

Friday
13th August, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES
(PART I—QUESTIONS AND ANSWERS)

Official Report

VOLUME VI. 1948

(9th August to 31st August, 1948)

THIRD SESSION
of the
CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

DEBATES

(PART I— QUESTIONS AND ANSWERS)

Friday, 13th August, 1948

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Maivalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

NATIONAL CADET CORPS

171. *Mr. B. K. Sridhva: (a) Will the Honourable Minister of Defence be pleased to state the steps taken by Government to implement the various provisions of the National Cadet Corps Act passed in the last session of the Assembly?

(b) What is the total number Government intend to have for the senior and junior divisions and within what period?

(c) Will both the divisions be given training in arms of all kinds?

(d) Will the senior division be available for the defence of the country in the event of a national emergency?

The Honourable Sardar Baldev Singh: (a) and (b). I lay a statement on the table of the House.

(c) The Senior Division Cadets will be given training in the weapons of the Unit in which they have been enrolled, e.g. Cadets of an Armoured Corps Unit will be trained in Armoured Cars and the weapons with which an Armoured Car is armed.

The Junior Division Cadets will be trained to use a rifle but will only fire live ammunition with a '22 rifle. Their training will consist of drill, rifle practice and out-door games to bring out the qualities of leadership.

(d) Officers and Cadets of the National Cadet Corps have no service liability. The Senior Division Units as constituted under the Act cannot be used for the defence of the country as National Cadet Corps Units. The officers and the cadets with their military training will however form a potential reserve of leaders who can be expected to join the Armed Forces in an emergency and this is one of the main objects of the National Cadet Corps.

Statement

A Directorate of National Cadet Corps has been established in Headquarters whose sole task is to implement the provisions of the National Cadet Corps Act. Quotas have been allotted to Provinces, Centrally Administered Areas and to Mysore, Travancore and Jaipur States who have accepted the National Cadet Corps Scheme. The officers for these units, who will be provided from the Teaching Staffs of Colleges and Schools to which units will be allotted, are undergoing training with Regular Army Units; those for the Junior Division for 2 months and those for the Senior Division for periods ranging from 3 to 4 months, depending on the unit, e.g. an officer for an Artillery Unit will do 4 months' training. On completion of this training, these gentlemen will return to their Colleges and Schools and help in setting up their Units. Arrangements are in hand to post regular Army officers, JCOs and NCOs to Senior Division Units to ensure uniformity of training and to supervise the management of these Units. As regards the Junior Division Units, an officer will be posted to each Province to supervise the training.

The allotment of Units and Sub-Units of the Senior and Junior Division to Colleges and Schools has for the time being been left to the Provincial or State Government concerned in order to avoid delay in the setting up of this Corps. It is expected that the Units will be functioning in all Provinces and States by the 15th September, except in the case of the Madras Government who have not yet accepted the scheme and the U.P. where, owing to the delay in the Provincial Government coming to a decision with regard to accepting the scheme, the Units will not start functioning till about the middle of November.

The target for the Senior Division including the Naval and Air Force Wings as recommended by the National Cadet Corps Committee is 35,000 and for the Junior Division 1,35,000 but the initial allotment of units provides for 15,000 in the Senior Division and 30,000 in the Junior Division. As soon as these numbers are reached further units will be allotted. It is not proposed to adopt at this stage any limit to the number, which should be determined mainly by the response received to the scheme.

Dr. P. S. Deshmukh: Is it a fact that the promoters of these courses were unable to take advantage of the summer vacation with the result that professors are kept away from work during the time when they are supposed to be lecturing in colleges? Is that not the result of delay in starting the courses?

The Honourable Sardar Baldev Singh: I have no information; it is possible as it happened in the beginning of the formation of the National Cadet Corps.

Babu Ramnarayan Singh: What is the number of cadets required every year?

The Honourable Sardar Baldev Singh: The total strength is 132,000.

Babu Ramnarayan Singh: What is the number taken from Bihar?

The Honourable Sardar Baldev Singh: I have not got the figures for Bihar, but the report which was circulated in the last session of the Assembly gave figures provincewise.

Babu Ramnarayan Singh: May I know how the cadets are recruited or selected?

The Honourable Sardar Baldev Singh: Cadets are selected from the different colleges and schools of the province.

Dr. P. S. Deshmukh: Is it a fact that in regard to cadets the response was rather poor?

The Honourable Sardar Baldev Singh: It is too early to say that because this is just the beginning of the National Cadet Corps.

Shri M. Tirumala Rao: What is the basis on which provincial allotments are made for recruitment of cadets?

The Honourable Sardar Baldev Singh: That was one of the suggestions made by the National Cadet Corps Committee which we accepted.

Dr. P. S. Deshmukh: What is the number of senior cadets being trained in Amla in the Central Provinces?

The Honourable Sardar Baldev Singh: I have not got that information.

श्री रामसाहाय : क्या माननीय मिनिस्टर साहब यह बताने की कृपा करेंगे कि

बन्दूकों का मिलाने की वजह से कालिजों में ट्रेनिंग ठीक तरीके पर नहीं हो रही है ?

Shri Ram Sahai: Will the Honourable Minister please state whether training in Colleges is not being imparted properly for want of rifles?

The Honourable Sardar Baldev Singh: As far as the National Cadet Corps is concerned, there is absolutely no shortage of rifles. The requisite number of rifles is being provided to every institution.

Shrimati Ammu Swaminadhan: May I know how many women have joined in the women's section of the National Cadet Corps?

The Honourable Sardar Baldev Singh: I have not got that information.

AMELIORATION OF CONDITION OF CANTONMENT BOARD EMPLOYEES.

172. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Defence be pleased to state whether the All-India Cantonment Board Employees Association have made any representation to Government for ameliorating their conditions?

(b) Is it a fact that the Central Pay Commissions recommendations do not apply to the Cantonment Board employees?

(c) If so, why?

(d) Are the low paid staff entitled to the benefit of Provident Fund?

(e) What is the percentage of promotion to executive officers' posts from amongst the Cantonment Board employees?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) and (c). The recommendations of the Central Pay Commission apply only to Central Government servants, and Cantonment Board employees are not Government servants.

(d) Employees whose salary is not less than Rs. 20 p.m. are entitled to Provident Fund benefits.

(e) No percentage has yet been fixed.

Mr. R. K. Sidhva: Is it a fact that a peon in the Ambala Cantonment starts on Rs. 13 and ends on Rs. 15 after thirty years' service? Do Government intend to consider that position?

The Honourable Sardar Baldev Singh: I have already said that instructions have been issued that the pay of the Cantonment Board employees should be on the same level as that of the Municipal Committees of the place.

Mr. R. K. Sidhva: When were these instructions issued and have they been complied with?

The Honourable Sardar Baldev Singh: I have not got the date on which they were issued but I am definite that instructions were issued.

Mr. R. K. Sidhva: What is the total number of employees in all the cantonments of India?

The Honourable Sardar Baldev Singh: I cannot answer without notice.

RELICS OF INDIAN ART IN BRITISH MUSEUM

173. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Education be pleased to state what relics of Indian Art taken from India by Britishers are in the British Museum?

(b) Do Government propose to take steps to bring back those precious relics to India?

(c) If not, why not?

انریسل مولانا ابوالکلام آزاد (رحمۃ اللہ علیہ) نے انہی پوری طرح سے نہیں بتایا جا سکتا ہے کہ کون کون سی چیزیں یہاں سے لی گئی ہیں اور کون کون سی عورتوں کے ہاتھوں سے لی گئی ہیں۔

(b) اور (c) کو برصغیر سے آندے آندے کے سامنے یہ معاملہ آچکا ہے اور اس کے بارے میں کوئی کارروائی لی جا رہی ہے۔

The Honourable Maulana Abul Kalam Azad: (a) Details are not known.

(b) and (c). The matter is engaging the attention of the Government of India.

مسٹر آر۔ کے سدھوا: کیا یہ جاننے کی کوشش کی جا رہی ہے کہ اپنی کئی چیزیں برٹش میوزیم میں ہیں۔

Mr. E. K. Sidhva: Are any efforts being made to know the number of articles belonging to us lying in the London Museum?

آنریبل مولانا ابوالکلام آزاد:۔۔ جیسا کہ میں نے آنریبل ممبر کے سامنے اپنی رکھا ہے۔ اسکی کوشش کی جا رہی ہے۔ آرکھولوجیکل ڈیپارٹمنٹ کے دو آدمی انگلینڈ بھیجے جا رہے ہیں۔ اور انکے سہرا یہ کام کیا گیا ہے کہ وہ وہاں ضروری تحقیقات کریں۔

The Honourable Maulana Abul Kalam Azad: I have just now informed the Honourable member that efforts are being made in this direction. Two persons from the Archæological Department are being deputed to England and they have been entrusted with the task of making necessary enquiries.

श्री महावीर त्यागी : क्या गवर्नमेंट को मालूम है कि हिन्दुस्तान का कोहेनूर हीरा विलायत में है और वह भी हमारी मलकीयत है जो वापिस आनी चाहिए ?

Shri Mahavir Tyagi: Are Government aware of the fact that India's 'Koh-i-Noor' Diamond is in England, and that too is our property?

آنریبل مولانا ابوالکلام آزاد:۔۔ ہاں گورنمنٹ کے عام میں یہ بات تو ضرور ہے۔

The Honourable Maulana Abul Kalam Azad: Yes. This is certainly within the knowledge of the Government.

Shri M. Tirumala Rao: Sometime ago there was a talk that a deputation from the Education Department will be going to England to negotiate and get back our works of art from there but we do not hear anything more about it. May we know what has become of that?

آنریبل مولانا ابوالکلام آزاد:۔۔ شاید آنریبل ممبر انڈیا آفس کی لائبریری کے متعلق اشارہ کر رہے ہیں وہ کارروائی ابھی ملتے ہی کر دی گئی ہے۔

The Honourable Maulana Abul Kalam Azad: The Honourable Member is perhaps referring to the India Office Library. Action in this respect has been postponed for the present.

बाबू रामनारायण सिंह : कोहेनूर हीरा फिर से हिन्दुस्तान में लाने के लिए कौन सी कोशिश हो रही है ?

Babu Ramnarayan Singh: May I know what efforts are being made to bring back the 'Koh-i-Noor' Diamond to India?

آنریبل مولانا ابوالکلام آزاد:۔۔ اس بارے میں کوئی کوشش نہیں کی جا رہی ہے۔

The Honourable Maulana Abul Kalam Azad: No efforts are being made in this direction.

CONFERENCE OF RAJPRAMUKHS AND PRIME MINISTERS OF UNIONS OF STATES

174. *Mr. B. K. Sishya: (a) Will the Honourable Minister of States be pleased to state whether it is a fact that a conference of Rajpramukhs and Prime Ministers of the various newly formed Unions of States was held with a view to widening the scope of the original Instrument of Accession?

(b) If so, what was the nature and result of the Conference?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) With the integration of States into Unions, it was felt that in the interests of the country as a whole as well as of the newly formed Unions it was essential that the position of the Unions in respect of accession should approximate to that of the Provinces, except that pending the commencement of the new constitution the Centre should not exercise any legislative or executive functions in the States in respect of any tax or duty. Provision in this behalf is included in the Covenants of the Rajasthan, Madhya Bharat and Patiala and East Punjab States Unions. At the conference, Raj Pramukhs and Premiers of the Unions unanimously accepted the proposal of the Government of India that a revised instrument of Accession on these lines should be executed by the Raj Pramukhs on behalf of the Unions.

श्री रामसहाय : क्या माननीय मिनिस्टर साहब यह बताने की कृपा करेंगे कि ग्वालियर-इन्दौर-मालवा यूनियन में १५ जून को जो (Covenant) लिखा जाने वाला था लिख दिया गया है या नहीं ?

Shri Ram Sahai: Will the Honourable Minister please state whether a Covenant has been entered into by the Gwalior—Indore—Malwa States Union on the 15th June?

आनरेबिल सरदार वल्लभभाई पटेल : मैंने काव्नेन्ट (Covenant) साइन (sign) कर दिया ।

The Honourable Sardar Vallabhbhai Patel: I signed the Covenant.

Shri Khurshed Lal: In view of the statement that attempts are being made to approximate the position of the States to that of the provinces, are any efforts being made to abolish the armies maintained by the States?

The Honourable Sardar Vallabhbhai Patel: The army in different States is in different conditions. But the question is being examined and all possible steps will be taken to bring the armies on a par with the Indian army.

Prof. N. G. Ranga: The question is whether any attempt is made to see that these various separate armies of the States are eliminated and integrated with the Indian Army itself?

The Honourable Sardar Vallabhbhai Patel: It would not be in the interest of India as a whole to give this information.

Dr. P. S. Deshmukh: May I know what attempts are being made to have in the States during the interim period elected representatives of the people as Minister in place of those who are nominated?

The Honourable Sardar Vallabhbhai Patel: There are no nominated Minister but they are selected from amongst the representative bodies that are in existence. But the Constitutional Assemblies electoral rolls are being framed and as soon as the Constituent Assemblies are elected, for which every possible step is being taken to expedite these elections, the Ministries will be formed on a popular basis.

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) [18TH AUGUST 1948
CONFERENCE OF PROVINCIAL MINISTERS re FINANCIAL AID TO PROVINCES FOR
HOUSE BUILDING

175. **Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that the Government of Bombay have asked the Government of India for a loan for construction of houses in the city of Bombay?

(b) Is it a fact that a conference was held in Delhi of Provincial Ministers to consider the question of drawing up a financial scheme to aid the provinces to speedily implement their housing programme?

(c) If so, what was the result of the said conference?

(d) Do Government propose to give provinces any directions in the matter of building houses?

(e) If not, have Government any plan of their own to start building houses?

(f) If so, what are they?

The Honourable Shri R. K. Shanmukham Chetty: (a) The Bombay Government have applied for a loan of Rupees four crores for their Housing Scheme which covers all the chief industrial areas in the Province.

(b) and (c). The reference is presumably to the Provincial Labour Ministers' Conference held in May 1948 which discussed *inter-alia* the question of Industrial Housing Finance. Several important aspects of the problem were discussed at the Conference but no final decisions were arrived at.

(d) to (f). A detailed scheme for the setting up of Central and Provincial Housing Boards and the financial arrangement necessary for building and maintaining these houses for labour are at present under the consideration of Government and it is expected that a decision will be arrived at shortly.

Mr. R. K. Sidhva: May I know whether the request of the Bombay Government for a loan of Rs. 4 crores, as mentioned by the Honourable Minister, has been granted or rejected?

The Honourable Shri R. K. Shanmukham Chetty: That request has not been complied with. But in connection with the examination of the housing scheme for India as a whole, we are considering the request of the Bombay Government.

Prof. N. G. Ranga: Are the needs of rural agricultural labour for housing also being kept in mind?

The Honourable Shri R. K. Shanmukham Chetty: So far as I remember, the present examination of the problem relates to industrial workers.

Prof. N. G. Ranga: But when will that be taken up?

The Honourable Shri R. K. Shanmukham Chetty: In course of time.

Shri B. Shiva Rao: Will the Honourable Minister consider giving encouragement to Cooperative Housing Building Societies?

The Honourable Shri R. K. Shanmukham Chetty: I would welcome it, if definite and positive schemes are placed for Government's consideration.

Shrimati G. Durgabai: May I know whether the housing problem relating to the whole of India will be taken up by the Government of India?

The Honourable Shri R. K. Shanmukham Chetty: What we are considering is the housing of industrial workers all over India.

Shri Ajit Prasad Jain: Have Government received requests from other Governments for provincial aid?

The Honourable Shri R. K. Shanmukham Chetty: No, Sir, not yet.

Shri Yudhisthir Mishra: I have been authorised to put question Nos. 176 and 177.

Mr. Speaker: Is it a specific authority for today? Very well, I shall take them up at the end.

CANDIDATES SENT ABROAD FOR HIGHER STUDIES AT GOVERNMENT EXPENSE

†176. ***R. B. Lala Raj Kanwar:** Will the Honourable Minister of Education be pleased to state:

(a) the names, brief qualifications and other particulars of candidates sent abroad at Government expense, for technical training and higher studies during the years 1945-46, 1946-47 and 1947-48;

(b) the total expenditure incurred by Government on their training and studies in each of the above years;

(c) the number of candidates out of the above who have since returned to India after completing their course of training and studies; and

(d) the number since absorbed in Government service?

The Honourable Maulana, Abul Kalam Azad: (a) Particulars of scholars selected in 1945-46 and 1946-47 are contained in the Reports of the Selection Board Overseas Scholarships for 1945 and 1946 copies of which are available in the Library of the House. A statement (No. I) showing particulars of scholars selected in 1947-48 is laid on the table of the House. A statement (No. II) showing particulars of scheduled Caste Scholars selected in 1945 is also laid on the table.

(b) 1945-46 — Rs. 10,32,172 (Rupees ten lakhs thirty-two thousand one hundred and seventy-two only).

1946-47 — Rs. 38,24,790 (Rupees thirty-eight lakhs twenty four thousand seven hundred and ninety only).

1947-48 — Rs. 35,28,997 (upto 2/48) (Rupees thirty-five lakhs twenty-eight thousand nine hundred and ninety-seven only).

The above figures do not include expenditure incurred by Provincial Governments who incur 50 per cent. of the expenditure on Provincial Scholars. These figures also do not include expenditure incurred by Provincial Governments and Ministries of the Government of India on permanent Government servants.

(c) 188, out of which 90 are Central scholars, 87 Provincial scholars and 11 Scheduled Castes Scholars. The employment of the Provincial scholars is primarily the concern of the Provincial Governments concerned.

(d) 49, out of which 36 are Central scholars and 13 Provincial scholars.

†Printed serially in the day's Debate. The question could not, however, be reached during the question hour and the replies were laid on the table of the House.—*Ed. of D.*

Statement I

1947-48

(a) Central—

Serial No. 1	Name with age (in brackets) 2	Community 3	Province or State 4	Qualifications 5
<i>Agriculture</i>				
1.	Gurbachan Singh Bains (24)	Sikh	Punjab	B. Sc. Ag. II; M. Sc. Ag. I (Panj.); Research Asst. Agriculture Dept., Punjab.
2.	M. Anantawamy Rau (30)	Hindu	Mysore	B. Sc. Hons. I; M. Sc. I (Mys.); Lecturer in Botany, Mysore University.
3.	Mannoore Gopal Ramdas Menon (34).	Hindu	Cochin	B. Sc. II; Ph. D. (Bom.); Asst. Entomologist, I.A.R.I.
4.	Mohammed Abdullah Khan (32).	Muslim	Punjab	B. Sc. Ag. II; M. Sc. Ag. I (Panj.); Manager Agriculture Farm, Karnal.
5.	Murari Vijaya Saradhy (37)	Hindu	Madras	B. Sc. I (1st) (Andh.); M. Sc. (Ben.); Asst. in Plant Physiology, Coimbatore.
6.	Narendra Chandra Pant (23)	Hindu	U. P.	B. Sc. Ag. I; M. Sc. Ag. I (1st) (Agr.); Research Fellow Agriculture College, Kanpur.
7.	Nirad Kumar Sen (30)	Hindu	Bengal	B. Sc. II; M. Sc. I (Cal.); Lecturer in Botany, Presidency College, Calcutta.
8.	Partap Singh Cheema (33)	Sikh	Punjab	B. Sc. Ag. II (2nd); M. Sc. (Ag.) I (Panj.); Asst. Entomologist, Lyallpur.
9.	Saligram Sinha (34)	Hindu	U. P.	B. Sc. II (All.); M. Sc. I (1st), Ph. D. (Luck); Reader in Botany, Agra College, Agra.
10.	Tauqir Ahmed Ansari (20)	Muslim	U. P.	B. Sc. Ag. II (Agr.); M. Sc. I (1st) (Alig.); Student, I. A. R. I.
<i>Animal Husbandry</i>				
1.	Dasika Parthasarathy (26)	Hindu	Madras	B. Sc. Hons. II; M. Sc. I (Andh.); Research Asst., I. V. R. I.
2.	Girdhari Lal Sharma (27)	Hindu	Punjab	L. V. P. II (Panj.); Research Asst., I. V. R. I.
3.	Indra Prasad Agarwala (28).	Hindu	U. P.	B. Sc. Hons. II; M. Sc. I (1st) (Luck.); L. T. II, II (Al.), Research Asst., I. V. R. I.
4.	Lanka Venkata Lakshminarayana Sastry. (23).	Hindu	Madras	B. Sc. Hons. I; M. Sc. I (1st) (Andh.); Research Asst., I. V. R. I.
5.	Mohammed Shafi Ahmed (26).	Muslim	Punjab	L. V. P. (Panj.); Veterinary Officer, Veterinary Hospital, Agra.
6.	Mushtaq Ahmed (26)	Muslim	U. P.	G. V. Sc. (2nd) (Cal.), Asst. Research Officer, I. V. R. I.
7.	Syam Ranjan Guba (33)	Hindu	Bengal	G. V. Sc. I (Cal.); Research Asst. I. V. R. I.

1	2	3	4	5
<i>Applied Chemistry</i>				
1. Anil Bhusan Biswas (30)	Hindu	Bengal	B. Sc., Hons. II; M. Sc. I; Ph. D. (Dacca); Lecturer in Chemistry, Delhi University.	
2. Bimalendu Ghosh (22)	Hindu	Bengal	B. Sc. I (1st); M. Sc. (Appeared) (Cal.); Student.	
3. Dillip Kumar Datta (28)	Hindu	Bengal	B. Sc. II; M. Sc. I (Cal.); Chemist, Inspectorate of Military Explosives, Kirkee.	
4. M. Abdnl Wajid (26)	Muslim	Mysore	B. Sc. I (1st)(Mys.); M. Sc. I (1st) (Alig.); Lecturer in Chemistry, Mysore University.	
5. Prabab Kumar Chatterjee (26)	Hindu	Bengal	B. Sc. Hons. II (Cal.); Supervisor, Metallurgical Laboratory Inspectorate of Metal and Steel, Ishapore.	
6. Rajagopalan Jayaraman (24)	Hindu	Madras	B. Sc. I (Mad.); M. Sc. I (1st) (Ben.); Diploma in Chemical Engineering (I. I. S.) (Bangalore); Asst. Professor of Assaying, Benares University.	
7. T. R. Vivanathan (24)	Hindu	Madras	B. Sc. I (Mad.); B. Sc. Tech. I. (2nd) (Ben.); Diploma in Chemical Engineering (I. I. S.); Research Student (I. I. S.).	

Biochemistry

1. Jyotirindra Narayan Kurkum (29)	Hindu	Bengal	B. Sc. Hons. II; M. Sc. I (Dacca); Research Asst., I. R. F. A., Dacca.
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Cellulose

1. Pandurang Mbeleppa Kamath (23)	Hindu	Bombay	B. Sc. I, B. Sc. Tech. I (Bom.); Research Student, Bombay University.
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Ceramics and Glass

1. Darshan Singh Chabbal (24)	Sikh	Punjab	B. Sc. Hons. II; M. Sc. Hons. I (Panj.); Technical Asst., Upper India Glass Work, Ambala.
2. Varthakavi Krishna Moorthy (22)	Hindu	Madras	B. Sc. Hons. I; M. Sc. (Thesis) (Andh); Research Asst. under C. S. I. R.

Cost Accounting

1. Lingamngi Ramaohandra Rao (20)	Hindu	Madras	B. E. Hons. (Mad.); Technical Institute, Jamshedpur Examination I; Superintendent, Cost Accountants, Tata Iron and Steel Co.
2. M. Yakub (27)	Muslim	U.P.	B. Sc. II; M. Sc. II (All.); Financial Adviser, Supply Dept. Calcutta.
3. Suzil Chandra De (31)	Hindu	Bengal	B. Com. II (Cal.); Final Part I, Indian Institute of Cost and Works Accountants. Intermediate Institute of Cost and Works Accountants, London. Accountants, Chief Controller of Factory Accounts, Calcutta.

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<i>Dairy</i>				
1. Arjun Thanwardas Dudani (23)	Hindu	Sind	B. Sc. I (1st) (Bom.); Research Asst. under C. S. I. R.	
2. Jai Narain Trivedi (22)	Hindu	U. P.	B. Sc. Ag. I (Agr.); Appearing in M. Sc. Ag. Student, I. D. R. I.	
3. Mandayam Anandam Pillai Krishnaswamy (28)	Hindu	Madras	B. Sc. (Mad.); Dairy Diploma, I. D. R. I.	
4. Sansaulleh (28)	Muslim	Punjab	B. Sc. Ag. I (Panj.); Teaching and Research Asst. the Pb. Agricultural College, Lyallpur.	
<i>Education, General</i>				
1. Arshed Mukhtar Mirza (23)	Muslim	Delhi	B. A. Hons. I; M. A. II (Dih.); Staff Photographer and Correspondent.	
2. Girdhari Lal Gulari (33)	Hindu	Punjab	B. A. Hons. I (Panj.); Dip. of Library Science (Pau.); Librarian, Central Advisory Board of Education, New Delhi.	
3. Jayanti Sudhakara Rousseau (28)	Hindu	Madras	B. A. Hons. II (Andh.); Diploma in Physics, Education II (Mad.); Lecturer, Vivekananda College, Madras.	
4. Miss Karuna Gupta (25)	Hindu	Bengal	B. A. Hons. I; M. A. I. (Dac.); Lecturer in English, Eden Intermediate College, Dacca.	
5. Lakshmi Shankar Panday (28)	Hindu	U. P.	B. Sc. I; M. Sc. I (2nd); L. T. II (All.); Asst. Teacher, Col. Brown's Cambridge School, Debra Dun.	
6. Mohd. Hamid. ud-Din (38)	Muslim	Punjab	B. A. Hons. II; M. A. (Pay.) II (1st), M. A. (Phil.) I (1st), M. A. (Arabic) I (1st) (Panj.); Senior Lecturer, Government College, Lyallpur.	
7. Muhammad Ahmad (23)	Muslim	U. P.	B. Sc. I; M. A. I (Agr.); Lecturer in Economics, Anglo-Arabic College, Delhi.	
8. Nathi Lal Sharma (29)	Hindu	U. P.	M. B. B. S. (Luck.); D. T. M., D. P. H. (Cal.); School Medical Officer, B. N. Rly., Khasimgpur.	
9. Mr. Nirmola Narytareasa De (32)	Christian	Bengal	B. A. II; L. T. (I), B. T. (I) (Cal.) Hon. Secy., Organiser, Welfare Civil Hospitals, Caloutta.	
10. Mrs. P. Pritam Singh (26)	Sikh	Punjab	B. A. I; B. T. II (Panj.); Headmistress, I. A. R. I. Middle School, New Delhi.	
11. Purnendu Basu (37)	Hindu	Delhi	B. A. I; M. A. I (Luck.); Ph. D. (London); Asst. Director of Archives, New Delhi.	
12. Mrs. Rajammal Paokiyana than Devdas (28)	Christian	Madras	B. Sc. I (Mad.); Asst. Lecturer, Queen Mary's College, Madras.	
13. Miss Ranjana Sidhanta (23)	Hindu	U. P.	B. A. I., M. A. I. (Luck.); Lecturer, Isabella Thoburn College, Lucknow.	
14. Ravindra Chand Gupta (24)	Hindu	Punjab	B. Sc. Hons. I; M. Sc. I (Panj.); Lecturer, Government College, Ludhiana.	

