steps have been taken on the lines suggested by Mr. Kharegat. We have been insisting that a certain percentage of spare parts should also be imported along with the tractors. And also a Central Workshop is being started by Government and there are also private workshops. We have been insisting that there should be regular servicing of these tractors by those who are given the licences to import the tractors, and also to provide additional instruments that are tagged on to the tractors that are being imported. Also a closer watch is being exercised over this matter now since the report of Mr. Kharegat.

Shri Sidhva: Sir, may I know whether that report may be made available to the House for its information? And also what is the total amount invested on these ploughs? Mr. Kharegat says that Rs. 20 lakhs have been spent.

Mr. Deputy-Speaker: One question at a time, please. Now, what is the cost price of these 180 tractors?

Shri Thirumala Rao: It is not 180 tractors. In all, Government spent a sum of Rs. 1,61,00,000 on the tractors and ploughs. I do not have the detailed break-up for the different items.

Shri Sidhva: Sir, each plough costs Rs. 25,000 and ...

Shri Thirumala Rao: Each plough does not cost Rs. 25,000, that is fantastic, and....

Shri Sidhva: I mean each tractor.

Shri Thirumala Rao: If he means tractor, that is correct.

Seth Govind Das: Sir, out of the tractors imported in 1950, how many have been working since they came? Or is it the case that most of them have been lying idle and are only working now after repairs?

Shri Thirumala Rao: There is a particular season during which a tractor can work and the tractors are kept working during that season.

Seth Govind Das: Is it a fact that most of the time since they came these tractors have been remaining idle and that they have not been working regularly?

The Minister of State for Finance (Shri Tyagi): They are now in season.

Shri Thirumala Rao: We are trying to put all the tractors available under the control of the Government to the maximum use possible.

Shri Kesava Rao: Sir, out of the tractors imported, how many are heavy tractors and have they all been put to use or are they lying idle?

Shri Thirumala Rao: Most of them are heavy. Import of tractors of less than 15 H.P. at the Draw Bar and those operated on petrol is completely banned. Therefore tractors above that horse power are generally imported.

Shri T. N. Singh: Out of these tractors that have been imported will the hon. Minister let me know how many are meant for reclamation of land, that is, for deep ploughing and bringing new land into cultivation and how many are meant for ordinary cultivation purposes? Will he also further tell me

whether all these reclaimed tracts are in use or have they gone out of action?

Shri Thirumala Rao: Sir, all the machines imported by Government are for reclamation purposes. Imports of a particular kind are being imported by private land-owners to suit their respective conditions.

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اس وقت ورننگ آرڈر میں ہیں وہ
کس کس جگہ استعمال ہو رہے ہیں -

Giani G. S. Musafir: At what places are such tractors being used as are in working order?]

Shri Thirumala Rao: We are trying to reclaim a large area in the Bhopal area and some other parts of C. P. also.

Shri Syammandan Sabaya: Are Government aware that smaller type of tractors are now being manufactured in western countries which would be more suitable for assisting small cultivators, and if so, are Government doing anything to import such tractors to enable smaller cultivators also to take up cultivation by tractors.

Shri Thirumala Rao: I would invite the attention of the hon. Member to a recent demonstration during the last session of the Assembly when one of the firms presented a tractor for Rs. 5,000 and which is used as a smaller unit, to suit all these land-owners. Government also give advice to them.

Shri Karunakara Menon: May I know whether the 160 tractors have been distributed between the States?

Mr. Deputy-Speaker: It does not arise out of this question.

Shri Karunakara Menon: What are the conditions on which they are distributed?

Shri Thirumala Rao: They are not intended to be distributed among the States. They are under the Central Tractor Organization. If any of the States want such, they can be given.

Several Hon. Members rose—

Mr. Deputy-Speaker: Hon. Members have a right to stand and try to catch my eye. They have no right to start off.

Shri Chailha: May I know what is the amount borrowed from the International Monetary Fund for the purchase of these tractors and whether any of the representatives of the International Monetary Fund came to see the work in Gwalior?

Shri Thirumala Rao: I want notice for the first part of the question regarding the amount borrowed. As for the second part of the question, the representative of the International Monetary Fund was here recently and saw for himself about the re-organization of the whole Tractor Organization.

Hon. Members: Next question.

Mr. Deputy-Speaker: I have not called the next question. Hon. Members must behave with decorum in this House. I least expected that hon. Members will cry out like that.

Thakur Lal Singh: Are Government aware that tractors which are sent to Bhopal frequently go out of order and they are sent again and again for repairs?

Shri Thirumala Rao: I would assure hon. Members that the

Shri Rathnaswamy: Has the attention of Government been drawn to the opinion of one Dr. Millar, Adviser to the World Food Organization that India would do better by improving the indigenous technique of agricultural production than by resorting to western methods?

Shri Thirumala Rao: It is one of the several advices offered to the people and the Government of India by foreign experts and we are noting every advice.

Shri Radhela Vyas: For how many months are the tractors remaining idle and what work the staff employed on the tractors do when the tractors remain idle?

Mr. Deputy-Speaker: He has already answered many such questions.

Shri V. J. Gupta: How many of these imported heavy tractors are used in Bhopal and how much area is brought under tractor plough?

Mr. Deputy-Speaker: Should we go into such questions as how many have been imported and how many are in use?

Shri Thirumala Rao: About 120 machines are being used.

Shri V. J. Gupta: How much area?

Shri Thirumala Rao: 40,363 acres.

DECCAN AIRWAYS PLANE CRASH (ENQUIRY)

*1670. **Shri Sidhva:** Will the Minister of Communications be pleased to refer to the answer given to my Unstarred Question No. 50 on the 15th December, 1950 regarding Deccan Airways Plane crash enquiry and state

what is the result of the legal proceedings taken against the official of the Company?

The Minister of Communications (Shri Kidwai): It was stated in December last that the question of taking legal proceedings against the official of the Company, responsible for the overloading, was under consideration. Prosecution has since been launched and the matter is now *sub judice*.

Shri Sidhva: The answer was not very clear. In the last answer to my question it was stated that the crash of this aircraft where all the crews and others were killed was due to the fact that the load carried on the aircraft was excessive which prevented the maintenance of height. The left wing of the aircraft struck a tree 2 miles South of the airport; a crash to the ground and fire followed. The aircraft was extensively damaged and all three members of the crew were killed. The question of taking legal proceedings against the official of the company responsible for the over-loading is under consideration.

My question was what steps have been taken but I could not follow the reply. What I heard was that the matter is *sub judice*. Am I to understand that the official has been prosecuted. If so, I want to know the official by designation and also the company's name.

Shri Kidwai: All I can say is that the persons responsible are being prosecuted.

Shri Sidhva: The Company's officials are prosecuted? Who are prosecuted?

Shri Kidwai: The Company that had hired that plane were responsible for overloading.

Shri Sidhva: Was the Company who is also the owner of this aircraft responsible or not in overloading this aircraft?

Shri Kidwai: The owner was not responsible.

Shri A. C. Guha: The hon. Minister said the weight of the aircraft is taken before it takes off. Was not this aircraft weighed before it took off?

Mr. Deputy-Speaker: Every one is weighed and this also is weighed.

Shri Kidwai: Every plane is not weighed. The papers are checked to see that they do not overload.

Shri A. C. Guha: What preventive steps have Government taken so that the aircrafts are not overloaded?

Shri Kidwai: The normal procedure is that the Companies are expected to keep papers giving the correct load.

Shri Sidhva: How many persons are prosecuted?

Mr. Deputy-Speaker: Are the details of prosecution available with the Minister?

Shri Kidwai: All that I can say is that the person responsible is being prosecuted.

Pandit Munishwar Datt Upadhyay: Under what charges are Government prosecuting?

Shri Kidwai: For overloading.

Shri Syamandan Sahaya: Will the Government be pleased to state if this machine was chartered and whether the crew on the machine were the employees of the Airways Company or of the person who was chartering the plane?

Shri Kidwai: I have already replied to that question.

Shri Kamath: In these air crashes where deaths are involved is there any law or does Government propose to sponsor any law or are there any other arrangements for payment of compensation to the dependents of the killed?

Shri Kidwai: The ordinary law usually applies. It is the business of the dependents to claim compensation, but no person is responsible for such a crash.

Babu Ramnarayan Singh: What is the number of people being prosecuted?

Shri Kidwai: That I have not got with me.

PAKISTAN FLAG OVER DAULATABAD FORT

*1671. **Shri Sidhva:** Will the Minister of States be pleased to state:

(a) whether it is a fact that in Aurangabad (Hyderabad), the Pakistan flag was hoisted over the Daulatabad Fort on the 15th December, 1950?

(b) if so, who flew this flag; and

(c) whether Government have taken any action in this matter?

The Minister of States, Transport and Railways (Shri Gopaldaswami): (a) to (c). A green flag without a crescent—and not a Pakistan Flag was hoisted on the Daulatabad Fort by one Nazir Khan on the 15th December, 1950. Nazir Khan was a constable in the Police Department of Hyderabad, who was discharged on the ground of lunacy. He does not belong to any political party. He is of unsound mind and believes himself to be a saint who has renounced the world.

He hoisted the flag only as an offering to the *dargah*. In all the circumstances, and especially because he is a lunatic, no action was considered necessary.

Shri Sidhva: Was it established by fact and enquiry that he was a lunatic?

Shri Gopalaswami: The Hyderabad Government made enquiries and came to this finding.

Shri Kamath: Has he been certified a lunatic by a competent authority and subsequently consigned to a mental hospital or a lunatic asylum?

Shri Gopalaswami: He has not been consigned to a mental hospital, but there are, as my hon. friend knows, hundreds of lunatics who roam about without being sent to an asylum.

Dr. M. C. Reddy: Was it on the ground of lunacy that he was discharged from the Police Department or he became a lunatic after being discharged from the Police Department?

Shri Gopalaswami: I think he was discharged on the ground of his being a lunatic.

LOSS OF FOOD GRAINS

*1672. **Dr. Ram Subhag Singh:** Will the Minister of Food and Agriculture be pleased to state the quantity in tons of the loss of food grains during the course of their movements by Railways in the years 1949 and 1950?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): Information relating to the loss of food grains exclusively during transit on rail is not available. But I give the available figures for 1949 and 1950 from the claims made on Railways for loss during transit. In 1949 for a total carriage of 88,62,371 tons, 8576 tons were claimed as loss. In 1950 for a total carriage of 39,35,362 tons, 6991.83 tons were claimed as loss.

Dr. Ram Subhag Singh: Is it a fact that the report of the Food Grains Policy Committee showed that the loss in movement of food grains by railways was over 1½ lakh tons annually which amounted to about Rs. 7 crores?

Shri Thirumala Rao: Yes, they computed it at the rate of two per cent. and calculated it at 1½ lakh tons.

The Minister of State for Transport and Railways (Shri Santhanam): Mr. Deputy-Speaker, this question relates to railways and with your permission I would like to say a few words. As

soon as we got a copy of this Committee's report, I had the matter fully investigated by all the Railway administrations and we found that the statement was based on a wholly inaccurate estimate and that the actual claims were only a very very small fraction of the figure given.

Shri Thirumala Rao: May I make it clear to the House, Sir, with your permission? It is not as though one Department is against the other. The report claimed there was a loss of 1½ lakh tons. My information is based on the report given by the Railway Department that the claims actually put before the Railways were for 8576 tons in 1949 and 6991 tons in 1950. That is the position.

Shri Sidhva: The hon. Minister stated that this loss comes within the two per cent. wastage. May I know whether it is exclusively for loss in movement or it includes also loss in storage in godowns?

Shri Thirumala Rao: It is only as regards transport—it does not include loss in godowns.

Shri Sidhva: No, no. I want to know whether the two per cent. is the overall loss in movement as well as in storage in godowns.

Shri Thirumala Rao: That is the percentage computed by this Committee. I am not responsible for that computation.

Dr. Ram Subhag Singh: May I know what view the Central Government and the State Governments hold in regard to these losses on the railways?

Mr. Deputy-Speaker: Views and opinions ought not to be asked for.

Shri Kesava Rao: What is the amount paid by the Railways towards compensation for the loss of food grains due to the negligence of the Railways?

Shri Thirumala Rao: For the calendar year 1949 it was Rs. 6,52,000/-. In 1950 it was Rs. 2,85,920/-.

Ch. Rambir Singh: Am I correct in understanding that the losses are two per cent. due to storage and two per cent. due to transport in railways?

Shri Thirumala Rao: You are not correct.

Shri R. Velayudham: Is it a fact that a certain quantity of food grains intended for Travancore-Cochin State was directed to some other State and is it a loss or not?

Shri Thirumala Rao: How does it arise?

Mr. Deputy-Speaker: It does not arise.

Shri R. Velayudhan: It is a loss of food grains.

Mr. Deputy-Speaker: That is true but the hon. Member will kindly put a separate question for that.

Pandit M. B. Bhargava: The hon. Minister said that he was not responsible for the report. May I know what is the calculation of the Government as to the percentage of loss in transit which occurs every year?

Mr. Deputy-Speaker: He has given figures for these two years.

Shri Kamath: On a point of order, Sir. The Deputy Minister of Food just now answering a question said, "You are not correct Sir." That is a reflection on you, Sir.

Shri Thirumala Rao: I meant the hon. Member.

Mr. Deputy-Speaker: Personally, many times I go wrong.

Shri Sarangdhar Das: In view of the fact that considerable quantities of food grains are imported and transported from one part of the country to another and stored in godowns, is it proper to consider only information from the Railways as to amount of claims as the amount of loss, or are there any records kept showing the quantities of grains that came in and went out from the godowns?

Shri Thirumala Rao: I have got here a copy of a long communication sent by the Food and Agriculture Ministry to the State Governments and to our own godown officers and storekeepers on the question of transport. It tells them what extra precautions they should take to prevent this leakage and wastage. It is a long communication. If you permit me I will place it before the House.

Mr. Deputy-Speaker: All that he wanted to know was whether you depend upon these figures which the Railway gives to you or whether you have means to check up independently.

Shri Thirumala Rao: All these food grains are allotted to State Governments. At the port a certain quantity of food grains is entrained or shipped to the destination of the State Government. When it is received at the

other end a check is made and any difference is immediately brought to our notice. Care is taken in loading in wagons. This communication tells them how to fill the wagons leaving some space, how to see that the grains are properly packed and how only wagons with iron floors are to be taken.

LAND DEVELOPMENT BOARD

*1673. **Pandit M. B. Bhargava:** (a) Will the Minister of Food and Agriculture be pleased to state whether any Land Development Board has been established in the States of Ajmer and Delhi under the provisions of the Land Development Act of 1948 and if not, what are the reasons?

(b) Have the Government of India any intention to do so now and if not, why not?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) and (b). A Land Development Board for the Delhi State was constituted under the Chief Commissioner's notifications Nos. F. 1(22)/49-P & D, dated the 11th November, 1949 and 14th June, 1950.

As regards Ajmer, the question of constituting a Development Board is under consideration.

Pandit M. B. Bhargava: Is the Board still functioning or has it become *functus officio*?

Shri Thirumala Rao: It has not become *functus officio*.

Pandit M. B. Bhargava: May I know the reason why these Boards have not been constituted for such a long time in both Ajmer and Delhi?

Mr. Deputy-Speaker: It is under consideration.

Pandit M. B. Bhargava: But it has not been functioning.

Shri Thirumala Rao: In regard to Ajmer, a maximum production plan was drawn up by the Government of India, but the Chief Commissioner was not in favour of this plan. The plan was also placed before the Advisory Council and since the Advisory Council and the Chief Commissioner have not come to an agreed settlement, the thing is in abeyance.

Shri Deshbandhu Gupta: What is the progress made through the efforts of this Board during the last one year and how much money has been spent on this Board?

An Hon. Member: But is it functioning?

Shri Deshbandhu Gupta: It is functioning.

Shri Thirumala Rao: Apart from this Board, the Government of India have sanctioned some money for the schemes drawn up by this Board.

Shri Deshbandhu Gupta: Does the hon. Minister mean that the Director and staff of the Board are not drawing their salaries?

Shri Thirumala Rao: I want notice for this particular question.

Pandit M. B. Bhargava: Which is the agency or body that is today doing reclamation of land which was a work to be entrusted to this Board?

Shri Thirumala Rao: Generally the Chief Commissioner is responsible to the Government of India for all these things.

Shri Dwivedi: Have Government any proposal to constitute similar Boards in other Centrally Administered Areas?

Shri Thirumala Rao: I think it is under consideration.

Mr. Deputy-Speaker: But does the Act apply to them?

Shri Deshbandhu Gupta: Is it a fact that when the legislation appointing this Board was passed by this House it was intended that this Board would act as a model for other Provinces, if so, have Government watched the working of this Board during the last one year, if not, why not?

Shri Thirumala Rao: Government are awaiting an agreed plan. When the plan is finalised, then there will be similar plans in regard to other States.

Shri Deshbandhu Gupta: What exactly is the plan that the hon. Minister is referring to, Sir? The Board is an independent authority.

Mr. Deputy-Speaker: The Advisory Council is preparing a plan.

Shri Deshbandhu Gupta: It seems friend has no knowledge about.

Shri Thirumala Rao: The Advisory Council has not been functioning since May 1950 owing to the insistence of a certain number of members on obtaining some assurances from the Chief Commissioner which he was not in a position to give. Pending a final settlement of these apparent differences, the thing is held in abeyance.

Shri Deshbandhu Gupta: My hon. friend is getting unnecessarily confused. He is referring to Ajmer while I am asking about Delhi where the Board is actually functioning and drawing salaries while doing nothing.

Mr. Deputy-Speaker: Merely because an hon. Member comes from Delhi, the hon. Minister need not take it that he does not know anything about Ajmer and is referring only to Delhi. Hon. Members must be clear in their own minds as to what they are asking.

Shri Deshbandhu Gupta: My simple question is

Shri Thirumala Rao: I know that whatever the hon. Member is asking is about Delhi. As a large number of schemes were involved, a separate Land Development Commissioner was appointed for the purpose.

Shri Deshbandhu Gupta: Are Government watching the progress of this model Board?

Shri Thirumala Rao: We get periodical reports and if the hon. Member so desires, I shall send a copy to him.

Pandit Thakur Das Bhargava: The hon. Minister spoke of a plan. What is that plan? The Act which we passed referred to only Delhi and Ajmer and on the basis of the Land Development Act in these two areas we wanted to extend the same things for the other Centrally Administered Areas. So, we should know what is the plan that the hon. Minister is referring.

Mr. Deputy-Speaker: He referred to the Ajmer plan.

Shri Thirumala Rao: When my hon. friend Shri Deshbandhu Gupta said that he was not referring to Ajmer, I accepted it and I hope the other hon. Members also heard it.

Pandit M. B. Bhargava: But what have the Advisory Council and the Chief Commissioner to do with the constitution and functioning of this Land Development Board which was established under a separate Act in 1945?

Mr. Deputy-Speaker: They are the Advisers to Government.

Pandit M. B. Bhargava: But under the Act it was not necessary at all that the Advisory Council and the Chief Commissioner should come in.

Shri Thirumala Rao: There must be coordination between these various bodies functioning in the same place if results are to be produced.

NATIONALISATION OF ROAD TRANSPORT SERVICES

*1674. **Pandit M. B. Bhargava:** Will the Minister of Transport be pleased to state:

(a) whether there are any Centrally Administered Areas, excluding the State of Delhi, where the nationalisation of Road Transport Services has been completed or is in progress; and

(b) if so, what will be the amount of investment thereon?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Nationalisation of road transport services has been completed in Himachal Pradesh. It is not in progress in any other Centrally Administered Area but road transport services provided by the former Indian States continue to be operated by Government in the States of Kutch, Bilaspur and Manipur.

(b) Actual expenditure during the year 1949-50, revised estimates for 1950-51 and budget estimates for 1951-52 in respect of Himachal Pradesh Transport Services amount to Rs. 8,64,000, Rs. 2,90,000 and Rs. 4,34,000 respectively.

Pandit M. B. Bhargava: Is it the policy of Government not to take up nationalisation of transport services in States other than Delhi and Himachal Pradesh? I am referring to Ajmer and other States.

Shri Santhanam: No, Sir. A plan was prepared for Ajmer, but unfortunately because we could not give the necessary amount of capital, it has been held up for the time being.

Shri Deshbandhu Gupta: The hon. Minister has stated that the road transport services in Himachal Pradesh have been nationalised. May I know whether any compensation has been paid to the Mandi Bus Service, for over thirty buses which were taken over by Government from this Coy?

Shri Santhanam: While the taking over of the assets from most of the operators was effected without serious difficulty, there was some trouble in the case of the Mandi Transport Company. In this company, the Mandi State Government held 552 shares valued at Rs. 24,840 and had advanced to the Company a loan of Rs. 78,120 at 6 per cent. interest recoverable as land revenue. The balance sheet of the Company for the year 1949 showed an accumulated loss of Rs. 23,582-9-9 and reserve funds amounting to Rs. 1,96,372-0-0. But

the latter existed on paper only, as there were no corresponding assets in the shape of cash or Government securities. Sir, I do not want to read further, because this Mandi Transport Company was more or less in a semi-insolvent state. It would neither hand over the buses to the Himachal Pradesh Government nor was it in a position to operate. Therefore, for a time the Himachal Pradesh Government had to requisition the buses and pay hire. I now find that a mutual agreement has recently been reached between the Local Administration and the Company for the sale of the assets of the Company and the liquidation of its debt, whereupon the vehicles have been released from attachment.

Shri Deshbandhu Gupta: May I know whether it is a fact that at the time of taking over of these buses, the Mandi Transport Company was running more than 32 buses and these buses were taken over one fine morning under the Punjab Public Safety Act?

Shri Santhanam: I do not know all the details, but I am convinced that the taking over was due to the intransigence of the Mandi Transport Company.

Shri Deshbandhu Gupta: Is it a fact that no compensation has so far been paid to any of these bus owners?

Shri Santhanam: Sir, the aggregate sum paid to all the other people comes to Rs. 62,858-0-0. Besides the vehicles, this was the only Administration. I think, which has paid compensation for taking over all the service routes also. For each Part B of a permit a lump sum on the scale of Rs. 1000 in the case of a State carriage permit and Rs. 500 in the case of a public carrier permit was paid. Apart from this lump sum, an additional amount of compensation at the rate of Rs. 100 for each year for which a State carriage permit was utilised was given subject to a maximum of Rs. 500. This scale has been reduced by 25 per cent. in the case of public carrier permits.

Shri Deshbandhu Gupta: My question is different.

Shri Santhanam: Compensation was paid not only for the vehicles taken, but also for the routes. This is the only instance in which such compensation has been paid.

Shri Deshbandhu Gupta: Does the hon. Minister mean, Sir, that these bus-owners who held shares in the Mandi Transport service, have been paid compensation? Is it not a fact that even to this day no compensation has been paid to any one?

Shri Santhanam: I am speaking of the displaced operators who were willing to come to a settlement. As I stated the Mandi Transport Company, in which the Government itself had a share proved very recalcitrant and they had to take other measures. A final settlement has been reached just now under which some compensation must have been paid for the buses taken.

Dr. Parmar: Is it a fact, Sir, that the licenses of a number of vehicles of other operators were not renewed; nor was any compensation paid to them?

Shri Santhanam: As for the other operators, I have already given the amount of compensation paid.

Shri Deshbandhu Gupta: My question has not been answered. I want to know whether the hon. Minister is in a position to state today that any of the shareholders of the Mandi Transport Company has been paid any compensation, or any amount by way of consideration, even according to the terms of the settlement which my hon. friend says has been arrived at?

Shri Santhanam: If the hon. Member wants I shall get full details of the agreement.

Shri Deshbandhu Gupta: Is it a fact Sir, that about thirty-two buses, most of which were new, were allowed to remain in the open ever since they were taken over? Not only were they not utilised, but new buses were imported and no compensation has been paid so far.

Shri Santhanam: The sole responsibility for such a state of affairs lay with the Mandi Transport Company which during all its life never provided a single garage. Neither will the company hand over the buses to Government, nor will it operate the service itself. Before Government could requisition, the buses had to remain in the open. But the whole fault was that of the Mandi Transport Company.

Shri Deshbandhu Gupta: Is it suggested that after taking over of the buses by Government, the responsibility for keeping them in sheds also remained with the Mandi Transport Company?

Shri Santhanam: The Himachal Pradesh Government could not overnight put up sheds which the Company during many years had not put up.

Shri Deshbandhu Gupta: After two years are they still allowed to rot in the open?

Shri Dwivedi: Is it a fact that the income which the Government of Vindhya Pradesh is deriving by way of motor tax will be converted into a deficit if the road transport there were to be nationalised?

Shri Santhanam: It seems to be a rather hypothetical question as to what may happen in certain contingent circumstances.

GRANTS TO STATES

*1675. **Shri Barman:** Will the Minister of Food and Agriculture be pleased to lay on the Table of the House a statement showing the amounts sanctioned by the Government of India to the State Governments (State by State) during the year 1950-51 (upto 1st December 1950) as grants on account of (i) seed schemes (ii) irrigation schemes, (iii) Fertilisers and (iv) Miscellaneous heads?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): A statement giving the required information is placed on the Table of the House. [See Appendix XII, annexure No. 32.]

Seth Govind Das: As far as these grants are concerned, are they given according to the schemes of different States, their population and the land which they want to bring under cultivation, or in a haphazard way?

Shri Thirumala Rao: There are varieties of grants. Some of these grants are earned in the shape of bonuses by certain State Governments. In regard to certain others where Grow-More-Food campaign is prosecuted with certainty of results, the Central Government gives some money as grants and some money as loans.

Shri Barman: As the statement shows the Government of India gives a large subsidy for fertiliser and manure schemes, have the Government got any machinery either at the Centre or in the States to ascertain whether the fertiliser or chemical manures go to fields producing cereals, or for money crops?

Shri Thirumala Rao: The State Governments are mainly responsible for utilising these grants for the purpose for which they are intended. Periodically our high ranking officials go to these States to verify how far these grants are utilised for the purpose for which they are meant. But it has come to the knowledge of Government that some of these fertilisers which are intended for growing food-grains are being diverted for growing cash crops. Government have drawn

the attention of the State Governments concerned to see that such diversion does not happen.

Shri Dwivedi: Is it a fact that a portion of the fertilisers supplied to Vindhya Pradesh has been wasted because the *kisans* have not been educated as to how to utilise them?

Shri Thirumala Rao: I am afraid I am not in a position to say how far it has been utilised and how far it has been wasted.

Shri Rathnaswamy: Is it a fact that certain irrigation schemes of the Madras Government were dropped due to pressure from the Centre, and if so, what are the reasons?

Shri Thirumala Rao: The Centre has not applied any pressure on the Madras Government to drop any of its irrigation schemes.

Shri Kamath: Has the Minister taken note of a recent survey by the Reserve Bank of India wherein it is stated that the money spent on these schemes has been largely wasted, that the "Grow More Food" campaign has been a costly failure and that the production of foodgrains, as compared with the total acreage brought under cultivation has even declined?

Shri Thirumala Rao: I presume the hon. Member refers to a press report which has appeared only yesterday with regard to the alleged report of the Reserve Bank. I cannot vouch for the knowledge of the Agents of the Bank. At any rate, I cannot accept it at its face value, unless verified.

Shri Kamath: Does the Minister say that the Press report is incorrect?

Mr. Deputy-Speaker: He says it is too premature for him to say anything.

Dr. Ram Subhag Singh: May I know the total amount of subsidy given to the State of Bihar and the total quantity of seeds and fertilisers distributed by the Government of Bihar?

Shri Thirumala Rao: I have not got the break-up here:

Ch. Ranbir Singh: May I know the total amount of grant advanced for the construction of percolation wells in all the States?

Shri Thirumala Rao: I want notice of the question.

INDIGENOUS DRUGS

*1676. **Shri S. C. Samanta:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the scheme for the investigation of indigenous drugs has been taken over by the Indian Veterinary Research Institute;

(b) if so, when and what are the results; and

(c) if not, what are the reasons for non-acceptance?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) to (c). No. It has, however, been decided to transfer the scheme from the Medical College, Madras where it is being run since 1940 to the Indian Veterinary Research Institute (Mukteswar) with effect from the 1st April, 1951. At Madras investigation work has been completed so far on 25 plants. A copy of the latest annual progress report issued by the Indian Council of Agricultural Research is placed on the Table of the House. [See Appendix XII, annexure No. 33.]

Shri S. C. Samanta: May I know, Sir, what was the reason for the scheme not being transferred from Madras to the Indian Veterinary Institute at Mukteswar in 1950?

Mr. Deputy-Speaker: He said that the investigation in Madras has been completed.

Shri S. C. Samanta: It was settled beforehand that it would be transferred in 1950: I want to know the reason for the delay.

Shri Thirumala Rao: On account of financial stringency it was not possible to give effect to the reorganisation scheme earlier.

Shri S. C. Samanta: Is it a fact that the finance was met by the Research Council and it is being so met now also? If so where is the difficulty?

Shri Thirumala Rao: The question of taking over the normal work of the scheme was considered under the reorganisation scheme and it is coming into force from the 1st of April, 1951.

Shri S. C. Samanta: One of the objects of the scheme is to find cheap remedies for the ordinary ailments of live-stock. May I know how far the scheme has progressed in this direction?

Shri Thirumala Rao: About twenty-five plants have been tested on the animals and found how far they are injurious to health or are poisonous, and these experiments are going on.

AGRICULTURAL GOODS (GRADING)

*1677. **Shri S. C. Samanta:** Will the Minister of Food and Agriculture be pleased to state:

(a) what steps have been taken by the Government of India for grading and standardisation of agricultural goods;

(b) how much produce was graded in the year 1949-50; and

(c) what are those produces?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) The Agricultural Produce (Grading and Marking) Act, 1937, provides for voluntary grading and standardisation of Agricultural Produce. Rules framed thereunder cover the grading and marking of most of the scheduled commodities under Section 2 of the said Act. In respect of sann hemp and tobacco, however, export has been prohibited under Section 19 of the Sea Customs Act, unless they are graded in accordance with the provisions of this Act.

(b) Various items worth about Rs. 14 crores.

(c) A Statement enumerating the same is placed on the Table of the House. [See Appendix XII, annexure No. 34.]

Shri S. C. Samanta: May I know the charges realized on the Agmark labels—the amount and the value that is supplied in the statement?

Shri Thirumala Rao: There are several items. For instance Agmark labels are given on ghee. During 1949-50 89,513 maunds of ghee was graded and the value of that is Rs. 1,91,10,478. I have not got the exact amount of fees realized. I want notice for that.

Shri S. C. Samanta: Is it a fact that the penal provisions of the Agricultural Produce Grading and Marketing Act, 1937 are very mild and that the Act itself contains a number of other lacunae? If so, why has the Agricultural Produce Grading and Marketing Act not been amended yet?

Shri Thirumala Rao: I cannot express an opinion on the line suggested by my hon. friend. But if there are defects pointed out we shall try to rectify them.

Mr. Deputy-Speaker: It is a suggestion for action.

PRODUCTION OF EDIBLE OILS

*1678. **Shri Balmiki:** Will the Minister of Food and Agriculture be pleased to state what is the production of

edible oils in India during the years 1949-50 and 1950-51?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): The estimated production of edible oils in India during 1949-50 was as follows:

- (i) Groundnut oil—708,000 tons.
- (ii) Rape and mustard oils—229,000 tons.
- (iii) Sesamum oil—118,000 tons.
- (iv) Linseed oil—102,000 tons.

श्री कन्हैया लाल बाल्मीक : किन किन स्टेट्स में यह एडीबिल आइल लार्ज स्केल में प्रोड्यूस किया जाता है।

[**Shri Balmiki:** What are the States in which this edible oil is produced on a large scale?]

Shri Thirumala Rao: Probably with regard to groundnut oil Madras State is the largest producer. As regards mustard oil U.P. and Bengal are the largest producers. With regard to sesamum oil I want notice; also in regard to linseed oil.

श्री कन्हैया लाल बाल्मीक : क्या यह एडिबिल आइल एक्सपोर्ट के काम में भी जाता है, और अगर जाता है तो किन देशों को एक्सपोर्ट किया जाता है।

[**Shri Balmiki:** Is this edible oil used for export purposes also; if so, to what countries is it exported?]

Shri Thirumala Rao: For the present no export is allowed of these oils except castor oil which is not edible.

Ch. Ranbir Singh: May I know what percentage of the oils is hydrogenated?

Shri Thirumala Rao: I want notice.

Shrimati Velayudhan: May I know whether coconut oil is considered an edible oil?

Shri Thirumala Rao: It is considered edible in certain parts of the country.

Shrimati Velayudhan: Then why is it not included here?

Shri Thirumala Rao: It is not included here, but I will get the information.

Shri Shankaraiya: May I know how much of the oils is diverted for industrial purposes?

Shri Thirumala Rao: I would like to have notice.

Shri Kamath: In view of the volume of opinion expressed against vanaspati, judging by the petitions received in this House a report on which was circulated to Members—hundreds of thousands of petitions—does Government propose to encourage the production and consumption of edible oils as against vanaspati?

Shri Thirumala Rao: It is a hypothetical question. It is a separate policy that is followed in connection with that.

Shri Kamath: What are the steps taken by Government?

Mr. Deputy-Speaker: Oils are produced before vanaspati is made. Therefore it does not detract from the production of oil.

Shri Kamath: What steps are taken by Government to encourage the production of vegetable oil and prevent its diversion to vanaspati?

Mr. Deputy-Speaker: That is another policy.

POONA-BANGALORE MAIL AND EXPRESS TRAINS

*1680. **Shri Munavalli:** (a) Will the Minister of Railways be pleased to state what is the capacity of III class passenger compartments in Poona-Bangalore Mail and Poona-Bangalore Express respectively in M.S.M. Railway?

(b) What is the average traffic per day of III Class passengers in Poona-Bangalore Mail and Poona-Bangalore Express respectively?

(c) Have Government received any representations to run an additional train 'Janata Express' for III class passengers between Poona and Bangalore, to remove the overcrowding in Poona-Bangalore trains?

(d) If so, what do Government propose to do in the matter?

The Minister of State for Transport and Railways (Shri Saathanam): (a) The capacity of III class passenger accommodation in Poona-Bangalore Mail and Poona-Bangalore Express trains varies on different sections, from 160 to 340 and 358 to 436 respectively.

(b) The density of traffic of III class passengers in train at the different more important stations varies from about 120 to 544 and about 270 to 500 respectively, it being within the accommodation available on most of the run.

(c) Yes.

(d) The matter is under consideration.

MERGER OF VINDHYA PRADESH

*1681. **Seth Govind Das:** Will the Minister of States be pleased to state whether it is proposed to merge a part or whole of Vindhya Pradesh with some of the States before the next elections?

The Minister of States, Transport and Railways (Shri Gopalswami): The answer is in the negative.

Seth Govind Das: May I know what is the policy of the Government with respect to the size and population of each State?

Shri Gopalswami: I do not know of any policy as regards either the size or the population of any State. What exactly he is driving at I am not able to understand, Sir.

Mr. Deputy-Speaker: To retain a State as a separate unit. If it is too large the policy is to split it into two.

Seth Govind Das: He does not understand...

Mr. Deputy-Speaker: He understands it. But he says he is not in a position to give an answer and says that nothing has been worked out.

Seth Govind Das: I wanted to know from him whether a State of any size or population is contemplated to be kept permanently and whether it would be self-supporting.

Mr. Deputy-Speaker: The hon. Member knows that there are such Provinces as Orissa, etc. Madhya Pradesh is too big a Province.

Seth Govind Das: I am referring to Vindhya Pradesh.

Mr. Deputy-Speaker: Anyhow it is hypothetical.

Shri Gopalswami: So far as Vindhya Pradesh is concerned Government consider that both its size and its population justify its continuing as a separate State.

Short Notice Question and Answer

AKHIL BHARAT DEHAT SAMMELAN

Ch. Ranbir Singh: (a) Will the Minister of Home Affairs be pleased to state whether Government are aware that the two days session of the "Akhil Bharat Dehat Sammelan" is proposed to be held in Gandhi Grounds, Delhi on the 24th and 25th February, 1951 and permission to hold it was sought for from Delhi Administration?

(b) Is it a fact that the Delhi Administration has refused to grant the permission and if so, why?

The Minister of Home Affairs (Shri Rajagopalachari): (a) and (b). Since the 7th February of this year there is a ban in Delhi on all public meetings except those specifically authorised by the Deputy Commissioner. This ban which had been in existence for nearly three years and had been removed in November 1950, was re-imposed because it was felt on the basis of information in the possession of Government that the proceedings of these meetings would be such as to incite and inflame communal feeling. The application of the Delhi Raj (or Akhilibharat) Dehat Sabha for permission to hold a session of the Dehat Sannelan was considered by the Deputy Commissioner on its merits. As the speeches made under the auspices of the Dehat Sannelan last year at certain meetings held in the State of Delhi were intemperate and as it was announced that after the proposed Conference on the 24th and 25th a procession would be taken to the house of the Prime Minister, the Deputy Commissioner refused to give permission for the Conference to be held in the State of Delhi. The Deputy Commissioner informed the organisers that he had no objection to the Conference being held in the rural areas of Delhi.

Ch. Ranbir Singh: Is it a fact that the Deputy Commissioner advised the organisers of the Sannelan to secure the permission of the Delhi Municipal Committee also to hold the meeting on the Gandhi Grounds on the said date?

Shri Rajagopalachari: Because that is also a necessary preliminary, it is quite probable. And it is also probable, as the hon. Member who put the question informed us, that the Delhi Municipal authorities agreed to that but they are only one of the authorities concerned.

Ch. Ranbir Singh: Is it also a fact that the main reason which weighed with the Deputy Commissioner was the Sannelan's intention to pursue a resolution requesting the Government that the ownership of houses be conferred upon rent-payers, if they are ready to pay twelve times of the rent?

Shri Rajagopalachari: I have nothing to say on the merits of the proposal just read out by the hon. Member, namely that the Dehat Sannelan wanted to express an opinion as to how the ownership of houses in Delhi should be disposed of compulsorily by law. But that is not the reason. That is only a symptom of the manner in which the Dehat Sannelan proposes to work. If the rural

area people want to dispose of houses in Delhi and also to talk about rural conditions, it just gives us an indication as to how they are going on. But that is not the reason for the refusal of permission. I have already stated the reason.

Ch. Ranbir Singh: What was the reason which weighed with the Deputy Commissioner to suggest to the organisers of the Sannelan that they may hold their meeting in Dehat? If it was a communal one, it should have the same reaction on the Dehat also.

Shri Rajagopalachari: There are differences in the relative amount of harm likely to be done. We did not want such feelings to be roused in Delhi City. If the meeting is held in the rural area the rural people may have a different reaction, the commonsense reaction, to such incitement.

Shri Ghule: When the Deputy Commissioner thought it inadvisable to allow this conference to be held in Delhi, why did he ask the organisers to seek the permission of the Municipal Committee?

Mr. Deputy-Speaker: That is a preliminary to be satisfied.

Shri Rajagopalachari: It was the hope of the Deputy Commissioner that the municipal authorities would refuse the permission.

Shri Kamath: How many meetings and by which different parties or organisations were held in Delhi between November 1950 when the ban was lifted and February 1951 when the ban was re-imposed?

Shri Rajagopalachari: I do not know the value of the information that is sought. But if notice is given I shall answer the question.

Shri Kamath: I want to know if any action had been taken against any of the persons connected with those meetings either under the ordinary law or the Preventive Detention Act.

Mr. Deputy-Speaker: He does not know how many meetings have been held.

Shri Kamath: Then why has the ban been re-imposed?

Mr. Deputy-Speaker: It does not arise out of this question.

Seth Govind Das: Is it suggested that the people of cities, particularly of Delhi, have no commonsense?

Mr. Deputy-Speaker: I shall now proceed to the rest of the business.

WRITTEN ANSWERS TO QUESTIONS

ABOLITION OF Jagirdari IN RAJASTHAN

*1668. Prof. S. N. Mishra: (a) Will the Minister of States be pleased to state whether Government have considered the Venkatachar Committee report on the abolition of Jagirdari in Rajasthan?

(b) If so, have there been any negotiations between the States Ministry and the Landholders Association of Rajasthan in this regard?

The Minister of States, Transport and Railways (Shri Gopalaswami): (a) The report is still under consideration.

(b) Some preliminary discussions have taken place between the Government of India, the Government of Rajasthan and representatives of Jagirdars.

BIJURI-BARUADIT RAILWAY LINE

*1679. Shri E. L. Malviya: (a) Will the Minister of Railways be pleased to state the length and the estimated cost of construction of the proposed Bijuri-Baruadit Railway Line?

(b) How much work has already been done, how much length has been covered so far and what is the amount spent?

The Minister of State for Transport and Railways (Shri Santhanam): (a) The length of a Railway line from Bijuri to Barwadih would be 154.53 miles. The estimated cost of this railway, including 55.64 miles of branch lines to serve the major coal-fields is Rs. 16.36 crores approximately.

(b) Earthwork in formation and construction of Bridges in the forty mile section between Barwadih and Sarnadih was commenced and so far about 85 per cent. of earthwork and 50 per cent. of Bridge work has been completed. Up to end of November 1950, the amount spent is Rs. 152.50 lakhs.

IMPORT OF FOOD GRAINS

*1682. Shri A. B. Gurung: Will the Minister of Food and Agriculture be pleased to state:

(a) the total import of food from foreign countries during the year 1950; and

(b) the total cost thereof?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) and (b). 21.14 lac tons of the approximate C and F value of Rs. 80.05 crores.

FOOD GRAINS SUPPLIES.

*1683. Shri Jhunjhunwala: (a) Will the Minister of Food and Agriculture be pleased to refer to the answer given to my Starred Question No. 451 on the 10th August 1950 stating that the average daily number of persons at present getting a part or whole of their food grains supplies direct from Government was 109 millions, and state what is the number and percentage of population of urban area and of rural area of these 109 millions?

(b) What is the number and percentage of people who get whole supply and the number and percentage of people who get part supply?

(c) What is the total quantity and percentage of part grain supply of total food grain supply and the same that of whole supply?

(d) How do the people who get their part supply from Government arrange their remaining supply?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):

(a) Out of 109 million persons who were getting a part or whole of their foodgrains supplies direct from Government on 30th June 1950, 43 millions or 39.4 per cent. were from Urban and 66 millions or 60.6 per cent from rural areas.

(b) The number of people who got whole supply of foodgrains from Government was 45 millions constituting 41.3 per cent. and the number of those who got part supply was 64 millions constituting 58.7 per cent.

(c) The total quantity of foodgrains supplied by Government from January to June 1950 to those who were only partly dependent on Government supply was 1,351,000 tons forming 41.7 per cent. of the total supply by Government and the quantity supplied to those who were wholly dependent on Government was 1,885,000 tons forming 58.3 per cent. of the total Government supply.

(d) From out of their own production and by purchases in the open market.

SUBSTITUTE FOODSTUFF

*1684. Shri Jhunjhunwala: (a) Will the Minister of Food and Agriculture be pleased to state the total quantity and percentage of the production of substitute foodstuff, which is being used in place of cereals as compared with the total production of cereals?

(b) What was the percentage of production before Government conceived the idea of and began propagating the

production and use of these substitutes?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) and (b). A statement giving the available information regarding the production of substitute foods and cereals both before and after Government started popularising substitute foods is placed on the Table of the House. [See Appendix XII, annexure No. 35.] Percentages regarding the actual utilization of substitute foods cannot be assessed.

RAILWAY STATIONS (DAMAGE BY EARTHQUAKE)

*1685. **Shri J. N. Hazarika:** Will the Minister of Railways be pleased to state:

(a) the number of railway stations damaged by the recent earthquake in the Assam Railways;

(b) how many of them have been reconstructed; and

(c) whether the normal running of trains to Saikhowaghat (Assam Railways) has been fully restored?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Ten stations suffered serious damage. Minor damages occurred at a few other stations.