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15. Miss Razia Birlas (31)	Muslim	Punjab	B. A. II (Panj.); Diploma in Physical Education (Cal.); Directress, Physical Education, Women's College, Aligarh.	
16. Miss Rifat Jahan Rashid (34)	Muslim	Punjab	B. A. II (Panj.); Diploma in Physical Education I (Mad.); Directress, Physical Education, Lady Irwin College, New Delhi.	
17. Miss Rukmini S. Ramaseshan (25).	Hindu	Madras	B. A. II, M. A. I (1st) (Mad.); Asst. Lecturer, Queen Mary's College, Madras.	
18. Miss Sabira Khatun Zaidi (24).	Muslim	U.P.	B. A. I (1st); M. A. II (2nd) (Aligarh); Student, Aligarh University.	
19. Sbib Kumar Mitra (26)	Hindu	Bihar	M. A. I., M. A. I (Pat.); Research Asst., Patna University.	
20. Subodh Chandra Roy (39).	Hindu	Bengal	B. A. II; M. A. II (Cal.); M. A., (Col.); Professor, Tata Institute of Social Science, Bombay.	

Education, Technical

1. Abdul Qadir (32)	Muslim	U.P.	B. Sc. Hons. I; M. So. I (Luck.); Group Met. Officer, R. I. A.F., Barrackpore.
2. Balashanker Tuljaram Suthar Khadkiwala (32).	Hindu	Baroda	Govt. Diploma in Architecture (Bom.); Senior Lecturer, Delhi Polytechnic.
3. Hassan Narasimha Sastry Ranjundiah (27).	Hindu	Mysore	B. E. I (2nd) (Mys.); Project Engineer, Hindustan Alrocraft Ltd., Bangalore.
4. Munindra Chandra Sen Gupta (27).	Hindu	Bengal	B. So. Hons. II, M. So. I (Cal.); Research Chemist, Messrs. Narayan Dyestuff and Chemical Works, Ltd., Calcutta.
5. Rajendram Krishnamachari Narasimhan (27).	Hindu	Madras	B. E. I (Mad.); Junior Technical Asst., Transport Dept., New Delhi.
6. Syed Salar Kirmani (26)	Muslim	Madras	Dip. C. E. (Hons.); B. E. (Hons.) (Mad.); Asst. Design Engineer, Irrigation, Lahore.
7. Yadehalli Krishna Murthy (26).	Hindu	Mysore	B. E. I (1st) (Mys.); Surveyor P. W. D., Mysore.

Electrical Engineering

1. Akundi Rajagopal (25)	Hindu	Madras	B. E. Hons. (Mad.); Research Asst. in office of Radio Engineer to Govt. of Madras.
2. Sadhan Chandra Dutt (26)	Hindu	Bengal	B. Sc. Eng. I (Ben.); Engineer-in-Charge, S. R. Cotton Mills Ltd., Howrah.
3. Shambhu Saran Srivastava (28).	Hindu	U.P.	B. So. I (2nd); M.-So. I (1st) (Luck.); Lecturer, University Lucknow.
4. Shripetrao Vithalrao Junnarkar (29).	Hindu	Bombay	B. E. I (Bom.); Asst. Divisional Engineer, Telegraphs, New Delhi.
5. Trichinopoly Viswanathan Sreenivasan (33).	Hindu	Mysore	B. E. I (Mys.); Electrical Foreman, Central Railway Workshops, Mysore.

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<i>Fermentation</i>				
1.	Koppaka Viewaswala Rao (22).	Hindu	Madras	B. Sc. Hons. I (1st); M. Sc. (Thesis) (Andh.); Assistant, Andhra University.
<i>Food Technology</i>				
1.	A. S. Md. Nurul Absar Khan (23).	Muslim	Bengal	B. Sc. Hons. I, M. Sc. II (Dae.); Research Student, Dacca University.
2.	Abdul Qadir Chowdhury (27).	Muslim	Bengal	B. Sc. Hons. I., M. Sc. I (Dae.); Lecturer, Dacca Intermediate College.
3.	Arun Kumar Chatterjee (24)	Hindu	Bengal	B. Sc. II; M. Sc. I (1st) (Cal.); Research Scholar, I. R. F. A.
4.	Returi Bhaaskararao (21)	Hindu	Madras	B. Sc. Hons. II, M. Sc. I (Andh.); Research Student, I. I. S.
5.	Gollaketa Butohi Ramasarma (22).	Hindu	Madras	B. Sc. Hons. I (Andh.); Associate of I. I. S. Biochemist, M/s. Raptakeas Brett and Co. Ltd., Bombay.
6.	Nuruzzaman (26)	Muslim	Bengal	B. Sc. (Cal.), M. Sc. I (Alig.); Lecturer, Islarnia College, Calcutta.
7.	Misr Roshan Phiroze Bharcha (22).	Zoroastrian	Punjab	B. Sc. Hons. II, M. Sc. I (Panj.); Research Student, Punjab University.
8.	Saeed Ahmed Husaini (21)	Muslim	Bhopal	B. Sc. I (Alig.); M. Sc. II (Dih); Research Student, I. I. S.
<i>Geology</i>				
1.	Ajit Kumar Banerji (21)	Hindu	Bihar	B.Sc. I (1st); M.Sc. I (1st) (Cal.); Museum Asst., Geological Survey of India, Calcutta.
2.	Deb Kumar Chandra (26)	Hindu	Bengal	B.Sc. Hons. I (2nd); M.Sc. I (1st) (Cal.); Asst. Geologist, Geological Survey of India, Calcutta.
3.	Kal Neelkanta Das (22)	Hindu	Orissa	B.Sc. Hons. I (2nd), M.Sc. I (Andh); Demonstrator, Andhra University.
4.	Kalyana Raman Ganeshan (24)	Hindu	Madras	Dip. in Geology, I.S.M. Prospecting Geologist, West Chirimiri Colliery, Korea State.
5.	Chinnathumbi Ramaswamy (26)	Sch. Caste	Mysore	B.Sc. Hons. II (Mys); Lecturer, Central College, Mysore.
	V. K. Srinivasa Varadan (23)	Hindu	Madras	Cert. in Geology I; Dip. in Geology, I, I.S.M.; Geologist M/s. L. K. Thapar & Bros. Ltd., Korea State.
<i>Geophysics</i>				
1.	S. K. Chakrabarty (36)	Hindu	Bengal	B.Sc. I; M.Sc. I; D.Sc. (Cal.); Director, Colaba & Alibag Observatories, Bombay.

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<i>Horticulture</i>				
1.	Abdul Gbafloor Kausar (24)	Muslim Punjab	B.Sc. Ag. I (1st) (Punj.); Research Asst. Agriculture College, Lyallpur.	
2.	Raghib Lal Nagpal (26)	Hindu Punjab	B. Sc. Ag. I (Punj.); Agriculture Asst., Agriculture College, Lyallpur.	
3.	Ranjit Singh (24).	Sikh Punjab	B.Sc. Ag. II; M.Sc. Ag. I (Pun.) Associate of I.A.R.I., Horticultural Officer, New Delhi.	
4.	S. Basharat Ali Shah (21)	Muslim Punjab	B.Sc. Ag. II (Punj.); Associate of I.A.R.I.	
5.	Mrs. Shanti Batra (Nee Khosla) (26)	Hindu Punjab	B.A. III M.A. I (Cal.), Lecturer, Bethune College, Calcutta.	

Irrigation & Navigation

1.	Chaudri Mohammad Umar (27)	Muslim Punjab	B.A. II ; B.Sc. (Eng.) I (Punj.); Temporary Engineer, P.W.D., Punjab.
2.	Chintaman Vital Gole (25)	Hindu Bombay	B.E. (Eng.) I (Bom.); Asst. Research Officer, Indian Waterways Expt. Station, Poona.
3.	Fayyaz Ali Tirmazi (21).	Muslim Punjab	B.A. Hon. I (2nd) (Punj.) B.S o. Hons. (Eng.) I (Punj.) Under Training P.W.D., Punjab.
4.	Gurbaksh Singh Sanghera (24)	Sikh Punjab	B.A. I (Punj.); B.Sc. (Eng.) I (Hons.); Apprentice Engineer, P.W.D., Punjab.
5.	Puthanveetil Chandapilla Varghese (26)	Christian Travancore	B.Sc. I; B.Sc. (Eng.) I (1st (Mad.) Lecturer, College Engineering, Travendrum.

Mechanical Engineering

1.	Gobind Pritamadas Vasandani (30)	Hindu Sind	B.E. I (Bom.); Weaving Master Delhi Cloth Mills, Delhi.
2.	Jacob Kayalath Gbikko (23)	Christian Madras	B.E. I (Mad); Mechanical Laboratory Asst., College of Engineering, Saidapet.
3.	Jais Sethumadhava Ghar (25)	Hindu Madras	B.E. I (Hons.) (1st) (Mad); Asst. Engineering College, Gundy.
4.	Mohamed Ashraf (25)	Muslim Punjab	B.Sc. II; B.Sc. (Eng.) I (Punj); Temporary Eng., Irrigation Branch, Punjab.
5.	Mohd. Taqi (24)	Muslim Punjab	B.Sc. Mech. II ; B.Sc. Elect. I (Punj); Undergoing Training at Irrigation Mechanical Workshops, Mohalpur.
6.	Mukhtar Ahmed (19)	Muslim U.P.	B.Sc. Eng. I (Alig.); Under Practical Training at Tata Iron Works, Jamshedpur.
7.	Pitam Chand Gupta (29).	Hindu Kavauli	B.Sc. Eng. I (Ben.) Asst. Engineer, Delhi Cloth Mills, Delhi.
8.	Ravindra Kumar Madhukumar Desai (31)	Hindu Bombay	B.Sc. Eng. (Ben.) Principal, F.S. Parekh Tech. Inst., Surat.
9.	Saiyed Mohamed Ahmed (20)	Muslim U. P.	B.Sc. Eng. I (Alig.); doing Practical Training in IIR Loco Works, Lucknow.

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Mercantile Marine

1. Kocherlakota Parthasarathy (26) Hindu Madras . Final Passing Out Examination; Chief Engineer, Marine Dept., Dhanushkodi, South India.
2. Philipose Alexander (31) . Christian Travancore Final Passing Out Examination; Second Mates F.G.; First Mates F.G.; Master Foreign Going (B.I.S.N. Co. Ltd.,) Second Officer, "Dufferin".
3. Safdar Ali Asad (30) . Muslim Punjab . Final Passing Out Examination; Second Mates F.G.; First Mates F.G.; Master F.G Mariner "Dufferin" Second Officer, Bhatat Line Ltd., Bombay.
4. Vasant Vishwanath Javedkar (29) Hindu Bombay Final Passing Out Examination; Master Foreign Going ("Dufferin"); Chief Officer S.S. "Englestan".

Metallurgy

1. Durga Pada Chatterjee (35) . Hindu Bengal . B.Sc. Dist.; M.Sc. II; B.Met., I(Cal); Foreman Metallurgist, Ordnance Metal & Steel Factory, Ishapore.
2. Krishan Kumer Bhasin (23) . Hindu Punjab . B.Sc. Met. II (Ben); Lecturer, Coege of Mining & Metallurgy, Bellaries.
3. Ramnatha Krishnaswamy (22) Hindu Madras . B.Sc. Met. I (1st) (Ben); Asst. Professor, Banares University.

Meteorology

1. Muhammed Rahmat Ullah (23) Muslim U.P.. . B.Sc. I; M.Sc. (Phys); M.Sc. Maths.II(Agr.); Meteorologist, India Met. Dept., Poona.
2. George Alexander (26) . Christian Travancore B.Sc. (I.), B.Sc. (Hons) (I) (Physics).

Mining

1. Gurbachan Singh Marwaha (23) Sikh Punjab . Cert. in Coal Mining I; Coal Mine Manager's Cert. II (Dhanbad); Student, India School of Mines, Dhanbad.
2. Hitendra Nath Nandi (29) . Hindu Assam . B.Sc. Dist. (Cal.); Associate of I.S.M.II; Coal Mining Manager's Cert. I (Dhanbad); Asst. Manager, Bokaro Colliery, Bokaro.
3. Kalahasti V. Subrahmaniam. (28) Hindu Madras . B.A. I (Mad); B.Sc. Mining I(Ben); Coal Mining Manager's Cert. II Mine Surveyor's Cert. (Dhanbad) Asst. Manager, Standard Colliery, Jharis, Bihar.
4. Sanjiv Lal Chakravorty (24) . Hindu Bengal . B.Sc. II (Cal.); Cert. in Coal Mining(I) Diploma in Mining Eng.(I) Coal Mining Managers Cert. I (Dhanbad); Manager North Bhagatdit Colliery, Dhanbad.

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<i>Radio Engineering</i>				
1. Abdul Hanif (24)	Muslim	U.P.		B.Sc. Eng. I (Alig.); Apprentice-Engineer, Highpower Transmitters, A.I.R., New Delhi.
2. Abdul Wahab (24)	Muslim	Punjab		B.Sc. II (Alig). B.Sc., Eng. (1st) (Panj.) Undergoing Practical Training.
3. Ohunital W. Masand (24)	Hindu	Sind		B.Sc. Eng. I (Ben); Cert. of Prof. (I.I.S.); Apprentice Delhi Cloth Mills, Delhi.
4. Kshiti Mohan Roy (26)	Sch. Caste	Bengal		B.Sc. Hons. II (Cal); Cert. of Prof. (I.I.S.) Asst. Meteorologist, India Meteorological Office, Poona.
5. Narsinva Dattatraya Matange (30)	Hindu	C.P. & Berar		B.Sc. Eng. I (Ben.), Asst. Engineer, A.I.R., New Delhi.
6. Ladupuram Srinivasa Sundara Rajan (29)	Hindu	Mysore		B.Sc. Hons. I; M.Sc. I (1st) (Mys); Forecaster, R.I.A.F A.H.Q., India.
7. Ramakrishana Natarajan (24)	Hindu	Pudukottah		B.Sc. Hons. I (Mad.); Student, I.I.S.
8. Ramohandra Natarajan (24)	Hindu	Madras		B.Sc. Hons I (2nd)(Mad.); Cert. of Prof. (I.I.S.), Tech. Asst. A.I.R., Now Delhi.
9. Sailendra Kumar De Purkayastha (23)	Hindu	Assam		B.Sc. Hons. II; M.Sc. (Cal) Ghose Research Sch., Calcutta University.
10. Telikherla Ravindranath (22)	Hindu	Madras		B.Sc. Hons. I (2nd), M.Sc. I (1st)(Andh); Demonstrator, Andhra University.

Rubber Technology

1. Umeshanker (29)	Hindu	U.P.		B.Sc. Hons. II; M.Sc. I (Al.) Technical Asst., C.S.I.R.
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Paints

1. Helesagudy Rathnaker (33)	Hindu	Madras		B.Sc. I (1st); M.Sc. I (1st) (Ben.), Managing Partner, The Cordol Corp., Res. Lab., Mangalore.
2. Mansur Ahmad (24)	Muslim	Punjab		B.Sc. Hons., M.Sc. Tech I (Panj).
3. Rajendra Paul (23)	Hindu	Punjab		B.Sc. Hons. II M.Sc. Tech. I (Panj). Professor of Chemistry, Doaba College, Jalandhar

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<i>Paper Technology</i>				
1.	Anand Swarup Bhatnager	(27) Hindu Punjab		B.Sc. Hons. I, M.Sc.-I (Punj). Asst. Industrial Adviser to the Govt. of India, New Delhi.
<i>Plastics</i>				
1.	Bansilal VirindvandasShah	(24) Hindu Bombay		B.Sc. I (Dist.) B.Sc. Tech. II (Bom.) Research student Bombay University.
2.	Maachira Subaya Mubanya	(31) Hindu Coorg		B.A. I, (M.Sc. Thesis) (Mad.), Associate of I.I.S. Research Asstt., I.I.S.
3.	Md. Ismet Ali	(26) Muslim Bengal		B.Sc. Hons. II; M.Sc. I (Dac); Demonstrator Medical College Dacca.
<i>Painting and Kindred Trades</i>				
1.	Bhabani Charen Seugupta	(38) Hindu Bengal		B.Sc. (Cal.); Asstt. Manager, Government of India Press, Calcutta.
<i>Statistical Economics</i>				
1.	Deoiki Nandan Saxena	(27) Hindu U. P.		B. Com. I (1st); M. Com. I. (1st) (All.); Lecturer, Allah- abad University.
2.	Mohammad Shamsulhaque Quraishi	(23) Muslim U. P.		B.A. I; M.A. I (1st) (All), Statistical Investigator, Roara, U. P.
<i>Textiles</i>				
1.	Shaukaranarayana Srikan. teswara Iyer.	(28) Hindu Mysore		B.A. I. Dip. in textile Tech., (1st) (Mys); Research Officer, Delhi Cloth Mills, Delhi.
<i>Wood Technology</i>				
1.	Pranab Kumar Basu Ray Chaudhuri.	(29) Hindu Bengal		B.Sc. Hons. II; M.Sc. I (Dac.) District Controller of Civil Supplies, Birbhum, Bengal.
2.	Rangachar Venkatadas	(24) Hindu Madras		B.Sc. Hons. I (2nd); M.A. I. (Anch.); Diploma in Chemical Engineering I.I.S.; Research Student, I.I.S.
<i>Zoology</i>				
1.	Biswamoy Biswas	(24) Hindu Bengal		B.Sc. I (1st); M.Sc. I (1st) (Cal.); Research Scholar, Zoological Survey of India, Benares.

(b) *Provincial*

S. No.	Name with age (in bracket)	Qualifications	Subject
<i>Assam</i>			
1.	Mr Amalendu Sen (23)	B.Sc. II (Ban.) M. Sc. (Cal.)	Paints and Varnishes.
2.	Mr. Amarendra Nath Dutta Choudhry (27)	B. E. II (Cal.)	P. W. D. River Training.
3.	Mr. Girindra Nath Barpu- jari (32)	B. Sc. (Hons) II. M. So. I (Cal.)	Glass Manufacture.
4.	Mr. Hali Ram Dutt (34)	B. A. (Hons.) I (1st), M. A. I (Cal.)	Statistics (General).
5.	Mr. Md. Sirajul Islam Choudhury (23)	B. A. III (Hons.) (Dac.) M. A., LL. B. I. 1st (Alig.)	Education and Applie Psychology.
6.	Mr. Mohamad Abdul Wahab (26)	B. Sc.(Cal.),M.So. II (Alig.)	Geophysics.
7.	Mr. Prabhat Chandre Sharma (29)	B. A. II(Hons) M. A. I 1st (Ban.)	Educa ion and Applied Psy- chology.
8.	Mr. Pramodb Lal Sharma (31)	B. Sc. (Hons.) (Cal.) M. A. I (Ban.)	Sugar Technology.
9.	Mr. Sarqume Abu Ahsan Anaythulla (27)	B. So., M. So. II (Dac.)	Paper Manufacture.
10.	Mr. Wajihuddin Choudhry (33)	B. So. (Eng.) II (Alig.)	Hydroelectricity Electrical Engg. Development of new area.
11.	Mr. Wandier Singh Rynjah (25) <i>Bengal</i>	B. So. II (Hons.), M. So. II (Hons.) (Cal.)	Geology.
<i>Bengal</i>			
1.	Mr. Abul Hasnat (22)	B. E. (Civil) II (Cal.)	Engineering (I. & W.) Design and Construction of High Dams.
2.	Mr. Abdul Karim (22)	B. So. (Hons.) II M. So. I (Dac.)	Agriculture and Soil Survey and Conservation.
3.	Mr. Ahmadullah (24)	B. E. (Elec.) II (Cal.)	Engineering (W. & B.) Elect- Engg.
4.	Mr. Arun Kumar Mukho- padhyey (23)	B. E. (Mech.) I. 1st (Cal.)	Engineering (I. & W.) Naval Engineering.
5.	Mr. Asimuddin Ahmad (30)	B. E. (Civil) II (Cal.)	Engineering Works and Build- ings Bridge Design and Constraction.
6.	Mr. Ajit Chandre Mitra (29)	B. Sc. with Distinction B. E. (Civil) II (Cal.)	Engineering Works and Build- ings Civil Engg. Buildings Tall structures and Big factories.
7.	Mr. Ajit Sanker Bhaduri (28)	B. So. (Hons.) II M. So. I (Cal.)	Engg. Industrial Chemical- Engg. (Institute Sohra.
8.	Mr. A. W. Khan (23)	B. SC. II (Hons.) M. So. I (Cal.)	Agriculture Mycology.
9.	Mr. Wishwanath Banerjee (24)	B. So., B. E. (Civil) II (Cal.)	Engg. (W. & B.) Architecture.
10.	Mr. Dilip Kumar Dutt (27)	B. So., (Cal.) B. Ch. E. (Cal.)	Education Chemical Engg.
11.	Mr. Ekramul Haq Chou- dhury (35)	B. So. (Cal.) Cert. of Profi- ciency in Elect. Techno- logy (I. I. So.) (Bang.)	Engg. Industrial Electrical Generation Meter relay Protective equipment.
12.	Mr. Humsau Ranjan Pra- manik (30)	B. So. II (Hons.) M. So. I (Cal.)	Engg. (I. & W.) River models including tidal rivers.

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13.	Mr. Md. Maqbular Rahman (26)	B. So., B. E. (Civil) II (Cal.)	Engg. (I. & W.) Hydrology River Training Works.
14.	Mr. Mirza Mostafahul Islam Mohosoeuddin Ahmed (24)	B. So. (Hons.), M. So. II (Dac.) I. L. So. Diploma in Chem. Engineering.	Engg. (Industrial) Plastics.
15.	Mr. Muzharul Islam (24)	B. Sc. (Pass) B. E. (Civil) II (Cal.)	Engg. Works and Buildings, Architecture.
16.	Mr. Nikhil Bhushan Chanda (26)	B. So. (Hons.) I. 1st M. Sc. I. 1st (Dac.)	Engg. (Industrial) Chemical Engg. Rayon & Nylon, Plant Working.
17.	Mr. Nirmal Kumar Nandi (29)	B. S. (Civil) I (Cal.)	Engg. (I. & W.) Structural, Engineering.
18.	Mr. Nirendra Nath Sarkar (34)	Full course of Apprenticeship at E. I. R. Tech. school, Jamalpur, City & Guilds Exam. A' M. I. E. E. London II.	Engineering Industrial Electrical generation (Thermal steam).
19.	Mr. Nirendra Nath Mazumdar (36)	B. E. (Civil) II (Cal.)	Engg.—Works & Buildings— Plant and plant operation
20.	Mr. Radhaballabh Chanda (27)	B. So. (Hons.) II M. So. II (Dac.)	Dairy Chemistry.
21.	Mr. Shah Jahan Ali (23)	B. So. (Agri.) B. (Agri.) II (Dac.)	Agriculture (Bacteriology).
22.	Mr. Sunil Kumar Ghose (23)	B. E. (Civil) II (Cal.)	Engg. (I. & W.) Hydraulic and Hydraulic Machinery and Hydel Power.
23.	Mr. Sushil Kumar Samodder (27)	B. E. (Civil) I (Cal.)	Engg.—Works & Buildings.— Bridge Design and constructions.

Bihar

1.	Mr. Awadh Kishore Prasad Sinha (29)	B. A. (Hons.) II. M. A. I. 1st (Pat.)	Psychology (+ Research Degree)
2.	Abhimanyu Nand Keolyar (22)	B. Sc. II B. So. (Engg.) I (Ban.)	Wireless and Communication Engineering.
3.	Mr. Bindeehwari Narain Sinha (23)	B. So. II M. So. II (Ban.)	Geology. Mineralogy.
4.	Mr. Damodar Thakur (28)	B. A. (Hons.) I (Pat.) M. A. I. 1st (All.)	English. English Literature.
5.	Mr. Hafiz Mohd. Qaidus (32)	B. A. I., M. A. I. in Urdu, Arabic and Persian (Pat.)	Philology and Linguistic Indo-Iranian or Semitic.
6.	Mr. Kamakhya Pada Gupta (23)	B. So. I. M. So. I (Pat.)	Oil and Paints.
7.	Miss Kiran Verma (23)	B. A. II M. A. III (Eng.) (All.)	Education (Any branch teachers' Diploma)
8.	Mr. Paramananda Misra (23)	B. So. (Hons.) I. 1st M. So. I. 1st. (Pat.)	1. Applied Physics. 2. Wireless. 3. Low Temperature.

Bombay

1.	Mr. Ashok Damodar Das Dary (26)	B. E. (Civil) I (Bomb.)	Civil Engg. Specialising in Reinforced concrete or Structural Engineering or Industrial Engineering.
2.	Mr. Dattatraya Ganesh Dhalvalikar (34)	B. E. (Civil) II (Bomb.)	Civil Engg. Specialising structural Engg.