(b) Of the seriously damaged stations, two have since been reconstructed and two have been repaired. One more station is to be reconstructed and the remaining five are to be repaired. The work on these stations is in hand. The stations which suffered minor damages have all been repaired.

(c) The reply is in the affirmative.

SUGAR PRODUCTION

*1687. **Shri Satish Chandra:** Will the Minister of Food and Agriculture be pleased to state the extent of loss in sugar production as a result of the strike in sugar mills organised by the U.P. and Bihar Chini Mill Mazdoor Federation?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): The loss in sugar production as a result of the strike in sugar mills in U.P. is estimated to be about 3 to 4 thousand tons. There was no strike in any of the sugar mills in Bihar.

LOCAL ADVISORY COMMITTEE

*1688. **Shri Ghule:** Will the Minister of Railways be pleased to state whether there are local Advisory Committees in Scindia State Railways and if not, why not?

The Minister of State for Transport and Railways (Shri Santhanam): There is no Local Advisory Committee for the Scindia State Railway. Some of the ex-Indian State Railways had no Local Advisory Committees. The question of setting up additional Local Advisory Committees will be taken up after the question of re-grouping of Railways has been finalised.

SUBVENTION GRANT TO HYDERABAD

*1699. **Shri S. V. Naik:** Will the Minister of States be pleased to state:

(a) whether the attention of Government has been drawn to the Report of the "Economy Committee" of Hyderabad which suggests that the subvention grant to Hyderabad is inadequate and should be increased;

(b) whether there has been any request in this regard by the Government of Hyderabad; and

(c) what action is being proposed in this respect by the Government of India?

The Minister of States, Transport and Railways (Shri Gopalswami): (a) Yes. The hon. Member presumably refers to the calculation of the "Revenue-Gap" under the Financial Integration Agreement with the State.

(b) and (c). All the outstanding points in connection with the implementation of the Financial Integration Agreement have since been settled in consultation with the Hyderabad Government.

WHEAT AND JAWAR FOR AJMER

*1690. **Pandit M. B. Bhargava:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Government of India have received any complaint from the citizens of Ajmer in respect of the wheat supplied at the ration shops in Ajmer containing a very large admixture of barley and what was the agency employed for inspection and purchase of this wheat from the purchasing centre;

(b) whether it is a fact that the Jawar supplied at the ration shops in Ajmer during the months of November and December, 1950, was of a very bad and rotten quality and if so, why the same was purchased and supplied;

(c) whether it is a fact that, in a recent purchase of P.E.P.S.U. wheat for the State of Ajmer, in a lot of approximately 30,000 bags, the Government had to suffer heavy losses due to shortage and inferior quality of gunny bags being used, as the Railway Grainshop authorities of B.B. & C.I. Railway here refused to accept this quantity; and

(d) if so, what was the agency employed for the inspection and purchase of this wheat from the wheat centre in P.E.P.S.U., and whether any action has been taken against the official responsible for this and if not, why not?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) Government of India have not received any complaints regarding the quality of the wheat supplied in the rations in Ajmer. Inspection is done by the Inspectors of Ajmer Government.

(b) No.

(c) and (d). It is a fact that in respect of the consignment of wheat from P.E.P.S.U., the bags used were not of first rate quality and that there was shortage of about seven tons in transit.

The wheat was inspected by the Ajmer Government's Inspectors. A claim has been preferred by the Railway Grainshop authorities against the Railway Administration for the shortage in transit, while quality allowance for the bags has been claimed from the P.E.P.S.U. Government in accordance with the usual procedure.

SUITS AGAINST RULERS OF FORMER INDIAN STATES

*1691. **Shri Hathi:** Will the Minister of States be pleased to state:

(a) how many applications have been received by Government for obtaining their consent to file suits against Rulers of former Indian States, during the period between 15th April 1948 and 31st December 1950; and

(b) in how many cases such consent has been given?

The Minister of States, Transport and Railways (Shri Gopaldaswami):

(a) 914.

(b) 745.

INTEGRATED PROGRAMME OF FOOD PRODUCTION

*1692. **Shri M. P. Mishra:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Integrated Programme of Food Production has already been launched;

(b) the places where it has been introduced; and

(c) the results, if any, achieved so far?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):

(a) Yes, in June, 1950.

(b) All over the country.

(c) The results which will be reflected in the additional production achieved, will be known at the end of the crop year.

RAILWAY ENGINES (REPAIRS)

*1693. **Shri Kannamwar:** (a) Will the Minister of Railways be pleased to state whether it is a fact that new railway engines brought from U.S.A. costing Rs. 72 lacs are lying at Bhusaval in working shed for want of repairs since a year?

(b) If so, what are the reasons for so much delay in getting them repaired?

The Minister of State for Transport and Railways (Shri Santhanam): (a) The correct position is that there are at present four of the new type of railway engines, costing altogether under Rs. 20 lakhs, manufactured in America, at Bhusaval awaiting replacement of certain parts.

(b) The delay in putting these engines back into service is due to the time taken by the manufacturers in supplying these parts.

CONCESSIONS FOR PRESS TELEGRAMS

*1685. **Shri Jagannath Das:** (a) Will the Minister of Communications be pleased to state what are the present concessions given for press telegrams especially multiple address press telegrams?

(b) What is the income for press telegrams for the years 1948, 1949 and 1950?

The Minister of Communications (Shri Kidwai): (a) A statement is laid on the Table of the House. [See Appendix XII, annexure No. 36.]

(b) Information required is maintained for financial years, and not for calendar years. Revenue receipts from Press telegrams during the years 1947-48, 1948-49 and 1949-50 were Rs. 10,96,613, Rs. 7,54,852 and Rs. 6,32,681 respectively.

JUTE AND TEA

*1696. **Maulvi Wajed Ali:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total quantity of jute and tea grown in the State of Assam during the years 1947-48, 1948-49, 1949-50 and 1950-51, till the end of December; and

(b) the total quantity of the above articles exported to outside areas from Assam?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):

(a) and (b). Two statements giving

the required information so far as available are placed on the Table of the House. [See Appendix XII, annexure No. 37.]

SUBSIDY PAID TO ASSAM

*1697. **Maulvi Wajed Ali:** Will the Minister of Food and Agriculture be pleased to state the total amount of subsidy granted from the Centre to the State of Assam for (i) Grow More Food and (ii) other agricultural improvements during the years 1948-49, 1949-50 and 1950-51?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): A statement giving the required information is placed on the Table of the House.

STATEMENT

Subsidies sanctioned to the Government of Assam for Grow More Food and other Agricultural Improvement Schemes during the period from 1948-49 to 1950-51 (31st January, 1951).

(Figure in lakhs of rupees.)

Year	G.M.F. Schemes	Other Agricultural Improvement Schemes	Total
1948-49	14.91	0.47	15.38
1949-50	21.98	0.84	22.82
1950-51	37.07	0.85	37.92
Total	73.96	2.16	76.12

RELIEF LOAN FOR BIHAR

*1698. **Shri B. R. Bhagat:** Will the Minister of Food and Agriculture be pleased to state whether the State Government of Bihar has requested the Government of India for a loan of 10 crores of rupees for relief work in scarcity and drought-affected areas?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): The State Government has requested the Government of India for financial assistance and the matter is under consideration.

LAC INDUSTRY

108. **Shri Ramraj Jajwari:** (a) Will the Minister of Food and Agriculture be pleased to state what is the present position of lac industry in India?

(b) What are the figures of import and/or export during the last three years?

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The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) It is not possible to furnish precise statistics about the position of lac industry in India as there has been no recent survey.

(b) A statement of imports and exports of lac for the last three years is placed on the Table of the House.

STATEMENT

Imports and Exports of lac during the period from 1947-48 to 1949-50

Year	Imports (Cwts.)	Exports (Cwts.)
1947-48	2,12,749	5,42,172
1948-49	1,20,144	4,90,623
1949-50	76,349	4,55,304

"GROW MORE FOOD" CAMPAIGN

*109. **Babu Gopinath Singh:** (a) Will the Minister of Food and Agriculture be pleased to state what amount has been spent in the Centrally Administered States during the last three years in connection with the cultivation of uncultivated, fallow, forest and undeveloped lands in pursuance of the policy of 'Grow More Food'?

(b) What additional quantities of food grains have been produced by these areas in the last three years?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) and (b). A statement giving the required information is placed on the Table of the House.

STATEMENT

Expenditure incurred on the cultivation of uncultivated fallow, forests and undeveloped lands in Centrally Administered areas during 1947-48, 1948-49 and 1949-50:

Year	Name of State	Amount spent	Estimated Additional Production (Tons)
		Rs.	
1947-48	Coorg	67,000	275
1948-49	Coorg	93,000	461
1949-50	Coorg	95,000 (a)	N. A.
1949-50	Bhopal	38,605 (a)	6,170

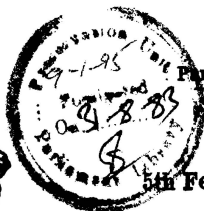
(a) Represents sanctioned expenditure. Figures of actual expenditure not yet available.

N. A.—Not available.

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Par. S.2. VIII. 1.51

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Monday

5th February, 1951

to

2nd, March, 1951



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PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

Part II—Proceedings other than Questions and Answers

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THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers.)
OFFICIAL REPORT

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PARLIAMENT OF INDIA

Friday, 23rd 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)

11-51 A.M.

APPROPRIATION (RAILWAYS) BILL

The Minister of States, Transport and Railways (Shri Gopalaswami): I beg to move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1951, for the purposes of railways, be taken into consideration."

Mr. Deputy-Speaker: Motion moved:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the consolidated Fund of India for the service of the year ending on the 31st day of March, 1951, for the purposes of railways, be taken into consideration."

Shri Sidhva (Madhya Pradesh): Sir, I want to raise one point regarding Demand No. 20, which relates to the contribution paid by the Railways to the exchequer of the general revenues. On page 18 of the proceedings of the Standing Finance Committee for Railways it is said:

"In accordance with the resolution adopted by the Constituent Assembly (Legislative) on the 21st

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December, 1949, a provision of 31.85 crores was made in the budget for payment of the dividend to General Revenues, calculated at 4 per cent."

Now it is contemplated to give 32.57 crores.

The resolution passed by this House reads:

"That for a period of five years, commencing from 1950-51, the annual dividend shall be a sum calculated at the rate of 4 per cent, on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines."

I want to know how this one crore more has now been provided for the general revenues and I want to know whether the depreciation for 1950-51 has been deducted from the capital amount. To the capital amount may also have been added what is meant for rehabilitation purposes. What is the total amount calculated by the Railways so as to bring the amount now contemplated to be given as 32.57 crores, which is nearly one crore more than the original provision.

On page 14 regarding appropriation to Depreciation Reserve Fund they say:

"In accordance with the recommendations of the Railway Convention Committee, a minimum provision of Rs. 15 crores was made in the budget for the current year as the normal contribution to the Depreciation Reserve Fund. An additional sum of Rs. 2 crores was also proposed to be appropriated to the fund out of the anticipated surplus....."

Then after giving the reasons at the end they say:

"It is therefore proposed that the contribution to the Fund should be increased to Rs. 30 crores."

[Shri Sidhva]

May I know, Sir, why this inflation is being allowed by increasing this Depreciation Fund? Of course, after all, it goes to our funds. But, there is a separate account kept for the Railways.

Shri Gopaldaswami: May I rise to a point of order, Sir? These Demands were individually placed before the House for consideration and they have been passed. Are we going to re-open the discussions? I am quite ready to answer the points that the hon. Member has raised. But, this point hardly arises on a motion for consideration of the Appropriation Bill. The Appropriation Bill merely collects together the Demands that have been sanctioned already and wants to get the vote of the House so far as that particular amount to be taken out of the Consolidated Fund of India is concerned. If hon. Members are going to re-open all the debates that did take place or should have taken place when the Demands were put before the House, then we shall be losing much time.

Shri Sidhva: Before you give your ruling, Sir, I wish to say that I did not want to re-open anything. A similar statement was made by the hon. Minister last time when he was moving a similar motion on the Appropriation Bill. The hon. the Speaker held that the House has a right to express its views on the Appropriation Bill and that in the General Budget also, on the Appropriation Bill, the Members have a right to make observations. I am making my observations on certain points which have not been discussed. This is a very important matter which relates to the finances of the Railways, regarding contribution to the general revenues. I think I am entitled, both under the law and the rules of procedure, to make my observations even if the Demands have been discussed. Even at the Third Reading of a Bill, when the Bill is presented for being passed into law, a Member has a right to make his remarks. Similarly, Sir, the Speaker has given a ruling on this point, and if I remember aright, the Speaker has also written to the hon. Minister on this point that when the Demands have been passed without any discussion, it should not be considered that the Members have no right to speak, and that the Members have a right to speak. I, therefore, respectfully submit that I am within my rights to make observations, I do not want to re-open anything as my hon. friend Mr. Gopaldaswami fears. I have certain doubts on some matters, and within the right that I have got, I want to have them clarified.

Shri Gopaldaswami: May I explain the position, Sir? The reference to the Speaker on the last occasion really related to a different point. During that debate, I took up the position that on the Appropriation Bill, there could not be any debate at all and I was under the mistaken impression that in the House of Commons, no such debate was allowed. But, later on, when it was pointed out to me and I verified the debates on the Appropriation Bill in the previous years in the House of Commons, I did find that on the Appropriation Bill, debates had been held on all manner of things, not necessarily relating to any particular demand. The party in opposition or somebody in the House gave notice that he would raise a debate on a particular issue and that issue was debated because some opportunity was given for a general discussion. I admitted my mistake and I said that the position that no debate could be held was wrong. But, the present point is not that the hon. Member has no right to say anything on what is contained in the Appropriation Bill; I am only referring to the point that these specific Demands were put before the House only two days ago and they were discussed, or they ought to have been discussed. It may be that probably they were guillotined; but the fact is that an opportunity was given to the House to debate these very points and if on the Appropriation Bill, you raise the same points, then, you are losing much time.

12 Noon.

Shri Sidhva: Therefore, I was asking whether it would be justifiable for the Railway Board to inflate the Depreciation Fund and the general revenues by adding more sums. I submit that it is not proper accounting. If the policy that is being adopted is allowed to be continued, it would mean that on a certain date, there will be no surplus left with the Railway finances, with the result, that the tax-payer will be called upon to pay higher fares and higher freight. I therefore contend that the policy that has been adopted by the Railway Ministry in this respect requires reconsideration. The Railway Convention Committee recommended that 15 crores should be credited every year to the Depreciation Fund. Now, to go on adding every year two crores more, in view of the extra cost that they feel will be required for maintaining and developing the Reserve Fund or the Depreciation Fund, without any consideration or without giving any figures to substantiate their demand, to bring the amount to 30 crores, is most unfair to the House. The House has already

taken a decision on this question. A Convention Committee was appointed and they went into the matter. The House has passed a resolution and the House is under the impression that on this basis funds will be allocated. I feel that the departure has not been made directly, but indirectly; that is to say, these funds are going to be inflated. Inflation, as Government knows better than myself, is bad from the point of economy. Therefore, I only request the hon. Minister not to inflate their funds by taking away from the surplus that we are fortunate enough to make. It is good to build up a fund, but not necessarily, with the object of inflating and then bringing that burden upon the travelling public. I can quite appreciate if the travelling public were also given the benefit of those funds; that is something which is understandable. You do not admit that; but you inflate, then you say, I have no money and I must have more money. I say that is not proper; that is misleading the people. Although the terms of the resolution have not been violated, because the language is a little loose, it should not mean that they should take advantage of this big surplus which they are getting from freight, from fares, and from commerce, and go on inflating the various funds. This was my point.

Mr. Deputy-Speaker: Is it necessary to give any reply regarding the scope of discussion?

Shri Gopalaswami: No.

Pandit Kunzru (Uttar Pradesh): I should like to ask for a little information with regard to the demand of 13 crores for addition to the Depreciation Reserve Fund that the Railway Ministry has asked for. The House will remember that when the report of the Convention Committee was considered in December 1949, the House came to the conclusion that a sum of Rs. 15 crores should be credited annually to the Railway Depreciation Reserve Fund. My hon. friend the Railway Minister claimed that this was actually a better arrangement than that proposed by the Railway Enquiry Committee which had recommended an annual contribution of 22 crores to this fund. His argument was this. In the Railway Depreciation Reserve Fund, there is already a sum of Rs. 75 crores. Government could during the next five years spend 50 crores out of this fund and yet have a comfortable surplus of 25 crores at the end. If Government could spend 50 crores in five years, it was clear that this Fund should be drawn upon to the extent of ten crores and this sum added to the annual contribution of 15 crores would have provided for an expenditure of

25 crores out of the Depreciation Reserve Fund. This was the basis of the Railway Minister's claim that this arrangement placed the Railways in a better position than the recommendation of the Railway Enquiry Committee. Well, I pointed out in the course of the debate that although the Railway Enquiry Committee had recommended an annual contribution of Rs. 22 crores only, it had not recommended that the freedom of Government to draw upon the Depreciation Reserve Fund should be limited in any manner. We did not think that a sum of Rs. 75 crores was too large for an undertaking of the size of the Indian Railways. But if Government disagreed with the Committee and thought that it was wiser and could spend Rs. ten crores out of this small Depreciation Reserve Fund, then it would have had not merely Rs. 22 crores, but Rs. 22 crores plus Rs. ten crores or Rs. 32 crores. This, however is a small matter, whether the Railway Enquiry Committee's recommendation was sounder or the arrangement of the Railway Convention Committee, as that does not concern us now so much as it did in December 1947 when the report of the Railway Convention Committee was considered. But the matter to which I want to draw the attention of the House is this. The Railway Minister told us that he would draw on the Reserve Fund which was expected to stand at Rs. 75 crores then, at the rate of Rs. ten crores annually for five years. Now, he has, so far as I can see, not drawn upon the fund at all, but has asked for an additional grant of Rs. 13 crores. He says, I mean according to the accounts, that the total expenditure to be met from out of the Depreciation Reserve Fund is about Rs. 31 crores. Now, had my hon. friend stuck to the arrangement proposed by him in December, 1949, he would have had Rs. 25 crores at his disposal. In addition to this, he would have had Rs. two crores more which was the sum credited to the Depreciation Reserve Fund out of the surplus that was to have accrued during the year 1950-1951, that is the current year. Now, it seems that he has not drawn upon the fund and he found that he had only Rs. 17 crores at his disposal. He has, therefore, come to us asking for Rs. 13 crores more. He has not, so far as I remember, told us why he has changed his decision with regard to his original decision to draw upon the Depreciation Reserve Fund.

Another point on which I would like to have information is this. The Depreciation Reserve Fund stands at a much higher figure than that mentioned by my hon. friend in December.

[Pandit Kunzru]

1949. I think the closing balance at the end of the year 1951-1952 is expected to be about Rs. 152 crores. Now, what is the policy of Government with regard to this fund? Do Government propose to allow this fund to grow by annual additions and if so, what is the sum to which they are prepared to allow it to grow? If that is not the policy and if they propose to draw upon it in connection with their rehabilitation programme, then why is it that the hon. Minister instead of coming to us for Rs. three crores more only, has asked for Rs. 13 crores?

These are the two points on which I should like to have information from the hon. Minister.

Apart from this, I should like to know one thing more. We have now, under our control, the railways that formerly belonged to the Indian States. So far as I remember, the capital-at-charge in these railways amounts to about Rs. 58 crores. Now, if the principle on which the Railway Enquiry Committee's recommendation with regard to the contribution to the Depreciation Reserve Fund was based had been followed, a sum of Rs. two crores would have been required in order to provide for depreciation on account of these railways. What I want to know now is whether the sum of Rs. 30 crores that will be spent this year and that is to be expected to be spent in the coming year takes account of the needs of the Indian State Railways also or not. If it does not, then in the course of the next year, my hon. friend will come forward with a Demand for a supplementary grant of two or three crores more. We should know before we vote the money asked for by the hon. Minister and before we consider the Budget for the year 1951-1952, what the position in this respect is.

Shri Gopaldaswami: I wish to be quite brief in my reply to the two hon. Members who have spoken on this Bill.

So far as my hon. friend Mr. Sidhva is concerned, he raised first the question of the amount proposed to be added to the provision for dividend payable to General Revenues, that is Rs. 71,54,000. This is only a simple piece of arithmetic. Under the Convention we are obliged to pay to General Revenues four per cent. on the capital at charge. According to the estimate of the capital at charge, when the Budget was passed by the House, the provision for this dividend was entered at a particular figure but after

the accounts for 1949-50 were made up finally and also with reference to the additions to the capital at charge that are taking place for the current year, the total amount of capital at charge was increased and on that increased amount the four per cent. dividend comes to Rs. 71 lakhs and odd. That is why in the revised estimate we are increasing the original provision by 71,54,000. That is a straight-forward way of carrying out what Parliament directed us to do, when it passed the resolution on the recommendations of the Convention Committee.

Shri Sidhva: While the capital at charge amount is calculated may I know whether the depreciation amount is deducted every year?

Shri Gopaldaswami: The answer is no.

Shri Sidhva: That is not the correct procedure.

Shri Gopaldaswami: It is not the practice to deduct the appropriation to the depreciation fund. At that rate, if we had to deduct what we have spent on depreciation or provided for depreciation, our capital at charge might disappear.

Shri Sidhva: Every year your machinery is deteriorating or depreciating. To that extent the amount should be deducted.

Shri Gopaldaswami: The system of accounting we follow is a different one altogether. That system does not allow the deduction of the depreciation amount from the capital at charge.

I now proceed to the depreciation reserve fund itself. My friend Mr. Sidhva made certain remarks. I believe what I shall say with regard to the observations that fell from my hon. friend Dr. Kunzru will perhaps cover the point that Mr. Sidhva raised. Very rightly Dr. Kunzru has referred to the report of the Convention Committee and the resolution that was placed before Parliament in pursuance of the recommendations of the Committee and the provision that was made in the Budget for the current year in accordance with the decision of Parliament. That is true. According to the Budget we provided for 15 crores annual appropriation to the depreciation fund. We also provided for the addition of two crores out of the estimated surplus of the current year, so that the total appropriation that the Budget was committed to was 17 crores. It is also true that when this matter was debated in Parliament

Dr. Kunzru raised the same points. He referred to the recommendation that had been made by the Committee over which he presided to the effect that the annual provision should be something like 22 crores and it is also correct on his part to say that the annual withdrawals from the fund need not be restricted to these 22 crores but we might draw from the accumulated balances in that fund whatever additional amount might be required for financing the expenditure which is to be debited to the depreciation fund. All that is correct. But the reasons that have led me to come to Parliament again and to reconsider this position are these. As a matter of fact in the last year or in the current year and for what we expect would happen in the coming year the debit to the depreciation reserve fund is likely to be of the order of 25 crores. It is possible that on account of the accelerated rehabilitation programme that we have undertaken the actual withdrawals may even be more. As a matter of fact for the budget year 1951-52 the withdrawal is placed at 38 crores and odd.....

Pandit Kunzru: Would my hon. friend repeat what he has said?

Shri Gopaldaswami: It is expected that in the budget year 1951-52 the estimated withdrawals from the depreciation reserve fund would be something over 38 crores. When we decided upon 15 crores plus a share of the surplus or the whole of the surplus, as we might decide in each year, we were thinking on the lines of a withdrawal of about 25 crores a year. The actual withdrawals and estimated withdrawals exceed 35 crores per annum.

I want the House also to realise that it is not always easy to arrange for the withdrawal of the difference between the annual appropriation and the actual debits to the depreciation reserve fund. These withdrawals have necessarily to be related to what we can ask general revenues to make available to us in each of those years. So we thought that the most prudent course was whenever the revenue position permitted it to increase the appropriation to the railway depreciation fund. As it is, in the current year the estimate was to appropriate 30 crores and our budget estimates for the next year will also provide 30 crores as the appropriation to the depreciation reserve fund. As you know, these appropriations are a direct debit to the working expenses of the railways. The appropriations are made to the depreciation fund direct from revenue. They are credited to that reserve fund

and whatever is to be debited to that fund, including repairs, rehabilitation and the improvement portions of the expenditure, all that has to be financed out of withdrawals from the depreciation reserve fund. The withdrawals in the current year we have had to limit as far as possible to what we can draw from that fund and the principle that we have proceeded on is that as far as possible we do not draw from those accumulations more than what we contribute during the year, taking not merely the debits to that particular fund but also the debits to the two other funds. That explains why I am asking for 30 crores appropriation to the depreciation reserve fund in the current year, though the actual debits will perhaps be a few crores more. Those few crores will come out of the accumulated balances in that fund.

Pandit Kunzru: Which fund?

Shri Gopaldaswami: The Depreciation Fund.

Pandit Kunzru: Where has it been shown? Has it been shown in the accounts?

Shri Gopaldaswami: The actual withdrawals will be shown in the accounts. The actual credits to that Fund will be shown in the accounts and the difference between the two must come out of the accumulations. That is to say, the five crores over and above the thirty crores will come from the accumulations in that Fund.

Now I wish to concede the position that on account of actual facts and fairly reliable expectations in the future, we have come to the conclusion that a fifteen crore annual appropriation to the Depreciation Reserve Fund will not be sufficient so long as the present position of ways and means continues as it is. It is only when we are in a position to draw more from the accumulated balances that we can reduce the annual appropriation below Rs. 30 crores. That explains why both in the current year's revised estimates and in the Budget estimates for 1951-52, I am asking the House to vote an appropriation of Rs. 30 crores to the Depreciation Reserve Fund.

Shri Sidhva: But the Convention Committee's proposal was to last for five years and could be revised only after five years. If the hon. Minister wanted to make some change, in fairness to the Committee, the matter should have been referred to them first.

Shri Gopaldaswami: The Convention Committee is not in existence now. I

[Shri Gopaldaswami]

take it that the hon. Member makes the point that that Committee's report having been accepted by Parliament, it should not be changed without the approval of Parliament. I am asking for the approval of Parliament both as regards the revised estimates and as regards the Budget estimates.

Shri Sidhva: On a point of order When a change in the Convention Committee's resolution is needed, should it not be made by way of a special resolution? Is it proper to bring it through an Appropriation Bill?

Mr. Deputy-Speaker: Such an important matter as this must have been brought by the hon. Minister straight to the House. Had not Mr. Sidhva and Pandit Kunzru brought this to the notice of the House, the House would not have had an opportunity to apply its mind to this matter. I expect and the House also naturally expects that such matters should be placed before the House for its direct attention and for obtaining a final decision on the matter, particularly when a Convention Committee was appointed and it recommended that such-and-such a procedure ought to be adopted over a period of five years.

Shri Gopaldaswami: May I respectfully submit, Sir, that it is not possible for me to agree to the position that we should have come here with a special resolution for this purpose? We are not taking the House by any means by surprise in regard to this matter.

Pandit Kunzru: May I interrupt my hon. friend? The Railway Convention Committee's recommendations have taken the place of the previous convention, and formerly whenever the Convention in force was altered Government took the express sanction of the House for its alteration. Should not my hon. friend have, in view of this past practice, followed this very procedure if he wanted the particular recommendation of the Railway Convention Committee that we are considering, to be altered permanently?

Shri Gopaldaswami: I would mention two points. One is that the Convention Committee recommended a minimum contribution of Rs. 15 crores to the Depreciation Reserve Fund.

Shri Sidhva: That does not mean that you can increase the contribution to Rs. 100 crores?

Shri Gopaldaswami: Supposing I had to do it within the literal terms of the resolution of Parliament on the Convention Committee's recommendation,

it was quite easy for me to say that the appropriation will remain at Rs. 17 crores—I would have added these Rs. 13 crores to the surplus and then appropriated from the surplus Rs. 15 crores instead of Rs. two crores as I did in the Budget. It comes to the same thing. The money comes from the revenue receipts. I am directly making the appropriation to the Depreciation Reserve Fund. If the House is so meticulous that I should have conformed to the literal terms of that resolution, the alternative was open to me to ask the House to vote an increase of Rs. 13 crores in the appropriation from the surplus to the Depreciation Reserve Fund. The result would have been just the same. But I took the more straightforward course of giving the facts to the House and pointing it out to hon. Members that it is much better that we directly appropriate this thing from the revenues under working expenses than that we should take it to surplus and then send it back over to expenditure under the Depreciation Reserve Fund. I hope the House will realise that I have made no breach in substance from the resolution that was adopted by the House.

Pandit Kunzru: My hon. friend has not yet appreciated the position properly. When the Railway Convention Committee's recommendation was passed, a student of railway finance studying that resolution would have got from it all the necessary information with regard to the contribution to be made by the Railways to the General Revenues and to the Depreciation Reserve Fund. That resolution no longer serves that purpose. It should therefore be changed so that a man reading it may know what the present situation is. That is really why we want that that Committee's recommendation which is now out of date should be revised, so that the resolution may tell us exactly what the present position is and we may not have to consult a number of different documents in order to find out the facts.

Shri Gopaldaswami: I demur to this objection that the actual dispositions of funds in our accounts should be so made as to make it easier for a student of railway finance to discover what actually has happened. I said a few minutes ago that if I were literally to carry out the resolution, I could have done it in another way, but perhaps I went farther in that statement than I need have done. I would take up the position now that the appropriation of an extra Rs. 13 crores direct to the Depreciation Reserve Fund does no violence at all to the resolution that was passed by Parliament. The resolution only accepted the recommenda-

tions of the Committee and that Committee obliged me to appropriate a minimum of Rs. 15 crores. There was nothing which prevented me from appropriating an extra Rs. 13 crores within the terms of that resolution. It is not as if we have sprung this fact on the House. We put it in the memorandum circulated to the Members of the Standing Finance Committee, a copy of the proceedings of which was circulated to all Members. They had to consider these supplementary demands and the whole thing was explained.....

Shri Goenka (Madras): Last year too rupees two crores more were appropriated.

Shri Gopaldaswami: I contend that I have committed no breach of my obligations to the House by the proposal that I have made. I do not think there is anything more for me to say.

Shri Sidhva: My point is.....

Mr. Deputy-Speaker: Has it not been understood? It has been understood by the hon. Minister and he has given his answer.

Shri Sidhva: Sir, my hon. friend is laying stress on the word "minimum". It is true that that word is there, but what was the intention of the House in specifying the Rs. 15 crores limit? If my hon. friend wanted to add a few lakhs here and a few lakhs there, it was a different matter, but here he wants to add Rs. 15 crores. Next year, he may want to add Rs. 30 crores and the next year after that Rs. 45 crores. Surely, if the letter of the resolution is not violated the spirit is violated and I think we ought to insist that the contribution should be only Rs. 15 crores. My hon. friend should not take shelter under the word 'minimum'.

Shri Gopaldaswami: I think I must disabuse my hon. friend of his understanding of the Convention Committee's recommendations. At the same time that Committee recommended the appropriation of a minimum amount of Rs. 15 crores, it also laid down the principles on the basis of which debits had to be made to the Depreciation Fund. My hon. friend was a party to that recommendation also and if in implementing those principles we find that the actual expenditure comes to more than Rs. 15 crores, we are carrying out only the recommendations of the Committee when we want, instead of the minimum, a larger amount to be voted for the expenditure which is to be debited.

Shri Sidhva: That was not anyhow the intention.

Mr. Deputy-Speaker: I have got here the report of the Railway Convention Committee. In para 7 it is stated:

"If a correction in the present rate of contribution is made to take account of the inflationary and improvement elements the contribution should be increased to Rs. 25 crores a year approximately, but, having regard to the balance at the credit of the fund and the fact that the heavy arrears of replacements would be substantially overtaken in the next five years by the provision of a total expenditure of about Rs. 125 crores, we consider that it would be adequate if the present rate of contribution were to be increased to Rs. 15 crores a year for the next five years. This amount would be the minimum contribution to the Depreciation Fund. Should the financial results of the operation of the railways permit additional contributions, they should be made to the extent necessary and justified, having regard to other demands on the revenues of the Railway undertaking. On the basis of our recommendations, the Depreciation Fund should have a balance of Rs. 25 crores approximately at the end of this period."

It is a matter for the consideration of the hon. Minister that there should be equality of sacrifice. It is no doubt open to him to say that Rs. 15 crores was the minimum that may be voted in a particular year, but on that score he cannot in a particular year alone bring all the expenditure at the cost of other items. The minimum ought not to be exceeded to a very large extent. In this case, however, we should remember that replacements have not been made for over ten years and they are overdue. The machinery has become fully worn out. Therefore, I do not think that the terms of the Convention Committee's recommendation stand in the way of the hon. Minister making any appropriation over and above the Rs. 15 crore limit. I do not see any point of order in this.

The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the year ending on the 31st day of March, 1951, for the purposes of railways, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: We shall now proceed to the clause-by-clause stage. There are no amendments and there can be none under the statute.

Clauses 2 and 3 were added to the Bill.

The Schedule was added to the Bill

Clause 1 was added to the Bill.

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

Shri Gopaldaswami: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

APPROPRIATION BILL.

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

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

Mr. Deputy-Speaker: Motion moved:

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

Shri Sidhva (Madhya Pradesh): I wish to make only a few observations. Permission is sought to be taken from the House for a supplementary grant of Rs. 33 crores on account of various Demands. I am sure the hon. Minister of Finance has exercised a vigilant watch over the spending of the various Departments, because I understand that there is a Financial Adviser from his Ministry attached to each Department. From the little observation and enquiry that I have been able to make, I find that these Financial Advisers do not carry out a proper check-up of the various items of expenditure that are incurred by the Ministries. I want to know what is the procedure that is adopted in the Finance Ministry for the check-up of the amounts that are spent over and above the Budget grant. The House certainly appreciates the

need for extra amounts for emergency purposes, but it has become almost a practice for Ministries to come to this House for supplementary grants not only once but twice—this time it was twice—during the same year.

Shri A. C. Guha (West Bengal): This is the third occasion. There was one in July-August, another in November-December and now the third.

Shri Sidhva: I am not sure whether there was anything during July-August. My impression was that it was postponed. But if there was, then this becomes the third occasion. I do not understand this at all. I would like the hon. the Finance Minister to explain. When they prepare the Budget, surely they have the overall picture of their requirements. I can understand a natural calamity, an act of God, floods, earthquakes and so on for which some money is required afresh. But supplementary demands have become the vogue. I thought that our present Finance Minister, with his open mind and having come into the House for the first time, would have effected some change with the ability that he possesses. But the same old procedure and practice continue, without any change or explanation. There is something wrong and a radical change is called for. The Finance Minister should, first of all, apply his mind and see whether and to what extent supplementary grants are really necessary for every Ministry every time. This year, Government have come to the House not once or twice but thrice in the same year. Some new method should be evolved whereby the House may not be able to say, 'Oh, this is not proper'. As far as I could gather from foreign countries, supplementary demands are made very rarely there. I would, therefore, request the hon. Minister of Finance to kindly apply his mind to this subject and make a bold change instead of following the old procedure of allowing each Ministry to spend as they like under the impression that Parliament is with them, the hon. Minister is with them and that they will have no difficulty in getting the extra and additional demand, whatever that may be.

The second thing I would request of him is that he should call for periodical reports from the Financial Advisers whom he has posted in the various Ministries. I know he is too busy to devote his personal attention to the working of each Ministry. But he must evolve some procedure whereby each Financial Adviser should submit to him a periodical report as to what he is doing and how and why the

Ministries have exceeded the estimated expenditure. The budget estimates that are placed before the House are prepared with care and by all means Ministries should be able to meet their expenditure within the estimated amount. This is a matter which requires the careful consideration of the hon. the Finance Minister. He has now got a Deputy, so that he cannot say that he has too much on his hands. I do not know what work he is going to entrust to him. If you keep on saying that this is the usual practice, I am afraid no improvement in our finances can be brought about. He should evolve some methods to see that the supplementary demands are restricted in future to the absolute minimum and for items which are of utmost necessity. You are summoning conferences of Ministers of the various States half a dozen times a year. The other Ministers and the Financial Advisers are at your very doors. The Finance Minister can easily call them to a conference and give them a piece of advice, if it is really needed. If necessary he can send them a circular also. I would also request the hon. Minister to pay some heed to our advice, and take them into consideration for what they are worth. It is no good brushing us aside saying that it is not practicable to follow our suggestions. It is time some new method is evolved for the betterment of our finances.

Now, I come to the specific item of Rs. 98,000 under supplementary food. No doubt, in a Budget of three hundred and odd crores this is a small sum. This has been brought as a new subject under the head 'Ministry of Food'. But we all know it is not a new subject. We know that last year a sum of Rs. ten lakhs was provided; out of this Rs. six lakhs of this country's good money was wasted. Did the hon. the Finance Minister ask for a full account of the experiment tried by the Food Ministry and the wastage of Rs. six lakhs? I know sweet potatoes had to be thrown out in Bombay. When the Food Minister has come forward with a demand for Rs. 98,000, should not the Finance Minister ask for a full account of the previous experiment?

I have great respect for the members of the All India Women's Council for the work which they have undertaken in connection with the supplementary food. But I would request them to go to the fields and see that the procurement is properly done. Thereby they will be doing a distinct service to the country. What is the good of opening a can-teen of the supply of supplementary foods made of banana or tapioca, which does not fill the stomach of the

common man. What he wants is something substantial, made out of rice or wheat. Of course, I am not going into the details of it; I will do it at the appropriate time. What I am saying is did the hon. Finance Minister ask the Food Minister for the accounts of the amount obtained last year? (*Interruption*). There are many items in these supplementary demands which should have attracted the notice of the hon. Finance Minister. We know he is vigilant and anxious to improve our finances. But a way should be found out. Mere statements that our suggestions are impracticable in operation or action, does not satisfy me at least. I therefore, contend that these supplementary demands require serious consideration and should not be foisted upon the House whenever it meets. If you want any amount, take them as a lump sum at the time of the Budget, we are prepared to consider them dispassionately.

Shri Goenka (Madras): On a point of order, Sir. Is the hon. Member relevant, in the discussion on the Appropriation Bill, to discuss the pros and cons of supplementary grants.

Mr. Deputy-Speaker: I do not know if the hon. Member was present here when this very point was raised on the Appropriation Bill for Railways. Clause (2) of article 114 of the Constitution says:

"(2) No amendment shall be proposed to any such Bill (Appropriation Bill) in either House of Parliament which will have the effect of varying the amount or altering the destination of any grant so made or of varying the amount of any expenditure charged on the Consolidated Fund of India, and the decision of the person presiding as to whether an amendment is inadmissible under this clause shall be final."

Therefore, it is open to hon. Members to say that this Bill ought to be thrown out for various reasons. It is not obligatory on this House to pass the Bill. That is the provision in the Constitution as well as the practice followed in the House of Commons. No doubt where there is a recognised opposition, the practice is for the Leader of the Opposition to raise a debate in the House on particular points made by the Minister in Charge.

Shri Goenka: In that case how long will you allow the discussion on the Appropriation Bill to go on.

Mr. Deputy-Speaker: The Chair has no right to set a certain time-limit with respect to any Bill and no date can be fixed for a Bill also. If the House sits for a whole month on this it is for the House to decide. Of course any hon. Member can draw my attention to the scope of the discussion, and in view of what the House is able to give me and what I am able to see myself I shall be able to give any ruling on that particular point. That is what I can say as far as I am aware now and having regard to what has been done in the past. With respect to a similar matter raised then by Mr. Sidhva the hon. Minister for Railways raised this very same point. Mr. Sidhva gave an instance of the ruling that was given by the Speaker. I then asked the hon. Minister for Railways if it was necessary for me to give a ruling and he said it was not necessary.

Shri Venkataraman (Madras): Sir may I just invite your attention to sub-rule (3) of rule 139 and say.....

Shri Sidhva: Sir, after your ruling.....

Mr. Deputy-Speaker: No. If I am wrong I shall correct myself.

Shri Venkataraman: Sir, it is not with regard to your ruling. I was going to invite your attention to the rule that the Speaker may if he thinks fit fix a time-limit for speeches in respect of the Appropriation Bill. I would request you to fix a time-limit so that a larger number of Members may participate in the discussion on this Bill.

The Minister of State for Transport and Railways (Shri Santhanam): Sir, I would also like to suggest that though there is no specific rule or ruling on this matter, it is the function of the Chair to promote healthy conventions. In regard to the scope also it will be the legitimate business of the Chair to limit the scope so that the same things may not be repeated. To convert this Appropriation Bill, after discussion of supplementary demands, into a preliminary budget debate does not, I think, conduce to the advantage of an efficient procedure of the House. I therefore suggest that you may take the step to promote a convention, if not to give an actual ruling, and the question of having the necessary rules may be considered later on.

Shri Sidhva: Whenever the Budget is passed the Finance Bill comes and the House takes the Finance Bill into full consideration. Similarly this is the Appropriation Bill. There is the

House of Commons practice to guide us according to the article in our Constitution. And the Speaker has laid down that it is a healthy procedure. But my friend Mr. Santhanam wants a new procedure. Nobody wants to take the time of the House. Let me tell my hon. friend the Minister of State that I am more keen that much more business should be got through than the hon. Minister who is sitting here, when he is not wanted exactly, instead of in his office. We are absolutely within our rights to speak on these matters. A larger number of Members can speak and the debate can go on for two or three days. Rs. 33 crores are being demanded and Mr. Santhanam today comes and tells us that some convention should be established. This is the right of a Member. If it is not going to be allowed now, when is it going to be allowed?

Mr. Deputy-Speaker: I find a difference between the Finance Bill and the Appropriation Bill. There is always a difference between the two. One can talk from end to end with respect to all matters about administration, on the Finance Bill. When the clause by clause stage comes, only those provisions of the Bill laying down curtailment of taxation or increase of taxation—only those relevant matters—will be discussed. So far as the Appropriation Bill is concerned it is limited to the scope of those grants that have been passed. One limitation I can immediately think of and that is that we ought not to stray away beyond those grants that have been made. If there are only five or six grants that have been made yesterday and day before and if this Appropriation Bill confines itself to them, we ought not to go into the other demands or matters of a general nature. The general remarks of Mr. Sidhva can apply to anyone single item of the Appropriation Bill. But if it has been said during the time of the debate on the supplementary demands the same thing ought not to be repeated. I am not in a position to lay down in general terms as to what ought to be the scope of the Bill. But I may at once say that this ought not to be converted into a general discussion of the Finance Bill or a general discussion on the General Budget. That is clear. Also, with respect to those items which have been discussed at length during the previous demands for grants it will not be right to go over the same ground. If at the time of guillotine some matters have had to be passed over, attention of the House may be drawn to those matters and the hon. Minister also may be given an opportunity to explain those

matters. There is a handicap both with respect to the Member who puts the question and the Minister when it is taken away by guillotine. Otherwise I do not think it is necessary for me to lay down any particular rule.

As regards time-limit I shall see how we progress today. I think when we come back after Lunch, at the most it may not take more than an hour including the time for the hon. Minister. But if it exceeds that I shall then consider the desirability of fixing a time-limit, particularly when we have had elaborate discussion over these matters yesterday and the day before.

Shrimati Durgabai (Madras): Sir, may I seek one clarification? Suppose the House votes down the Bill. What will be the effect of our passing the grants yesterday?

Mr. Deputy-Speaker: The hon. Member is as much a lawyer as myself.

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

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

[MR. DEPUTY-SPEAKER in the Chair.]

Shri Sidhva: I had practically finished my speech but in between my hon. friends, Messrs. Goenka and Santhanam took up the time of the House unnecessarily. The House is very much indebted to you, Sir, for protecting the rights of Members on this matter and you have given your views in very lucid terms. Last time also a similar point was raised and the hon. Speaker told them it was the right of the Members to discuss this Bill. I am personally thankful to you for protecting our rights. All I wanted to say, I have said and I was on the point of sitting down when the point of order was raised. I am glad that the ruling has been given. My hon. friend Shri Gopaldaswami also felt and even asked you to give a ruling. Now this matter is cleared once for all. Even though from the commencement my hon. friend, Mr. Santhanam was trying to put up somebody or other to see that no discussion took place, I am thankful to you for your ruling, Sir.