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<i>Bombay—contd.</i>			
3.	Mr. Digambar Madhav Tegore (23)	B. E. (Elect.) II. (Bom.)	Scientific Instruments (Elect Instruments).
4.	Mr. Ganesh Damodar Joshi (26)	B. Sc. I. B. Sc. Tech. I. (Bom.)	Chemistry Rayon—Specialising in Chemistry and Technology of Rayon.
5.	Mr. Ganpat Jaiwant Rao Kamat (24)	B. Sc. (Hons.) II. B. E. Mech. I. (Bom.)	Mechanical Engg. specially as applied to locomotive Engg.
6.	Mr. Haldipur Ramdas Narain (36)	B. A. I., M. A. II. (Bom.)	Experimental Psychology—Industrial or educational Psychology.
7.	Mr. H. R. Kulkarni (25)	B. Sc. (Hons.) I. (Bom.) Diploma I. I. S. (Bang.)	Electrical Engg. Electrical Power generation and distribution and application of Electricity to illumination.
8.	Mr. Harish Chandra Nand Lal Shah (23)	B. Sc. (Hons.) I. M., Sc. I. 1st.	Statistics—Statistical method.
9.	Mr. Kashinath Vishwanath Nair (30)	B. Sc. (Mech.) II. B. E. (Elect.) I. (Bomb.)	Road transport technical and administrative.
10.	Mr. Kerkar Purnotam Balakrishna (23)	B. E. (Mech.) I. (Bom.)	Auto. mobile Engg.
11.	Mr. K. Ramakrishna Pandit (22)	B. E. (Elec.) I. (Bom.)	Electrical Engg. specialising in machinery design.
12.	Mr. Madhuanadhan Govind Bhat (23)	B. E. (Mech.) I. (Bom.)	Mechanical Engg. specialising in Building and internal combustion Engine.
13.	Mr. Natvarlal Vavabbai Matumdar (26)	B. E. (Civil) I. (Bom.)	Civil Engg. specialising in Reinforced concrete.
14.	Mr. Patel Shankarbbai Mathur bhai (27)	B. Sc. II. B. Sc. (Tech.) I. (Bom.)	Biochemistry, specialising in vitamin A & D concentration.
15.	Mr. Ragbunath Chintaman Deshpande (26)	B. Sc. I. B. Sc. (Tech.) (Bom.)	Ferrous and non-ferrous alloys.
16.	Mr. Raghunath Paraburam Limaye (24)	B. E. (Elec.) I (Bom.)	Elect.-Engg. Power distribution and generation.
17.	Mr. Ramkant Pandurang Patil (29)	B. A. (Hons.) II. B. Sc. I. M. Sc. Thesis (Bom.)	Agriculture Economic Botany.
18.	Mr. Ramchandra Narain Desai (36)	G. B. V. C. Diploma Assoc. I. 1st.	Agriculture, Animal Husbandry and Dairying.
19.	Mr. Ramesh Gajanand Talpede (22)	B. E. (Mech.) I. (Bom.)	Mech. Engg. specialising in Diesel Engines.
20.	Mr. Sakharan Vithal Sunthekar (30)	B. Sc. II B. Sc. Tech. I. (Bom.)	Applied Chemistry in Heavy chemicals.
21.	Mr. Shrirem Gajanan Patwardhan (32)	B. A. (Hons.) II. M. A. II. Ph. D. (Bom.)	Road transport Technical and Administrative.
22.	Mr. Vishwanath Sadashiv Pradhan (24)	B. Sc. I. (Hons.), B. Sc. (Tech) I. (Bom.)	Metallurgical Engg. (ferrous).
23.	Mr. Yashwant Balkrishna Rangnekar (26)	B. Sc. I. Chemistry (Bom.)	Biochemistry, Food and Vitamins.

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O. P. and Berar

1. Mr. Chintaman Duttatrya B. A. I.; M.A. II. Ph. D. Marketing on co-operative
Datey (30) (Nag.) lines.
2. Mr. Govind Gangadhar B. Sc., M. Sc. (Tech.) I. 1st Chemical Engineering
Satsone (22) (Nag.)
3. Mr. Gulab Chandra Chau- B. A. I., M. A. II. (Nag.) Applied Psychology.
raria (25)
4. Mr. Krishna Behari Yadu Grad. V. C. I. 1st (Bom.) Animal Psychology.
(31)
5. Mr. Narindra Lal Dhawan B. Sc., M. Sc. I. (Nag.) Assoc. Horticulture, Vegetable fruits.
(27) I. A. R. I.
6. Mr. Raghunath Ganpat B. Sc. (Elec.) (Mech.) I. Mech. Engineering, Power
Rao Mokadam (24) (Bom.) plant.
7. Mr. Rajindra Nath Pathak B. Sc. II. M. Sc. I. (Nag.) Elect. Engg. Transmission &
(27) Cert. of Elect. Engg. (I. distribution.
I. So.)
8. Mr. Ramohandra Madhao B. Sc. (Engg.) I. (Bang.) Elect. Engg.—Power genera-
Kanetkar (22) tion.
9. Mr. Shakti Prasad Neogi B. Sc. II. M. Sc. I. (Cal.) Training of Technically quali-
(35) fied personnel for methods
of organizing and conduc-
ting junior technical High
school and Polytechnical
institutes.
10. Mr. Shankar Krishna Dani B. A. I. (Nag.), M. A. I. stu- Experimental Psychology.
(24) dent (Nag.)
11. Mr. Shrikrishna Chidambar B. Sc. II. (Ban.), B. Sc. Ceramics.
Sane (33) (Tech.) I. (Nag.)
12. Mr. Thakurdas Kirenlal B. A. I. M. A. I. LL. B. I. Marketing on Cooperative
Bang. (30) (Nag.) lines.

Madras

1. Mr. A. Madangopal Menon B. E. (Elect. Engg.) (Hons.) Electrical Engg., generation
(22) I. (Mad.) transmission and utiliza-
tion of electric power.
2. Mr. A. M. A. K. Ghori (23) B. Sc. (Tech.) II. (Mad.) Industrial and applied chemi-
stry, tanning, Currying and
leather technology.
3. Mr. Chitpadi Srinivasa Bellal B. E. (Bom.) I. 1st. (Mech.) Mercantile Marine Engg. En-
(24) (Mad.) gineering side.
4. Miss C. D. Kanthimathi (23) B. A. (Hons.) I. (Ann.) Nursery Education.
studying B. T. course.
5. Mr. O. Ganecamurthi (30) B. A. (Hons.) II. B. T. (Mad.) Teachers' training Educa-
tional Psychology.
6. Mr. C. Srinivasan (23) B. Sc. (Hons.) I. Cinematography, sound
recorderist.
7. Mr. Chandrasekhra Venkat. B. Sc. I. B. Sc., (Hons.) I. Industrial and applied che-
cean (23) or M. A. (Madras) Ph. D. mistry.
research
8. Mr. Dendury Venkateswarlu B. Sc. (Hons.) (Tech.) I., Chemical Engineering,
(26) M. Sc. (Tech.) I. (And.)
9. Mr. Dhanelakota Venkate- B. Sc. (Hons.) I. II., (And) Meteorology.
swara Rao (29) M. Sc. by research 1st
rank. Post Masterate
research (I. I. Sc.) (Bang.)

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Madras—contd.

10. Mr. Erode Chinnappa Govin. B. E. (Hons.) I. III rank Civil Engg., Construction der Chandrasekharan (23) (Highway Engg.) (Mad.) Low cost roads.
11. M. Haris Sam Sahawayam B. A. (Hons.) I. (Travan.) Teachers' training. Laurance (24)
12. M. J. Sethumadbvachar (26) B. Sc. (Hons.) I, or M. A., B. E. (Elect. Engg.) I. (Hons.) (Mad.) Elect. Engg., generatio, transmission and utilization electric power.
13. Dr. Kunpulli Venkatesvarlu B. Sc. (Hons.) II. M. So. I. Geophysics. (31) by research D. Sc. (And.)
14. Mr. K. M. A. Md. Suleman B. E. I. (Mad.) Elect. Engg., generation, transmission and utilisation of electric power. (26)
15. Mr. Mannath Devidas B. Sc. II., B. So. (Hons.) I. Fisheries. Menon (25) Ist. (Mad.) Fisheries test 1st & 2nd (Deptt. of Imp. & Commerce)
16. Mr. L. Venkatesan (23) B. E. (Civil) I. (Hons.) (Mad.) Civil Engineering, Dam Design.
17. Mr. Mullaipudi Venkatarao B. A. II. B. E. (Civil) (Hons.) Civil Engg., Irrigation Soil (27) Civil Engg. Diploma mechanics with its application to design of irrigation works. (Hons.) (Mad.)
18. Mr. Relton Peterson Arthur B. E. (Mech.) I. (Mad.) Mechanical, Engg. Heat & (24) Hydraulics Engg.
19. Mr. Rajagopalan Jaya- B. So. I. (Mad.), M. So. I. Chemical Engineering. raman (25) 1st (Ban.) Diploma in Chemical Engg. (Bang.)
20. Mr. S. Sankralingam (32) B. E. I. (Mad.) Civil Engg., Irrigation constructional methods with special reference to irrigation.
21. Mr. S. H. Mahadevan (25) B. A. I. B. E. (Hons.) I. Civil Engg., Highway construction IV (Highway Engg.) (Mad.) tion bridging.
22. Mr. T. V. Balakrishnan (22) B. E. (Elect.) (Hons.) I. Electrical Engg., Electric switches and accessories manufacture. (Mad.)
23. Mr. T. Venkataramana B. E. (Civil) (Hons.) (Mad.) Civil Engg., Surveying. Reddy (25)
24. Mr. Venketapuram Siva- B. E. I. (Mech.) (Mad.) Fertilizers, Chemical plant sankaran Ramohandran (25) maintenance.
25. Mr. Yariagadda Sree Ra- B. So. I. (And.), M. So. I. Applied Physics Electronics. malu (23) (Ban.) Diploma of I. I. of Science in Elect. Technology.

Orissa

1. Mr. Bidyadhar Padhi (24) B. Sc. (Hons.) I. (UTE), Botany, (Research in Plant M. So. student pathology) Virus Diseases. of plants.
2. Mr. Basanta Kumar Behura B. Sc. (Pass) M. So. I. Zoology. (25) (Cal.)
3. Mr. Gajendra Nath Rout B. Sc. (Agri.) II., (Mag.) Agronomy. (29)
4. Mr. Gandra Venkatesharam B. Sc. II., M. So. I. (Ban.) Agronomy. (36) (Ph. D.) (Pat.)

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Oriya—contd.

5. Mr. Jagannath Panda (25) B. Sc. (Pass.), B. Sc. (Eng.) (Hons.) II. (Pat.) Civil Engg.
6. Mr. Kishori Charan Das (23) B. A. I. M. A. I. (Pat.) Education.
7. Mr. Narayan Patnaik (25) B. Sc. (Agri.) I. 1st (Mad.) Agricultural Chemistry (Foliar diagnosis).
8. Mr. Prithivish Chandra Brahma (23) B. Sc. I. (Hons.), M. Sc. II. (Patna.) Chemistry.
9. Mr. Ramavarapu Prabhakar (20) B. Sc. (Hons.) I. (And.) Chemical Engg.—special reference to Soap Making.
10. Mr. Shripato Pani (30) B. Sc. (Hons.) II. M. Sc. I. (Pat.) Education, Chemistry.

Punjab

1. Miss Bilquis Azmat Raesaque (25) B. A. II. (Punj.), M. A. II. (Alig.) Advance Geography.
2. Mr. Gulzar Singh (23) B. A. I. (Hons.) in Math. B.Sc. (Civil Engg.) I. (Hons.) (Punj.) Building and Roads Structural Engg.
3. Mr. Harbans Singh (27) L. V. P. (Hons.) (Punj.) Poultry.
4. Mr. Bari Krishna Sondhi (22) B. Sc. (Hons.) II., M. Sc. (Hons) (Punj.) I. Oil Technology.
5. Mr. Jagmohan Lall (25) Four years course in Vet. Sc., L. V. P. (Pun.) Animal Husbandry.
6. Miss Kaniz Ataulah (27) B. A. II. M. A. II. (Luok.) Dip. in teaching II. (Luok.) Education, China Guidance.
7. Mr. Mansur Ahmad (22) B. Sc., B. Sc. (Hons.) (Tech.) I. (Punj.) M. Sc. Tanning.
8. Mr. Maqbul Ahmad Bhatta (28) B. A. I. (Punj.) Advanced Geography.
9. Mr. Mohammad Ikram Malik (25) L.V.P. (Hons.) 1st Punj Veterinary Wool Tech.
10. Mr. Mohd. Ihsenur-Rahman Khan (25) B. Sc. (Agri.) I. M. Sc. (Agri.) I. (Punj.) A. I. F. C. Dip. with Hons. Forestry.
11. Mr. Mohd. Khalil (23) B. Sc. (Civil Engg.) I. (Punj.) Engg. specialization in Cement work.
12. Mr. Mohd. Sayeed Minhas (27) B.A. (Hons.) II. B. Sc. (Hons.) I. (Punj.) Irrigation Hydraulics.
13. Mr. Narinder Singh Lamba (25) B. Sc. (Civil) I. (Hons.) (Punj.) Town planning.
14. Mr. Prakash Chandra Joshi (35) B. Sc. (Hons.) II., M. Sc. I. 1st (Punj.) Cytogenetics.
15. Mr. Prshad Dev Malhotra (22) B. Sc. (Hons.) I. 1st, M. Sc. (Tech.) I. (Punj.) Food Technology.
16. Mr. Pritam Singh (21) B. Sc. (Engg.) I. 1st. (Punj.) Sanitary Engineering.
17. Mr. Rattan Chand Sharma (24) B. Sc. (Engg.) I. (Hons.) (Punj.) Road Soil stabilization.
18. Mr. Satya Prakash Kohli (30) B. Sc. (Agri.) II., M. Sc. (Agri.) I. (Punj.) Agriculture Plant breeding Pulses.
19. Mr. Ziauddin (27) B. Sc. (Hons. School) II. M. Sc. (Hons. Sch.) II. (Punj.) Entomology.

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Sind

1. Mr. Ghulam Haider Haji Mohd. Yacob Rounjo (27) B. Sc. (Engg.) II. (Alig.) Industries, Automobile Engineering.
2. Mr. K. M. Shahani (25) B. Sc. (Agri.) (Hons.) (Bom.) Assoc. I. D. R. I. Agriculture, dairy organization.
3. Mr. Sulaiman Abdul Ghani Ganatra (27) B. E. (Civil) II. (Bom.) Town Planning, Surveying.
4. Mr. Khubchand Gianchand Tejwani (26) B. Sc. (Agri.) I. Dip. of I. A. R. I. (N. Delhi) for 2 yrs. post-graduate training. Agriculture Agronomy.

U. P.

1. Mr. Abdul Wadood Khan (22) B. A. (Hons.) II. (Dib.) B. Sc. (Elec. Engg.) I. (Alig.) City and Guilds London, Final Exam. I. Electrical Engineering.
2. Mr. Anand Singh Vlahnoi (23) B. Sc. (Hons.) II. M. Sc. II. (All.) C. E. (Hons.) I. Roorkee. Civil Engineering.
3. Mr. Arun Kumar Ghose (22) B. A. I. M. A. I. (All.) Theory and practice of estimating National Income.
4. Mr. Brij Chandra Sah (24) B. Sc. I. M. Sc. (Tech.) I. (Ben.) Paints and Varnishes.
5. Mr. Gopal Krishna Ram Varma (22) B. Sc. (Engg.) I. (Ban.) Elect. Engineering.
6. Mr. Jagdish Narain Tewari (22) B. A. II. M. A. I. (All.) General advance theory of statistics with practical reference to sample technique.
7. Mr. Hakim Istikhar Ali Khan (21) B. A. II. B. A. (Hons.) II. M. A. II. (Luck.) Applied Psychology.
8. Mr. Krishna Chandra Aggarwala (23) B. A. (Hons.) I. M. A. I. (Dib.) Social Insurance Scheme.
9. Mr. Mauj Sarup Nigam (23) B. A. I. M. A. (Agra) Industrial co-operation and organization of cottage industries.
10. Mr. Mohd. Badroddin (22) B. Sc. II (Alig.) C.E. (Hons.) Roorkee. Civil Engineering.
11. Mr. Narindra Nath Pant (34) B. Sc. III. M. Sc. I. 1st D. Phil. (All.) Agricultural Chemistry.
12. Mr. Nawal Kishore Kataiba (34) B. Com. I. 1st. M. A. I. 1st. (Luck.) Dip. L. S. G. I. 1st (All.) Administration of local self-Government.
13. Mr. Raj Narayan (36) B. A. I. B. A. (Hons.) II. M. A. I. 1st. LL. B. I. (Luck.) Methods of Mass Education.
14. Mr. Syed Musaffar Hussain (23) B. A. I. M. A. (Alig.) Consumers stores and Co-operative Housing.
15. Mr. Tejpal Singh Tootia (23) B. Sc. (Agri.) I. M. Sc. I. 1st. (Agra) Agricultural Entomology.
16. Mr. Uday Chand Gupta (23) L. T. M. (Hons.) I. 1st. (V. J. T. I.) Textiles Manufacture.
17. Mr. Virendra Prasad (Scheduled caste) B. Sc. (Agri.) II. (Agra) Agriculture-Agronomy.

Statement II

S. No.	Name	Qualification	Course of Study.
<i>Candidates for the United Kingdom</i>			
1.	Mr. L. P. Kadam	B. A., B. T.	Teacher's Diploma course.
2.	Mr. R. S. Kelote	M.A., B.T.	B. Ed.
3.	Mr. S. V. Gaikwad	B. A., B. T.	T. D. Course.
4.	Mr. Nriyee Gopal Mandel.	B. A., B. T.	T. D. Course.
5.	Mr. H. N. Ray	B. A., B.T.	T. D. Course.
6.	Mr. M. A. Kamble	B. Sc., B. T.	T. D. Course.
7.	Mr. T. B. Awale	M.A., B.T.	T. D. Course.
8.	Mrs. Indira Miri	B. A., B.T.	B. Ed.
9.	Mr. Rajib Behora	B. Sc., Agri.	Agriculture Genetics
10.	Mr. M. N. Wankhade	B. A. (Hons.)	T. D. Course.
11.	Mr. S. M. Dahat	B. Sc., Ag.	B. Sc. (Hons.) Agri.
12.	Mr. R. M. Shende	B. Sc. Ag.	B. Sc. in Agri.
13.	Mr. Y. C. Geikwad	B. A., B.T.	T. D. Course.
14.	Mr. Yashwant Rai	B.A., B.T.	T. D. Course.
15.	Mr. M. R. Bobade	B. A., B.T.	T. D. Course.
16.	Mr. S. P. Mullick	Dip. in Textile Tech.	Textile Technology.
17.	Mr. D. M. Jajuriker	B. A. (Hons.) LL. B.	Statistics.
18.	Mr. N. Seha	B.Sc.	B. Sc. Engineering.
19.	Miss K. M. Maragatham	B. Sc.	Diploma in domestic Science.

Candidates for the United States of America

1.	Mr. Jit Singh Naphrey	Dip. in Engg.	Mechanical Engg.
2.	Mr. M. C. Das	B. E.	Civil Engineering.
3.	Mr. J. C. Das	Diploma in Veterinary	Veterinary Science.

INTRODUCTION OF AN **ELEMENTARY COURSE IN DIETETICS IN PUBLIC SCHOOLS**

†177. ***R. B. Lala Raj Karwar**: Will the Honourable Minister of Education be pleased to state:

(a) whether Government are aware that the majority of students attending public schools and colleges do not get sufficient nutritive food, and

(b) if so, whether Government propose to consider the feasibility of introducing an elementary course of dietetics in public schools in order to arouse public interest in this behalf?

†Printed serially in the day's Debats. The question could not, however, be reached during the question hour and the replies were laid on the table of the House. *Id. of D.*

The Honourable Maulana Abul Kalam Azad: (a) Yes. A large number of students are suffering from malnutrition due partly to scarcity of foodstuffs and poverty and partly to ignorance of dietetics.

(b) Provision of simple courses of study relating to health, hygiene and nutrition already form a part of school and college syllabuses. Government have also under consideration a proposal to include such studies as part of their general scheme of Social Education for the masses. Certain Provinces have also introduced 'midday tiffin' on a voluntary basis, and the question of making it compulsory is being considered.

BAJPAI COMMITTEES REPORT re ORGANISATION OF SECRETARIAT

178. *Shri B. Shiva Rao: Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether Government propose to lay on the table of the House a copy of the Report of the Bajpai Committee on the reorganization of the Government of India Secretariat;

(b) whether Government propose to make a statement on the recommendations of the Committee to which effect has been given; and

(c) what recommendations have been rejected by the Government of India and the reasons for such rejection?

The Honourable Sardar Vallabhbhai Patel: (a) A copy of the report is placed on the table of the House.

(b) and (c). A statement showing the recommendations of the Bajpai Committee and the action taken on these recommendations is placed on the table of the House.

Statement

S. No.	Recommendations	Action taken	Remarks												
1.	The Departments of the Government of India should be reorganised and their officer strength re-fixed as recommended, resulting in the saving of officer man-power as follows:--	This recommendation was accepted and given effect to last year. But the proposal to amalgamate the Transport and Communications Ministries was not accepted.	The recommendation for the amalgamation of the Transport & Communications Ministries was not accepted as the two Ministries put together would have constituted too heavy a charge for a single Minister.												
	<table border="0"> <tr> <td>Status</td> <td>Saving</td> </tr> <tr> <td>Secretary.</td> <td>. 6</td> </tr> <tr> <td>Add. or Joint Secy.</td> <td>. 10</td> </tr> <tr> <td>Deputy Secy.</td> <td>. 34</td> </tr> <tr> <td>Under Secy.</td> <td>. 47</td> </tr> <tr> <td>Total</td> <td>97</td> </tr> </table>	Status	Saving	Secretary.	. 6	Add. or Joint Secy.	. 10	Deputy Secy.	. 34	Under Secy.	. 47	Total	97		
Status	Saving														
Secretary.	. 6														
Add. or Joint Secy.	. 10														
Deputy Secy.	. 34														
Under Secy.	. 47														
Total	97														

(Paragraph 14 of the Report).

† Not printed in the day's Debates. A copy has been placed in the Library of the House.—Ed. of D.

Serial No.	Recommendations	Action taken	Remarks
2	<p>The possibility of recruiting officers from the "Open Market" and for arranging intensive training to recruits should be explored immediately by the Home Department, with a view to overcoming the officer shortage.</p> <p>(Paragraph 32 of the Report).</p>	<p>An <i>ad hoc</i> Committee under the Chairmanship of Mr. A. D. Gorwala, C.I.E., I.C.S., was set up on the 19th September 1947 to explore the possibility of recruiting candidates from the open market and arranging intensive training for them. The recommendations of this Committee were examined and found to be interconnected with the settlement of the cadre strength of the newly created Indian Administrative Service. The problems involved were examined in consultation with Provincial Governments and an Emergency Recruitment Scheme was drawn up in agreement with them. The scheme has been put into operation. A Special Recruitment Board has been set up in the Ministry of Home Affairs to undertake recruitment from the 'Open Market'. The gap in the Indian Administrative Service cadre, caused by the retirement of European I.C.S. officers and the departure of Muslim officers to Pakistan, which is to be filled up through the Emergency Recruitment is estimated to be 255, the total cadre strength being 803 (includes 140 posts for promotion of P. C. S. officers).</p>	
3	<p>The officer grades in the Secretariat should be reorganised as recommended in paragraphs 10, 30 and 31 of the Report.</p>	<p>The recommendations of the Committee cover only a part of the field of reorganisation of the Central Secretariat Service. The problems involved in this reorganisation are interdependent and required study. Detailed examination has been completed by the Ministry of Home Affairs in consultation with all Ministries. A detailed scheme of Reorganisation and Reinforcement of the Central Secretariat Service has been drawn up; and decisions of Government are expected to be taken shortly.</p>	
4	<p>Methods of work in the Secretariat should be improved.</p> <p>(Paragraph 25-26 of the Report).</p>	<p>The suggestions made by the Committee have been brought to the notice of all Ministries.</p>	

Serial No.	Recommendations	Action taken	Remarks
5	The Central Government should try to secure from the Provinces a number of suitable P. C. S. officers for appointments in the Central Secretariat. (Paragraph 15 of the Report).	The Establishment Officer to the Government of India is already considering suitable PCS officers for posts in the Central Secretariat, and a number* of P. C. S. officers are holding posts of Under Secretary, Deputy Secretary, or equivalent posts in the Secretariat at present.	*At present 25.
6	Suitable retired officers with administrative experience should be recruited for Secretariat appointment.	Applications were invited in July 1947 from retired officers desirous of obtaining re-employment, and some retired officers have been appointed to posts of Under/Deputy Secretary etc. The Establishment Officer to the Government of India is maintaining a list of suitable retired officers and such officers are recommended for appointment to the various Ministries as and when there is a demand for officers.	
7	Selection should be made in consultation with the F. P. S. C. of temporary employees, and selected officers made available to the Selection Board for posting to Secretariat appointments. (Paragraph 16 of the Report).	Recommendations were called for from the various Ministries and the selection of officers considered suitable for appointment to Secretariat posts has practically been completed by the Selection Board.	
8	Senior officers of the grade of Deputy Secretary and above employed as Private Secretaries to Honourable Ministers should as far as possible be replaced by Junior officers of the grade of Under Secretary. (Paragraph 13 of the Report).	The recommendation has been accepted and is being given effect to as far as possible.	
9	The Audit and Accounts Sections of the Railways should be combined and placed under the Auditor General so as to release more officers of the Accounts Services for appointment to Secretariat posts. (Paragraph 18 and 19 of the Report).	Has been accepted in principle. The financial implications of proposals was considered by a Special Committee formed by the Transport Minister and the recommendations of that Committee are under consideration, in the Railway and Finance Ministries.	

Serial No.	Recommendations	Action taken	Remarks
10	The Military Accountant General's Organisation also should be entrusted to the Auditor General.	The Finance Ministry is examining the question in consultation with the Auditor General.	
	(Paragraph 18 to 19 of the Report).		
11	The Emergency Cadres of the I. A. and A. S. and Superior Establishment of the M. A. D. should continue.	Has been accepted.	
	(Paragraph 20 of the Report).		

† Shri H. V. Kamath:

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Mr. Speaker: Order, order. I disallow the question as containing inferences and defamatory matter.

Shri E. R. Diwakar: Is there any new Committee appointed for reorganisation of the Secretariat?

The Honourable Sardar Vallabhbhai Patel: No new Committee has been appointed.

Shri M. Tirumala Rao: What was the date that this report was submitted?

The Honourable Sardar Vallabhbhai Patel: 10th August, 1947.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister whether the Honourable Shri N. Gopalaswami has been entrusted with the task of reorganising the Secretariat?

The Honourable Sardar Vallabhbhai Patel: A Minister has been asked to investigate and report.

Shri M. Ananthasayanam Ayyangar: How far, may I know, he has been asked to look into those recommendations of the Government which have been rejected by the Bajpai Committee?

The Honourable Sardar Vallabhbhai Patel: There has been only one recommendation which has been rejected so far as the Bajpai's report is concerned and that is with regard to Transport and Communication.

Shri M. Ananthasayanam Ayyangar: Has the same thing that has been done by the Bajpai Committee been left off or is he going over the same field?

The Honourable Sardar Vallabhbhai Patel: He is not again going over the same field.