Shri A. C. Guha: Sir, my preceding speaker, Mr. Sidhva, spoke about the procedure of presenting the supplementary Budget. I do not like to take the time of the House by saying anything on that point. I would only

like to endorse every word of what he said and that this is the third supplementary Budget of the year. However, during the last supplementary Budget discussion, there were some points raised by the Members and I am glad to see that the Ministry has taken up some of the suggestions and the notes given this time are somewhat more lucid. Even then I would submit that it would be better for the Department to put in the note the date on which the Standing Finance Committee has passed each demand. This would help the Members to have an easy reference from the Proceedings of the Standing Finance Committee.

About two or three Demands, I have to say something. Demand No. 64 is 'Miscellaneous Departments'. A huge sum of money is being raised by Government and then handed over to some autonomous bodies. This House has little control over the fund thus raised by Government and handed over to those autonomous bodies. I am referring here to the Mines Labour Welfare Fund the total collection of which this year is Rs. 98 lakhs. It means about Rs. one crore and then another fund is the Mica Mines Labour Welfare Fund, which comes to Rs. 21 lakhs. This would give us about Rs. 1.20 lakhs and this money is intended to defray the charges of welfare work for the labourers of the collieries and the mica fields. I am afraid the organizations which are maintaining this fund have become something like pocket boroughs for some privileged persons and hot beds of corruption and nepotism.

The Coal Mining Labour Welfare Fund under it has got one *Kamin Kalyan Sanstha*. The head of the welfare organization is a lady who is hardly a Matriculate and has no experience in welfare or social work and she has no diploma in labour, welfare or social work from either of the two institutions in the country, that is, the Calcutta University or the Tata Social Welfare School. So this organization has become practically the monopoly of some of the privileged persons and they are using the fund as they like.

Forty-five per cent. of the fund is being collected from Bengal collieries, that is collieries situated within the jurisdiction of West Bengal Government. I am constrained to say that the fund is not utilized, at least to the tune of 45 per cent., for the benefit of the people concerned from whom the fund is collected. I would like to draw your attention and the attention of the House as to the way in which these autonomous bodies are handling huge sums of money. Recently there

[Shri A. C. Guha]

has been some debate in this House about the Damodar Valley Corporation. That is not the only case where these autonomous bodies have been simply playing with huge sums of money. I would like that there should be adequate control of this House over the fund. I am quoting here from the *Coalfield Times* which is published in Dhanbad:

"One of the causes of failure of this organisation is its policy of appointment, whoever may be responsible for that policy. For many of its high posts candidates have been selected not on merit but for some other reasons. Vacancies are not always advertised and appointments are seldom made through the Public Service Commission. Even the help of the Employment Exchange is rarely taken. We have reasons to believe that very recently some twenty-six appointments have been made without the help of any selecting authority other than the Fund's own bosses. At least so is the rumour. The Advisory Committee may try to ascertain the truth."

The head of this organization is a Provincial Civil Service officer and the second man is an Engineer and none of them has got any experience in social or labour or welfare work.

Then, I would like to refer to another item. Demand No. 70 which refers to.....

Shri C. D. Deshmukh: On a point of order, Sir. I understood the ruling in connection with supplementary demands to be that any matter of new policy, if it was not discussed before, was to be brought up. That was in connection with supplementary demands and I take it that the same applies to the Appropriation Bill. Now, the criticism which the hon. Member is making is a criticism which relates to a policy which, I have no doubt was before the House in the course of the previous Budget discussions, so that I was wondering whether it is in order for him to raise the question of whole policy in regard to all these bodies which he has criticised.

Shri A. C. Guha: May I submit, Sir.....

Mr. Deputy-Speaker: I think the hon. Member was referring to the manner in which the funds were being spent by appointing persons who would not be able to discharge their work properly. Now, it is a matter of

policy as to whether welfare officers are to be appointed or not. During the course of the year, whenever supplementary demands come in, either by way of excess grants or referring to new items of policy, those items which have been discussed ought not to be discussed again. If there is excess expenditure for which sanction is asked, over and above what could be appropriated from one minor head to another minor head, that also comes under this. Under those circumstances, we can see whether the money could have been spent more economically or not.

Shri C. D. Deshmukh: My point is that this particular appropriation represents amounts transferred from one account head to which it was originally credited, to the fund. It does not represent expenditure from the fund. The fund is not under our control. What we are doing is, we have collected the money and credited it to one head. Because credits to that head were larger than were anticipated, we have to make further debits now than were originally anticipated. This excess is only a purely accounts adjustment.

Shri A. C. Guha: My submission is that huge sums of money are handled by these bodies—the transfer is all right—and the House, I think, is entitled to know how the money is being utilised, whether it has been properly utilised or not. Huge waste of public money is going on under the garb of having so many autonomous bodies; huge sums of money are collected by Government and handed over to them and they are playing with the money.

Mr. Deputy-Speaker: I can only say that all this could be said even at the time of the Budget. That is not a new thing now and it ought not to be repeated. The policy has already been laid down. Whatever could have been said then ought not to be said now. But, during the course of the year, leading to this appropriation, if a particular amount has been spent in a particular manner, so far as that is concerned, it can be said that it has not been spent properly and that more economy is necessary. But, opportunity ought not to be taken merely because there is some item here. It is only a formal one. In view of decisions already taken, we have to credit some more money to this fund. Under these circumstances, I think we will be straying away far in having a general discussion of the manner in which the welfare fund is spent.

Shri A. C. Guha: I am not going into the general manner in which.....

Mr. Deputy-Speaker: He may start with this that there must be greater scrutiny of these funds directly by the Finance Minister if possible. Beyond that, going into the details of the funds, and going into the policy, I do not think, arises.

Shri C. D. Deshmukh: For your information, Sir, I may say that scrutiny cannot be made by the Finance Minister. We are not in charge of the disbursement of these funds. We are in charge only of the head of account to which these sums are debited.

Mr. Deputy-Speaker: I think what the hon. Member says is that there are a number of independent organisations to which contributions are made from the Centre. Take, for instance, the Banaras Hindu University or the Council of Scientific Research. These are all autonomous bodies and moneys are appropriated to those funds. The hon. Member evidently wants to suggest that there must be financial control at the Centre, for auditing, checking, etc., to find out how the money is actually spent. Otherwise, Parliament has no chance of finding out through its own reliable authorities whether it is worth while to continue the contributions. That is all that the hon. Members means, I think.

Shri C. D. Deshmukh: I am at a disadvantage. On account of this ruling being new, the Ministers who are in charge of the administration of these funds are not here. It is quite impossible for me to give an answer as to the way in which these funds are administered. For aught I know, they are administered without the defects that the hon. Member is pointing out. I do not know. Therefore, he will have made some statements which we shall not be in a position to traverse. Because of the course which events have taken this morning, I wish to make this point.

Mr. Deputy-Speaker: I would suggest, that though this is only an Appropriation Bill, and primarily, as the spokesman of Government, the hon. Finance Minister is in charge, every other Minister to whose administration these Demands relate, ought also to be in his seat here and not leave the Finance Minister all alone. He cannot be omniscient though he is in charge of the fund and he cannot be answerable to Parliament. Parliament expects that every demand will be justified by the appropriate people being here and not throwing the entire responsibility on the Finance Minister.

Shri C. D. Deshmukh: What I said was, they were present when they expected that the matter would be discussed in connection with supplementary demands. I have no doubt that in the future, following this ruling, they will make it convenient to be present; it will be their duty to be present. All I can say is that the ruling was given only in the course of the morning and it has not been possible for them to arrange to be present.

Mr. Deputy-Speaker: I was only repeating a ruling which had already been given. Last year, it was given by the hon. Speaker. Anyhow, they did not anticipate that they would be required today. All right. Hereafter, I would suggest that the hon. Finance Minister would do well to inform the others that they must be present here. If possible, next year, God willing, we shall see that, out of these various items, hon. Members who want to raise a debate on a particular matter, will give notice so that the Ministers in charge may be here to explain. Even then, if the Minister in charge is physically present, it is not as if he carries all the information. He may have to look into some papers. Instead of springing a surprise on the hon. Minister, in order to have more information from the hon. Minister, it will do well if Members who want to speak on a particular matter will note down the points, and either informally or formally send them to the hon. Finance Minister who will circulate them.

Shri C. D. Deshmukh: With due respect, I think that would be far more convenient. Because in a sense, this really revises the guillotine. If we had some kind of previous notice that Members feel that on account of the operation of the guillotine, they have not been able to pay attention to or to ask questions in regard to certain items, and that they would take the opportunity of the Appropriation Bill to bring them forward, we should consider it our duty to be well prepared.

Mr. Deputy-Speaker: We may follow that procedure later.

Shri A. C. Guha: Then, I take up another item, that is Demand No. 91 for the Tripura State. For three years now, this State has been integrated and its administration has been taken over by the Government. Since then, there has been no improvement in any direction; but recently, there has been rather a definite deterioration as regards law and order. Only last month there were fourteen cases of kidnapping by communists: here is a list of 14 names, Shri Arjun Kumar Dev

[Shri A. C. Guha]

Burman and 13 others who have been kidnapped by the communists in the last few weeks. This state of things has been going on in the State for some time. What is the action taken by the Government? It is only to take away all the gun licences from the peaceful and law-abiding people. Whereas the subversive elements have been getting their arms and guns and using them against the law-abiding citizens, Government has been taking away all the guns and gun licences from the peaceful people. The people are helpless and are at the mercy of these subversive elements. Government has come here with a fresh demand to improve the administration of the State. The whole administration has been dominated by absolute suspicion and distrust of the popular elements. The administration is in the hands of a few officers—some of them are supernannuated and is carried on without any popular element. The result is, there is no popular element to counteract these subversive elements and the communists. There has been a total breakdown of law and order. I only expect that the Finance Minister would convey this to the proper quarters to see that proper steps are taken so that law and order in that State is restored.

Another item on which I have to make a few remarks is Demand No. 70—Territorial and Political Pensions. I understand that pensions given to the ex-Rulers of the Indian States are to a certain extent to be recovered from the territories with which those States have been merged, or from the territories themselves where they have not been merged. I find that the total amount given during the years comes to about Rs. 3,97,89,000 by way of pensions to these ex-Rulers, and there have been certain recoveries from the total which comes to Rs. 1,17,92,000. There was an additional and subsequent recovery from Rajasthan of Rs. 48,68,000. This leaves a total loss of Rs. 1,91,29,000 for the Central Government. I do not know how long the Government will bear this loss according to the procedure adopted by them. The procedure stated in the footnote seems to be very ambiguous. The territories have to reimburse in 1950-1951 to the Central Government the payments of privy purses made by the latter, to the extent of the surplus accruing to them. That means if the authority running the administration of the State has left no surplus, the Central Government will have to continue bearing this loss. This is a very bad and unsatisfactory arrangement. If I have understood the meaning of the clause correctly, that will be the result; the

Government of India will have to bear the cost of the pensions of these ex-Rulers.

In conclusion, I like to revert to my submission to the Finance Minister regarding funds handed over to autonomous bodies; and what he has just now said regarding his position as regards the handling of these funds, makes my contention all the more serious. It has been practically admitted that he has no control over the funds handed over to these autonomous bodies and that effective steps should be taken to see that these funds are rightly handled and utilised for the purposes for which they have been allotted.

Shri Venkataraman: Under demand No. 81—Resettlement and Development—Rs. 23 lakhs, a sum of Rs. 1,98,000 has been asked for in respect of Agricultural Labour Enquiry. This enquiry was intended to find out the data and materials for the purpose of fixing the minimum wages of agricultural labour, and the Minimum Wages Act, 1948 prescribes that the minimum wage should be fixed within the terms of that Act, that is, on or about the 15th March, 1951. Originally the Government of India intended to conduct the enquiry into 2,000 villages and asked for a sum of rupees ten lakhs for the purpose of conducting this enquiry. Subsequently the number of villages has been reduced to 800 but the amount required for the enquiry has been doubled, from Rs. ten lakhs to Rs. 20.34 lakhs. The hon. Minister of Labour in reply to my question No. 1337 which I asked on the 9th February of this year said according to the present programme, the field work is to be completed during the first half of 1951. Therefore when the enquiry is completed, the minimum wages would have long since been notified or fixed under the Act and so it would not serve the very purpose for which this enquiry is being conducted or was intended to be held. I am also not sure if Government will not come forward for a further extension of the time prescribed under the Minimum Wages Act, saying that the Minimum wage for agricultural labour should be fixed only after one more year. But as it is now, we will be very carefully locking the stable after the horses had gone. If the minimum wage is fixed by the 15th March 1951 and if this enquiry is concluded only in the middle of 1951, then any amount that we spent or vote for the purpose of the enquiry would be a waste. My intention is not to oppose this grant, but only to bring this matter to the notice of Government that this enquiry has been going on in a very tardy fashion. It has been very slow

and there have been numerous changes in the methods. The statisticians, not unlike the proverbial phrase about lawyers and doctors, are also differing and disagreeing among themselves. One set of statisticians attached to the Ministry of Labour have pronounced one method or type of enquiry as most suitable for this purpose and they conducted it accordingly. But now another set of statisticians attached to the Cabinet Secretariat seem to have said that that type of enquiry is not suitable for this purpose and have suggested another. The result of all this has been that the enquiry has been delayed. Money has been spent in large sums and the result of the enquiry will not be available before the minimum wage is fixed. No statistical data is going to be available when fixing this minimum wage. Therefore I am anxious that Government should, within the very short time available to them now, make such use of the materials as they have already gathered and use them for the purpose of fixing the minimum wage so that the money spent on the collection of these data may not be wasted.

Shri A. Joseph (Madras): I have also to make a few remarks relating to Demand No. 81, bearing on the question of agricultural labour. I would like, first of all to enquire of the Government of India whether before arriving at a decision on this matter, they consulted the various State Governments also, as to the manner of conducting this enquiry about the minimum wage for agricultural labour. I find that about Rs. 2.5 lakhs have been spent on this enquiry. What is the result achieved? What has been the result obtained after spending this much of money? And thirdly, I would like to know when the report of this committee will be available to this House.

I have to bring to the notice of the House that there has been a complaint that this enquiry or those who are conducting it are not doing it in the interest of the labourers. And there has been consequently some agitation on this issue. I would therefore like to request the hon. the Finance Minister and also Government to see that this enquiry is conducted in the proper manner and also that it is finished before March, at least before the elections.

Shri M. L. Gupta (Hyderabad): A good deal of protest has been voiced in the House on the fact of having put supplementary demands thrice in the

current year; but I am not sure that that is the end of it. We have it in the note that:

"As a result of further discussions, the revenue gap of Mysore and Hyderabad Governments has been fixed at Rs. 3,45,00,000 and Rs. 1,15,71,000 respectively."

The latter figure requires one or two minor adjustments, and I do not know whether these have been included in this Budget or will be included in the next one. The subvention to which the States Ministry has agreed to has to be actually Rs. 1,35,00,000 and we have only included a sum of Rs. 1,15,71,000. That is one thing. Secondly I feel that this amount is not at all adequate in the case of Hyderabad. Hyderabad is demanding much more, about rupees three crores and I also feel that they are justified in demanding more, especially because of the policing and other duties which we have thrust on them, especially the top heavy administration. It has been a burden on the Hyderabad budget. In two years Hyderabad had to spend on these civilian officers nearly rupees four crores. Apart from that the policing of Telengana costs annually Rs. 3.75 crores which also is thrown on the Hyderabad budget. That means that on these items annually we are shouldering a burden of nearly rupees five crores. On the other hand a sum of Rs. 3.83 crores has been deducted from our revenues in the shape of taking away of returns from income-tax excise and railways. These are the figures which I have gathered from the Government.

3 P. M.

In view of all these facts I submit that our budget will not be able to bear the strain. We are finding that our essential services like health and education are suffering greatly because we are not able to meet these demands amounting to rupees five crores annually. We have already been put to a loss amounting to rupees eleven crores, but it would not be proper for me to discuss its details here. I do ask the hon. Finance Minister to enlighten me on this one point: why has this amount of only Rs. 1.15 crores been included here and not Rs. 1.75 crores? How does Government expect us to carry on with the reduced revenue and now can we redeem the unhappy condition of the people of Hyderabad who are carrying a great burden at present?

Shri T. N. Singh (Uttar Pradesh): At this stage I do not think it is proper to go into the details of the various grants, but one thing which I wish should be stated is my own apprehensions regarding the whole method of estimating. I feel, somehow or other, that there is some defect on account of which we are unable to keep what is called a very strict control on expenditure. The huge total of Rs. 33 crores consists of various items. And in it are certain items which do commit the Government to further expenditure in the future also. I would, for instance, draw your attention to the item under 'Industry and Supply'. We are giving a certain subsidy to the Eastern Shipping Company for running three of our ships. That Company seems to be running at a loss. Of course, we all agree that in the national interest the mercantile marine should be kept up. But we are making stop-gap arrangements to continue this thing somehow or other. It is but proper that we should make up our mind in what way this concern should be run. If it is going to be made a State concern, better do it straightaway. Why go on keeping the whole position fluid from year to year and come in for supplementary grants on these accounts? Similarly, if one scrutinises the list it will be found that other extra commitments have come in. Take, for instance, the continuation of the Commerce Department staff. There for the convenience of our importers and also for administrative efficiency, we have decentralised the administration to the various ports. But at the same time we go on keeping the existing staff. It would be clearly known to anyone who looks into the papers that this was not anticipated before, but somehow or other we go on continuing the staff. At least it should have been easy to anticipate that overnight this staff will not be done away with—you cannot just throw them out. But at the time of making the estimates that anticipation is not made, it is not accounted for, and the House passes the grant in the hope that that is all that will be spent. Later on you make a discovery that the staff will have to continue and you ask for this additional sum. All these things are easy to anticipate and they should have been anticipated. I do not grudge the expenditure I have nothing to say against it. After all, if the work has to be carried on the money has to be spent. But why was it not possible to anticipate it? And why did you not provide for it straightaway?

Shri C. D. Deshmukh: I did not quite catch which staff the hon.

Member is referring to. Import control?

Shri T. N. Singh: Yes, I am referring to the Import Control department. I am dealing only in general terms. I have quoted it only as an instance, but if one goes through the details of the demands for which appropriations are before the House, I think several more instances can easily be quoted.

I think the Finance Minister who has had a very varied and wide experience of matters financial should give his personal attention to this fact. In the previous year's Budget also because perhaps of wrong estimating, incorrect or inaccurate estimating, Government have had to come up for supplementary grants. I would ask the hon. Minister to look over the previous years' budgets and the supplementary grants that were made which in some cases had ultimately to be surrendered entirely—in some cases amounts surrendered were greater than the supplementary grants. Therefore, I want, firstly, that a proper scrutiny should be made into the method of our budgeting. Secondly, in all expenditure that is incurred care should be taken to see that it does not commit us to still further expenditure later on though at the moment it is described as temporary. We all know, and I think the hon. Finance Minister also knows, that there are certain things which in the beginning appear to be measures of temporary expenditure but which slowly and gradually become permanent items of expenditure and permanent burdens on the State finances. All this has to be very carefully looked into. That is my one humble request. The Finance Minister should kindly look into these things and see whether we can do something to improve our estimating procedure and also see to it that things which begin as temporary do not ultimately end up by becoming permanent and committing the House in this fashion.

Shri Rathnaswamy (Madras): I want to say a few words on Demand No. 24—Food. I find that only a paltry sum of Rs. 1,000 has been provided for the All-India Women's Food Council. I have been closely watching the laudable activities of this Women's Food Council and I should like to take this opportunity of congratulating those brave women who want to demonstrate to the country that they could be better than men. The canteen that has been organised in Delhi, called *Annappurna*, has

already become very popular and encouraging. I understand that they wanted to start one other cafeteria in Bombay but they failed because they could not get suitable premises and also the necessary financial facilities at the hands of Government. It is not enough if these cafeterias which encourage and educate people to take non-cereal food, are set up only in urban areas. I wish that they are spread all over the country, particularly in the rural parts.

I had an occasion to go through some of the very good and laudable programmes of the All-India Women's Food Council. They also want to take up some propaganda in various parts of the country and I was told that they are lacking several facilities. They would also require some more financial assistance at the hands of Government, so that they could implement their programme. I understand that they require some propaganda vans to go about in the rural parts and also areas where there are labouring classes to advise them to take to these non-cereal articles. Therefore the sum allotted for this purpose is not sufficient to encourage this very laudable organisation which has come out to carry on some very useful and instructive propaganda and to co-operate with Government in tackling the food problem which is staring us in the face today. I do not want to say anything more except to appeal to Government to show a little more encouragement and give more assistance to this very good organisation.