Shri H. V. Kamath: Is not it a fact of history that other countries passing from slavery to freedom have liquidated a good bit of their old State apparatus?

Mr. Speaker: Order, order.

† The Supplementary question was disallowed by the Chair as containing inferences and defamatory matter.—Ed. of D.

Shri M. Ananthasayanam Ayyangar: In view of the fact that the Honourable Shri N. Gopalaswami Ayyangar has been requested to look into the reorganisation of the Secretariat, would it be desirable for the Government to make the Economic Committee work in conjunction with him?

The Honourable Sardar Vallabhbhai Patel: I think the Economic Committee's work is entirely different as I understand it.

GRANT TO NUTRITION RESEARCH INSTITUTE, COONOR

179. *Shri B. Shiva Rao: Will the Honourable Minister of Health be pleased to state:

- (a) the amount of financial assistance given by Government to the Nutrition Research Institute at Coonoor per year;
- (b) the activities undertaken by the Institute; and
- (c) the steps taken by Government to publish the results of research carried out by the Institute?

The Honourable Dr. Syama Prasad Mookerjee: (a) The Nutrition Research Laboratories, Coonoor, are not financed directly by the Government of India, but by the Indian Research Fund Association which controls the Laboratories. The financial allotments sanctioned during the three years for the Nutrition Research Laboratories, Coonoor, are:

- (i) For the year 1946-47-Rs. 1,26,518.
- (ii) For the year 1947-48-Rs. 1,87,421.
- (iii) For the year 1948-49-Rs. 1,87,210.

(b) The Nutrition Research Laboratories, Coonoor, carry out basic research on various aspects of the nutrition problem pertaining to human nutrition and food. Short courses of instruction on nutrition both for medical and non-medical men are conducted by the Laboratories. The advice of the Director on problems of nutrition is also made available to Central and Provincial Governments and other organisations when asked for.

(c) The report of the work carried out at the Nutrition Research Laboratories is printed and published in the annual report of the Scientific Advisory Board of the Indian Research Fund Association and in the annual report of the Nutrition Research Laboratories. Scientific investigations carried out by the members of the staff are often published in the Indian Journal of medical Research and in other scientific journals. During the years 1919—1945 (both inclusive) no less than 291 scientific communications were published. One informative pamphlet on the nutritive value of Indian foods, another one on the food value of rice and a third one in popular language for children on the subject of food and nutrition have been prepared by the Coonoor Laboratories and published by the Government of India in the Health Bulletin series.

Shri K. Santhanam: May I know if it is a fact that the Nutrition Research Institute has been in a state of stagnation for sometime now and has made no progress?

The Honourable Dr. Syama Prasad Mookerjee: The information at our disposal is quite to the contrary.

Shri K. Santhanam: May I know whether there has been any expansion in the activities and the staff of the Institute since it was founded?

The Honourable Dr. Syama Prasad Mookerjee: Several new appointments have been made and I would refer the honourable member to the last report published for 1947-48.

Pandit Lakshmi Kanta Maitra: May I know whether besides official publications the results of the research done in the Institute have been widely publicised in the country, so as to make them available to the public at large?

The Honourable Dr. Syama Prasad Mookerjee: Perhaps that can be considered. The results of the Institute have been published in technical journals and I would refer the honourable member to the last report of the Institute for the year 1947-48 published this year.

Pandit Lalabhai Kanta Maitra: Will the Honourable Minister also kindly see that these results are widely publicised through the radio so that the information is readily available to the public?

The Honourable Dr. Syama Prasad Mookerjee: The question of giving wider publicity to the results of the Institute can be considered.

Shri T. A. Ramalingam Chettiar: Are the Government aware that to the people nothing is known of the results obtained by the Research Institute. There are several such institutes working both under the provincial governments and the Central Government. Is there any attempt made to co-ordinate the activities of these institutes and published the results for popular use?

The Honourable Dr. Syama Prasad Mookerji: The reports are published from time to time and they are made available to those who are interested in them. There has been some co-ordination, sometimes we receive requests from provincial governments or other institutions which are doing research work or pursuing similar activities.

Shri H. V. Kamath: Does the research carried on at the Institute bear any relation to the diet that the poorest in the country can afford?

The Honourable Dr. Syama Prasad Mookerjee: Naturally, that must be one of the considerations.

Shrimati Ammu Swaminadhan: May I know if the reports of the Institute are published only in English or are also published in the languages of the different provinces?

The Honourable Dr. Syama Prasad Mookerjee: I am afraid the reports are published mainly in English.

Prof. N. G. Ranga: Some of them are published in Hindi.

Shri B. Shiva Rao: Are Government aware that the activities of this Institute are extremely valuable and the Institute itself is considered the finest research institute in the whole of Asia, despite the niggardly attitude of the Government towards it?

The Honourable Dr. Syama Prasad Mookerjee: Honourable Member will please define the word "niggardly".

Prof. N. G. Ranga: How many workers are being trained every year in this Institute?

The Honourable Dr. Syama Prasad Mookerjee: Last year the total number, I believe, was forty.

Prof. N. G. Ranga: Will Government consider the advisability of instituting a diploma course for getting people trained in this Institute, in view of the fact that this Institute is becoming one of the world's most famous institutions?

The Honourable Dr. Syama Prasad Mookerjee: That might be considered.

Shri B. P. Jhunjhunwala: Do the nutrition bulletins which are being issued by the Government contain anything which affect the lives of the masses of the villagers?

The Honourable Dr. Syama Prasad Mookerjee: They contain valuable suggestions which if given effect to will improve the condition of the masses.

Shri O. V. Alagunan: Is it not a fact that the results of the research conducted in this Institute were published in the *Harijan* and were even commented upon by Mahatma Gandhi?

Shri B. Shiva Rao: Is there any intention on the part of the Government of giving this Institute accommodation for itself instead of its being dependent upon the Pasteur Institute?

The Honourable Dr. Syama Prasad Mookerjee: The question of improving the accommodation for the institute will be considered.

Babu Ramnarayan Singh: May I know what is the way in which the lives of the people in the villages are being influenced by the results of the activities of this Institute?

Mr. Speaker: That has been replied to. There have been so many questions on that aspect and they have been answered.

Shri B. P. Jhunjhunwala: May I know if the bulletins that are issued at present are of any use to the masses? Is it not a fact that they cannot be applied to them under existing conditions?

Mr. Speaker: Order, order. Next question.

ORDNANCE FACTORIES WORKING BEFORE AND AFTER WAR

180. *Shri Mahavir Tyagi: (a) Will the Honourable Minister of Defence be pleased to state the number of ordnance factories which were working during the last war?

(b) Where was each of them located?

(c) What articles did they manufacture and what was their capacity of production?

(d) How many of them are working now?

The Honourable Sardar Baldev Singh: (a) Thirty-six.

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

(c) Small arms and artillery, gun and small arms ammunition, scientific and optical instruments, clothing and parachutes, bayonets, mortar bombs, mines, grenades, etc.

It is not in the public interest to divulge the capacity of the Ordnance Factories.

(d) Fifteen.

Statement

<i>Location</i>	<i>Number of Factories</i>
Aggra	1
Ahmedabad	1
Ambernath	1
Amritsar	2
Aruvankadu	1
Begumpet	1
Bombay	2
Calcutta	1
Cossipore	2
Delhi	1
Debra Dun	1
Dohad	1
Ichapore	2
Jubbulpore	1
Kanpur	4
Katni	1
Khamarin	1
Kidderpore	1
Kirkee	2
Lahore	1
Lucknow	1
Madras	2
Moghulpura	1
Muradnagar	1
Secunderabad	1
Shahjahanpur	1
Sialkot	1

Mr. R. K. Sidhva: May I know whether all the factories manufacture arms and ammunition or some of them manufacture commercial products?

The Honourable Sardar Baldev Singh: Some of the factories do manufacture articles for commercial purposes.

Shri Mahavir Tyagi: May I know if the arms and ammunition which are being manufactured by the factories now are sufficient for our purposes and requirements?

Mr. Speaker: That is a matter of opinion.

Shri Mahavir Tyagi: What has happened to the technical staff of those factories which have been closed?

The Honourable Sardar Baldev Singh: The technical staff of those factories which have been closed are being suitably employed in other factories. Wherever they have been found to be surplus they have been discharged.

Mr. Frank Anthony: May I know if the Jubbulpore Ordnance factory has reached the target of production which was set for it during the war?

The Honourable Sardar Baldev Singh: The Jubbulpore factory is not in working order at present. It is being put in working order so as to start work in the near future.

Mr. Frank Anthony: Has the Central Government received a request from the Central Provinces Government asking that production be stepped up as it is very much below capacity? What has been done if the request has been received?

The Honourable Sardar Baldev Singh: No request has been received from the Central Provinces Government. The factory is an ordnance factory and the Central Provinces Government is not in any way concerned with it.

Shri B. Shiva Rao: How is it that the semi-skilled workers are being in danger of being retrenched at the present moment?

Shri Mahavir Tyagi: May I know why such a large number of factories have been closed down?

The Honourable Sardar Baldev Singh: Because we found production surplus to our requirements.

Shri K. Hanumanthaiya: Is it in the public interest to divulge all this information in the House?

Mr. Speaker: It is not for me to say but I was all along thinking that Honourable Members should not put such questions. It is open to the Minister to say that he cannot divulge the information.

Shri Mahavir Tyagi: Do the Defence Ministry keep a separate special department to look into military requirements and their manufacture?

The Honourable Sardar Baldev Singh: I believe so.

Shri Ajit Prasad Jain: How do the production and the efficiency of the factories now compare with their production and efficiency during war time?

The Honourable Sardar Baldev Singh: I am afraid I cannot give this information on the floor of this House.

Shri M. Ananthasayanam Ayyangar: May I know if still the process of demobilising the workers in the factories is going on or has it stopped?

The Honourable Sardar Baldev Singh: As regards retrenchment those workers who were surplus to our requirement have been discharged and as a normal practice some people are employed now and then. But it all depends on our requirements.

Shri M. Ananthasayanam Ayyanger: May I know how many have been absorbed and how many are still on the waiting list and what steps are being taken about them?

The Honourable Sardar Baldev Singh: I am sorry I cannot give that information off-hand.

Shri Gopkrishna Vijayavargiya: In view of the requirement of arms and ammunition in larger and larger quantities will the Government declare their policy regarding these factories as to whether they want to run them? or will the Government give a clarification of their policy?

The Honourable Sardar Baldev Singh: The policy of the Government has been clearly laid down.

श्री गोकुलभाई दौलतराम भट्ट : क्या किसी रियासत में शस्त्रास्त्र के कारखाने हैं और अगर हैं तो क्या वे मंत्री महोदय के नियंत्रण में हैं ?

Shri Gokulbhai Daulatram Bhatt: May I know if ordnance factories are located in any Indian State? If so, are these under the Honourable Minister's control?

The Honourable Sardar Baldev Singh: According to information available there were no factories put up in Indian States except one in Hyderabad which has since been removed.

Shri Mahavir Tyagi: Are the small firearms open for public sale also?

The Honourable Sardar Baldev Singh: No, Sir.

TRANSFER OF STEN-GUN FACTORY FROM HYDERABAD TO CALCUTTA

181. **Shri Mahavir Tyagi:** Will the Honourable Minister of Defence be pleased to state:

(a) whether it is a fact that a sten-gun factory was removed from Hyderabad to Calcutta; and

(b) if so, whether it is working now; and, if not, why not?

The Honourable Sardar Baldev Singh: (a) No, the factory was a Bren-gun factory.

(b) No. The machinery have to be installed before production can commence. Arrangements are in hand for setting up the factory at Kanpur.

Shri Mahavir Tyagi: Was the Bren-gun factory transferred from Hyderabad to Calcutta?

The Honourable Sardar Baldev Singh: That is what I have stated in reply to part (a) of the question.

Shri Mahavir Tyagi: Is it working in Calcutta?

The Honourable Sardar Baldev Singh: I have already stated that the machinery was shifted from Hyderabad. Some of it is lying in Calcutta and some in Kanpur. Arrangements are in hand to put it up at Kanpur.

Shri Mahavir Tyagi: If the intention of Government was to set it up at Kanpur why was it carried to Calcutta?

Mr. Speaker: I think it is going into administrative details.

Shri K. Hanumanthaya: I again voice my feeling that in public interest this question should not be answered in detail.

Shri Mahavir Tyagi: Why was the factory not started in Calcutta?

Mr. Speaker: The Honourable Minister has stated that the machinery could not be completely shifted.

Shri Mahavir Tyagi: Was it due to strategic reasons or for other reasons that it was not started?

Mr. Speaker: I do not think the question arises.

Shri Ajit Prasad Jain: When was the factory closed in Hyderabad and what time was taken to transmit the machinery from Hyderabad to Calcutta?

The Honourable Sardar Baldev Singh: If the Honourable Member wants detailed information datewise I will have to collect it.

Shri Mahavir Tyagi: Is the factory now being transferred from Calcutta to Kanpur for the reason that there was no accommodation for it in Calcutta?

The Honourable Sardar Baldev Singh: It all depends on the availability of buildings. It is very difficult for me to say without complete information why this factory is being shifted from one place to another.

Shri Mahavir Tyagi: Are Government aware that a large number of buildings meant for factories are lying vacant in Calcutta?

The Honourable Sardar Baldev Singh: Government is the best judge.

PRESERVATION OF INDIAN ARCHIVES

162. ***Shri Lalchhmanarayan Sahu:** (a) Will the Honourable Minister of Education be pleased to state whether 'Archives' has been made a Central subject like Archaeology?

(b) Have steps been taken to preserve the important archives in different part of India in view of their historical value?

(c) If not, have Government under contemplation any scheme for protection and preservation of the archives by legislative measures? If so, what?

انریمل مولانا ابوالکلام آزاد (a)(b)(c) جو پوچھتے اس سوال میں اٹھایا گیا ہے ،
گورنمنٹ آف انڈیا کے سامنے آچکا ہے۔ اور ضروری کارروائی کی جا رہی ہے۔

The Honourable Maulana Abul Kalam Azad: (a) to (c). The points raised by the Honourable Member are already under the consideration of the Government of India.

TAXIS PLYING IN DELHI WITHOUT METERS

163. ***Shri B. Shiva Rao:** Will the Honourable Minister of Home Affairs be pleased to state:

(a) whether it is obligatory on the part of taxis plying for hire in Delhi and New Delhi to have meters; and

(b) if not, whether there is any proposal to prohibit the plying of taxis without meters?

The Honourable Sardar Vallabhbhai Patel: (a) No.

(b) Yes.

ALLOTMENT OF MACHINE TOOLS TO MADRAS INSTITUTE OF TECHNOLOGY

164. ***Shri B. Shiva Rao:** Will the Honourable Minister of Education be pleased to state:

(a) whether an application dated 22nd March, 1948 was received by Government from the Madras Institute of Technology for allotment of machine tools required for the College from the surplus stores in order to enable the Institute to start its course in July, 1948;

- (b) whether any action has been taken on the application; and
 (c) if so, with what results?

آنریبل مولانا ابوالکلام آزاد : (a) اور (b) ہاں

(۱) یہ چیز اتنی تھوٹ کو نہیں جا سکتی تھی اس کے دو گارن ہوئے۔

(۲) ڈائریکٹر آف آرٹیفیس نے سٹور کا ڈسپوزل روک دیا تھا۔

(۳) اپنی چیزوں کی مانگ ایسی چکھوں سے آ چکی تھی چلکی فرمایاں کو سب

سے پہلے پورا کرنا ضروری تھا۔ گورنمنٹ نے اب ایک سکریٹنگ کمیٹی بنادی ہے۔ جو

بہت جلد کام شروع کریگی۔ اس طرح تمام مانگوں پر فور کریگی اور ان کے بتوارے کا آخری

نہضہ کریگی۔

The Honourable Maulana Abul Kalam Azad: (a) Yes.

(b) Yes.

(c) The stores in question could not be released to the Institute for two reasons: (i) The disposal of the stores had been banned by the Director of Ordnance; and (ii) Demands for these stores had been received from higher priority indentors also.

Government have now set up a Screening Committee which will shortly meet to consider these demands and finalize allocations to various indentors.

Shri B. Shiva Rao: The application is wrongly stated as having been sent on the 22nd March 1948—the first application was actually sent on the 20th of October 1947. Does my honourable friend consider it satisfactory that the Institute of Technology should be made to wait for nine months even to get a reply of a negative character?

آنریبل مولانا ابوالکلام آزاد : میرے سامنے جو انفارمیشن ہے اسکی بنا پر تو میں

یہی کہہ سکتا ہوں کہ جونہی درخواستیں آئی تھیں عرض کی گئی تھی اور ان کا جواب

کی وجہ سے وہ بوری نہیں کی جا سکتی۔

The Honourable Maulana Abul Kalam Azad: On the basis of the information before me, I can say only this much that as soon as applications were received, efforts were made, but owing to these restrictions, the demands could not be met.

Shri B. Shiva Rao: Is it not a fact that during this very period over a hundred machine tools were handed over to a private firm in Calcutta?

آنریبل مولانا ابوالکلام آزاد : میرے علم میں یہ نہیں ہے۔

The Honourable Maulana Abul Kalam Azad: Not to my knowledge.

Shri M. Ananthasayanam Ayyangar: Was the Honourable Minister reviewed the report of the Committee which was appointed for purposes of disburseals and also their recommendations that they may be distributed to colleges and technological institutions, and if so may I know what action has been taken?

آنریبل مولانا ابوالکلام آزاد : اسی عرض سے سکریٹنگ کمیٹی بتوای گئی ہے اور

امید کی جاتی ہے کہ دو ہفتے کے اندر یہ کمیٹی کام شروع کر دے گی۔

The Honourable Maulana Abul Kalam Azad: A Screening Committee has been set up for this purpose and it is expected that it will start work within a fortnight.

NEW ADMINISTRATIVE SET-UP FOR STATES UNIONS

185. *Shri B. Shiva Rao: Will the Honourable Minister of States be pleased to state:

(a) whether the report which appeared in the newspapers on Monday, the 13th July, 1948, that a new administrative set up for States Unions was under consideration is correct; and

(b) whether it is a fact that there will be a Central Secretariat, an independent Judiciary, an independent Auditor-General, a Revenue Board to function as the highest court of appeal in revenue matters and an independent Public Service Commission for all the Unions?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) Yes.

Shri B. Shiva Rao: May I know whether there is not a danger of the distinction between the Provinces and States being perpetuated with the establishment of these institutions?

The Honourable Sardar Vallabhbhai Patel: I do not see how the establishment of these institutions will perpetuate it; on the contrary they will eliminate it.

Shri Jainarain Vyas: May I ask whether it is not a fact that the setting up of a Central Secretariat, of an independent judiciary etc. are compulsory subjects for the Unions, and if so whether the States Ministry could exercise their influence to see that the Secretariats and Judiciary are brought to something like an order?

The Honourable Sardar Vallabhbhai Patel: The State administration in all the Unions must be brought on to the level of the Provinces and therefore we will have to bring into being an independent judiciary, a Public Service Commission, independent audit arrangements and all these things that are required for efficient administration in the provinces.

Shri Jainarain Vyas: May I know whether what is applicable to the Unions will be applicable to individual States also?

The Honourable Sardar Vallabhbhai Patel: That is a different question because each one of the individual States which have not joined the Unions or merged in the Provinces will be dealt with separately.

Shri Gopikrishna Vijayavargiya: Arising out of part (a), may I know whether there is any move for making one Union of the whole of Rajasthan—Bikaner, Jodhpur, etc.

The Honourable Sardar Vallabhbhai Patel: I do not think it arises out of the question.

Shri Mahavir Tyagi: Is this arrangement only temporary, and is it the intention of Government ultimately to amalgamate all these separate departments with the Central departments?

The Honourable Sardar Vallabhbhai Patel: The Departments of the States cannot be amalgamated with the Departments of the Provinces unless the States merge in the Provinces.

Shri Mahavir Tyagi: I mean the Public Service Commission, Judiciary, etc., are subjects which are being separately created for the States. May I know whether it is the intention of the Government ultimately, when these States come to the level of the Provinces, to amalgamate them—this judiciary and other things—with the Central departments?

The Honourable Sardar Vallabhbhai Patel: When the States will merge in the Provinces there will be one and not two bodies.

Shrimati G. Durgabai: Arising out of the answer to part (b), may I know whether it is the intention of the Government to keep this judiciary completely independent of the Federal Court which is the highest judicial court of India?

The Honourable Sardar Vallabhbhai Patel: That is not the intention. The Federal Court is the highest judiciary in the land.

Shri T. A. Ramalingam Chettiar: When is legislation going to be undertaken to bring the laws in the merged States in line with those of the Provinces?

The Honourable Sardar Vallabhbhai Patel: We have already appointed a Committee under the chairmanship of a senior civilian to report on the various problems such as the administrative integration of Unions and the necessary setting up of agencies, to suit the actual conditions obtaining in the Unions and their requirements in the light of progress already made. As soon as that report is received we shall consider what action should be taken.

Shri M. Tirumala Rao: Has the States Ministry in view the ultimate purpose of developing the States to the status of the Provinces and seeing that their separate entity is eliminated?

The Honourable Sardar Vallabhbhai Patel: That depends upon the people of the State. The purpose of the Government is to bring about big Unions which can function properly so far as administration is concerned so that the administration is brought on to the level of the administration in the Provinces. But if after certain developments the people of the State find that it is to their advantage to merge, or if it is to the interest of India to merge, then they will merge. We cannot force them.

Shri M. Tirumala Rao: Will it be the policy of the States Ministry to break away this separate entity and help the merger of the States with the Union?

The Honourable Sardar Vallabhbhai Patel: It is the circumstances and the time factor which alone can bring it about,—not the States Ministry.

श्री गोकुलभाई दौलतराम भट्ट : जिन जिन रियासती संघों की आमदनी कम है या साधन अपूरे हैं क्या वह रियासती संघ अपने नजदीक के प्रांत के साथ या दूसरे पड़ोसी संघ के साथ मिलकर इन इन बातों में काम कर सकेंगे ?

Shri Gokulbhai Daulatram Bhatt: May I know whether the States Unions which have small revenues and inadequate resources can merge in the contiguous Provinces or other neighbouring Unions for running the administration of these Departments?

आन्डरेमिल भरदार वल्लभभाई पटेल : जिन रियासतों की या जिन यूनियन की आमदनी कम है उनके बजट बनाने में उनको सोचना पड़ेगा कि उनकी आमदनी ठीक तरह से कैसे की जाय ।

The Honourable Sardar Vallabhbhai Patel: The individual States or Unions which have small revenues shall have to consider over the necessary ways and means for improving their resources while framing the Budget estimates.

श्री गोकुलभाई दौलतराम भट्ट : लेकिन अगर वह दूसरों से मिलना चाहें तो रियासती विभाग के सेक्रेटेरिएट की तरफ से उसमें बाधा तो नहीं होगी ?

Shri Gokulbhal Daulatram Bhatt: Will there be any obstacle put by the Secretariat of the Ministry of States in case these Unions choose to merge in others?

आनरेबल सरदार वल्लभभाई पटेल : स्टेट्स मिनिस्ट्री से बाधा तब होगी जब

उनका एडमिनिस्ट्रेशन कमजोर होगा ।

The Honourable Sardar Vallabhbhai Patel: The States Ministry will interfere only when there is laxity in their administration.

Shri T. A. Ramalingam Chettiar: Is the Government aware, Sir, that in the States which have merged there is administrative difficulty felt because the Provincial laws are not extended there and the old laws are supposed to continue?

The Honourable Sardar Vallabhbhai Patel: The States that have merged will have to accept the Provincial laws.

Shri T. A. Ramalingam Chettiar: What I want to know is whether Government are aware that in many places there is difficulty, as for instance in Pudukottah in Madras?

The Honourable Sardar Vallabhbhai Patel: You know Pudukottah has merged only a few weeks ago and it cannot be done overnight.

QUALIFICATIONS FOR RECRUITMENT TO INDIAN ADMINISTRATIVE AND POLICE SERVICES

186. *Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Home Affairs be pleased to refer to the rules relating to the recruitment for the Indian Administrative and Police Services and state whether it is a fact that while 2nd class B.A.'s are considered eligible for the Indian Administrative and Police Services, 3rd class M.A.'s are not so considered?

(b) Do Government propose to explain their policy in the matter?

The Honourable Sardar Vallabhbhai Patel: (a) and (b). The Honourable member is apparently under some misapprehension as to the educational qualifications prescribed for candidates for the Indian Administrative and Indian Police Services. M.A. degree is a higher degree of specialisation and a class in M.A. represents a class in a specialised and narrow range of subject. The aim in prescribing educational qualifications for these services is to lay down the minimum standard of general education necessary to qualify for these services.

Prof. N. G. Ranga: Does that mean that when an M.A. also applies for the same Service along with a B.A. with the prescribed 2nd class, the M.A. is disqualified or is at a disability?

The Honourable Sardar Vallabhbhai Patel: M.A., as I have said, has no general knowledge on all subjects—it is a specialisation. But if M.A. is 2nd class, with a B.A. degree, he is qualified.

Shri M. Tirumala Rao: Will Government bear in mind that with regard to 1st class and 2nd class, certain Universities are very chary in conferring 1st class on their boys? The 2nd class of certain Universities is equivalent to 1st class of certain other Universities which pass nearly fifty per cent. of the boys in the first class. Will Government please bear this in mind in making the selection?

Mr. Speaker: I think the honourable member is arguing.

Shri M. Tirumala Rao: I want some information.

Mr. Speaker: No; what the honourable member said is a suggestion for action.

Shri B. P. Jhuniunwala: If a 3rd class M.A. has 2nd class B.A., is he debarred from the Service?

The Honourable Sardar Vallabhbhai Patel: No.

Prof. N. G. Ranga: Sir, will Government send for the consideration of the Inter-University Board the particular difficulty that has been brought to the notice of the Minister by Mr. Trumala Rao just now that standards in awarding these various classes differ in different Universities?

The Honourable Sardar Vallabhbhai Patel: That means that the question that has not been allowed to the Honourable Member Mr. Tirumala Rao can be allowed to you.

Prof. N. G. Ranga: No, no, that is not so. I am afraid I am not understood properly. What I suggested was that instead of the Honourable Minister himself trying to come to a final idea in regard to the matter, would he be good enough to refer it to the Inter-University Board?

Mr. Speaker: I do not think I should permit that question.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister why B.A., M.Ls., that is persons who have got M.A. degree in Law and took 1st class in M.L., when they have not taken 1st class or 2nd class in B.A., are taboo?

Mr. Speaker: I think that is a matter to be argued outside this House.

Shri M. Ananthasayanam Ayyangar: May I submit, Sir, that various categories have from time to time been precluded and facilities given to others?

The Honourable Sardar Vallabhbhai Patel: In spite of this qualification of 2nd class B.A. being the minimum, we have got 20,000 applications.

IMPROVEMENT OF STUPE AND MONASTERY AT KUSHINAGAR, DEORIA DISTRICT, U.P.

187. ***Shri Satta Chandra:** (a) Will the Honourable Minister of Education be pleased to state whether Government are aware that the ancient and historical stupa and the surrounding monastery at Kushinagar in Deoria District of the United Provinces, the place of Lord Buddha's 'Nirwan', is treated as a sacred place by Buddhists and Hindus?

(b) Did the Prime Minister of Burma visit this famous site recently?

(c) Do Government, in view of the international importance of the site, propose to improve the sanitary conditions of the locality and develop its surroundings on more aesthetic lines?

— انوپیل مولانا ابوالکلام آزاد : (a) اور (b) کا جواب ہاں ہے۔

(c) آری کیا اچھکے تعمیرات اُس جگہ کی دیکھ بھال پوری طرح کر رہی ہے۔ اور جگہ کی حفاظت کا بندوبست کر دیا گیا ہے۔ باقی وہی بات کہ اُس کے آس پاس کی جگہ پوری طرح صاف رکھی جائے۔ اور اسے زیادہ اچھی حالت میں کر دیا جائے۔ تو یہ کام لوکل گورنمنٹ کا ہے۔ سنٹرل گورنمنٹ اسے توجہ دلائیگی۔

The Honourable Mau'ana Abul Kalam Azad: (a) Yes. Buddhists and Hindus regard this place as sacred.

(b) Yes.

(c) The protected mounds and site are looked after by the Department of Archaeology but the responsibility for the sanitary conditions of the locality and development of its surroundings is that of the local Government.

श्री सतीश चन्द्र : क्या आनरेबल मिनिस्टर को यह मालूम है कि इस वक्त उसके चारों तरफ बहुत ज्यादा गन्दगी है और वहां बहुत बड़ी-बड़ी घास उगी हुई है और विजिटर्स (visitors) को बहुत बुरा मालूम होता है जब वहाँ-वहाँ जगह जाते हैं ?

Shri Satish Chandra: Is the Honourable Minister aware of the fact that it is surrounded by most insanitary conditions on all sides and that high grass has grown up there; which is an eyesore to the visitors when they go to such places?

آنرہبل مولانا ابوالکلام آزاد : ہو سکتا ہے کہ ایسی حالت ہو - لیکن ظاہر ہے کہ وہ جگہ براہ راست سنٹرل گورنمنٹ کے لئے مہن نہیں ہے - لوکل گورنمنٹ کا یہ کام ہے اور سنٹرل گورنمنٹ اسے توجہ دلائیگی -

The Honourable Maulana Abul Kalam Azad: This might be the condition. But it is apparent that the Central Government have got no direct control on that place. This is the duty of the Local Government and the Central Government will draw its attention to this.

**CENTRAL COLLEGE FOR POST-GRADUATE MEDICAL STUDIES
AND RESEARCH INSTITUTE**

188. *Dr. Bakhshi Tek Chand: Will the Honourable Minister of Health be pleased to state:

(a) whether Government have under active consideration any scheme for establishing a Central College for post-Graduate Medical Studies and a Research Institute at Delhi or any other suitable place; and

(b) whether this matter was considered by a Committee appointed by the former Government of India under the presidency of Dr. A. Lakshmanaswami Mudaliar and if so, what action, if any, has been taken on its report?

The Honourable Dr. Syama Prasad Mookerjee: (a) and (b). The Health Survey and Development Committee recommended the establishment of an All India Medical Institute. A committee under the chairmanship of Dr. A. Lakshmanaswami Mudaliar was appointed to advise on the steps to be taken to establish an Institute. In view of the financial stringency and lack of material and personnel it has not been possible to go ahead immediately with the establishment of the All India Institute. As a first step to provide additional facilities for post-graduate training in medicine in India it is proposed to upgrade selected departments of certain existing medical colleges in India. For this purpose a committee has been appointed which will visit the medical institutions concerned and make proposals for upgrading.

Dr. Bakhshi Tek Chand: When was this Report submitted?

The Honourable Dr. Syama Prasad Mookerjee: The date is not mentioned. It was submitted some time last year, I suppose; I have got the Report here with me. But the other Committee which was appointed has not yet reported.

Shri M. Tirumala Rao: The Honourable Minister referred to "lack of personnel". Will he enlighten us as to whether it is technical or administrative personnel?

The Honourable Dr. Syama Prasad Mookerjee: Mainly technical.

ESTABLISHMENT OF MEDICAL COLLEGE IN DELHI

189. *Dr. Bakhshi Tek Chand: Will the Honourable Minister of Health be pleased to state:

(a) whether it is a fact that the only medical educational institution in Delhi is the "Lady Hardinge College for Women" and that no arrangements exist here for imparting medical education to male students;

(b) whether it is a fact that before the partition, students from Delhi and the neighbouring areas mostly received their education in the Medical Colleges in Lahore;

(c) whether it is a fact that there is only one Medical College in East Punjab at Amritsar, which is insufficient to meet the requirements of that province;

(d) whether, in view of these facts and the increasing demand for doctors, the Government of India realise the urgent necessity of establishing an up-to-date Medical College in Delhi; and

(e) if so, what steps Government are taking in this behalf?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes.

(b) Before the partition, one student from Delhi was admitted annually to the Glancy Medical College, Amritsar, and three students were sent to the King Edward Medical College, Lahore.

(c) Yes.

(d) and (e) The Government of India have under consideration a scheme regarding the establishment at Delhi of an All India Medical Institute, of which a Medical College would form an integral part. In view of the heavy expenditure and lack of material and personnel it has not been found possible to go ahead with the scheme immediately. To meet the demands of Delhi students two additional seats have been reserved at the Glancy Medical College, Amritsar and admission of three refugee students now settled in Delhi has been arranged in the Medical College at Jaipur. The Government of India have also addressed the Government of the United Provinces regarding the reservation of a certain number of seats at the Agra Medical College.

Prof. N. G. Ranga: May I draw the attention of the Honourable Minister to the assurance given by the Honourable the Prime Minister only in the last session that as far as possible such Central Institutes and big public buildings will not be put up in Delhi in view of our housing shortage and various other factors?

The Honourable Dr. Syama Prasad Mookerjee: As the honourable member says the Prime Minister's assurance was "as far as possible". Whether the Medical Research Institute should be located at Delhi will be considered in due time.

Shri H. V. Kamath: Arising out of answer to part. (d). Sir, did I hear the Minister say "lack of personnel" as well?

The Honourable Dr. Syama Prasad Mookerjee: Yes.

Shri H. V. Kamath: Have all the medical colleges in our country been so barren that they have not produced enough medical men to man such colleges and institutes?

The Honourable Dr. Syama Prasad Mookerjee: So far as the number of professors required for the colleges in different specialised studies is concerned, there is lack of personnel.

Shrimati Ammu Swaminadhan: May I ask in view of the answer given to me last year by the Honourable the Health Minister that there was a plan for taking over the Lady Hardinge Medical College for Women by the Government, what are the steps that have been taken to take it over?

The Honourable Dr. Syama Prasad Mookerjee: I am afraid I must ask for notice. I do not know what steps have been taken.

Dr. Bakhshi Tek Chand: Arising from the answer given by the Honourable Minister in regard to (b) that there is lack of personnel, may I point out that a very large number of non-Muslim specialists—teachers and professors—in the Lahore colleges have been set free after Partition and have not been employed anywhere and may I ask Government will consider the possibility of employing them in the new college which may be set up apart from the All India Medical Institute? There are at least twenty such highly qualified persons.

The Honourable Dr. Syama Prasad Mookerjee: As I said, personnel and finance are the two considerations which weigh with the Government. An initial expenditure of Rs. 5 crores and a recurring annual expenditure of nearly Rs. 60 lakhs were the recommendations of the Committee. But so far as the question of having a college apart from the All-India Institute is concerned, that will be placed before Government for consideration.

TEMPORARY AND SHORT TERM COMMISSIONS IN ARMY

190. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Defence be pleased to state whether it is a fact that temporary and short term commissions are proposed to be given in the Army?

(b) If the answer to part (a) above be in the affirmative, what is the procedure proposed to be adopted to recruit these officers?

(c) Have Government decided on the total number of such Commissions that will be offered?

The Honourable Sardar Baldev Singh: (a) Yes.

(b) The procedure for the grant of these commissions is the same as that laid down for permanent regular commissions, namely, that applicants should apply to the nearest Area or Sub-Area Headquarters who will make the preliminary selection and recommend names to Army Headquarters. The latter will arrange for candidates to be interviewed by the Services Selection Boards who will do the final selection.

(c) Yes.

Shri V. C. Kesava Rao: May I know whether any preference is given to I.N.A. personnel?

The Honourable Sardar Baldev Singh: This is a temporary Commission, which is open to everybody who is found suitable.

Shri V. C. Kesava Rao: I want to know whether any preference is given to I.N.A.-men?

The Honourable Sardar Baldev Singh: No preference is given to any particular people. Those who are found suitable are selected.

Sriut Kuladhar Challa: May I know whether the I.N.A. people will be specially considered by the Defence Ministry and taken in the temporary Commission?

The Honourable Sardar Baldev Singh: As I have said in reply to part (b) of the question, selection is made by the Services Selection Board and all those who are suitable are selected. There is no bar to I.N.A. people from applying for these temporary Commissions.

Shri Mahavir Tyagi: What is the total number of Commissions?

The Honourable Sardar Baldev Singh: I am afraid it is not in the public interest to disclose that.

EXCLUSIVE ADMISSION OF CASTE HINDUS IN LAKSHMINARAYAN TECHNICAL INSTITUTE, NAGPUR.

191. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Education be pleased to state whether it is a fact that Lakshminarayan Technical Institute at Nagpur is open only to caste-Hindu students?

(b) Have the Government of India, given any grant to this Institution?

(c) What steps do Government propose to take with a view to secure admission of students of all castes and religions into this Institution?

آریہل مولانا ابوالکلام آزاد : (a) نہیں - انسٹی ٹیوٹ کا دروازہ نہ صرف تمام ہندوؤں کے لئے باقیہ سبوں کے لئے بھی کھلا ہے - انسٹی ٹیوٹ کے لئے روپیہ دیتے ہوئے جو شرطیں لگائی گئی تھیں ان میں آل ہندوؤں ایذا سکھ ہے -

(b) گورنمنٹ آف انڈیا نے سنہ ۱۹۳۷-۳۸ میں ایک کھیٹل گرانٹ ایک لاکھ دس ہزار کا کالج بلڈنگ کے لئے اور ایک لون انٹیورسٹری آٹھ لاکھس ہزار روپیہ کا ہوٹل کے لئے اس انسٹی ٹیوٹ کو دیا تھا -

(c) سنٹرل گورنمنٹ نے جن شرطوں کے ساتھ گرانٹ دی ہے - ان میں ایک شرط یہ ہے کہ ائندہ دوسرے پرائیڈوں کے دیارتھی بھی اس میں لئے جائیگے - اور کسی طرح کی روک کاسٹ اور منہب کی لمہیں رکھی جائیگی - لاکھروں ہندوؤں کے رجسٹرار نے اپنی چٹھی نمبری ۳۳۷ مورخہ ۲۱ جولائی ۱۹۳۸ع میں منسٹری کو اطلاع دی ہے کہ انڈیا گورنمنٹ نے گورنمنٹ آف انڈیا کی یہ تمام شرطیں منظور کر لی ہیں -

The Honourable Maulana Abul Kalam Azad: (a) No. The Lakshminarayan Institute of Technology is open to all Hindu as well as Sikh students under the terms of the Deed by the Donor.

(b) The Government of India have given to the institution in 1947-48 a capital grant of Rs. 1,10,000 for college buildings and equipment and an interest free loan amounting to Rs. 28,000 for construction of students' hostel.

(c) It has been stipulated, as one of the conditions of the Central Government's grant, that the institution will in future admit students from all Provinces. Without charging any capitation fees, in accordance with the quota for each Province to be determined by the Central Government. There will be no restriction as regards castes and religions to which such students may belong, and the Registrar of Nagpur University has in his letter No. 1/V/A/LB/337, dated 21st July, 1948 stated that the Executive Council has agreed to the conditions prescribed by the Government of India.

Shri V. C. Kesava Rao: May I know whether Harijans are allowed to study in this Institute?

آریہل مولانا ابوالکلام آزاد : میں نے تو ابھی کہا کہ کسی طرح کی روک کاسٹ یا منہب کی نہیں ہے -

The Honourable Maulana Abul Kalam Azad: I have just stated that there are no restrictions of religion and caste.

CUSTOMS DUTY ON SALT FROM PAKISTAN

192. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Finance be pleased to state whether it is a fact that on salt brought over to India from Pakistan by land route a customs duty of annas four per maund is levied and that there is no such duty on salt that comes by sea route?

(b) What quantity of salt is the Indian Union importing from Pakistan?

The Honourable Shri R. K. Shanmukham Chetty: The question should have been addressed to the Honourable Minister of Industry and Supply. It has accordingly been transferred to the list of questions for 28th August, 1948, when the Honourable Minister will answer it.

SCALING DOWN OF INDIA'S STERLING BALANCES

193. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Finance be pleased to state whether the attention of Government has been drawn to the reply given by Sir Stafford Cripps to a question put by Mr. Winston Churchill regarding the question of the scaling down of sterling balances that this question will always be open for discussion?

(b) If so, do Government consider the desirability of taking a categorical assurance from the British Government that the question of scaling down of sterling balances will never arise?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). The attention of Government has been drawn to the reply given by the Chancellor of the Exchequer to a question put by Mr. Winston Churchill regarding the question of scaling down of Sterling Balances. The question put by Mr. Churchill relates to the Defence expenditure during the war. It will be seen from paragraph 2 of the letter from Sir Henry Wilson Smith to Mr. A. K. Chanda that the payment of £55 million made by the British Government to the Government of India will be in full and final settlement between the two Governments and the Government of Pakistan on all matters arising out of the operation of the Defence Expenditure plan. The construction that the Government of India place upon this paragraph of the letter is that the whole question of the allocation of the Defence expenditure has been settled once for all and is not open for further discussion. The Government of India are not bound by any statements made in Parliament which are not in accordance with the terms of the agreement contained in the various letters exchanged between the two Delegations. In view of this position, the statement of the Finance Minister at the Press Conference that the ghost of scaling down has been finally laid, is correct.

SAFEGUARDS AGAINST DEPRECIATION OF STERLING CURRENCY

194. *Shri B. P. Jhunjhunwala: (a) Will the Honourable Minister of Finance be pleased to state whether the question of the depreciation of sterling currency was taken into consideration during the course of the sterling balances negotiations?

(b) If so, whether safeguards were provided against this contingency, and, if so, what?

The Honourable Shri R. K. Shanmukham Chetty: (a) and (b). The agreement recently negotiated, like other measures taken by members of the sterling area, is directed towards strengthening sterling and preventing the contingency to which the Honourable Member refers, from arising.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if any other country like Brazil has entered into negotiations and tried to safeguard against the depreciation of sterling by getting some off-set or guarantee?

The Honourable Shri R. K. Shanmukham Chetty: So far as my knowledge goes, the only country that obtained a gold clause was Argentina. She obtained it in the early years of the war before the loan was granted.

Shri M. Ananthasayanam Ayyangar: May I know if the Honourable Minister negotiated for or wanted such a clause to be introduced and pressed for the same?

The Honourable Shri R. K. Shanmukham Chetty: I tried all my tricks in that direction, but failed.

BRITISH ASSETS IN INDIA AGAINST STERLING BALANCES.

195. ***Shri B. P. Jhunjhunwala:** (a) Will the Honourable Minister of Finance be pleased to state whether the question of taking over of British assets in India against the sterling balances was raised during the course of negotiations by the Indian Delegation?

(b) If so, what was the reply by the British Government on this point?

The Honourable Shri R. K. Shanmukham Chetty: (a) No, Sir.

(b) Does not arise.

Shri B. P. Jhunjhunwala: What was the reason for not raising this question?

The Honourable Shri R. K. Shanmukham Chetty: I think if the honourable member will wait for a few minutes we will have a very discussion about that matter.

INTEREST ON INDIA'S STERLING BALANCES

196. ***Shri B. P. Jhunjhunwala:** Will the Honourable Minister of Finance be pleased to state the amount of interest which had accrued on the sterling balances till the date of the last agreement entered into with the Government of the U.K. as a result of the negotiations by the Indian delegation?

The Honourable Shri R. K. Shanmukham Chetty: The investment of the sterling balances, which are the property of the Reserve Bank of India, is a matter for decision by the Bank. In accordance with the usual Central Banking practice the actual amount of interest earned on these investments is not disclosed.

Shri B. P. Jhunjhunwala: What was the rate of interest?

The Honourable Shri R. K. Shanmukham Chetty: The balances are invested in various forms of securities, some long and medium-dated securities and some in the form of British Treasury Bills. The average rate of interest on the balances taken as a whole will be approximately about 7.5 to 8 per cent.

Shri B. P. Jhunjhunwala: What is the basis on which the present interest is arrived at in settling this Agreement?

The Honourable Shri R. K. Shanmukham Chetty: We have agreed that the same rate of interest will be continued.

Dr. B. Pattabhi Sitaramayya: rose—

Mr. Speaker: Yes, Dr. Pattabhi.

Dr. B. Pattabhi Sitaramayya: I was going to ask whether the same rate of interest will continue.

Mr. Speaker: That he has already answered.

Prof. N. G. Ranga: Are we quite free to shift from one kind of security to another so far as they are Government securities in England?

The Honourable Shri R. K. Shanmukham Chetty: The Reserve Bank, according to the usual banking practice, is free to change its portfolio in any manner it likes but there has been a general agreement that the change will not be made in such a manner as to yield on an average more than the interest that is being earned now.

Mr. Speaker: The Question Hour is over.

(b) WRITTEN ANSWERS

MURDERS COMMITTED IN DELHI

197. *Babu Ramnarayan Singh: Will the Honourable Minister of Home Affairs be pleased to state:

(a) the number of murders committed in the city of Delhi (Old and New) during the period 1st January to 31st July, 1948;

(b) the nature of and the reasons for the murders;

(c) whether the alleged murderers have been detected and arrested in each and every case;

(d) how many of these murder cases have been finally disposed of and with what results; and

(e) what special measures, if any are being taken to stop such crimes?

The Honourable Sardar Vallabhbhai Patel: (a) 48.

(b) to (e). A statement is laid on the table.

Statement

The nature and reasons for the murders committed in the city of Delhi (Old and New) during the period 1st January, 1948 to 31st July, 1948 are as follows:

Sudden provocation	...	...	...	...	3
Robbery	...	...	...	...	9
Connected with women	...	...	...	...	4
Motive not established	...	...	...	...	12
Personal enmity	...	...	...	...	7
Political	...	...	...	...	1
Cattle trespass	...	...	...	...	1
Communal	...	...	...	...	4
Over money matters	...	...	...	...	1
Rash and negligent act	...	...	...	...	1
				Total	43

In 15 cases the alleged murderers were detected and arrested. Investigation is proceeding in 17 cases. The remaining 11 cases have been filed as untraced.

Out of the 15 cases referred to above 6 have been finally disposed of. Conviction was obtained in 3 cases. In the other 3 the accused were acquitted. Nine cases are pending in Courts.

The special measures taken to put a stop to such crimes are stated below:

- (i) Effective patrolling by Gazetted Officers and by Station House Officers and other Police Officers; (ii) Reinforcement of Delhi Police by enlistment of the Delhi Armed Reserve; (iii) Making up of the deficiencies in the Delhi Regular Police caused by the desertion of Muslim Policemen in Autumn last; and (iv) Rounding up of criminal and bad characters generally and from among the refugees in particular.

DEMOCRATIZATION OF ADMINISTRATION OF STATES AND UNIONS OF STATES.

198. *Babu Ramnarayan Singh: (a) Will the Honourable Minister of States be pleased to state whether administrative changes have been introduced in the States and the Union of States which have acceded to the Indian Union and, if so, what?

(b) Are the wishes of the people ascertained in such cases, and, if so, how?

The Honourable Sardar Vallabhbhai Patel: (a) I presume honourable member is referring to the measures taken to democratise the administration of States and Unions. If so, I invite attention to my reply to Shri Hanumanthaiya's Question No. 898 in the last session of the Assembly regarding the introduction of responsible Government in States, which are outside merger and integration Schemes. As regards Unions, the Covenants provide for the complete transfer of power to popular representatives under a constitution to be framed by the people themselves. Pending the framing of such constitution, the administration of the Unions has been entrusted to interim ministries consisting of party leaders carrying the confidence of the people of the areas. As regards States that have been constituted into Centrally administered areas, steps are under consideration to associate popular representatives with the administration of these areas by the establishment of Advisory Councils etc.

(b) The honourable member's attention is invited to the reply I gave to his Supplementary Questions on the same subject on the 10th August 1948.

GOVERNMENT POLICY re RECRUITMENT TO ARMY

199. *Babu Ramnarayan Singh: Will the Honourable Minister of Defense be pleased to state:

(a) the policy which is followed by Government in recruiting young men and women of the country for the Army;

(b) whether the co-operation of the Provincial Governments is invited for the recruitment, and, if so, how and up to what extent; and

(c) the agencies which are making the recruitments?

The Honourable Sardar Baldev Singh: (a) The policy of the Government in regard to recruitment to the Army is to ensure equal opportunities for all classes provided they satisfy the prescribed conditions with regard to age, educational qualifications and physical fitness. As regards women, recruitment is at present confined to those who are qualified nurses.

(b) The recruiting authorities maintain the closest liaison with the Provincial authorities and their advice is taken on all matters connected with recruitment in their Provinces.

(c) Recruitment is made through recruiting agencies situated in various places in the country which conduct recruiting tours of towns and villages. The machinery of the local District Soldiers' and Airmen's Board is also used.

EDUCATION OF REFUGEE CHILDREN IN CENTRALLY ADMINISTERED AREAS

200. *Babu Ramnarayan Singh: Will the Honourable Minister of Education be pleased to state whether Government have made any additional arrangements for the education of the refugees' children in the centrally administered areas; and, if so, what arrangements and where?

The Honourable Maulana Abul Kalam Azad: Yes. Several new schools have been started and existing schools and colleges have put on double shift for the benefit of the refugee students. In Delhi, besides the East Punjab University College with its 2946 students, three other colleges are running double shifts for 1126 students, in all college classes, at an annual expenditure of about three lakhs of rupees. Seven High schools have been directly sponsored by the

Government while six High Schools are receiving 90 per cent. aid for their classes for refugee students. In addition, the Government have started 4 Middle Schools and 11 Primary Schools. Approximately 10,500 refugee children are now reading in these schools entailing an estimated expenditure of Rs. 5,23,870 from 1st November 1947 to 31st March 1949.

In Ajmer-Merwara the Government have taken over 3 High Schools and 23 Primary Schools started by Sindhi refugees. This will mean an expenditure of Rs. 2,10,000 for the year ending 28th February, 1949.

In addition, the Women's Section of the Ministry of Relief and Rehabilitation are running 7 Middle Schools, 1 High School and 3 Training Centres, catering to approximately 2,800 refugee children. The Section is also subsidising the education of 85 children in various institutions, in and outside Delhi, at a cost of Rs. 2,125 per month.

Thus 4 Colleges and 70 Schools and Training Centres are giving education to refugee children in the Centrally Administered areas at Government cost. A detailed statement is laid on the Table.

Statement

Additional arrangements for Refugee Students in the Centrally Administered Areas

PART I

Serial No.	School	Class	Locality	Number of teachers appointed	Approximate number of students
A.—SCHOOLS OPENED					
I. Delhi.—					
1	High School for boys (1st shift).	I to X	Mori Gate	24	800
2	High School for boys (II shift)	I to X	Do.	16	500
3	High School for boys (Seven Sections).	IX to X	Bara Hindu Rao	11	350
4	High School for boys	IX to X	Timarpur	7	200
5	High Classes for Girls	IX to X	Kingaway Camp	5	60
6	High School for Girls	I to X	Daryaganj	18	450
7-12	Secondshifts aided in High Schools (1 school for girls and 5 for boys).	I to X	..	110	3,400
13	High School for Sindhis	I to X	Lodhi Road	15	300
Middle Schools					
14	Middle School for boys (2nd shift)	V to VIII	Subsimandi	13	400
15	Middle School for boys and Girls (1st shift).	V to VIII	Kingaway Camp	13	450
16	Middle school for boys and Girls (2nd shift).	V to VIII	Kingaway Camp	13	450
17	Middle School for boys and girls.	V to VIII	Kitchener Hostel	3	75
Primary Schools					
18-23	Six primary schools (3 double-shift schools).	I to IV	Kingaway Camp	46	2,300
24	Primary School	I to IV	Kalkaji Camp	7	284
25	Primary School	I to IV	Tihar village	2	60
26	Primary School	I to IV	Tis Hazari Camp	2	60
27	Primary School (Nursery Craft).	I to IV	Tis Hazari	6	100
28	Primary Schools	..	Commander-in-Chief's House.	About	200
Total					10,440

II. *Ajmer-Merwara.*—

3 High Schools and 28 Primary Schools have been opened in the Province as shown below:—

			Remarks
Ajmer	2 High Schools	22 Primary Schools	In addition Sindh Associations are running one High School and twelve Primary Schools.
Beswar	1 High School	1 Primary School.	
Nasirabad	.....	1 Primary School.	
Kekri	.....	1 Primary School.	
Deoli	.....	3 Primary Schools.	
	<u>3</u>	<u>28</u>	

B.—COLLEGES

III.—*Double Shift in Delhi Colleges*

Name of College	Class	No. of pupils
Hindu College	Intermediate	475
	B.A.	132
	B.Sc.	42
	M.A.	83
Ramjas College	F. So.	115
Indraprastha College	Intermediate	188
	B. A.	91
*East Punjab University College	F. A.	910
	B. A.	968
	M. A.	668
†Delhi University	B. So.	50

*Only one shift in the evening

†Has now ceased to exist.