चाँधरी रनबीर सिंह : जहाँ तक सेंट्रली ऐडमिनिस्टर्ड एरियाज (Centrally Administered Areas) का ताल्लुक है उस के अन्दर जो इन्तजाम है वह बहुत टाप हैवी (top heavy) है। दूसरे प्रान्तों के मुकाबले में उस में जितनी भी बढ़ोतरी की मांग जब भी आये, उस में मेरा मंत्री महोदय से यह कहना है कि वह उस के ऊपर खास तौर से ध्यान रखें। अब मैं आप का ध्यान डिमान्ड (Demand) नम्बर ८८ की तरफ दिलाता हूँ जो कि बिलासपुर के लिये है। उस के अन्दर गिरदावर कानूनगो, कुछ पटवारी और दूसरे क्लर्क वगैरह की तनखाहों के लिये अट्ठारह

हजार रुपया मांग है और वह अट्ठारह हजार रुपया भाखरा डाम के नाम से मांगा है। भाखरा डाम का अगर कोई काम होता है, और उस का खर्च बढ़ता है तो भाखरा डाम के खाते में जाना चाहिये था। बिलासपुर के खाते में भाखरा डाम का खर्च कैसे आया और किस तरह बढ़ा यह मेरी समझ में नहीं आया। मेरे खयाल में बात ऐसी है कि शायद मुजावजा वगैरह देने के सिलसिले में जमीन की माप के नाम से यह रकम मांगी गई होगी। जिस काब को वहाँ का एग्जिस्टिंग स्टाफ (Existing Staff) कर सकता था। यह सोच कर कि भाखरा डाम एक बड़ा भारी बांध है कुछ को नौकरी मिल जायगी, कुछ गिरदावर बढ़ जायंगे, और लोगों को तरक्की हो जायेगी शायद यह इस के खाते से मांगी गई है। इस के लिये अच्छी तरह ध्यान रखना चाहिये और सोच समझ कर बढ़ती की जाये। आप सेंट्रली ऐडमिनिस्टर्ड एरिया के किसी भी काम का मुकाबला किसी प्रान्त या स्टेट से करें तो देखेंगे कि ऐसी एरियाज के मुहकमों में जो स्ट्रेंथ (Strength) है हालाँकि वह शायद स्टेट के किसी तहसील के बराबर हैं या कई जगहों में जिलों के बराबर हैं लेकिन जहाँ तक उन के खर्च का सवाल है वह एक प्रान्त के बराबर का खर्च होगा। इसलिये मैं ज्यादा नहीं कहना चाहता हूँ केवल यह प्रार्थना करना चाहता हूँ कि सेंट्रली ऐडमिनिस्टर्ड एरिया का जो भी खर्च बढ़ाया जाये उस को अच्छी तरह से स्क्रुटिनाइज (Scrutinize) कर के करना चाहिये।

(English translation of the above speech)

Ch. Ranbir Singh: So far as the administration of the Centrally Administered Areas is concerned, it is too top

[*Ch. Ranbir Singh*]

heavy. Whatever increase in the budget may be asked for by them as compared to other States the hon. Minister should. I submit, pay special attention to it. Now I want to draw your attention to Demand No. 88 which is for Bilaspur. A sum of eighteen thousand rupees has been asked for in that Demand for disbursing the salaries of *Girdawars*, *Quannungos*, *Patwaris* and clerks etc. and that amount is asked for in the name of Bhakra Dam. If the work pertains to Bhakra Dam, and its expenditure increases, it should have been included in the Bhakra Dam account. I am at a loss to understand as to how the expenditure for Bhakra Dam has come to be included in the account of Bilaspur and how the amount has increased. I think perhaps this sum has been asked for paying compensation etc. with regards land survey. This work could have been done by the existing staff of Bilaspur. Perhaps this demand has been made on the Bhakra Dam account for the reason that it being a big dam project several people would get jobs, the number of *Girdawars* would increase and there would be promotions. Special attention must be paid to this and the proposed increase in the expenditure should be sanctioned after careful consideration. If you were to compare any field of activity of the Centrally Administered Areas with that of any State you will find that although the strength of their establishment is perhaps equal to that of a Tehsil or at the most of a district of a State their expenditure is equal to that of the State. I do not want to say anything more but wish to submit respectfully that whatever increase is made in the expenditure of the Centrally Administered Areas it should be done after thorough scrutiny.

Shri Kesava Rao (Madras): I want to speak on Demand No. 48. We have very often brought to the notice of this House that the money spent on education in the country is very little. In the Explanatory Memorandum it is stated that this amount of Rs. 1,80,000 was intended for paying scholarships. I am aware that this year we received about 7,000 new applications for scholarships from the scheduled castes, scheduled tribes and other backward communities. In spite of the Government grant of Rs. 13,40,000 we are not able to give more than a few hundred scholarships. I want to draw the attention of the House to the fact that in 1947 there was a resolution in this House moved by Mr. Muniswami Pillai, an ex-Member, that the Government of India should spend at least a

crore of rupees for the education of these backward classes. At that time there was another amendment to the effect that the amount should not be limited and Government promised to see that more money would be spent if necessary. From my experience of two years as a member of the Scholarship Selection Board I find that the money given towards these scholarships is very inadequate and now in spite of many representations by many Members here the Finance Minister has been pleased to raise the Rs. ten lakhs to Rs. 13.4 lakhs. In spite of that we are not able to satisfy the demand from the various people. I think the Finance Ministry has treated the Education Ministry in a step-motherly way. The country, especially the backward classes, the scheduled castes and tribes, require more money for their higher education: I wish at least in the coming Budget we will expect that more money will be given towards the education of these classes.

Shri C. D. Deshmukh: I do not know whether Mr. Sidhva is allergic to supplementary demands or to supplementary foods. So far as the demands are concerned I do think that in his zeal he has been somewhat unfair. So far as supplementary foods are concerned there has been a vindication of the efforts that are being made in the speech of an hon. Member over there. I have not myself given a trial to *Annapurna* but I have had very good reports and I do think that the small sum we have allotted for that expenditure will be well spent. After all there is no comparison between the previous experiments which were on a somewhat larger scale and this modest experiment of interested women, especially in popularising supplementary foods. I do not know whether Mr. Sidhva has read reports that have been put out by this All-India Women's Food Council. If he has not I would ask him to glance through them at least once, before he makes up his mind that this expenditure is a waste of money. Anyway, the fact that he disagrees with the Finance Minister or the Government which incurs the expenditure is really no ground for coming to the conclusion that the Finance Ministry does not apply its mind to expenditure of this kind.

There is always room for difference of opinion in matters of this kind and I can only assure him that no new expenditure—be it big or small—is ever agreed to by the Finance Ministry without careful scrutiny. I should

like to add that his remarks imply also a certain amount of injustice to the Standing Finance Committee. They go through most of these items of new expenditure and comb them and nothing that is not worth while is ever permitted by them, as far as it is humanly possible, to get into these supplementary demands or in the new schemes for which provision is made in the Budget.

Shri Sidhva: I was referring to the check-up of the Financial Advisers in the Ministries and not to the Standing Finance Committee.

Shri C. D. Deshmukh: If he will allow me to continue, I shall come to the Financial Advisers also. I had not finished.

Mr. Deputy-Speaker: The Hon. Minister stated that the Standing Finance Committee 'comb'. Sometimes, they not merely comb but they 'axe' also.

Shri C. D. Deshmukh: Sir, I am habitually in favour of understating matters.

Coming now to the supplementary demand, I do not quite know what the grievance is. I believe that in the previous years the complaint was that the supplementary demands were brought in at the last moment towards the end of the year. In order to correct that state of affairs, we started bringing up the supplementary demands as soon as it became apparent that additional expenditure might become necessary and therefore the supplementary demands have been spread over three sessions. That is now made the basis of the complaint. It is said that there are too many supplementary demands and that they are too frequently brought forward. I should imagine this kind that the only justifiable criticism would be at this stage—at the stage of the Appropriation Bill—to say that after a scrutiny of the supplementary demands the House has come to the conclusion that much of the expenditure was unnecessary and that in order to uphold the prestige of the Government they had more or less to agree to it very reluctantly, and otherwise had they had the opportunity of saying 'No' they would have said so. I think that an examination of the supplementary demands that were brought forward on these three occasions will prove that nothing like this can be substantiated. I can sit for hours going through each individual item and justify it, but I would merely like to mention a few of them.

In the first supplementary demand, we had asked for Rs. 15 crores for

starting the new Contingency Fund. I do not think Government could be blamed for bringing that forward. The other one was for opening new post offices in accordance with an undertaking given by the Minister of Communications in the House in the course of the Budget. I cannot see how human ingenuity can provide for estimates of that kind. That thing arose after the Budget discussions. In the next lot of demands, I think the bulk was made up of additional military expenditure. I think this was a very large item—something like Rs. 20 crores. That reflected the judgment of the Finance Minister of the time and he took a certain amount of, shall we say, optimistic risk and imagined that perhaps in the course of the year circumstances would take such a turn that the expenditure could be confined within the limits that he had first set for it. Well, circumstances did not quite take that turn and it became necessary to pay for the staff and the stores and other items which we had to keep up in the interests of the security of the country. The House readily accepted that demand as far as I know and therefore we cannot now be blamed in retrospect for asking for that money.

Now, I come to the present list of supplementary demands. This figure of Rs. 33 crores has been flung into our teeth from time to time by more than one hon. Member. Now, if they have given any kind of study to this, they will find that the bulk of it is made up of items which have been foreseen. The largest item is Rs. 14 crores on account of food subsidy and food bonus. Now, I wish that we could forecast the course of the monsoons and seismographic disturbances. Unfortunately, we cannot do that. There were earthquakes, floods and other things and our crop production was very much less than what we anticipated, with the result that we had to import much more food and the subsidy according to the formula we had already in operation had to be increased. Then there is the other large item of wheat obtained in exchange for hessian goods. We imposed an export duty on hessian and that resulted in the 'booked' price of the imported wheat which had to be sold at the agreed price to the ration-holders and this involved the payment of additional subsidy. That makes up Rs. 14 crores. Then there is a payment of Rs. two crores and 63 lakhs, which is pre-partition debt—again another item which could not have been foreseen for the reasons that have been given there. There is another item of capital outlay on civil works. I would

[Shri C. D. Deshmukh]

invite Members' attention to the explanations given. That makes the total of Rs. 19.88 crores out of Rs. 23 crores. There are various other items including those which were already passed and which therefore, I take it, were fully approved. So, in round figures it comes to about Rs. 20 crores.

Then, in regard to the charged expenditure the whole of it is very clearly explained in the explanations given under the demands concerned and only a glance at those statements is necessary to convince Members that the expenditure could not have been foreseen. This makes up the total of about Rs. 30 crores, and leaves only a supplementary demand of Rs. three crores at the end of the year. I can understand Members criticising general defects in budgeting, estimating and so on. But I think that they have hung the reflections on the wrong heads. As the Minister in charge of finance, I would always be with Members who require, if I may say so, some more perfection in budgeting and estimation. There are two tendencies. There is sometimes a tendency for under-estimation which is due to lack of care, or there is a tendency for over-estimation which is due to something else.

Shri A. C. Guha: What is that 'something else'?

Shri C. D. Deshmukh: Whatever that may be, we have to cope with both these tendencies. We are gradually tightening up our control and I believe this year we have already circularised the Ministries that we would not be so ready to acquiesce in any supplementary demands that they may put forward. But then, this places a responsibility on us in ensuring that we have fair estimation for them. What happened last year was, I believe, that the 10 per cent. cut was imposed in the fond hope that somehow this saving of 10 per cent. would materialise. Actually, no active steps were taken to spell that out in definite and concrete measures. This year we have taken a little more time and tried to find out how exactly and in what specific matters economy can be effected and it is my hope that at this time next year whoever has to bring forward the supplementary demands will not have to face the House with such a long list of supplementary demands.

Now, I come to the Financial Advisers. Mr. Sidhva apparently wishes them to be an amalgam of Advisers, Accountants and Auditors.

An Hon. Member: And astrologers.

Shri Sidhva: I did not say that.

Shri C. D. Deshmukh: The hon. Member did not say that, but what he said implied that,—if not in addition a body of astrologers; as the hon. Member behind me says. Actually, they are Advisers and their principal concern is to advise on any new schemes that are being formulated or on the financial aspects of any policy that is currently being followed. The main responsibility for controlling expenditure primarily rests with the Ministry itself and in many cases it is not easy to control expenditure by us alone. It is not like a slot in the machine. Expenditure is booked all over the places; then it comes perhaps three months afterwards. You see a picture of it in the first or second quarterly review. We are always catching up with excess expenditure. There are of course items like travelling allowances, contingencies and stationery which are amenable to a little closer control. Since some of the economies that we hope to effect this year will be under these categories, I am arranging that every Ministry will maintain a cell for booking this expenditure and watching over it as we go along. I am also making arrangements for returns to be sent to the Finance Ministry, so that Finance would know which Ministry is overspending its allotment from time to time and it would be in a position to take the necessary steps. I think I have now dealt with the points made by Mr. Sidhva.

Then I come to Mr. Guha. As I have already submitted, it is not possible for me, at least with this meagre state of preparation, to be able to answer all the conundrums that he has raised. It is possible that there is room for improvement in the administration of the funds that he has referred to. I am not in a position to say how far his allegations are correct. All I can undertake to do is to draw the attention of the hon. Minister concerned to his observations. Here again, in so far as avoidance of waste is concerned, I am at one with him, and if there is any scope for spending the money more usefully and for avoiding monopoly and nepotism, well, I shall exercise whatever influence I have in securing that.

Shri A. C. Guha: May I interrupt the hon. Minister? My complaint was about the general control of Government over funds handed over to autonomous bodies. For example, the Central Tea Board gets about 98 lakhs or one crore. Such grants should be

scrutinised regularly under the control of the Government of India.

Shri C. D. Deshmukh: That I think is implicit in what I said. I do not exactly know what methods the Ministry concerned uses in scrutinising the expenditure incurred by those bodies. I am sure that if they make investigations in accordance with the suggestion made by my hon. friend Mr. Guha, they might devise some better mechanism for controlling this expenditure, if any waste has been due to slackness in that regard.

In regard to Tripura, again, I can only convey his observations to my hon. colleague. I do not know anything about the spread of communism in Tripura or the deterioration in law and order situation in that State. I have no doubt that in the light of his remarks they would make such enquiries as they think are necessary in order to effect an improvement.

Mr. Deputy-Speaker: I believe that this matter was referred to at the time of the Budget—that is my recollection.

Shri C. D. Deshmukh: If that is so, he is knocking at an open door.

Shri A. C. Guha: These are recent occurrences.

Mr. Deputy-Speaker: Somebody referred to withdrawal of arms licences in border areas.

Shri C. D. Deshmukh: In that case I have no doubt that a note has already been made.

Then there was the question about the Agricultural Labour Enquiry. I happen to know something about this.

Shri A. C. Guha: I raised another point about the recoveries of pensions and annuities given to the ex-Rulers. The foot note is not clear; the language is very ambiguous.

Shri C. D. Deshmukh: Recoveries are made from the States after some time, so that there is bound to be some time-lag between what is payable by us and what is recovered from the States. But if we find that by this arrangement we are bearing a great deal of the liability without being compensated by the States, then, I am sure we shall have to devise some kind of measure to see that the States pay up their liability properly. I do not think that matter should present unusual difficulties, because we also have to make payments to States or

give them grants and assistance in some form or other. So, I should imagine that if any adjustment is called for, it should be easily possible.

Now, in regard to the Agricultural Labour Enquiry, as I was saying, I am aware that in the beginning it was started with proper statistical advice. That was at a stage when the Central Statistical Office had not come into being and the Statistical Adviser to Government had not been appointed. When he was appointed—I think it was about a year ago—his attention was drawn to the forms devised for this enquiry and he suggested that it might be better if the Labour Ministry employed a properly qualified statistician for devising them. So a competent statistician was selected and was engaged by the Labour Minister, the forms were revised and then the enquiry started. First one or two pilot villages were selected and then it was spread to about 2,000 villages. I believe the full results are now available. The additional cost is for tabulation of the results. The mass of material that has been gathered is very considerable, but I think it will be conceded that unless the material is properly tabulated, it might as well not have been collected at all. It is unfortunate that there has been delay in compiling the results of the enquiry and in acting on it. That, I think, is a minor point in view of what I am going to say now in regard to the possibility of our bringing the Act into effect. The problem was at one time remitted to the Planning Commission and it struck us that we had perhaps embarked on a social experiment of a formidable character and the idea struck us that this problem might be referred to the Standing Committee of Economists and Statisticians that we have here in Delhi, which includes economists and statisticians not only with the Government of India, but also with the Reserve Bank. They met about three weeks ago and have submitted a report. That report, I think will be circulated to the State Governments in order to invite their opinion as regards the feasibility of giving effect to the Act in some form or other. As far as I can foresee, it will be only in very limited fields that they might consider it advisable to start with the new experiment. There are many difficulties in the way of introducing any scheme of minimum wages for agricultural labour in the various States on a uniform scale, because wages themselves are not of a uniform character. Some of them are in cash, some are in kind; some employment is semi-permanent, some is casual. And to introduce a theoretical scheme in

[Shri C. D. Deshmukh]

such a milieu is really to throw the spanner into the rural works. I think it will create more friction than it will eliminate. I am not giving a final opinion and I am not entitled to, but I am only fore-shadowing the difficulties that will be encountered in giving effect to that piece of legislation.

Shri Venkataraman: May we know whether this is the opinion of Government or are the personal views of the hon. Minister?

Mr. Deputy-Speaker: The hon. Minister is only explaining the difficulties.

Shri Venkataraman: We attach considerable importance to the Minimum Wages Act and we were under the impression that it was going to be implemented by the time prescribed in the Act. We were told that minimum wages would be fixed not only in industry but also in agriculture within the three years prescribed under the Act. Now the Finance Minister is giving agricultural labour in this country a great and rude shock by saying that they are reconsidering the matter, notwithstanding the fact that an Act has been passed by the Legislature of this country.

Shri C. D. Deshmukh: As I said I am not bound to indicate any decision on the matter. I personally know about the affair from the Planning Commission side in addition to my being the Minister of Finance. I also happen to be a Member of the Planning Commission. The matter has not yet come before Government because as I said the report indicating the results has been circulated to State Governments and when their views are received, I have no doubt that due consideration will be given to the matter and perhaps Members who are specially interested will have the opportunity also of seeing the report for themselves.

Mr. Deputy-Speaker: I thought the hon. Finance Minister wanted merely to speak of the difficulties that are in the way of immediately implementing and so on.

Shri C. D. Deshmukh: We are not entering into a discussion on the policy after all. I intended to be factual. By my words, I did not wish to raise any false hopes. If I had merely said that the enquiry is nearly complete, it may have left the impression that we are on the point of introducing this system. I want to be frank at this stage rather than risk disappoint-

ment at a later stage. (*Interruption*). Then there was some reference to Hyderabad's claims. The hon. Member's contention is that we are not spending enough money on this grant. I do not know whether it is the right occasion for waging the claims of a State Government with the Centre, but in any case, not having had any previous notice of this, I do not know in what stage this particular representation is. So far as the particular query is concerned.....

Shri M. L. Gupta: What I said was that a white elephant has been thrust upon us, an administration which cost a great deal of money. I did not say that you are not spending enough. But you are making us spend too much.

Shri C. D. Deshmukh: I say that this is not the place or occasion for joining issue on that claim. The other point which he raised was more relevant. Normally what happens is this. If these minor adjustments which are said to be pending are made during the year, I should imagine that if the expenditure is incurred this year, it will be incurred out of saving. On the other hand, it would be quite feasible to postpone payment to the next year because the next year's budget will have to take care of these adjustments and since we do not know of these adjustments when budgets are framed, then perhaps in that case we may have to come up for a supplementary grant.

Now I come to some of the points raised by Shri Singh. He expressed some apprehensions regarding estimating and said that there was no strict control and as an instance he said: "Look at the huge sum of Rs. 33 crores". As I have already said this expenditure of Rs. 33 crores on proper analysis is reduced to about Rs. three crores spread over about 20 Demands. So, I do not think the controller of expenditure or the expert estimator is estimating so badly as the dimensions of this figure indicates. He made some reference to subsidy to shipping companies and also to the failure of the old Commerce Ministry to anticipate what staff it would require for import control. In regard to shipping subsidy, I am sorry I cannot throw any light, but it seems to raise a matter of policy, which could as well be raised later on in general discussion. In regard to staff, I think the explanation given in the statement is quite candid that at that time decisions had not been finalized and the choice before them was either to make a very large provision which would take care of all possible needs and thus to over-

budget or to make a reasonable provision and take the chance of getting the House to agree to a supplementary demand afterwards. We have taken the latter course but if it is the wish of the House that we should notwithstanding this increase, well, I am afraid, then that would be encouraging the estimating officers not to take a risk.

Shri T. N. Singh: To come in later with the supplementary demand in the hope that the demand will be increased, will this not mislead the House, in a sense?

Shri C. D. Deshmukh: I think it would. What I meant to say was that the estimator has to make some kind of conjecture as to what the decision is likely to be, is it going to be in favour of a certain staff or is it going to be in favour of a smaller staff. This raises alternatives I think and knowing that he would be blamed if he comes for a supplementary demand, he may be tempted to plumb for the higher figure. That is all I say. I do not justify it. I think the estimate should be the best that one can make according to one's judgment but here there is no exact yard-stick for forming the judgment. That is the difficulty, in cases of this kind.

Then I come to the remarks of Mr. Rathnaswami. I support what he said and I think this experiment is a very good experiment in subsidiary foods. Then Mr. Chaudhuri referred to Centrally administered areas and said that greater care should be taken to see that the expenditure is not debited to them, which really ought to be debited to somebody else. I do not think that this is generally true. There may be instances in which there may be difference of opinion as to where the expenditure should be booked. I am not myself convinced that he is right in saying that this might have been booked to Bhakra Dam. I believe it is in connection with measuring the land which is likely to be submerged under Bhakra Dam and therefore, it is a matter which primarily concerns the administration of Bilaspur or Himachal Pradesh.

Then, Mr. Kesava Rao said that the Finance Ministry treated the Education Ministry with step-motherly affection. I do not think that is right. I believe if my colleague the hon. Minister in charge of Education had been here, he would have said that by and large 'Education' has been treated very fairly and I think the House will have occasion to see as the Budget comes along that we have not treated the Education Ministry unsympathetically. One must remember

that while admitting the truth of the statement made that 'Education' is a very important one, one must realize that that is primarily the responsibility of State Governments and not the Central Government. The Central Government has rather a restricted scope of interest in educational matters, relating to universities, research, training and so on.

Shrimati Durgabai: The Central Government have committed themselves to universal compulsory adult education in the Constitution.

Shri C. D. Deshmukh: That may be so. I only state that if the responsibilities of the Education Ministry are sought to be measured by the general improvement of education, then, it would lead you to expectations of very much higher provision for the Education Ministry than we could find it justifiable to make.