Statement

Showing Educational work done by the Womens section, Ministry of Relief and Rehabilitation

I.—*Schools run by the Section.*

Name of School	Number of students
(i) Purana Qilla Middle School for Boys and Girls	620
(ii) Lodi Colony Middle School for Girls	265
(iii) Lodi Colony High School for Boys	346
(iv) Subzi Maudi Centre Primary and Middle School for Girls	600
(v) Karol Bagh Primary and Middle School for Girls	300
(vi) Babar Road Centre Primary and Middle School for Girls	185
(vii) Mehrauli Residential Middle School for Girls :	
Number of Boarders	50
Number of day Scholars	52
(viii) Bela Road Primary and Middle School	200

II.—Training Centres.

Name of Centre	Number of students
(i.) Vocational Training Centre, Curzon Road	200
Crafts taught.—Stenography, typing clerical and commercial work, tailoring, spinning weaving, basketry, and willow work, soap making, vegetable and fruit preservation, tress making and newar making.	
(ii.) Bal Nikotan	200 children are being given basic education.

III. Refugees Children sent to different residential institutions in and outside Delhi.

Name of institution.	Number of students
(i.) Harijan Udhogshala, Kingsway, Delhi	18
(ii.) Harijan Udhogshala, Kingsway, Delhi	15
(iii.) Kasturba Balika Ashram	33
(iv.) St. Antony's School, Paharganj	4
(v.) Mahila Shiksha Sadan, Hatundi (Ajmer)	18

NOTICES SENT BY INCOME-TAX INVESTIGATION COMMISSION

201. *Prof. K. T. Shah: (a) Will the Honourable Minister of Finance be pleased to state whether the attention of Government has been drawn to the notice sent out from the office of the Income-tax Investigation Commission to parties whose cases have been referred to the Commission for investigation, calling upon them to furnish the Commission with certain certified information as stated in the notice?

(b) Do Government propose to state as to how many such notices have been sent, to what classes of tax-payers, and whether any guiding principles have been adopted in accordance with which these notices have been sent out?

The Honourable Shri E. K. Shanmukham Chetty: (a) Yes.

(b) Government have no information and do not consider it proper to enquire from the Commission the number or class of persons whom the Commission thinks it necessary to question or the principles on which the Commission is making its enquiries.

ARREARS OF INCOME-TAX SUPER-TAX OR CORPORATION-TAX OF EVACUEES
TO PAKISTAN

202. *Prof. K. T. Shah: Will the Honourable Minister of Finance be pleased to state:

(a) how much of the assessment to income-tax and super-tax or corporation tax made from 1945-46 to 1948-49 has been in arrears and remains yet to be collected;

(b) how many of such assesseses, whose tax payments were in arrears, have left the Indian Dominion since 15th August 1947 and gone to Pakistan;

(c) the amount of such arrears; and

(d) the steps which Government have taken to recover the arrears due from them?

The Honourable Shri E. K. Shanmukham Chetty: The information asked for by the honourable member has been called for and will be laid on the table of the House in due course.

INDIAN ARMY IN KASHMIR AND COST OF OPERATIONS

203. *Prof. K. T. Shah: Will the Honourable Minister of Defence be pleased to state the strength of the Indian army and the Indian Air Force engaged in the Kashmir operations, and the daily as well as the total cost of these operations up-to-date?

The Honourable Sardar Baldev Singh: It is not in the public interest to answer this question.

LOANS TO JAMMU AND KASHMIR STATE

204. *Prof. K. T. Shah: (a) Will the Honourable Minister of States be pleased to state whether any monies have been advanced as loans or goods supplied on credit to the Jammu and Kashmir State since its accession to the Dominion of India, for the ordinary expenditure, for the administration of the State and for any projects of capital development in the State; and, if so, what is the total amount of advance made and what are the respective amounts on each account?

(b) Is any interest being charged on such advances?

(c) What security has been taken against such advances, both capital and interest?

The Honourable Sardar Vallabhbhai Patel: (a) So far two loans of one crore each have been paid to the Jammu and Kashmir State. Apart from expenditure on military operations, expenditure has been incurred in respect of supplies and services to the Jammu and Kashmir State, and also on certain capital works, e.g. the portion of the Pathankot Jammu Road within the State, and the Mohara Power House. It has been decided that all this expenditure should be treated as a further loan, the terms and conditions of which are still to be decided. The figures of total expenditure incurred on aid to Kashmir up to the 31st March 1949 are awaited from the Accounts Officers.

(b) The two loans of one crore each carry interest at 2½ per cent. per annum.

(c) The Jammu and Kashmir Government have hypothecated to the Government of India Promissory Notes of the total value of Rs. 2,11,00,000 as security for the repayment of the loans, and the interest on these promissory notes is utilized towards the interest payable by the State. The expenditure on services and supplies etc. which is also to be treated as a loan will be secured on such other liquid assets as are available and on the general revenues of the State.

PRIVATE PROPERTIES OF RULERS OF CHHATTISGARH STATES

205. *Shri Kishorimohan Tripathi: (a) Will the Honourable Minister of States be pleased to state whether Government have finally accepted the claims of Rulers of Chhattisgarh States with regard to their private properties?

(b) If so, do Government propose to lay on the table of the House a statement showing such property in the case of each Ruler in Chhattisgarh States?

(c) Shall the property referred to belong to the Ruler alone or shall the same be divisible among all claimants of the Royal families?

The Honourable Sardar Vallabhbhai Patel: (a) Yes.

(b) A statement is being compiled and will be laid on the table of the House in due course.

(c) To the Ruler alone except where it is specifically stated otherwise.

PRIVILEGES TO RULERS OF STATES

206. *Shri Kishorimohan Tripathi: Will the Honourable Minister of States be pleased to state what privileges have been guaranteed to the Rulers of States under the various agreements?

The Honourable Sardar Vallabhbhai Patel: The attention of the honourable member is invited to Appendices X, XII to XVII of the White Paper on Indian States a copy of which is in the Library.

STRATEGIC ROADS IN ASSAM

207. *Srijut Rohini Kumar Chaudhuri: (a) Will the Honourable Minister of Defence be pleased to state whether the Government of India are going to meet the entire expenditure of the strategic roads in Assam, particularly the one running from Shillong to Agartala (Tippera State) via Silchar in the Province of Assam? If not, why not?

(b) Is it a fact that the Government of India agreed to take the entire responsibility of the aforesaid road?

(c) Have the Government of India recently received any representation on the question from the Government of Assam? If so, to what effect and what is the attitude of the Government of India to the same?

The Honourable Sardar Baldev Singh: The question should have been addressed to the Honourable Minister of Transport. It has accordingly been transferred to the list of questions for the 19th August 1948, when the Honourable Minister of Transport will answer it.

RE-EMPLOYMENT OF DEMOBILISED ASSAMESE OFFICER IN FORCES

208. *Srijut Rohini Kumar Chaudhuri: (a) Will the Honourable Minister of Defence be pleased to state how many officers holding temporarily King's or Viceroy's Commissions in land or air forces or in the Navy belonging to the Province of Assam were discharged after the war?

(b) How many of them have been re-employed in combatant and non-combatant sections?

(c) How many of them are still holding temporary commissions?

(d) Do Government intend to re-employ the discharged officers and put the officers referred to in part (c) above on permanent basis?

The Honourable Sardar Baldev Singh: (a) to (c). I lay a statement on the table of the House.

(d) Released officers and officers holding temporary commissions are considered for the grant of regular short service and regular permanent commissions, provided they are suitable and fulfil the conditions laid down for such commissions.

Statement

1. Navy—

(a) 7.

(b) Nil

(c) 2.

2. Army—

It is regretted that the information required is not available, as such detailed statistics are not maintained and in view of the large number of officers in the Army it is not possible to collect the information readily.

3. Air Force—

(a) 1.

(b) Nil

(c) 4.

GRANTS FOR CONSTRUCTION AND IMPROVEMENT OF ROADS IN ASSAM STATES

209. *Srijiit Rohini Kumar Chaudhuri: (a) Will the Honourable Minister of States be pleased to state whether Government have received any request from the Province of Assam to give separate and specific grants for construction and improvement of roads passing through the States of Assam?

(b) If so, do Government propose to make such grants?

The Honourable Sardar Vallabhbhai Patel: The question should have been addressed to the Honourable Minister of Transport who will answer it on 24th August 1948.

DOMINION AGENT IN MANIPUR STATE

210. *Srijiit Rohini Kumar Chaudhuri: Will the Honourable Minister of States be pleased to state why the post of the Dominion Agent in Manipur State has been abolished and who is now performing the duties formerly performed by the Dominion Agent?

The Honourable Sardar Vallabhbhai Patel: The post of Dominion Agent, Manipur was found to be unnecessary and giving rise to frictions and was therefore abolished. The duties attached to the post are now performed by the Governor of Assam, who exercises similar functions in regard to Cooch-Behar, Tripura and Khasi States.

DEATHS DUE TO PLAGUE IN CALCUTTA, BOMBAY AND MADRAS

211. *Srijiit Rohini Kumar Chaudhuri: (a) Will the Honourable Minister of Health be pleased to state the total number of persons attacked by plague in Calcutta, Bombay and Madras during the period 1st January to 30th June 1948 and how many of the cases proved fatal?

(b) What are the reasons for the sudden outbreak of plague in the last spring and summer in Calcutta?

(c) What are the steps taken by Government for the prevention and cure of this disease?

The Honourable Dr. Syama Prasad Mookerjee: (a) A statement is laid on the table of the House.

(b) It is considered that the origin of the recent outbreak of plague in Calcutta lies in an Epizootic which probably occurred about January this year. The epizootic probably occurred by the introduction of germs into the rat population from outside through merchandise from other infected localities and also as a result of the reduction of immunity in the rat population.

(c) As soon as the report about plague in Calcutta came to the knowledge of the Government of India, the Deputy Director General of Health Services and some other officers were specially deputed to visit Calcutta to help the Provincial authorities to deal with the situation. Large supplies of plague vaccine and D.D.T., which in many cases had to be flown by plane, were also made available by Government to the Director of Health Services, West Bengal. On the advice of the Deputy Director General of Health Services other urgent measures taken by the Provincial authorities to bring the epidemic under quick control were (i) a mass inoculation of the public, (ii) rat destruction, (iii) disinsection of houses, (iv) proper disposal of garbage, and (v) setting up an Isolation Hospital specially for the treatment of plague cases.

Statement

Number of cases and deaths from Plague in the cities of Calcutta, Bombay and Madras during the period 1st January to 3rd July, 1948.

	Cases	Deaths
Calcutta	247	14
Bombay	13	6
Madras	Nil.	

IMPORT OF CAPITAL AND OTHER GOODS AGAINST STERLING BALANCES

212. *Shri R. R. Diwakar: (a) Will the Honourable Minister of Finance be pleased to state why India did not make use of all the 'amounts sterling' released till June 1948?

(b) What was the number of applications received during the last financial year for import permits and for what amounts were they?

(c) How many of them were for capital goods and of what value were they?

(d) What was India's share of the export of capital goods from Britain during the period from August 1947 to June 1948?

(e) Did the departments concerned issue any notifications inviting applications from importers for import permits?

(f) In the absence of applications for import permits, could not Government make use of the amount of sterling released for import of either capital goods or consumer goods?

(g) Is it a fact that British Manufacturers' quotations were inordinately high and more so in regard to capital goods?

The Honourable Shri R. K. Shanmukham Chetty: The question should have been addressed to the Honourable the Commerce Minister. It has accordingly been transferred to the list of questions for 20th August 1948 when the Honourable the Minister of Commerce will answer it.

TRAINING OF NATIONAL MILITARY CADETS

213. *Shri R. R. Diwakar: (a) Will the Honourable Minister of Defence be pleased to state whether the scheme for training National Military Cadets has been put into effect?

(b) If so, in how many schools and colleges has the training begun?

(c) How many students on the aggregate are in training?

(d) How many are being trained in schools and how many in colleges?

(e) Is the progress in this respect satisfactory?

(f) If it is not, what are the reasons for the slowness of the progress?

The Honourable Sardar Baldev Singh: (a) to (d). I would refer the honourable member to my reply to Starred Question No. 171 asked by Mr. Sidhva a short while ago.

(e) Yes.

(f) Does not arise.

PAYMENT OF PENSIONS IN U. K.

214. *Shri R. R. Diwakar: Will the Honourable Minister of Finance be pleased to state:

(a) the advantages of the purchase of tapering annuities for payment of pensions in the U.K. instead of the payment of a capitalised sum;

(b) whether, in the determination of this obligation, any hereditary or perpetual pensions have been taken into consideration; and

(c) if so, what was the amount involved and who had granted these perpetual pensions?

The Honourable Shri R. K. Shanmukham Ohetty: (a) to (c). The pensionary liability has been capitalised in the sense that in return for a lump sum payment made to the British Government that Government will make available to the Government of India tapering annuities for payment of the pensions in England. If the amount of the annuity payable any year is not sufficient to meet the charges for that year, the difference will be found by the Government of India. Conversely, if the amount of the annuity is in excess of the payment for any one year, such excess will be appropriated by the Government of India.

Though the pensionary liability has been capitalised, as explained above, the responsibility for the payment of pensions has not been transferred to the British Government. The Government of India are of the opinion that the responsibility for the payment of these pensions should be in their hands and that under any administrative arrangement that may be made the British Government should act only as their agents.

The amount of the finance required from year to year was determined on a lump sum basis and not with reference to individual pensions.

215 — 217 [CANCELLED].

Friday 13th August, 1948

CONSTITUENT ASSEMBLY OF INDIA

(LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Official Report

Volume VI, 1948

(9th August to 31st August, 1948)

THIRD SESSION

OF THE

CONSTITUENT ASSEMBLY OF INDIA

(LEGISLATIVE)

1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

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

Friday, 13th August, 1948.

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS

11—45 A.M.

(See Part I)

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DECLARATIONS OF EXEMPTIONS UNDER REGISTRATION OF FOREIGNERS ACT

The Honourable Sardar Vallabhbhai Patel (Minister for Information and Broadcasting and the States): Sir, I lay on the table a copy of each of the following Declarations of Exemption issued under the Registration of Foreigners Act, 1939, namely:—

- (1) No. 1/36/47-Poll (E), dated the 4th February, 1948.
- (2) No. 1/7/48/48-F.1, dated the 19th February, 1948.
- (3) No. 1/8/48-F.1, dated the 17th March, 1948.
- (4) No. 1/10/48-F.1, dated the 1st April, 1948.
- (5) No. 1/11/48-F.1, dated the 6th April, 1948 (2 Declarations)
- (6) No. 10/21/47-F.1, dated the 13th April, 1948 (2 Declarations).
- (7) No. 1/12/48-F.1, dated the 16th April, 1948.
- (8) No. 1/14/48-F.1, dated the 7th May, 1948.
- (9) No. 1/13/48-F.1, dated the 19th May, 1948.
- (10) No. 1/18/48-F.1, dated the 2nd June, 1948.
- (11) No. 1/21/48-F.1, dated the 14th June, 1948.
- (12) No. 1/16/48-F.1, dated the 22nd June, 1948.
- (13) No. 1/22/48-F.1, dated the 24th June, 1948.
- (14) No. 1/23/48-F.1, dated the 1st July, 1948.
- (15) No. 1/24/48-F.1, dated the 30th July, 1948.

G/1(a)

No. 1/36/47-POLL(E.)

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 4th February, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Mrs. Maria Montessori, an Italian national.

F. SINGH,

Under Secretary to the Government of India.

G/1(b)

No. 1/7/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 19th February, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Mr. J. L. Savage, a United States national, for so long as he is working for the Ministry of Works, Mines and Power, Government of India, in connection with multi-purpose projects.

F. SINGH,

Under Secretary to the Government of India.

G/1(c)

No. 1/8/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 17th March, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Mr. James Donald O'Brien, for so long as he is employed with the American Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(d)

No. 1/10/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 1st April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Miss Harriett M. Smith, an American national, for so long as she is employed with the American Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(e)

No. 1/11/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 6th April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Miss Knaxye Thornton, American national, for so long as she is employed with the American Embassy, New Delhi.

F. SINGH,

Under Secretary to the Government of India.

G/1(f)

No. 1/11/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 6th April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Miss Susan K. Collins, an American national, for so long as she is employed with the American Embassy, New Delhi.

F. SINGH,

Under Secretary to the Government of India.

G/1(g)

No. 10/21/47-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 13th April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Mrs. Hsueh Te Chang, a Chinese national, for so long as her husband is employed with the Chinese Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(h)

No. 10/21/47-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 13th April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Mrs. Hsueh Te Chang, a Chinese national, for so long as Mr. Hsueh is employed with the Chinese Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(i)

No. 1/12/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 16th April, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Miss Anna Mary Moll, an American national, for so long as she is employed as Public Health Nursing Consultant of the Rockefeller Foundation Branch at Delhi.

F. SINGH,

Under Secretary to the Government of India.

G/1(j)

No. 1/14/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 7th May, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Mr. Leslie E. Driscoll, for so long as he is employed with the American Embassy, New Delhi.

F. SINGH,

Under Secretary to the Government of India.

G/1(k)

No. 1/13/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 19th May, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Dr. Otto M. Wenger, a Swiss national, for so long as he remains in India as the Delegate of the International Committee of the Red Cross.

F. SINGH,

Under Secretary to the Government of India.

G/1(l)

No. 1/18/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 2nd June, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Miss Vera Matilda Anderson, an American national, for so long as she is employed with the American Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(m)

No. 1/21/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 14th June 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to Mr. Ide Pebbles Trotter, an official of the United States Department of Agriculture for so long as he is required to stay in India on official business.

F. SINGH,

Under Secretary to the Government of India.

G/1(n)

No. 1/16/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 22nd June, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Dr. Soedarsono, for so long as he remains in India as the Representative of the Government of the Republic of Indonesia.

F. SINGH,

Under Secretary to the Government of India.

G/1(o)

No. 1/22/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 24th June, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Miss Helen Theresertan, an American national, for so long as she is employed with the American Consulate General, Calcutta.

F. SINGH,

Under Secretary to the Government of India.

G/1(p)

No. 1/23/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 1st July, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Miss Dorothy I. Walker, an American national, for so long as she is employed with the American Embassy, New Delhi.

F. SINGH,

Under Secretary to the Government of India.

G/1(q)

No. 1/24/48-F.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi-3, the 30th July, 1948

DECLARATION OF EXEMPTION

In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors, who are not foreigners, shall not apply to, or in relation to, Mr. O. Kappeler, for so long as he is employed as Consular Agent for Switzerland in Cochin.

F. SINGH,

Under Secretary to the Government of India.

**ELECTIONS TO CENTRAL ADVISORY COMMITTEE OF NATIONAL
CADET CORPS AND CENTRAL COMMITTEE OF TUBERCULOSIS
ASSOCIATION OF INDIA.**

Mr. Speaker: I have to inform the Assembly that up to the time fixed for receiving nominations for the Central Advisory Committee of the National Cadet Corps and Central Committee of the Tuberculosis Association of India, two nominations in the case of each of these Committees were received. As the number of candidates is equal to the number of vacancies in each of the two Committees, I declare the following members to be duly elected:—

Central Advisory Committee of the National Cadet Corps.—(1) Shri K. Hanumanthaiya and (2) Shri Mahavir Tyagi.

Central Committee of the Tuberculosis Association of India.—(1) Shri T. Siddalingaiya and (2) Mr. E. John Philipose.

MINES AND MINERALS (REGULATION AND DEVELOPMENT) BILL

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): Sir, I beg to move for leave to introduce a Bill to provide for the regulation of mines and oilfields and for the development of minerals.

Prof. N. G. Ranga (Madras: General): Some time ago the Government of India had announced their policy and stated that mines are on the list of those industries which should be nationalised immediately, and I am rather surprised that just as they had done in the case of the Electricity Bill, they have come forward with some sort of a thing and ask for the regulation of mines and oilfields, thus preventing anyhow for some years to come any chance of nationalising the mines. I think the House deserves an explanation.

Mr. Speaker: The honourable member will note that the present motion is merely one for leave for introduction, a formal sort of thing on which ordinarily there is no objection or no discussion, though, of course, both are permissible but in practice we do not do so. I put the motion to the House.

The question is:

“That leave be granted to introduce a Bill to provide for the regulation of mines and oilfields and for the development of minerals.”

The motion was adopted.

The Honourable Shri N. V. Gadgil: Sir, I introduce the Bill.

**INCOME-TAX AND THE BUSINESS PROFITS TAX (AMENDMENT)
BILL**

PRESENTATION OF REPORT OF SELECT COMMITTEE

The Honourable Shri E. K. Shanmukham Chetty (Minister for Finance): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1922, and the Business Profits Tax Act, 1947.

DEMANDS FOR SUPPLEMENTARY GRANTS—1948-49—concl'd.

DEMAND No. 99A—CAPITAL OUTLAY ON STERLING PENSIONS—concl'd.

*Failure of Government to secure Protection against scaling down of
Sterling Balances—concl'd.*

DEMAND No. 101—DEFENCE CAPITAL OUTLAY—concl'd.

Propriety of Payment and Defence Stores Policy of Government—concl'd.

Mr. Speaker: We now proceed with the discussion on the Demands for Supplementary Grants for 1948-49. The discussion had not ended yesterday.

Dr. P. S. Deshmukh (C.P. and Berar: General): Mr. Speaker, Sir we are all very much thankful to you, Sir, for having allotted sufficient time for the discussion of this very important subject. We have already had yesterday as many as 4 speeches. The first was by my honourable friend Mr. Lari, who criticised the whole arrangement, and he was also followed by equally critical honourable members like Prof. Shibban Lal Saksena and Prof. K. T. Shah. Prof. Saksena, Sir, almost told us that we were overtaken by a deluge, that everything was lost, that for generations to come we were undone, and there was, according to him no hope of resurrection. Prof. K. T. Shah, Sir, as we know has always been feeling very strongly on the subject, and if the House will recollect the speech that he made on the same subject some months back, it was quite clear that he was very much apprehensive of scaling down of our Sterling Balances. His previous speech was followed yesterday by a declaration that what had happened was highly disappointing and that India's interests had been irrevocably injured. All these speakers, Sir, took a view which was bordering on the alarmist and there are many members of the House also who share this feeling. I for one, Sir, think that the position is not as bad as has been reflected in the speeches made by these members and that it is possible to take a somewhat more constructive view of the whole matter. One thing I agree with what came from Prof. K. T. Shah and that is, that in my opinion, there is adequate ground to feel that the approach of our Delegation towards the subject was not altogether satisfactory. Prof. K. T. Shah was quite correct in stating that while we were very sympathetic, very considerate towards the difficulties of the British Government, we should not have forgotten the bad times through which we ourselves were passing. We ourselves are faced with food shortage, with our industries producing less and less, with increased poverty of our people, with inflation and so many other factors which are contributing to greater and greater unhappiness of the people. In fact, a lot of people quite correctly ask whether the Independence that we have got has really contributed to the intrinsic happiness of the people. We are suffering in so many different ways and all this suffering of the people should have weighed with the Delegation so as to press the British Government and to say: "Of course your difficulties are great, but our difficulties are greater; we are a nation who have emerged into Independence newly; we are in a somewhat precarious condition", and our difficulties should have been made to weigh with the British Government far more than has been the case. That is a line of thought, Sir, with which I am in the fullest agreement, and while we should and we might show any sympathies and consideration for the difficulties of Sir Stafford Cripps and his Government, we ought not to forget that our condition was far more precarious and from that point of view it should have been possible for our Delegation to get at least some better terms than we have secured. The Honourable Minister bad to admit, Sir, our failure in not being able to utilize the Sterling Balances that were available last year. It will convince nobody in the House to say that some other part of the Government has erred and it is no consolation to anybody; the mistake is there that we have not been able to utilize the Sterling Balances that were available and if we continue in the same manner, we will be throwing opportunities that were available to us. We could ask the Finance Minister as to what persuaded him to tie down the interests of India for such a length of time as 60 years. If we look to the schedule given in the white paper, we will see, Sir, that the payments are going to be made for as long a period as 60 years.

The Honourable Shri B. K. Shanmukham Chetty (Minister for Finance): That is purely an actuarial calculation. There is no tying down of the Government of India. It is a calculation of the probable year when the last pensioner will die.

Dr. P. S. Deshmukh: I am prepared to correct myself, Sir, that we have

not been tied for so long, but I would like to know for what length of time we are going to be dependent upon the British Government to recover all the Sterling Balances that they owe us. As every one of us knows for the present we are asked to be content only with 18½ million pounds. May I ask Sir, at this rate, how many years it is going to take us to realize all that Britain owes us? Is there any estimate that has been framed? Has it been placed before the House as to how many years it is going to take so as to receive back all the payments that Britain is expected to make?

There is also another point which I would like to place before the House. Since the accumulated balances come to such a high figure as 1536 crores, when we know that we are deficient in so many things, we have yet to have even a semblance of a navy, we have not got an air force at our command, I should like to ask whether it was not possible to put this to the British Government, in a direct way. We all know, that inspite of the war losses the British Navy continues to be the largest in the world even today. The British people and the British Government are not also deficient in the manufacture or possession of aeroplanes. There are many other articles, many other capital goods which could have been made available to us for our utilisation within a shorter period than appears to have been contemplated by the delegation. Sir, in my view, it is quite correct to complain that we have not pressed our point of view as earnestly as we should and if we have really pressed it all that we wanted to press, we have not at any rate succeeded to the extent this House would have liked. After all, the world situation, as everybody knows, is grave. We do not know what may happen within a period of six months hence. So, when an agreement or arrangement that is placed before us is so strikingly indefinite as not to be able to disclose when we would be really getting all that we have sacrificed for—because, what is owed to us by the British Government was not what we could have easily spared—the accumulation of sterling balances was at the cost of the happiness of the people of India and is money which India could ill-afford to let lie with the British Government, as has been now disclosed at a rate of interest which is abnormally low—the House is certainly entitled to complain against the delegation and to say that India has not been well treated by Britain, nor have you secured, although there may be difficulties of which we may be conscious, terms with which we could feel absolutely satisfied. I think, Sir, that line of criticism is entirely justifiable. I would like to ask the Finance Minister whether the same situation that arose last year, namely our inability to take advantage of even the sterling balances that are made available to us, to be repeated and whether he has not planned and placed before the British Government other adequate means of securing within the shortest possible period the sterling balances due from Great Britain. I would also ask him whether it was not possible to ask them to part with some of their ships, aeroplanes and machinery which they may be probably utilising at the present moment but of which India stands in greater need of. I would also like him to state whether it was not possible for the delegation to obtain some goods at once so that we could be satisfied that a substantial amount out of this huge sum of sterling balances was immediately made available to us.