As regards special provision for the backward classes or scheduled tribes, we are trying to increase that, and I think that it has been acknowledged by the speaker. As our economic circumstances improve, I am sure that items like this would have very high priority.

Mr. Deputy-Speaker: The question is:

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

The motion was adopted.

Clauses 1 to 3 were added to the Bill.

The Schedule was added to the Bill.

The Title and Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

RESERVE BANK OF INDIA
(AMENDMENT) BILL—contd.

Shri Barman (West Bengal): The hon. Finance Minister, the other day,

[Shri Barman]

has given a clear exposition of the relevant provisions of the Bill, as it was decided by the Select Committee of which I was myself a Member, and as he accepted it. We have submitted our report, and in the report, myself and three other hon. Members have appended a note.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

As the hon. Finance Minister has not mentioned anything about that, I think it my duty to place the case, which I had placed before the Select Committee, over again before the whole House and before the Finance Minister for further consideration.

In that note, of course, we have stated that the present Act covers the cases for which we pressed that the Reserve Bank should come to help the scheduled banks and provincial banks in giving financial accommodation. Productive finance forms the crux of the whole problem. On second consideration, I felt that perhaps this will involve such a huge sum that the Reserve Bank may feel diffident, not to take up the burden on itself in such a wide field. Therefore, I have tabled an amendment which will come up before the House for consideration presently. But, I would like to take this opportunity to place the case of a particular industry, I mean the tea industry, which is placed in an awkward predicament, and which has a claim on the Reserve Bank to come to its help. I do not say that the amendment that I have placed before the House is the only solution or that it ought to be accepted *in toto* by the hon. Finance Minister. But, my case is this that if the hon. Finance Minister be convinced or even if he thinks that it is a matter for adequate consideration, I would place the onus upon him to find out some means so that this industry, which is at present at least laying the golden eggs should not be starved.

Coming to the actual proposition, I would like to place before this august House in what way this tea industry is important to this country. At the present moment, this tea industry covers about seven lakh acres of cultivation throughout India. It provides work for about nine lakhs of workers in India, leaving out of the calculation the families of the workers. At present, this industry is earning 70 crores of foreign exchange, leaving alone the internal economy and its value as a national asset. Upon this industry are dependent, not only the workers, but millions of people. Almost all the big tea

estates are limited companies, and though there may be a few big shareholders here and there whose annual income may be quite considerable,—and it is so,—99.9 per cent. of these shareholders are men of very small means. In fact, they depend entirely upon the income from this industry. Upon this industry depends the whole economy of this country, beginning from the humblest of Indians right up to the State itself. It does not occupy any land over which any other important crop could be grown. Almost 99.9 per cent. of the tea estates are in outlying areas where no other cereals could be grown, so that it does not interfere with any other industry. If we look at it from the point of view of foreign exchange, it earns a major portion by which we bring into this country, food, capital goods, and other absolute necessities, which benefit every one in this country. This is the tea industry and this is the scope of its economy.

This industry has come now to a fix in its financial position because of some recent developments in our country. Formerly, this industry was dependent upon its own resources. Government have done a lot and spent a lot as regards all other big industries, by way of research, by way of subsidies, and by way of loans. But, I can venture to say that up till now, Government have not spent even a single pie for the development of this industry.

The Minister of State for Transport and Railways (Shri Santhanam): Tea Market Expansion Board.

Shri Barman: That is also financed by the Tea Cess and not a single pie is spent from the general revenues. That is my point. Anyhow, this industry has come to such a pass that it requires some financial accommodation, if not from the Government, through Government help.

4 P.M.

The Reserve Bank, in addition to its other duties and functions in the direction of managing the currency and credit of the country may do this subsidiary or additional duty of helping financially the productive activities in this country. If it does this, I think it will be a good thing. What is the position now? Up to 1944-45, this tea industry was depending on its own resources. Everything could be had from the open market and at any time and the industry by its own resources and by selling its products could purchase all the things that it required, from the open market. But since 1945, the position has been altered and altered radi-

[Shri Barman]

than at least Rs. 25 lakhs, in the case of any particular garden whereas the advance made for financing purposes would be only about Rs. two lakhs.

That is the history how these tea gardens have been built up. Their incomes have been ploughed back into the industry to strengthen it and to purchase machinery. Only when it is well established it distributes dividend. So their block assets are several times more than whatever finance they might get from any scheduled bank. While making an advance or granting financial accommodation the bank considers the business credit of the estate, its financial position including assets, the nature of their dealings and course of conduct in the past, the reputation of the parties seeking accommodation and such other factors. To cut short my speech, this is not only my submission, it is not something which I have been told by the Association to put up before the Finance Minister. I shall show him documentary evidence which I have. The Central Tea Board which has been set up by the Central Government is a very responsible body and it consists of representatives of the industry, representatives of the tea growers, representatives of the provincial Governments, wherever the companies exist and also two Members of this august House. It is always supervised by the Commerce Ministry here. Unfortunately I was not present at their meetings on the 14th and 15th September, 1950 but my colleagues were present and they are not here now. They told me what happened at the meetings. The question arose as to where to keep the funds of the Central Tea Board which runs to more than 90 lakhs. It has been enjoined by the rules that the cess fund should be kept in the Imperial Bank and if the Board decides otherwise to keep it in any other bank they cannot do it until and unless the Central Government gives its consent. That point came up for consideration. Member after member, members of the legislature, members of Government said that after all the Imperial Bank does not finance the industry in any way, we give crores of rupees every year, Government does not help us in any way and why should we keep our funds in the Imperial Bank, which does not give us any financial accommodation? There are three other banks mentioned. I do not want to dilate on this as it will require considerable time. The point was that though the funds are kept there, the Imperial Bank is not giving any financial accommodation to the industry and hence they will not keep their money there. Two members

—I will not mention their names—said that after all the transaction is going on smoothly and there has been no difficulty. Hence why should we change the bank. After much discussion which runs to four or five foolscap pages it was decided to take votes. An amendment was moved by a Government official who is now the Chief Commissioner in a Part C State and it was carried by eleven as against four. According to that decision the Imperial Bank was outcasted. Next came the question, out of the three banks which give them accommodation, where to keep the money. It was unanimously decided that it shall be the Central Bank.

This is the feeling of the industry and the Chairman of the Board is no less a person than Mr. S. K. Sinha, the son of Lord Sinha. From this the Finance Minister can judge how matters stand. So long as they could finance their business they did not trouble the Government in any way. They did not take any help from Government in the development of the industry as other industries do. Except for the jute industry, where you are spending a lot of money and for which Government is setting apart six lakhs acres, to the detriment of the food production plan, this is the only industry that tops the list in bringing foreign exchange for us.

It is not necessary to dilate any more. I have given some salient points on which the judgment of the House and the Finance Minister should be based. I do not want to claim that my amendment should be accepted. Not having much knowledge of banking I cannot say that it should be done. I entirely rely upon the Finance Minister to consider these facts very seriously and find out ways and means to help this industry in this critical hour. Had there been some control of commodities the industry would not have come to Government. As there is control all over the country and because of the difficulties arising therefrom it is the duty of Government and the Finance Minister to come to the aid of the industry.

Shri Chaliha (Assam): It is not given to every body to be able to state the facts. There are some people in the tea industry who do not know how to state the facts fully. I am glad however that I have had the advantage of the previous speaker who put the case for the industry very strongly. But the people in the industry are hardly vocal and do not know how to speak out. They therefore suffer in consequence.

In Assam there are about 1420 tea estates, about 25 per cent of which be-

long to Indians. The other day I heard that they had been suffering for want of finance and are starving. At the same time Government have imposed upon the duty of feeding their labourers. Some are told that they should provide rations for two months, some for four months and some others for six or more months. This involves the locking up of a huge amount of money. In an estate in which I happen to have some interest they have lost in food rations alone 54,000, let alone advance in incometax of near about one lakh of rupees. So it is essential that on hypothecation they should be given advance. But somehow or other the hint or ruling has gone from the Reserve Bank that money should not be advanced on the crop. That is the position in Assam. There are of course certain suggestions that it can be brought under section 17(d).

I shall make a very short point. I shall not tell the Finance Minister that the industry is giving 70 crores of foreign exchange or that the industry maintains six lakhs of people in Assam directly. In my district alone one-third of the population is tea labour and in Lakhimpur district 50 per cent. is tea labour. If finance is not offered on hypothecation the consequence will be rioting. Government ordered that certain quantities of rations should be stocked but they could not stock it. They gave money to the labourers and yet the officers and managers were hammered and some of them to a serious extent. If the Reserve Bank does not come to the help of these estates sooner or later the stage will come when it will be very difficult for Indian owners and even for some European owners to carry on their tea estates.

Therefore the Reserve Bank Act should be so amended so that section 17 may not leave any room for doubt. It is said in the report of the Select Committee that it is permissible to advance money on the hypothecation of standing crops, under section 17 (2) (b) of the Act. It says:

"Although 12 months may be normally sufficient for the purpose of financing seasonal agricultural operations certain crops such as sugarcane take longer to mature and market."

The period has been extended from 12th to 15 months. But the question is whether hypothecation of crops will come under the definition contained in the Act or not. To give an instance, a firm of financing agents, formerly known as the Planters Stores and Agency Co. Ltd., used to finance some

tea estates for the last sixty years or so. They have now changed their name to James Warren Ltd. But, now they are not prepared to finance on hypothecation of crops. As such some of the tea estates are in a bad predicament. As I said above, hypothecation of crops may come under section 17(2)(b) as seasonal agricultural or marketing operations, but the difficulty is that the financing agents say that it is not seasonal operations but permanent operations in this case. They say that therefore we cannot come under that section. We want money in January for about five or six months, up to June or July. During that time the tea is pruned and the leaf begins to come from April and onward. As such they say that under the Reserve Bank Act they are prevented from advancing any money. Again, if they advance money they will not do it for 12 or 15 months. In addition, there is the difficulty on account of the transport problem in Assam at present. The Assam rail link, to our credit or shame, carries only 20 per cent. or less of tea and the rest of the entire quantity has to pass down the Brahmaputra through Pakistan. That being the case, some times you get transport accommodation quickly and some times you do not get it for three or four months. Even if the bill of lading is received it may be another two or three months before the tea is moved out and in rare case may be six months by the time it reaches Calcutta. These facts should also be taken into consideration. Unless you improve the transport system, you should make provision for financing up to a period of 15 or even 18 months. Otherwise, you will sooner or later be trampling down the tea interests and bringing about the end, first of the Indian owners and then subsequently of the others. Mr. Barman has put the case well in his eloquent way and has given a complete picture of the scheduled banks coming to the aid of the tea estates.

I would, therefore, humbly suggest that you should amend the section in such a way that there may be no doubt left. They may be brought under section 17(4)(d), but there the provision is only for 90 days. Money is bound to be locked up in rations, advance payment of income-tax, and so on and so forth, and therefore they would require the money for at least nine months. Moreover, the financiers say that the "goods" are only trees and as such they cannot come under 17(4)(d). The industry is told that these trees have to be converted into "goods" after the leaves are plucked and passed through the machine and then despatched to Calcutta. Only

when you give the railway receipt do they consider it as "goods" and not otherwise, whereas for the last one hundred years the practice with the Planters Stores and Agency Ltd. used to be to take it as "goods". Unless these two things are taken into consideration and the amendment of Mr. Barman is accepted, you will probably be ruining a great number of these tea estates which, as Mr. Barman says, lay golden eggs and bring you Rs. 70 crores of foreign exchange in the shape of valuable dollars. No other commodity gives you so much of foreign exchange. The tea interests are not vocal. They are humble and cannot make their voice heard. They do not know to state their facts properly. They have no proper appreciating audience. Therefore, I would request the hon. Finance Minister to kindly consider these facts, put himself in their position and see that this section is amended properly.

The Minister of Finance (Shri C. D. Deshmukh): On a point of information. It was not quite clear to me whether in the past scheduled banks used to finance tea gardens or whether managing agents or other financing agents did it.

Shri Chaliha: For the last one hundred years the Planters Stores and Agency Ltd. used to finance many Indian gardens. They did not come under any banking rule.

Shri C. D. Deshmukh: Therefore, the problem now is that since they have discontinued, commercial banks are not willing to enter that field?

Shri Chaliha: They go in for very big tea estates who can give big return, and the smaller ones are in difficulty. Formerly that European agency which I have mentioned used to finance even gardens yielding 200 or 300 maunds. They knew that by slowly helping a small estate to develop and grow it would bring them profit in the long run. But now all of a sudden aid to smaller gardens has been stopped. The small owners find themselves faced with many difficulties. They have even to face strikes by labourers. If only you knew their position you will understand what a difficult time they are passing through. As such my humble submission to the hon. Finance Minister is that he will kindly see that section 17 is so amended as to make it feasible for banks and financiers to advance them money.

चौधरी रनबीर सिंह : मैं आरम्भ में माननीय मंत्री महोदय का शुक्रिया अदा किये बगैर नहीं रह सकता कि उन्होंने

सेलेक्ट कमेटी (Select Committee) के अन्दर मेरे जैसे साथियों की, जो फ़ाइनेन्स (Finance) का एक्सपर्ट (expert) नहीं थे, बातों को काफी ध्यान से सुना। और हम को देश के फ़ाइनेन्स में जो जो मुश्किलत हैं उन को रखते हुए समझाने की कोशिश की, और यह भी कहे बगैर मैं नहीं कह सकता कि उन्होंने कोशिश की कि खेती के बारे में रुपये की मांग को जरूरी समझते हुए जिस हद तक वह जा सकते थे वहां तक उन्होंने जाने की कोशिश की। लेकिन इतना कहते हुए मैं यह कहे बगैर भी नहीं रह सकता कि रिजर्व बैंक ऐक्ट (Reserve Bank Act) में जो पीसमील (piecemeal) थोड़ा बहुत सुधार या संशोधन हम करने जा रहे हैं उस से देश का काम चलने वाला नहीं है। हमें अपने विचारों में क्रान्ति लानी होगी अगर हम देश में क्रान्ति लाना चाहते हैं।

समापति महोदय, जिस वक़्त यह बिल सेलेक्ट कमेटी में भेजा गया था उस वक़्त भी मैंने हाउस के सामने अपने विचारों को प्रकट करने की कोशिश की थी। मैं यह समझता हूँ जैसा कि मेरे लायक दोस्त बर्मन साहब ने कहा कि एक चाय पैदा करने का सवाल नहीं है। यह ठीक है कि उन की जो मांग है खेती की दूसरी पैदावारों के मुकाबले में सिक्योरिटी (Security) के नाते शायद सब से अच्छी है। लेकिन आज हम जिस दशा में हैं, और जिस दशा में हमारा देश है उस के अन्दर कुछ रिस्क (risk) उठाये बगैर हमारा काम नहीं चल सकता। लेकिन मेरा तो विचार यह है और मैं इस बात को मानता हूँ कि यह रिस्क की दशा जो है यह भी शायद किसी दूसरे ढंग में

सोचने वाले भाइयों के कारण है। वरना खेती के अन्दर जो रिस्क है औरों के मुक़ाबले में कम से कम है। जो काश्तकार हैं उस के पास जितनी ज़मीन है उस ज़मीन की क़ीमत भी मुकर्रर करने की सरकार ने एक आसान तरकीब निकाली है। उस को ही कम से कम जितनी क़ीमत दी गई है मान कर अगर कर्ज़ दिया जाये तो खासी हद्द तक देश के अन्दर कृषि की उन्नति हो सकती है। केवल चाय की पैदावार बढ़ाने में ही नहीं बल्कि देश के अन्दर जो हमारी आर्थिक दशा है उस में कोई सुधार नहीं हो सकता है जब तक हमारे देश की सारी खेती की पैदावार को न बढ़ाया जाये। हमारे देश के बहुत से भाई ऐसे हैं जो शायद खेती को इन्डस्ट्री (Industry) नहीं मानते हैं। लेकिन अगर इस को एक इन्डस्ट्री न भी मानें तो भी मैं कहता हूँ कि खेती को छोड़ कर जो इन्डस्ट्री हैं उन की भी अगर आप तरक्की करना चाहें तो उस के लिये भी यह जरूरी है कि खेती के लिये ज़्यादा से ज़्यादा रुपया देने का जो भी संशोधन है उसे हम मंज़ूर करें। और इसी नुक्ते निगाह से मैंने भी अपना संशोधन दिया है।

एक तो जैसा कि मेरे दोस्त बर्मन साहब ने बताया है वह स्टैंडिंग क्रॉप (Standing Crop) पर, खड़ी फ़सल पर कर्ज़ देने की मांग की है उन के क़्याल में शायद बहुत ज़्यादा है चाय की फ़सल है। लेकिन अगर देश की उन्नति करनी है तो उस के अन्दर दूसरी फ़सलें पैदा करना उतना ही जरूरी है जितनी कि चाय। अभी मेरे लायक़ दोस्त ने बतलाया कि चाय कितना डालर कमाती है। लेकिन आज डालर बीजरूत किस चीज़ के लिये है, डालर की जरूरत है अनाज के लिये। अगर वह हम अपने यहां पैदा कर लें तो

जितनी आज डालर की मांग है शायद उतनी न रहे। यह ठीक है कि हमें मशीन बग़ैर खरीदने के लिये डालर चाहिये लेकिन उस के मुक़ाबले में अगर हम खेती की पैदावार जैसे तेलहन बग़ैरह की पैदावार, बढ़ा सकें या जूट बग़ैरह की पैदावार हम बढ़ा सकें तो हम इतने डालर पैदा कर सकते हैं जिस से हमारी डालर की मांग पूरी हो जायेगी।

जहां तक १२ महीने से १५ महीने की मियाद बढ़ाने का ताल्लुक़ है मैं फिर उन का शुक़िया अदा करता हूँ कि उन्होंने कम से कम १२ से १५ या ९ से १५ महीने की मांग मान ली। इस से काम नहीं चल सकता है क्योंकि हिन्दुस्तान के अन्दर बहुत से ऐसे हिस्से हैं जहां लैंड मार्टगेज बैंक (Land Mortgage Banks) नहीं हैं। लैंड मार्टगेज बैंक आज खेती में तरक्की करने के लिये ज़्यादा रुपया क़र्ष देते हैं। वैसे संस्थायें देश में बड़े प्रान्तों के अन्दर ही हैं और दूसरे प्रान्तों में उन का स्थापित करना आसान भी नहीं है। तो ऐसी हालात में जैसी की आज हमारे देश की हालात हैं, यहां पर वेअर हाउसेज (warehouses) भी नहीं हैं, हमारी बड़ी ख्वाहिश है कि हम देश के अन्दर तक्ररीबन हर एक डिस्ट्रिक्ट हेडक्वार्टर (District Headquarters) में वेअर हाउसेज बनवा सकें लेकिन आज जैसी हमारी आर्थिक दशा है उस में शायद हमें इतनी जल्दी कामयाबी नहीं हो सकती। गो कि मेरे विचार तो इस बात में भी मुक्तलिफ़ हैं वह इसलिये भी कि अगर यहां इम्पोर्टेड ग्रेन (Imported Grain) के लिये थोड़े अर्से में वेअर हाउसेज बन सकते हैं तो जो अन्न हम यहां पैदा करते हैं? उस के लिये क्यों नहीं बन सकते हैं? लेकिन बहरहाल जैसी हालात हैं उन सारी हालात को ध्यान में रखते

[चौधरी रनवीर सिंह]

हुए मैंने अपने संशोधन के नोटिस में केवल १५ से १८ तक कहा है। वह इसलिये कि जैसा अभी मैंने आप को बतलाया कि खेती के काम के लिये तीन क्रिस्म का फ़ाइनेन्स (Finance) चाहिये। एक थोड़े अर्से के लिये, एक बीच के अर्से के लिये और एक ज्यादा अर्से के लिये। अभी कुछ दिन हुए रिज़र्व बैंक (Reserve Bank) ने कोऑपरेटिव बैंक (Cooperative Banks) को एक हिदायत भेजी है कि लोन (loan) कुओं के लिये दिया जाये। पहले तो मेरा ख्याल था कि शायद कोऑपरेटिव बैंक देने से इन्कार इसलिये करता है कि वह बैंक का खर्चा पूरा नहीं करता लेकिन ज्यादा ध्यान से पढ़ने से ऐसा मालूम देता है कि कोऑपरेटिव बैंक को अपने मुनाफ़े में घाटा मालूम पड़ता है। काम का खर्च उन्हें ज्यादा मालूम पड़ता है और मुनाफ़ा कम। एक यह कारण हो सकता है और दूसरा यह है कि कुंएँ का जो कर्ज है उसे एक छोटा काश्तकार १५ महीने के अन्दर नहीं अदा कर सकता। खेती के बारे में जो हमारे बहुत से इस सभा के मेम्बर हैं, पहिले तक्ररीबन सारे भाई इस बात को कहा करते थे कि लैंड रेवेन्यू (Land revenue) का बोझ देश की खेती और काश्तकार को दबानेवाली है और खेती एक ऐसा पेशा नहीं है जिस के अन्दर कुछ बचता हो। लेकिन आज कुछ भाई हैं जो शायद इस चीज़ में मेरे से सहमत नहीं हैं। लेकिन मुझे आज भी कोई शक नहीं मालूम देता कि खेती की पैदावार बहुत कम है, लेकिन जब तक यह ल्यूक्रेटिव (lucrative) पेशा, या ज्यादा मुनाफ़ा वाला पेशा न होगा तब तक उन्नति होना कठिन है। यहाँ जैसी कि काश्तकारों की आदत है वह कोई बहीखाता नहीं रखते, कोई हिसाब