So far as the pensions affair is concerned, I think the delegation does deserve our compliments that they did not allow themselves to be persuaded to pay the whole capitalised value in a lump sum. There is the question of our having to wait for a number of years and therefore it is probably wise that we should not pay up anything that is owed by us to Great Britain in the shape of pensions, all at once. That may be a very sound argument to consider; but at the same time, since the interest that we are getting is so low, and since the total capitalised amount would come to 224 crores and the yearly

annuities to 9 crores and 67 lakhs, the interest would probably work out to something like about 4 per cent. I would like to suggest whether, 12 NOON in these circumstances, we may not take steps to pay the whole sum not in one lump, but as early as possible. I do not know if my mathematics is correct. According to the figures before me, it appears that the capitalised amount of the pensions is 224 crores and the annuities in the beginning years are between 9 and 10 crores and later 8 and 9 crores and less. Under these circumstances, since the interest that we get varies between 7.5 to 8 per cent., only this may be a point for consideration. All the same, the fact that the delegation did not agree to reduce the sterling balances by a big sum of 224 crores is probably a matter of credit to them.

I think, Sir, the delegation, although it has not satisfied us, has tried its best. But, I must say I would have personally preferred India obtaining immediately by way of capital goods and certain articles which would have gone to contribute to the greater progress of India; for instance, agricultural implements, and as I have already stated, ships for strengthening our navy and planes for our air force. We also badly need machinery for the manufacture of automobiles and locomotives. I would like to ask the Finance Minister whether it was not possible for Great Britain to give us a portion of these articles and whether they have agreed to give us any definite number of these articles within the next few years. Because, there is also another fear in our minds, namely, even in spite of the agreement, even in spite of the fact that certain sterling balances are made available to us, whether we may not probably be faced with the same situation with which we were faced last year, namely our incapacity to utilise the sterling balances. We are of course conscious that we cannot purchase everything that is available. At the same time, I think that with the Government that we have got, it should be possible to make a definite plan of the articles and other things we want which will contribute to the greater happiness of the people and which would enable India to produce more and more manufactured goods.

Shri K. Hanumanthaya (Mysore State): Sir, when I read the able Press Statement of the Finance Minister, of the 15th inst. regarding laying down the ghost of scaling down, most of us believed it to be a fact. I fail to see why we in this House should help Mr. Churchill by admitting that there is no scaling down. It is not wise that we should try to prop up the ghost which has been laid. There is what is called waiver and estoppel. There have been negotiations three times so far as sterling balances are concerned and the British Government has not chosen to raise this question of scaling down on any of these occasions. Why they should raise this question on the fourth occasion, it passes my comprehension. If they did so, we could easily say, you have not raised this question of scaling down on the last three occasions, you have waived or you are stopped from raising it again.

There is also this thing. Whatever may be said of British character, here is a point that we have to compliment. Whatever Government there is, whether Conservative or Labour, they do not make changes in the agreements or treaties that they arrive at with other countries; they maintain what is called the sanctity of agreement and treaty so far as other countries are concerned. And I do not suppose the Conservative party headed by Mr. Churchill, if it comes to power in 1951, will be able to raise the point again of scaling down these balances. (*An Honourable Member: 'Question'. Another Honourable Member: 'Churchill is up to anything.'*) Even if he does that we have a far better case for scaling up our sterling balances. These sterling balances were arrived at not at market rates but at controlled prices. I know personally that the Government of India purchased from Mysore large quantities of silk for making parachutes and purchased them at a price which was far lower than the market price; and the excess quantity of silk was auctioned by the Mysore Government and fetched two or three times the price at which the Government of

[Shri K. Hanumanthaiya]

India bought it. So there are facts and figures to show that the sterling balances can easily be scaled up from the point of view of justice and fair play. This is an argument which is always open to us. And what the British Chancellor of the Exchequer said by way of reply to Mr. Churchill is not such a demand as that. He merely says, "If you want to argue you can argue at any time." That is an evasive reply and not one which encourages Mr. Churchill or asks him to raise this question of scaling down again and again.

Then, Sir, various suggestions have been made that this delegation should have secured this concession and that concession. No one disagrees with these suggestions; but I cannot conceive, knowing the personnel of the delegation as we do, that these points were not present in their mind and they did not press them before the British Chancellor of the Exchequer. The leader of the delegation—I may again remind the House—was the first man in India who brought this question of sterling balances before the public; that he would not be conversant with the various problems connected with it and would be forgetful of our interests is a point that none of us can entertain even by way of doubt. Besides, there were other members—businessmen and politicians—who know very well about the problems connected with the sterling balances. If they have not been able to secure better concessions it is not because they did not advance them but because the situation is such. It is a question of a debtor pleading inability to pay and we had to make the best of a bad situation, and I am sure they did make the best of a bad situation. The only point the Finance Minister did not touch upon in his press statement and in his speech yesterday was as to why he did not press for purchasing at least some of the British assets in India. In my speech during the last budget session I made a suggestion that with the sterling balances we could at least purchase the Kolar goldfields. There is need for multilateral convertibility of currency and if we have a gold stock that is the best remedy in this direction. I understand the annual production of gold in the Mysore gold mines is about 4 or 5 crores of rupees. If we had gold every year of this value our position in regard to capital goods and various other requirements would be very much advantageous. The delegation—in my view—could have pressed for purchasing, if not the whole, at least part of the British assets in India. I hope the leader of the delegation will be able to give an explanation about this because it is a point which needs their attention and answer.

Then at the end of the White Paper there is a sentence:

"Out of this about 200 million or Rs. 267 crores may be considered as normal currency reserve."

At the beginning of the White Paper there is another pregnant sentence:

"A section of the Reserve Bank Act which imposes on the Bank the obligation to buy sterling offered to an unlimited extent was utilised for financing this surplus."

That is, the sterling balance accumulated as a result of that. I think we need not leave in London by way of currency security such a large sum as £200 million. May be there was a time when sterling was really sterling and therefore whatever sum we had deposited in England carried its worth and it was to that extent a good backing for our currency. But now the times have changed and sterling does not now occupy the position which it did many years ago and the dollar has taken its place. Such being the case, why should we deposit such a huge amount as 267 crores with the Bank of England as currency reserve passes my comprehension. It may be that the leader of the delegation has a very good explanation for it, and if it is a good explanation we are going to accept it.

There is again this. It might be argued that so far as our currency is concerned we must tack it on either to the sterling or to the dollar and therefore this question of currency reserve arises. After the establishment of the United Nations Organisation we know that what is called the International Monetary Fund Organisation has come into existence. The purpose served by the United States dollar or the Bank of England sterling is now being served by the International Monetary Fund. Whatever amount we have got we can still deposit in this Fund, or even without deposits the International Monetary Fund Organisation has undertaken to maintain to the best possible extent the equilibrium between countries in currency matters. In view of these two factors it is absolutely unnecessary for us to have such a large reserve in the Bank of England.

Thirdly, Prof. Shah yesterday very ably made out that it is not wise or profitable on our part to tack on our rupee to the sterling now. I am in agreement with that view.

The Honourable Shri R. K. Shanmukham Chetty: After the International Monetary Fund was established and we have become members of that Fund we have pegged the rupee to gold and not to sterling. Today the rupee is pegged to gold.

Shri K. Hanumanthaiya: I stand corrected! But still the fact remains that we need not maintain such a large reserve in the Bank of England, specially as it was disclosed some time ago that the rate of interest is very low.

Shri B. Das (Orissa: General): I am not very happy at the tone of criticism that my four Socialist friends in this House have levelled at the work of the Delegation in the affairs of the sterling balances.

Some Honourable Members: Which are the Socialist speeches?

Shri B. Das: I refer to the speeches delivered by those socialist minded members. At any rate, I do not want to know them!

An Honourable Member: Now comes a capitalist speech!

Shri B. Das: The question before the House is not to belittle the work of the delegation but to appraise the situation in which they were placed and to see whether they have done their best under the circumstances. My verdict is that they have done the very best possible.

They were handicapped as we are handicapped. It is a pity that my delegation went as representatives of a semi-baked Dominion and not as a full independent country. It is a pity that although the objective resolution declared independence some ten months ago, the real independence is not yet in sight and we find that more and more the Government of India is getting enamoured of Dominion Status. Why should the Ministry, sitting there as our chosen representatives, always think in terms of a Dominion and in terms of subordination to England. That is the cause of their failure in not bringing back what we wanted, somewhat in terms as my Socialist friends are thinking.

An Honourable Member: Hear, hear! for the Socialists!

Shri B. Das: The Cabinet here and outside the House have not thought of the Indo-British Trade Agreement in the light of whether it will be between a Dominion and U.K. or whether it will be between an Indian sovereign State and U.K. Until that point is settled, the charges that are levelled by my esteemed friend, Prof. K. T. Shah, is of no value and account.

Sitting here I have levelled serious charges against the British Raj. I have opposed it tooth and nail and I still detest it. I abhor it for the position into which we are reduced today and I bring it as a warning to my Cabinet friends there. But I cannot level the same charges, the same criticism to my delegation who went there and did their best under the circumstances!

[Shri B. Das]

When we discussed this very question of sterling balances in the last session, my honourable friend, Mr. Ananthasayanam Ayyangar and I raised the issue whether the sterling balance was 1,600 million or was it to be 4,000 million. Well the Finance Minister having inherited the legacies of the previous Finance Ministers and the Commitments of the Government of India, has to carry on the Government as he found it. It is not for him to question whether 1,600 million sterling was the sterling balance or whether it should have been 4,000 millions. But today we are suffering from inflation, from loss of credit and we cannot build up our industries nor can we develop them. This is due to the perfidious policy of the Albion and to its policy of loot.

Today I am in that mood that I must be thankful for small mercies until such time we empower the Cabinet to pass the Constitution in the other Place so that we can enter into negotiations over the Indo-British Trade Agreement as equals and not as subordinates, a position in which my honourable friend, Mr. Chetty finds himself today. He has tried to talk as equals. But what is the use of talking as equal when England has the upper hand!

The two subjects that we are discussing today are pensions capitalization fund and purchase of War Surplus Stores. I appreciate the adroitness with which my friend, Mr. Chetty described the situation. But, Sir, sitting here my mind goes back to 1931-32 and 1935 when every Britisher who sat there to serve India and grew fat on our salaries but under the 1935 Act they declined to trust India until all the pensionary charges were funded and India paid them in lump sum to England. But today the situation has changed. We have a credit balance. We could afford to throw away and capitalise Rs. 275 crores and we did it. For that I do not feel proud. But I am humiliated, as everyone of us is humiliated here and outside in the country that England in keeping in line with the old "steel frame" Government she established in 1932, has in 1948 got her pound of flesh from India.

Well, I do not want to question counting on the issue whether India will get back a few hundred thousand pounds in return from the British Government, but for the next sixty years my grandson will be regretting that we came to this arrangement and that England with a loaded pistol extracted this from us. My honourable friend the Finance Minister expressed gratification that we had money and we gave it to England. The financial practice in this country has been to pay every year the pensionary charges from the revenue of the year. Now the present generations had deposited so many hundreds of millions. And for what? To give this kind of relief?

The Honourable Shri B. K. Shanmukham Chetty: No, Sir. That will not happen. What has been arranged is only an advanced provision for exchange. That will not relieve the subsequent budgets of the Government of India from the obligation of paying the rupees every year for the payment of pensions.

Shri B. Das: I would very much like him to elucidate that point a little more. We are not going to pay any more and debit our revenue. The taxpayer is not going to pay any more than 5 to 6 million pensionary charges.

The Honourable Shri B. K. Shanmukham Chetty: The taxpayer will have to pay every year the rupee equivalent of the pensions as he has been doing all these years. Suppose next year the pensionary charges come to Rs. 8 crores. You will still find in the next budget a debit of Rs. 8 crores in the expenditure side as a charge for pensions. What will happen is instead of our having to find the exchange for that out of our current earnings by exports, we have secured from the British Government an advance payment of exchange for the next six millions.

Shri B. Das: Are we not to get back a credit of £ 6 million?

The Honourable Shri B. K. Shanmukham Chetty: Suppose, for instance, next year Rs. 10 lakhs is the pension charge, then we will have to pay to the Reserve Bank Rs. 10 lakhs. The Reserve Bank in its turn will get automatically from the Bank of England without any further payment in sterling that 6 or 7 million mentioned there. Therefore the British Government is bound to pay us every year the amount mentioned in that.

Shri B. Das: I will leave that to another occasion. However, I am not satisfied. I thought my generation has paid through sweat and blood.

My honourable friend is transferring the question from the political plane to a purely financial level. Ireland did not pay any pensionary charges after the Black and Tan methods adopted by Britain. Ireland repudiated all pensionary charges to the British rulers. Here my honourable friend wants us to believe that it is a purely financial transaction but the stigma remains that England has got the money. I can believe that my honourable friend the Finance Minister after 60 years is not going to get that deposit. Why should every year the taxpayer pay the 8 crores I do not understand.

As regards the purchase of the British stores I do not level any charge against the Delegation that the prices paid are high. I join in the complements paid to the Finance Department and their Accounts Officers. I am not bothered as to how much they have paid, more or less. But I want the Finance Minister to explain to us whether we have got the right type of British stores that were available to us at the end of the war. There were rumours of the treachery of the British military officials and some of them were based on truth, that they handed over the best of tanks and aeroplanes to Hyderabad and Pakistan. During the transition stage while the Partition Committee was sitting and separation was taking place the best of British-surplus stores went to Pakistan. All this treachery has been there and in view of this can we say that we have got a good bargain, that we have got the right type of machinery, aeroplanes and tanks and other war implements? The Honourable the Finance Minister knows that one hundred and twenty tanks were declared as scrap by the British military officials in June 1947 and the head of the British Government in India Lord Mountbatten allowed it to be declared as scrap and sold to Hyderabad. Those one hundred and twenty tanks were absolutely new tanks and they went into the hands of Hyderabad. If Hyderabad is today restless it is perhaps due to the treachery of those British Military officials that were in India before August the 15th, 1947.

I would like to urge on the Government, while I accept this motion, that they should not go with begging bowls every year and ask a delegation at the Finance Minister's level to negotiate a settlement. My honourable friend Mr. Shanmukham Chetty was the first minister of the Cabinet that went to England to negotiate at a certain level with the British Government. I do hope that the Finance Minister will enlighten us as to what are their ideas about the Indo-British agreement, whether it will be on the level of equality of sovereignty or not. This we do not find anywhere. Various speeches are made by the Ministers but they always keep silent over this. I hope before the Honourable the Finance Minister addresses again on the issue of the sterling balances that question will be settled. The whole point will have to be clarified in the Indo-British trade agreement. Our Finance Minister and his Delegation might have been entertained well in Britain and on that my friend Mr. T. T. Krishnamachari will be able to tell us. But I would ask my honourable friend the Finance Minister to tell us whether with the nationalisation of the Reserve Bank we will have to continue the policy of keeping our currency reserve with the U.K. or the Bank of England. That arrangement was between a master and a servant. The Reserve Bank was the servant of the Bank of England. It is high time that our Finance Minister should examine that

[Shri B. Das]

aspect and that will have to be discussed when the Reserve Bank Nationalisation Bill comes before the House. The moment that problem is solved whether our currency reserve should be in India or in the U.K., all other questions will also be resolved. Sir, with these remarks I support the motion.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, when this White Paper was circulated to us I opened the first page and read the first sentence. I take it that this contained all the arguments that should support the deal that has been entered into. The first sentence reads:

“India has always held sterling in the United Kingdom as part of its currency.”

That sentence might have been omitted. The next sentence reads:

“Under the Reserve Bank of India Act, not less than twofifths of the total assets of the Bank etc.”

That is quite right but the first sentence was not right. I do not know why that sentence was added or incorporated. Apparently it was meant to create an atmosphere for the perpetuation of India's balances in securities of a British character. They try to show that India has always had its currency balances in British securities. The Paper Currency Act was enacted in 1861. From then on until 1905 all the paper currency reserves were in Indian securities and only in 1905 for the first time it was allowed to have British securities to the tune of about four crores and thereafter in 1911 it rose to eleven crores or thereabouts. From that time the war years began and during that period all canons of currency and coinage went by the board and gradually the reserves became completely transferred and transformed into British securities. Therefore it is wrong to say that India has always held her currency reserves in British sterling. If that is meant to prop up an argument for leaving some of these things still in the possession of the British Government, that will fail. However that be, that is only an academic point; it does not really touch the problem on hand.

The problem on hand is, to begin with, the temporary settlement on two previous occasions and the last settlement two months back by a deputation from India going to England. Who is England? The debtor. And who is India? The creditor. Have you heard of a creditor going to the doors of the debtor in order to settle his dues? I have not heard. No Chettiars should do it; no *baniya* would do it. It is a wrong end to begin with. After all the debtor must come to the creditor. At best they may sit round a table and settle affairs. Therefore we had no *athana bala*, the local strength; the strength of being on one's own ground, we lost when we went there. What was the reason that took us there?—the lingering longing for perfidious Albion, the desire to go and settle our accounts with our ‘masters’. I am afraid there is some vestige of the old world conditions under which we felt the inferiority complex. I should have certainly refused to go to England in order to settle the constitutional problem. That was why we welcomed Cripps here when he came in 1942, and the Cabinet Mission in 1946. It would have been quite all right if the final settlement had taken place here. No doubt the preliminary investigation party came here and talked over matters. But we lost a good deal when we went to London.

Having gone there we had to settle the matter. And how do you settle the debt?

सी में साठ आधा गया नट, दस देता हूँ, दस दिलाता हूँ, दस की क्या बात :
छोड़े मियाँ ।

A man owes another Rs. 100. The debtor starts by saying “Well, of course I owe you Rs. 100. But I am going to pay only Rs. 60. From out of Rs. 60

that is legitimately due to you, half has gone as rebate. Therefore Rs. 80 is gone and only Rs. 80 remains there. I will give you ten. I will ask some other fellow to pay you Rs. 10. As for the rest, only Rs. 10 remains. Why don't you leave it? That is nothing". That is the basis on which this Agreement has been made, so far as I can see.

Of course there is the old Sanskrit saying:

“ पुस्तकं वनिता वित्तं परहस्तं गतं गतं अर्घ्यं पुनरायात् जीर्णं भ्रष्टाश्च संश्रुतः । ”

That is also true. It means that a book, a girl and money gone into others' hands are gone for ever; and even if you should get them back, the book comes torn, the girl comes fallen and the money comes in bits. It went in bulk—as 1158 millions against which we get 133 crores of residual or rejected war material here, 224 crores of pensions of capitalised payment—not capital but capitalised payment and 215 crores to be made available till 1951 June. What about the rest, we shall see. That is the position that we are now reduced to.

Now let us examine each of these things. What about the defence material? The war material is subject to sales through the Department of Disposals and all over India you will find every day every weekly, paper, every daily, every monthly full of Disposals advertisements. I now understand, having come here—previously I did not understand it—that it is a source of tremendous profits to business adventurers. Things costing Rs. 1-4 a tin have been parted with for one anna six pies each tin. Some lakhs of rupees worth of such tinned food, tinned milk, canned fruit all these I have seen, and heard of and I know that lakh of rupees have been made as profits on them. Will the Honourable the Finance Minister tell me what is the ratio between the price secured in the Disposals and the cost price in the books? I do not think it will be more than 1 to 10. But here you have made a certain payment. It is a very handsome payment, made in a lump sum, without any bargain, and without any difficulty for the salesman because he simply has to say “The goods are yours; pay me Rs. 133 crores”: I think a more handsome bargain for the Englishman for all the refuse that remained over could not have been made. Perhaps it would have been better to take half a dozen cruisers. I do not know whether the latest cruiser that has come to India, “Delhi”, newly denominated, has been paid for from out of this sterling balance. I should think that it has been. I do not know exactly what price has been paid for it. So far no statement has been made about it, nor have I seen any reference to that in this. A few tanks, some war materials, a few cruisers would perhaps have been useful.

Fortunately for the English they have left this country not in a state of peace but in a state of war. They have created all the necessary conditions for an internal commotion and an external invasion. We have been subjected to both, the moment they pretend to have left this country. They have left the country by the front door but entered it by the back door. They have created all kinds of difficulties. Their “Machiavelian dissimulation, their profound hypocrisy and perfidy” are historical facts. Therefore there is no question about it and this is not the occasion for me to descant upon the way in which we have been cheated during the past one year—there have been documents concealed from our knowledge and other documents with partial representation. We know how we were committed to decisions and how they have behaved.

When I deal with my creditor I take his character into consideration. When I was dealing with the *khaddar* business on behalf of the All India Spinners' Association, whenever I settled a bargain the late Seth Jamnal

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Bajaj used to ask me "where is the cash?" It is not a question of my agreeing to certain terms or a settlement in the court or a reference to arbitration. "If you say Rs. 5,000 is to be paid to us, put Rs. 2,500 in my hand and I shall be satisfied"—because 5,000, agreed to in arbitration and a court is absolutely worthless. The decree is not worth scraping your tongue with. That is the position.

What is the actual money that we are getting? It would have been far better to have done with this business once and for all by a final settlement than to keep it hanging on. However that be, the English people are adepts in the art of making you lick the elbow for the honey that is on the palm, and then having allowed you to lick it they won't allow you to digest it, and if they find that you digest it they won't allow you to assimilate it. Their whole history has been like that. If they stage a quarrel between Churchill and Cripps it is the usual way in which merchants quarrel when we go to them for a donation. I have always seen that when I go to a gentleman for donation because Rajen Babu or Mahatma Gandhi was coming, the moment he saw me he would know what I am about and the father and the son would begin a quarrel. The father abuses the son. The son refused to cremate the father's corpse when he dies. For half an hour the quarrel lasts and we are paralysed. In the night the son comes to you and gives you Rs. 25. This is the drama that is staged in order to whittle down the payment. Whatever the Englishman does—and he does it of a set purpose and with a motive—there is no doubt about it he does it deliberately. Is this quarrel between Churchill and Cripps a sincere quarrel? Absolutely nothing of the kind. They must keep on staging the drama so as to make it appear that they are enemies so that innocent simpletons that we are we may be overpowered by this play of acrimoniousness on one man's part and the conciliatoriness on the other man's part. Never believe it. No. After all, what is the previous character of the English people that we should allow them to continue to be debtors? In 1930, on 21st and 22nd September, when Mahatma Gandhi was in the steamer, on his way to the 2nd R.T.C., the Bank of England closed its doors. When the Bank of England closed its doors they called it a holiday. When we close our doors we become insolvent: They took a three-day holiday, went off the Gold Standard at once and then changed the Government into a National Government! And they had just £90 million worth of gold in the coffers of the Bank of England, that is Rs. 135 crores. They owed 90 crores to America and 45 crores to France—and not a grain of gold to spare on that day! That was the insolvent condition. And while France immediately said "I stop payments" to America, England made one or two payments and then England also stopped.

1,600 million dollars was the money that was owing to America from England after World War I. That was why America was so cautious this time: "My friend, this time Cash and Carry"—*paisa lao, chsez le jao*. Then they said, when 'Cash and Carry' was exhausted, when all the securities of Britain in America were pawned, then they said, 'Lend and Lease'.

Had we not got the British securities here? We have got £750 million worth of them—about Rs. 1,200 crores. We have received a total of Rs. 133 crores for war materials, 224 crores for pensions, and 213 crores promised before 1951: that makes it Rs. 570 crores. There is still a balance due to us of about 900 or 1,000 crores. That can easily be adjusted with the British securities here. Let us tell them, "You want us to be a Dominion, you want to have friendly relations with us, you want to send goods to us, you can't live without increasing your exports by 50 per cent". You say you have to maintain a higher standard of life. My dear fellow, you have been carrying this on at the expense of India where we have no standard at all. Well, you can have some standard of life provided you adjust the things correctly".

It might have been up to our Delegation to break off the negotiations and come back and take instructions for a second occasion. There is no hurry. After all, this matter is not going to be settled in a day. And what is the position? Our accredited representative has gone there; a delegation has helped the Finance Member. He has entered into a deal. Either we have to repudiate the bargain he has entered into and thus bring a virtual vote of censure upon the Government of the day, or we have to accept it as an accomplished fact, a *fait accompli* and quietly abide by it. Besides these two alternatives is there a third alternative? And is that the position in which a democratic Legislature should be placed on this matter? Therefore, I say this debate is infructuous, it is academic, it is a schoolboys' debate, it is a debate of orators, of demagogues to display their oratory, and nothing is going to happen out of it, because we are perforce obliged to support what you have done. The question is whether we are doing it out of the compulsion of circumstances or whether we are doing it out of the abundance of our conviction of the facts. The latter we are not doing—the former we cannot help doing.

That is the position in which the Government of the day have placed the Legislature, and that is not a very enviable position. Any way, so far as the pensions are concerned I think it has been a fair adjustment. It would have been a much better thing if we could have negotiated one per cent interest upon our securities there, and they may have allowed the interest as a set off to the pensions. £1,100 million could easily bear £11 million annually at one per cent, and this £11 million is roughly the amount that we have to pay, that is to say 9.6 million. If that be the case it would have been a nice adjustment, but of course I know the difficulties of adjustment. We have entered into many bargains, we have failed on many occasions; but we cannot always guarantee success in all these matters.

A casual observation was made, as if to say, "Well, why are you not satisfied with the 230 crores that I have got for you, you have not ordered capital goods for the money?" But I say, why not buy capital goods? Why do you blame the capitalists why not purchase the machinery which you need for your plans, yourself from England in order to recover the monies due from that country? Has the Government no responsibility in the matter? You have published your industrial policy. You have had your election manifestoes. Have you not said somewhat pompously that all the key industries will be nationalized? Have you not clarified it and then divided all the industries into different categories some of which can continue where they are and others will not be allowed to continue as private concerns? What have the Government been doing for the last one year if they have not hatched any plans for securing machinery for manufacturing turbines, boilers and for making electric and other goods, dynamos, batteries and transformers and a thousand and one things which you ought to have made? What power have I got? I have got a mind, a desire, an ambition, a plan, an expert, but nothing else; I have to approach the capital goods and machinery through Government."

I am glad the Finance Minister casually let fall a remark which I suppose is not a confidential one, that he has instructed the Controller of Capital Issues not to put a spoke in the way of any company being formed which requires machinery. It is a very happy augury. I hope people will avail themselves of it. But you see you cannot compel the people, the very people who are fighting shy of capital on account of our declaration of policy, and then taunt them saying, "You have not imported machinery". How can they? After all they are selfish people; a well-to-do man is a selfish man—a capitalist after all is not quite an unselfish man, and the Finance Minister more leans towards that side than this side considering his financial position; therefore, naturally the capitalist would not do anything which does not pay;

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and members of his ilk also do the same. Therefore, I say it behoves the Government to work out a scheme by means of which it will be possible at least to avail themselves of this Rs. 213 crores worth of machinery.