नहीं रखते, उस का न कोई लेबर (labor) का खाता है। वह खुद रात दिन लेबर करता है कोई मुआबज़े बग़ैरह का ख्याल नहीं है, आज उस का जो स्टैंडर्ड आफ़ लिविंग (Standard of living) है वह भी कुछ थोड़ा नीचा है और उस में तब्दीली नहीं आई है। इस की मुखालिफ़त में शायद यह कहा जायेगा कि उस को भी मुनाफ़ा होने लगा है लेकिन फिर भी मैं तो यह समझता हूँ कि अगर एक काश्तकार कुंएँ के लिये लोन (loan) ले तो वह उस लोन को १५ महीने में भी दे नहीं सकता है। हालांकि मैंने १५ से १८ महीने की मांग की है लेकिन १८ महीना जो है उस से मसला हल नहीं होता। मेरा तो मंशा है कि और ज्यादा समय रखा जाता, दो साल से भी ज्यादा। लेकिन मैं जानता हूँ कि १५ से १८ करना ही मुश्किल होगी। १२ से १५ करने में ही मंत्री महोदय की बड़ी मेहरबानी है कि उन्होंने मान लिया। हालांकि वह भी ज़रा मुश्किल से माना इसलिये उस से ज्यादा अर्सा का बढ़ाना कोई आसान नहीं है। मैंने १८ महीने कराने की कोशिश की और वह इसलिये कि वैसा उन का ख्याल था कि कुछ फ़सलें ऐसी हैं जो एक साल के अन्दर आती हैं। मैंने तो इसी से उन्हें १८ महीने बढ़ाने का नोटिस दिया है। इस के साथ मैं उन को दूसरा सुझाव देता हूँ और वह इसलिये कि आम तौर से हमारे देश के अन्दर छः महीने में एक फ़सल आ जाती है। इस तरह से १८ महीने के अन्दर तीन फ़सलें काश्तकार उठा सकता है। यह ठीक है कि अगर वह कुआँ बनवाने के लिये कर्ज लेता है तो वह उसे एक दिन में नहीं बना सकता है परन्तु उसे दो कोऑपरेटिव बैंक से कर्ज लेना है और बैंक

दो तीन महीने के पश्चात् सहयोगी बैंक रिजर्व बैंक से कर्ज की मांग करेगा इसलिये और उस के बाद उसे १८ महीने की मियाद मिल रही है दूसरे शब्दों में यह अर्थ हो जाते हैं कि तीन फ़सलों के उगाने का उसे मौक़ा मिलेगा । और तीन फ़सलों को पंदा कर के अगर वह दे सकता है तो दे देगा । तो मेरा तो यह कहना है कि जैसी आज हमारी हालत है कि हम शीघ्र वेअर हाउसेज (warehouses) नहीं बना सकते हैं, न ही हम लैंड मार्टगेज बैंक बना सकते हैं, ऐसी हालत में इस संशोधन का मंज़ूर करना बहुत ज़रूरी है । दूसरे यह भी ज़रूरी है जैसा मैंने पहले कहा कि पंदावार का बढ़ाना आज केवल काश्तकार के लिये ज़रूरी नहीं है बल्कि इस सारे देश के लिये, सारे लोगों के लिये चाहे वह खेत में काम करने वाले हों या खेत के मालिक हों, या शहर वाले हों उन सब के लिये ज़रूरी हो गया है । वास्तव में तो काश्तकार ही हमारे देश की ७०-७५ फ़ी सदी आबादी है इसलिये उस को ज़्यादा से ज़्यादा हिस्सा हिन्दुस्तान के फ़ाइनेन्स (Finance) पर होना चाहिये । लेकिन इस बात को अगर आप न भी मानें, उस को इस ढंग से न भी सोचें क्योंकि शहर के आदमियों का इस राज्य पर ज़्यादा दबाव है या इस राज्य के अन्दर जिन का ज़्यादा दखल है उन का ही ख़्याल रखिये और काश्तकार की मांग अगर आप पूरा करना चाहते हैं तो जो आप के सोचने का ढंग है उस के अन्दर क़ान्ति लाइय ।

मैं हाउस (House) का ज़्यादा समय नहीं लेना चाहता । मंत्री महोदय फ़ाइनेन्स में काफ़ी एक्सपर्ट (Expert) है, और मेरी हर एक बात को जानकार न मानते हुए

हंसी में टाल दें । यह ठीक हो सकता है कि मैं उन जैसा एक्सपर्ट नहीं हूँ, लेकिन मेरा यह दावा ज़रूर है कि जो हिन्दुस्तान में अपने को एक्सपर्ट कहते हैं, वह शायद किसी इंडस्ट्रियल स्टेट के लिए एक्सपर्ट हों, लेकिन हमारे देश के लिये वह कहां तक एक्सपर्ट हैं इस में मुझे शक है ।

(English translation of the above speech)

Ch. Ranbir Singh (Punjab): First of all I cannot but express my gratitude towards the hon. Minister, who listened with great attention and care to what his colleagues like me, who were no financial experts, submitted in the Select Committee. He tried to make us understand all the financial difficulties which confront our country; and I cannot but confess that realizing the necessity of the demand for agriculture he tried to go ahead as far as was possible for him. But with all that I cannot check myself from saying that these piecemeal or little amendments and improvements, which we are contemplating, are not going to help our country in some effective manner. We will have to bring revolution in our ideas if we want to bring any revolution in our country.

Sir, I tried to express myself before the House at that time also, when the Bill was referred to the Select Committee. I think, as my friend Shri Barman has said, it is not a question of tea-growing alone. It is right that so far as the security of the demand is concerned it is perhaps the best as compared to other products. But situated as we are today and situated as our country is today we cannot pull on without taking some amount of risk. This is my opinion and I hold it that whatever risk is involved in it, this too is because of the other friends who think differently from us, otherwise the amount of risk in agriculture is far less as compared to other professions. The Government has found an easy method of assessing the price of land which a cultivator possesses. Assuming that they are the minimum prices, if loans are advanced on that very basis, agriculture will improve in our country. Our economic conditions cannot improve unless and until we increase not only the production of tea but that of the agriculture as a whole. There are many friends in our country who do not consider agriculture to be an industry. But even if we do not con-

[Ch. Ranbir Singh]

sider it to be an industry, I say that it is essential that we should accept any such amendment which contemplates at investing more and more money in our agriculture. It is from this point of view that I have given notice of my amendment.

Firstly, as my friend Shri Barman has said, comes the demand that loans should be granted against standing crops. In his opinion production of tea is an important one. But if we have to develop our country, then the production of other crops in the country is as essential as that of tea. My able friend has just now given us the figures of dollars that are earned by tea. But for what purposes are the dollars required these days? Dollars are required for food. If foodgrains are produced here, perhaps the demand for dollars will not remain as much as it is today. It is true that we require dollars for purchasing machinery etc. But as against this if we can increase the production of such things like oilseeds or jute, we can earn as many dollars as would satisfy our demand for them.

So far as the question of extension of time from twelve months to fifteen months is concerned, I once again thank him; for he has atleast fulfilled the demand of keeping it fifteen months instead of twelve months, or fifteen months instead of nine months. This too will not help much because there are many such parts in India where there are no Land Mortgage Banks. The Land Mortgage Banks give more money in the form of loans for agricultural development. Such institutions exist in big provinces only, and it is not easy to establish them in the other provinces. Under the conditions, as are in the country at present, there are no warehouses. We wish that we would have been able to construct warehouses almost in each and every district headquarters, but it is just possible that they may not be an immediate success under the existing economic conditions; though I differ on this point as well; because if warehouses could be built in a short period, for imported grains, why they cannot be built for the foodgrains that we produce here? Anyway as the conditions today are, I only suggested eighteen months instead of fifteen in my notice of amendment. This is because, as I submitted just now, agriculture needs three kinds of finance, one long term, the second medium term and the third short term. Only some days back the Reserve Bank sent a directive to the Co-operative Banks advising them that loans should be given

for the construction of wells. In the first instance I thought that the Co-operative Banks had refused to give loans because they were unable to meet their own expenses. But after a careful reading one comes to know that the Co-operative Banks feared some deficit in its profits. It seemed to them that the work will cost more but will pay less. This can be one of the reasons, and the second one can be that a petty cultivator cannot repay the loan given for the construction of a well within a short period of fifteen months. With regard to agriculture, many of our brethren who are members of this House now, used to say before that the burden of land revenue was crushing the cultivation and the cultivators of this country, and that agriculture was not a profession of profit. But there are some brethren who to-day do not agree with me. I have no doubt even today that the productivity of land is very low and unless and until agriculture becomes a lucrative profession or a profession of greater profits, its development will be very difficult. Here we find that our cultivator is not accustomed to keep any sort of cash-book with him, he does not keep any accounts, he keeps no account of the labour done. He himself labours day in and day out and has no idea of getting any separate compensation for it. Today we find that his standard of living too is somewhat low, and there has been no change in it. Against this it may be argued that he too has begun to earn some profits, but even then I presume that if an agriculturist takes a loan for constructing a well, he will not be in a position to repay it within fifteen months even. Although I have demanded that the period should be extended from fifteen to eighteen months, yet eighteen months' time cannot solve the problem. I wish that more time limit should have been kept, something more than two years. But I know that in order to have change over from fifteen to eighteen months even would be a hard nut to crack. Indeed it is the hon. Minister's kindness that he has accepted to keep it fifteen months instead of twelve. He accepted after great persuasion, and therefore it is in no way an easy job to make him to extend this period still further. I tried to make it eighteen months and this too for the reason that there are certain crops which take about a year to ripe. On this very basis I have given him the notice to extend it to eighteen months. Along with this I give him another suggestion, and that also for the reason that in our country, we get one crop in every six months,

and in this way a cultivator can raise three crops during this eighteen months' time. It is right that if he takes a loan for constructing a well, he cannot construct it within a day. But he has to take loan from the Co-operative Bank and after two or three months the Co-operative Bank ask for the loan from the Reserve Bank and then afterwards he will be getting a time limit of eighteen months. In other words he gets a chance of reaping three harvests during this time. After these three harvests are reaped he can repay the loan, if he is in a position to do so. So my submission is that if at present our condition is such that we can neither build warehouses nor can we establish Land Mortgage Banks, it is very essential for us to accept this amendment. The second important thing to which I have referred before is that it is not necessary for cultivators alone to increase production, but it is necessary for the whole country. It has become a necessity for all, whether he is a cultivator or a landlord or a person residing in a city. In fact cultivators constitute seventy to seventy-five per cent. of our population, therefore they should have the maximum share in the finances of India. But even if we do not agree with this idea and do not think on these lines, because people from the cities have more influence on this Government or have a greater hand in it, we should at least bring revolution in the mode of our thinking if we want to fulfil the demand of the cultivators.

I do not want to take more time of the House. The hon. Minister is an expert in Finance; and considering my views as those of a layman he may brush them aside. This may be true that I am not an expert like him. But I certainly uphold that anybody who calls himself an expert in India, may be an expert for an Industrial State, but how far he is an expert with regard to our country, I have doubts about it.

Shri A. C. Guha (West Bengal): This amendment of the Reserve Bank Act has been undertaken mainly on the report of the Rural Banking Enquiry Committee and the purpose of this amendment is to provide facilities for agricultural operations. When the Reserve Bank was first established under the Act of 1934, one of its main objects was to encourage agricultural operations. But unfortunately it has not been fulfilling that function quite adequately. The present Bill is meant to rectify that defect.

As the two previous speakers, Mr. Barman and Mr. Chaliha have pointed

out, certain modifications are necessary, particularly in regard to hypothecation of standing crops and the acceptance of land mortgage bank debentures by the Reserve Bank. One of the signatories to the minute of dissent has been selected by the hon. the Finance Minister as his colleague and associate and we can only hope that the hon. Shri Mahavir Tyagi will not change his views on his elevation from this side of the House to the other. We hope that he will exert his influence on the Finance Minister.

Before the war 87 per cent of the tea interests were held by Europeans; now the position has changed to something like 77 per cent. But even then European firms and agents are advancing money to some of the Indian tea gardens and thus get a sort of lien over the standing crop. If you want the tea gardens to be Indianised, if you want a greater element of Indian control in the tea gardens, then it is absolutely necessary that these tea garden operations should be done by the Reserve Bank. What has been urged in this minute of dissent of ours is only that the Reserve Bank should take secondary responsibility, the first responsibility being taken by the scheduled banks, or the co-operative banks. So the responsibility of the Reserve Bank is only indirectly rediscounting the deeds.

When this point was raised in the Select Committee, the Chairman of the Committee explained to us that this is covered by the wordings of Section 17 (4) (d) and perhaps also 17 (2) (b). The Finance Minister even then raised his doubt about that interpretation. Subsequently I had some discussion with him and he has definitely explained to me that the wording, as it stands, does not cover the hypothecation of standing crops. I do not wish to add to what my two hon. friends have already said. I only wish to repeat their request that the Finance Minister and the Government may consider the question seriously. Tea is one of the greatest industries of India and should be completely under national control. Even if by way of advancing money as loan or otherwise, the European firms are trying to exercise a control, or taking the major portion of the profits of the tea gardens, that is not a thing which should be tolerated any longer and Government should come to the rescue of the gardens.

The second point made by us in the minute of dissent is that the land mortgage bank debentures should be acceptable to the scheduled banks. The Rural Banking Enquiry Committee has recommended the establishment and

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encouragement of land mortgage banks. But unless their debentures are acceptable to the scheduled banks and rediscountable to the Reserve Bank, I do not see how land mortgage banks can flourish. Section 17 (4) (a) of the Act authorises the Bank to carry on and transact business, *inter alia*, in "stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any Act of Parliament of the United Kingdom or by any law for the time being in force in the (Provinces) States." This does not cover the land mortgage banks. I am told, because trust money cannot be invested in land mortgage bank debentures. I fail to understand how an Act of the U. K. Parliament is to govern investment of trust money in India. Besides this there are many other things in the present Reserve Bank Act which are reminiscent of the olden days and I hope Government will take the earliest step to revise the whole Act.

This Act has undergone several revisions and certain clauses have been removed but the old numbering continues. This, I think is a bad procedure. The numbering should be consecutive and when the Act is amended, the numbering also should be amended.

Speaking about the Reserve Bank, it is difficult for me not to refer to other functions of the Reserve Bank. The Reserve Bank is the back-bone of the banking system of our country. In the second schedule are given the names of some of the scheduled banks. Ordinary people would naturally conclude that scheduled banks have got the guarantee of the Reserve Bank and in section 42 of the present Act, they have stipulated all the obligations that the scheduled banks are to fulfil to the Reserve Bank. In Section 42 (2) (c) it is stated "that the scheduled bank should satisfy the Reserve Bank that its affairs are not being conducted in a manner detrimental to the interests of depositors." An ordinary layman will take it as a guarantee from the Reserve Bank, that it is satisfied about the affairs of a scheduled bank. I can say that as far as Bengal is concerned, the Reserve Bank has not fulfilled this obligation and it has more often failed. It has deluded people in investing money in scheduled banks and the Reserve Bank has been sleeping and has not taken any action....

Shri C. D. Deshmukh: On a point of order, is this relevant to the consideration of the Bill before us?

Shri A. C. Guha: We are dealing with the amendment of the Reserve Bank Act and each and every item of the Act has to be reconsidered by Government.

Mr. Chairman: I understand the hon. Member was also a member of the Select Committee and he knows the general rule also that when an amending Bill is there, the scope of the Bill is confined to the consideration of the parts of the Act sought to be amended and amendments can ordinarily be moved to amending clauses. The hon. Member must confine himself to the specific point which he wants to make in regard to the amendments sought to be made in the Act.

Shri A. C. Guha: The whole Reserve Bank Act has to be revised and it should be amended in a way so that the ultimate purpose of the Bank is fulfilled. If there is a certain clause in the Act as it stands which does not deal with the proper functioning of the Bank, is it open for a Member to refer to that or not?

Mr. Chairman: The hon. Member is not within his rights to refer to the general principles of the main Act. The general rule is that when an amending Bill is there, only the amendments sought to be made can be referred to and the whole Act or legislation cannot be gone into.

Shri A. C. Guha: Certain other amendments have been taken up.

Shri Goenka (Madras): My hon. friend did not give notice of amendments.

Mr. Chairman: The amending Bill is confined to the purpose for which amendment is sought. I take it that the hon. Member has finished.

Shri A. C. Guha: If I am not allowed to say on that, then I think, I have finished. Then as regards my note of dissent, I hope the hon. Finance Minister will kindly consider the two points raised by me, namely, land mortgage banks and hypothecation. I suggest that these matters may be conceded.

Shri C. D. Deshmukh: Many of the points which have been raised here arise out of the amendments, of which notice has been given. I do not know whether they are going to be raised again; I do not know whether I should make a comprehensive speech dealing with them or I should deal only with the points that have been raised today.

Mr. Chairman: I think when the clause by clause consideration is taken

up hon. Members will not make long speeches then.

Shri C. D. Deshmukh: Mr. Barman made a reference to the difficulty which the tea gardens feel in finding finance and from the speeches of the other Members who supported him, I gather that this problem is a somewhat recent one arising out of the transfer of possession of some of these tea gardens from non-Indian interests to Indian interests. I concede that there is a point here that requires investigation. I should be quite prepared to suggest to the Reserve Bank that they should depute a special officer to study the difficulties of Indian tea gardens in obtaining the sort of finance which they have to obtain on account of the operation of the controls which I understand extends the period for which finance is required. All I would submit at this stage is that the method that they have suggested is not likely to attain the end which they have in view. We are not considering any financing by the Reserve Bank to the tea gardens. We are considering the re-discounting of documents by the Reserve Bank, the documents which the commercial banks have acquired from the tea gardens. The other speaker, whom I referred to mentioned that banks were somewhat unwilling to advance monies. If that is so, I do not imagine that they would be more willing to finance the tea gardens only by reason of the insertion of this amendment in section 17 (4) (d). The problem still remains as to the conception one has of the credit-worthiness of the tea gardens. If it was straightaway agricultural operation, which apparently it is not, then I should have imagined that banks like the Central or the United Commercial or the Comilla Banking Corporation, which I understand from a paper which was given to me by Mr. Barman, operate in that area, should find no difficulty in finding these relatively small sums of Rs. one or two crores. It is not the question of difficulty experienced by these banks in finding funds. The difficulty is about the nature of the operation itself. Apparently it is not like the regular agricultural operation; it is not an industrial operation; it is not purely, except in its later stages, a marketing operation and therefore it is *sui generis*, a class apart, and therefore, I think that unless the problem is properly studied, it would not be possible to devise a suitable and appropriate means of financing this particular industry.

Shri Barman: These banks are actually financing today. The only point is that in the beginning of the year a larger amount is required and that they are not able to do. Still they are actually financing.

Shri C. D. Deshmukh: All I say is these banks should not find it difficult to find whatever money is required for tea garden finance. It is no use Mr. Barman saying that the Central Bank or the United Commercial Bank have not got the funds to be able to advance money to tea gardens of the order of Rs. one or two crores. I know that their own operations extend over a very much wider field. They are banks of all-India importance. It should be easily possible for them. The problem must be something else; the difficulty must be something else and I am not at all unsympathetic. I realize equally forcibly with Mr. Barman that if there is any difficulty which manifests itself in the financing of one of our chief exports, then it is our duty to find a solution. All that I am saying is that this particular short-cut which they have suggested is not the short-cut which will achieve that end in view. It may be, but after all these are only permissible provisions. You must first get a commercial bank to advance loans to a greater extent than they are doing now and secondly, the Reserve Bank must then on the merits of each case make up its mind as to whether it will accept the paper or not. By merely putting that in the legislation you are not going to secure that the tea gardens will obtain the additional finance that is necessary. I suggest that if on the other hand, we study the problem systematically, we may be able to evolve a solution which will be more lasting and more reliable than any solution that an amendment of this section will furnish. I think that will do for the present. There are certain other points about hypothecation which I shall take up when dealing with Mr. Guha's amendment.

5 P.M.

Then Ch. Ranbir Singh said that the period in Section 17 (2) (b) ought to be extended still further because of the absence of land mortgage banks. In suggesting that, he must have overlooked that the words "seasonal agricultural operations" occur in section 17 (2) (b) and that that particular section as well as section 17 (4) (b) refer to seasonal agricultural operations. Whereas the land mortgage banks look after the medium and long term requirements of the agriculturists, it is not the scheme of the Reserve Bank Act, particularly these two sections, that any arrangement should be made for finding finances of second degree for medium or long term agricultural needs. Then, he said something about the circular issued by the Reserve Bank to co-operative banks in regard to finances for wells. Digging of wells again, could hardly be regarded as

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seasonal agricultural operations. The point that I first made in regard to this particular matter was that for anything that could be described as seasonal agricultural operations, a period of 12 months was quite ample. Then, in the Select Committee, I accepted the proposition that it may be extended to 15 months which I regarded as more than ample for all conceivable needs. When we differ on the basic principle, there is no point in saying that it does not matter very much if three months are added to this period of 15 months. Either a provision has a meaning or it has not. If it has no meaning, then we might as well instead of putting 18 months, put in 18 years. But, for all practical purposes, 15 months ought to suffice for the sort of operations for which this finance is intended.

Shri Kishorimohan Tripathi (Madhya Pradesh): May I intervene, Sir? I think the issue raised by Ch. Ranbir Singh is that whether the Reserve Bank Act could be so amended as to provide for medium and long term credit, whether that is possible and whether Government want to do something in that direction.

Shri C. D. Deshmukh: That, in the first place, does not arise out of this particular amendment. In regard to the general theory, I should have a good deal more to say; but it would not

be possible for me to say that at this stage, unless we are going to carry on beyond five o'clock.

Mr. Chairman: I was just going to ask whether the hon. Minister would like to take much more time or whether he was finishing.

Shri C. D. Deshmukh: I should like to finish; but, if questions of this kind are raised which take you to the fundamentals of the scheme of the Reserve Bank Act, whether it could not be so amended as to provide medium and long term finance, in short, my answer would be, 'No'. But, I do not want to be curt with this matter. If the House is interested, I can explain the reasons why such a thing could not be introduced into the Reserve Bank Act.

Mr. Chairman: I do not want to interfere with the discretion of the hon. Minister. If he so chooses and wants to reply the House may be adjourned; if not, we may be able to finish the motion before the House.

Shri C. D. Deshmukh: I would like to say something more about it. In any case, we are not likely to be able to finish this Bill as we will have to deal with the amendments.

The House then adjourned till a Quarter, to Eleven of the Clock on Monday the 26th February, 1951.