I have already stated that our position is the most unenviable one, that our vote is bound to go in support of the Government of the day, that it is not voluntarily given, that it is not cheerfully given, but that it is wrung out on account of the compulsion of the circumstances.

Shri T. T. Krishnamachari (Madras: General): Mr. Speaker, Sir, I feel obliged to speak having been a member of the delegation that went along with the Finance Minister. At the outset I would like to say that I am not asking the House or its Members for congratulations for what we have done. It has not been a very pleasant job and I do not feel that we have scored any outstanding success. So, we are not asking for any congratulations. If my friends in this House would like to condemn me for having been a member of the delegation and for not having done what in their view I ought to have done, well, I am quite prepared to accept the condemnation so long as that condemnation is reasonably based on facts, and the circumstances under which we were working. But if we are going to be condemned merely because somebody has got a bee in his bonnet, somebody is not prepared to take into account the existing circumstances and insists on living in a world which is fifteen years old, somebody really thinks that this is a forum in which he ought to say what he ought to have said against the British Government five or six years back, well, Sir, I say that he is not right and I am entitled to give a proper explanation of my conduct as a member of the delegation.

I feel that my honourable friend the Finance Minister will categorically say at the end of this debate that he was not very pleased himself with the results obtained.

I would like to refer to the remark of my honourable friend Dr. Pattabhi Sitaramayya. He said that it was unseemly that the creditor should go to the debtor. But I heard, even as a boy, that when somebody comes and sits outside one's house, people say, "Why are you sitting there like a creditor"? It seems to be the practice that always the creditor goes to the house of the debtor. I am not saying anything in praise of the manner of my leader the Finance Minister when I say that he said openly in London, "I wish the position were otherwise; I wish my country were a debtor country and that Sir Stafford Cripps came to us in Delhi to ask me to settle the debts". We were not proud of the fact that we had to go to London—if my honourable friend Mr. Shibbanlal Saksena's statement was made in all seriousness—to beg for releases. We did not beg. I would like to tell him that we went to London as proud citizens of an independent country, prepared to demand what is fair and reasonable, having in view all the circumstances of the case and if it happened that what was offered entirely unfair we were quite prepared to come back.

Sir, there is one point which the Honourable Doctor Pattabhi brought out, namely, that this is a matter of Hobson's choice for the members of the Congress Party in this House, that either they have to vote for this demand or express a lack of confidence in the Government. I do not think, Sir, I am betraying any secret when I say that the Delegation had at various stages intimated to the Cabinet in India all the circumstances of the case as it stood before them and we had the privilege of obtaining its views thereon. It is not as if the Finance Minister will unilaterally take responsibility for disposing of hundreds of crores of money of the people of this country; nor could I, at any rate, as a member of this House and being responsible to my fellow-members of this House, permit without a note of dissent any such bartering

away of our rights without some kind of sanction, without some kind of approval, of the real rulers of this country. Sir, if that position is recognised, the other things more or less fall into their proper perspective.

Criticisms have been made—quite a number of them. The first criticism had been made by a gentleman who I see is not in the House. Mr. Lari is a member of the Opposition. We in this House and the Press and the galleries have often mentioned that legislative work suffers because there is no opposition. After Mr. Lari's speech yesterday, nobody in this country can say that the Congress Government is functioning without an opposition (Mr. Nasiruddin Ahmed: "There is no real opposition") because that speech of Mr. Lari was an opposition speech. His speech was such as to lay emphasis on what Mr. Churchill claimed. His speech was such as to decry the efforts of the Government of India. His speech was such as not to represent correctly what was the real position. If that did not reveal the existence of an opposition determined to oppose, I do not know what it is.

Sir, Mr. Lari attempted to show that the whole arrangement was temporary and he based his arguments on a letter which he misquoted. It is really a letter from Sir Wilfrid Eady to our Finance Secretary and not a letter from Sir Stafford Cripps, in which the words "interim releases" have been used. True. Certain arrangement was come to some time in August 1947 and all subsequent arrangements have been built thereon. Nobody claims that this is a permanent arrangement for releases that we have got. We have only got an arrangement for three years and nothing more. To that extent, this is an interim arrangement; it is not a permanent arrangement. But from that interim arrangement, he sought to build up a case that the whole question was an interim settlement notwithstanding the fact that the Honourable the Finance Minister had categorically said that so far as the Government of India is concerned the accounts are closed.

Sir, I can quite understand Mr. Lari saying that Mr. Churchill is right: that the accounts could be re-opened and it could be scaled down later on. It is Mr. Lari's duty to put the worst construction on anything we do. But the fact remains that it cannot be scaled down as the position is today. I admit that any debtor is in the position of saying at some time or other that he could not pay. Any amount of assurances that we get from Sir Stafford Cripps or the entire Labour Party will not safeguard us against the possibility of England saying some time that "we are not able to pay the debt". Then, the question really is: Are we covered against such a contingency? That is all we have to look to. Friends here have asked: Did we, did the Finance Minister, ask for a categorical assurance that there would not be any scaling down? Why should we? I think if the proposal had been put up by any member of the Delegation or it had been supported by the Finance Minister, I would have opposed it with all the strength that I could command. Why should we, placed as we are in this country with about Rs. 700, 800, 900 or a 1,000 crores may be, of British assets—why should we say that we want an assurance from U.K. that she would not make any attempt to scale down the debt due by her? If she attempts it, we will take over the British assets in this country in settlement of what is due to us. That is our security for the proper behaviour of our debtor in regard to the payment of the entire debt that is due to us, payment which by agreement will perhaps be spread over a period of years. So, I think, Sir, that if the Finance Minister refuses to recognise a unilateral statement on the part of Sir Stafford Cripps that the question is open—and such a statement could not be made by him with any authority unless the matter has been put up to us and he had obtained our concurrence—if the Finance Minister now says "I refuse to take notice", I think it is perfectly correct and every Indian who has got the interests of this country at heart should say the Finance Minister is correct. We are not going to permit

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any scaling down. If any attempt is made, we have enough resources in our hands to more or less off-set an attempt on the part of Britain to scale down her dues to this country. That is why, Sir, in an opportunity that I had of speaking through the medium of the A.I.R. after we returned, I said the time has come when we in India, at any rate, should no longer talk about insecurity of our assets in Britain; the time has come when we should no longer recognise even any talk of scaling down. Mr. Churchill may say what he likes. Anybody may say that he likes. We have enough securities in our possession or at any rate, very nearly enough, to cover us against any contingency and we are not going to take notice of any such suggestion made by an opposition leader in the House of Commons or even of a faint approval in the shape of an answer which would beat the Delphic oracle by Sir Stafford Cripps.

Mr. Speaker: If he is going to take more time, I suggest the honourable member may continue after Lunch.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. C. V. Mavalankar) in the Chair.

Shri T. T. Krishnamachari: Mr. Speaker, Sir, when the House adjourned for Lunch I was dealing with the question put by members of this House whether it is right to say that the ghost of scaling down has been finally laid. I was saying, Sir, that so far as we are concerned, it is so; so far the documents in our possession help to confirm that belief and we have enough documents, and lastly so far as security is concerned, we have adequate security in our hands to see that any possible threat by any future British Government of trying to interfere with our Sterling Balances can be effectively met. Sir, I think that ought to allay any fears that our politicians, economists and businessmen have in this country. But about the future Sterling assets—this takes me, Sir, to the other subject, namely the position of British assets in this country. It has been suggested, Sir, that we should have made some agreement with the British Government so that the assets of British citizens in this country could be liquidated and adjusted against our Sterling dues. Sir, in the past, as a member of the Opposition in this House I have often times pressed for liquidation of certain of the British assets in this country, so that the amount of our Sterling assets be appreciably diminished. The position today happens to be that by development of the various transactions that we have concluded there has been a certain amount of diminution and also because of the fact that we have to part with a certain amount of sterling to Pakistan, there will be a further diminution in our Sterling assets. So much so, the estimate made by the Finance Minister in his Press Conference talk that we shall have about 800 million pounds in England is very nearly correct. And things being what they are, the question one has to ask is "Do you want a diminution of this amount by forcible acquisition of British assets in this country"? The honourable Mrs. Ray suggested yesterday that we might take over the coal mines belonging to British interests in this country and nationalize them; we might take over tea plantations belonging to British interests and nationalize them. Sir, there is nothing to prevent the Indian Government nationalizing the coal mines and in that process the coal mines belonging to British subjects will also come into our hands. What will then happen is that the payment that we will have to make to the British subjects in England will go from the blocked sterling. My honourable friend Mr. Shibban Lal Saksena has some doubts about this matter and I could, in order to allay any doubts that exist in the minds of honourable members of this House, quote from any document, not a letter written by our Government to the British Government, but quote from a document produced by the Bank of England. **The Bank of England's**

report for the year ended 29th February 1948 has a paragraph in regard to India; this report also makes mention of the financial agreement made in August 1947 and of the further agreement made on 15th February 1948. It says, finally: "It is agreed that the net movement on Capital account between India and the rest of the Sterling area should be compensated through the Number 2 account." If the House wants a categorical proof that any sale of British assets in this country will be compensated through Number 2 account, here it is. The document produced is not by any of us, but by the Bank of England. I think that is sufficient satisfaction for us to feel that if British assets are sold in this country either to the Government or to somebody else, the sale proceeds will go to diminish the amount of money standing to our credit in the Number 2 account namely, the blocked account. I have to tell Mrs. Ray that if it happens that the Indian Government decides to nationalize the coal mines, the value of the coal mines belonging to British interests will go to diminish the sterling assets that we possess. I would like to say this. One might ask: "Why, not take all the British assets all at once and reduce our sterling balances?" It would in my view be an extremely unwise step. Of course, if one holds the same view as my honourable friend Prof. K. T. Shah, it might be the proper thing to do; but some of us happen to feel that now we are an independent country with complete charge of our own destinies and foreign trade happens to be an integral part of our activities and we, therefore want to keep on foreign exchange resources without liquidating the foreign exchange that we possess and buying assets of doubtful value, unless it becomes absolutely necessary. I will again put it to Prof. Shah to whom shall we hand over the working of these assets; are we going to nationalize these and take over the administration. Departmentally, will you hand it over to these bureaucrats who will probably not manage it efficiently or shall we hand it over to capitalists in whom Prof. Shah has no confidence and in whom I possess a confidence which is only a degree less than Prof. Shah's confidence. I would rather if the British interests are operating these assets and operating it decently and under Government control and obeying Governmental regulations. Let them operate these till such time as we decide to take over of all coal mines and all tea plantations whether they be British-owned or Indian-owned. (*Shrimati Renuka Ray*: 'In the meantime sterling may depreciate'.) I am coming to that point. So I feel that it is worthwhile keeping our foreign exchange resources and also keeping the initiative that we have.

Secondly, I do not know if we are going to get enough help from our own capitalists in this country by starting the various industries that we have in view. I would rather that our capitalists or the Government start all the industries necessary. But it is a fact that we do not have enough capital in our hands for all the projects we have on hand as for all the industries that are necessary to be started in our country. Certain portion of capital will still have to come from abroad either in the shape of capital goods or in the form of investments. At the present moment bringing in of any capital from the sterling area is difficult because of the physical problem of transfer of money as that will only go up to swell up our blocked balance. A time will come when probably we might be able to get over this difficulty when the required foreign capital is readily available.

Sir, I would like, even though it is a digression, to mention that some businessmen in England, to whom I had to explain our Industrial policy, felt that India is a fairly safe country for investment. It may be that you want them, or you may want America or some other country to help us, but there is no point in frightening all of them by saying that we are freezing all the foreign assets of a country without any provocation. Actually nobody would have any grouse against us for nationalizing all our coal mines and in the process of taking over the coal mines belonging to the British people.

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As it is, it may not be quite wise for us to frighten them by declaring we are going to liquidate British assets in this country. I do not agree with those people who say that India can have a completely self-sufficient economy. I do view with a considerable amount of pride that we have in our hands an export trade of the value of 500 crores which is a very valuable lever in any international arrangements between this country and foreign countries. I do not think it is really worthwhile to labour on this idea of liquidating foreign assets in this country any more, now that we know that we can take them over whenever we wanted to do so, and the Government has got enough power and this legislature or its successor can enact adequate legislation to take them over, except for the fact that if we unduly discriminate against any foreign nation, we may not get foreign help when we want.

My honourable friend Mrs. Ray reminded me of the doubts about the safety of our sterling. Incidentally, my honourable friend Professor Shuk said that our sterling assets have been devalued already several times over. I would like to draw the attention of my honourable friend to this though I would not like this to be quoted against India by England at a later day. (*Prof. N. G. Ranga*: 'It will be'.) The position is this. So far as England is concerned, the rise in prices of industrial raw materials during the years 1938 to 1948 has been roughly a little less than 100 per cent. I am quoting the figures from the U. K. Board of Trade Journal. They start the figures at 100 in 1930. It was somewhere about plus 30 in 1938 and in 1948 it was plus 238, just about 100 per cent more. So far as we are concerned, the position in the matter of industrial raw materials and manufactured articles was somewhere about 100 in 1939 and it has gone up to somewhere about 366. These figures have no validity. You may have a different set of figures for different products. The general index in regard to wholesale prices is about 366 in May 1948, 442 for industrial raw materials, 317 for some manufactured articles and 350 for some manufactured articles. It may be that if we had supplied them raw materials or manufactured articles as against which they owe us sterling, we might not have made a bad bargain out of that.

Prof. N. G. Ranga (Madras: General): It is not a fact that our raw materials were priced much lower? They themselves admitted that.

Shri T. T. Krishnamachari: I am not entirely unaware that a certain portion of the raw materials that we supplied were at controlled prices. I have often along with my honourable friend Prof. Ranga protested against the supply at these controlled prices. By and large, that only probably represents about 300 crores of Rupees as against which we have repatriated 400 crores in liquidating the debt we paid U. K. I do not want to provide U. K. people with arguments against us. I am only saying that there is the other side of the question also to be considered.

The other factor is, what will happen if the sterling is devalued. Probably, if we are still linked to sterling, we will also have to devalue the Rupee. There is perhaps greater justification for devaluing the Rupee than their devaluing the sterling. The contingency is not likely to arise now for this reason. England happens to be one of the few countries in the world where prices have not risen materially in comparison with other countries. The prices in England are very much lower than what they are in countries like U.S.A. in comparison with the prices that ruled in 1939. So much so, a leading authority on currency like Prof. Hawtrey had written to the press during the time when we were staying there, urging that the British Government should over-value the pound or at any rate, go back to the rate of exchange between the dollar and the pound that existed prior to 1940. The tendency

now seems to be the other way about. The prices in England so long as they are maintained seem to provide no justification for devaluation. Because, they are a dearer country and they have to go to America for purchases and devaluation will only affect them adversely. As things are today, devaluation does not seem to be a major fear so far as we are concerned. If you leave your foreign assets with any foreign country England or the United States of America, that kind of fear is always there. I think, for the time being, that need not unduly perturb us.

The next question with which I would like to deal, is the question of payment for military stores. Some friends asked for break up of this figure of 100 crores Rupees: My honourable friend Dr. Pattabhi Sitaranmyyam suggested that merely because it is a round sum of 100 crores, in settlement of the whole thing, quite a large portion of that has been in the shape of free gift. I am afraid it is not so. I felt at the time of the settlement that there will be the danger either way: of people in England saying that their Government had accepted an *ad hoc* amount and the people in India saying that we have paid an *ad hoc* amount. The one guarantee that we have not done a thing of this nature is this: the final adjustment of accounts between Pakistan and India will entail a meticulous break up of this 100 crores without which we cannot get from Pakistan an acknowledgement of their debt due to us in this regard. The break up happens to be this: 15.48 millions or 20.64 crores for installations; unit equipment, that is equipment left with the Units of the Indian Army which was supplied by England in the past 4.73 crores; stores retained 81.2 crores, surplus stores 37.71 crores; odds and ends like things left over by the SEAC 5.13 crores, which makes up a total of 139.33 crores. Actual figures have been gone into with a great amount of detailed scrutiny and if there has been any adding up, let me tell you that the adding up has been more in the item relating to SEAC stores than in any thing else.

Shri K. Santhanam (Madras: General): It is the settlement value and not the estimated value?

Shri T. T. Krishnamachari: This is the settlement value. My honourable friends ask what are these installations worth. It is a long history, which I think probably the Finance Minister will explain if the House wants. But some of us here like Prof. Ranga and Shri Ananthasaynam Ayyangar who have been in this House before, knew all about the question of the military assets of U. K. in India. There are various assets which are joint assets of the two Governments; there are certain assets in which by arrangement with the British Government, India paid for one half of the value and Britain provided one half and ultimately when the war was over, it became India's property. These are certain assets which are equipment for the purpose of improving the industrial capacity on account of Britain. The Government have gone into the whole thing carefully. Of course, any estimate is an *ad hoc* estimate. I can tell you so far as the book value of the installations is concerned, it is 128 crores and odd and what has been paid actually is only 17 crores. You may ask whether these have just no value. In fact, it does not happen to be so. There is quite a lot of pucca structure for which payment has been in the region of 25 to 30 per cent. of the original book value. These structures are still occupied by us and made use of. These aerodromes which are now being used by the civil aviation companies all come into that category. The buildings are categorised pucca buildings; they will probably last for 15 or 20 years. They are being made use of and we have only paid a value of about 30 per cent and for these and for the kutcha structures about 6 per cent.

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In regard to stores I think the best case that has been made for this settlement was made by Dr. Pattabhi Sitaramaya. He said that the disposal of stores by our Government in the market was made for just a song. Actually the stores are sold at a price fixed by the department. The prices fixed by us in regard to the payment in England has been on that basis. A tin of preserved eatables was sold for just about 1½ or 2 annas; and if our black-marketeers made money on that, somebody benefited in India, no one in England did. Actually it happens that so far as disposal stores are concerned the value was an extremely conservative one and they accepted it. We did not try to pull wool over their eyes, we tried to be very fair and we had to tell them that we had to guard the interests of the Indian exchequer and take no risks. My own feeling is, as a person who has gone closely into it along with the officers of our delegation, that it is not a bad job. I will not say it is a bargain; we did not try to cheat them of what was due to them but we did guard ourselves against possible loss and we have amply guarded ourselves; though it happened that some of our friends on the Pakistan side who were with us did probably tell the people there that India was trying to drive a hard bargain. We were very fair and, incidentally, you can take it that we have been honourable.

Mr. B. K. Sidhva (C. P. and Berar: General): May I know how much out of the 100 crores is likely to be realised by us?

Shri T. T. Krishnamachari: The stores that will be sold will be about 37 crores, the rest will be more or less what we will use. In any case I am sure that if Mr. Sidhva wants it the Finance Minister will ask the department to give him all the details. I think I have rather been treading on dangerous ground in talking about military stores and I will not go deeper. But I can assure this House that while we have not tried to cheat Britain into any transaction which is unfavourable to her we have amply guarded ourselves against any possible contingency of a loss. And I think therefore, the criticism made against the settlement in this regard is extremely unfair. There has been a large volume of criticism in the press particularly by my friend Mr. Manu Subedar; but that is a type of criticism which is now just beside the mark, and the criticism of people like my honourable friend Mr. Manu Subedar has always been more or less the same thing. He said that all the money realised from the sale of British capital assets in this country has gone to extinguish our current account. It has not been so. I have demonstrated very clearly that the net capital transfer has always gone to the blocked account. Similarly, so far as stores are concerned, the criticism is really off the mark.

One word about the settlement in regard to pensions. In this House it would have been observed that there has been a wide divergence of opinion in regard to the settlement of pensions. Some people felt that what was done was the best method of settling, some people felt that we should have made an outright settlement straightaway and given U.K. a fixed amount and got rid of the whole business of paying pensions thereby finishing it off lock, stock and barrel. In fact I will not be revealing any secret when I say that there was difference of opinion even in the delegation on this matter. Personally I felt that we had better get rid of this responsibility once for all and be done with it, so that we will not have to maintain a staff to pay these pensions and we will not have any annuities and any annual adjustments to make in our budget which perplex my honourable friend Mr. Das. But the majority of the delegates thought otherwise and the Government of India supported their view. There is much to be said on both sides. The point in favour of this type of pension settlement has been urged by the Finance Minister. One or two additional points I should like to mention. If we were to settle the whole thing lock, stock and barrel at one time there would

have to be a very meticulous examination on an actuarial basis of the probabilities of life, and it would probably have provided a basis for disagreement between us and the U.K. The other factor which my honourable friend the Finance Minister did not mention yesterday was this that the bulk of our pensioners in the U.K. happen to be military men. It is possible that they may seek service against India some time later. So long as they are our pensioners we have them in our hand and we can always control them and tell them that if they fight against India their pensions will not be paid. That was urged as a consideration in favour of this arrangement. But the present arrangement absolves us completely from all speculation. Of course it runs to 45 years—a major portion of it—and for 15 years thereafter. I agree it is a long time but it is not a long time in the expectation of human life as things are because people are living up to 80 or 85 years. There is no obligation cast upon me to explain it but I can say, as the Finance Minister explained, the sterling in England stood to the credit of the Reserve Bank and this amount paid towards these tapering will in future stand to the credit of the India Government. It is for the purpose of effecting that transfer and paying the Reserve Bank that this particular supplementary demand has been brought before the House. So that the Government of India will pay the Reserve Bank the rupee equivalent either in cash out of its balance or in *ad hoc* securities as the case may be. And the adjustment will have to be made on this basis. This money once it has been paid goes to swell our debt or reduce our cash balances or both. For the future either the Government of India could create a fund into which the amount expended on pensions annually could be paid and the total debt amortised; or alternatively the amount of pensions paid annually will be shown against our assets in the U.K. namely these sterling annuities and the consequent reduction in our rupee expenditure in the budget will not be given any special mention. Our assets however will be shown in the budget. Two hundred and seventeen crores of rupees in sterling will have to be shown to the credit of the Government of India: it might be shown against any debt that the Government of India incurs on this account in which case as I said before there will be a transfer annually which will show a diminution of these assets by making a corresponding debit in the budget. It is not a very complicated thing once we realise that hitherto sterling has been in the possession of the Reserve Bank of India and this particular amount as sterling goes on as credit to the Government of India and the Government of India has to pay something in return to the Reserve Bank; when the actual annual payment is adjusted it will bring down to sterling assets standing in the name of the Government of India by the same amount as the amount of pensions charged to the Government of India's account. It is pretty simple if put down on a piece of paper and shown as debits and credits.

The next most important point is the question of releases of sterling from the blocked account and the multilateral convertibility that we have retained. As I have prefaced my remarks at the outset, I am not satisfied with the quantum of the releases, but at the same time it is undoubtedly true that if we had spent whatever stood to our credit before the negotiations began and had only a working balance of 80 million pounds which was envisaged in August 1947 agreement, we might have got a little more from the U.K. U.K.'s position was merely this that U.K. can only afford a specified amount over and about the exports that we make to England every year to be sent out to that country. That figure was estimated by Sir Stafford Cripps, it may be right or wrong. They said, "We can only afford to pay so much over and above what your export to us every year", and naturally the amount that is standing to our credit would diminish the amount that we have got. But while it is not my duty to explain an obvious default on the part of the Government of India.

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I should like to mention this in extenuation of what happened, namely, that in the first half-year, that is the half-year ending the 31st December 1947, India did consume 27 million pounds out of the amount released; and if that pace had been maintained in the first half of 1948, we would have had a much less amount to our credit in the No. 1 account. But what happened in the second half-year? I suppose there were various considerations like the change of Commerce Ministers, the department being rather afraid that we might overdraw from out of our net account and then there is always this fear of our food demands which makes it impossible for any Government department to estimate with any accuracy what we will have to import and lastly the fact that we were not having proper data in regard to our own exports....

Mr. R. K. Sidhva: There is no co-ordination.

Shri T. T. Krishnamachari: That is true; we have no co-ordination. And if any Minister of Government wants justification there is ample justification, because after the 15th August there were fewer officers, we had no proper Secretariat, our files were in disorder, and we had all the trouble in Delhi which paralysed the work of Government. We know it but we could throw all the blame on the Government. But what happened was that in the next half year 3 P. M. we pumped in 24 millions more pounds in our current account. Our exports rose. Having spent 27 millions in the first half year and pumped 24 millions in the second half, we spent in the net result only 3 millions over the entire period of one year. If as Prof. Shah says we cannot import consumer goods, well, naturally that will be the position.

With regard to the import of capital goods, it is not my responsibility. But I will have to say something on that particular question later on.

So that was one of the factors that worked against us and I must say that I was not particularly happy about it. But you must realize that in this quantum of sterling of 213 crores for three years we will not be exporting the amount due for the payment of pensions. That will bring down the exports needed to offset our imports by another 6 million pounds per year.

Anyway, there it is and it is for you to judge whether it is right or wrong. I may say that I stood out to the end and I had the support of the Honourable the Finance Minister, because both of us felt that we will have to stand the test of criticism in this House. That is a fact which I bore in mind and my honourable friend did bear in mind equally well right through the negotiations, viz., that a delegate who was a Member of this House and a person who is a Minister of Government will have to answer to this Legislature. In fact our responsibility to this Legislature was never lost sight of though the other Members of the delegation were not in the same position. We had this thought uppermost in our minds. If we had not agreed to this amount we had no alternative but to break with U. K. As I said before the decision taken was made with the full knowledge of the Government of India and their concurrence. It cannot be said that we were not prepared for a break. The Members of the delegation were quite prepared for such a contingency and we had our facts and figures ready for the purpose. If there was to be a break, we were quite prepared to take the next necessary step. I will ask the honourable members of the House to look into the criticisms of the press and of various business organizations. They will see that there is quite a volume of opinion in favour of the settlement which says that what has been achieved is reasonable. After all in a matter like this it is very difficult to judge with any precision and if the honourable members of the House feel that the delegates have failed—well that must be accepted. *

On the matter of multi-lateral convertibility my honourable friend, Mrs. Renuka Ray had some criticism to offer. Personally, as between the total amount of releases and the quantum of multi-lateral convertible currency we have obtained, I personally think we have done well in regard to the latter and have obtained a fair quantity of multi-lateral currency and I would ask the House to total up the various items mentioned by my friend the Finance Minister that would go up to a fairly considerable amount and form nearly three-quarters of the amount of surplus releases we have acquired. We are covered against the amount of our deficit in 1947 to Sweden and Switzerland which amounts can be paid in sterling. By this arrangement we can get all European countries, except Belgium, Portugal and the Anglo-American zone of Germany accept sterling from us. So far as Belgium is concerned it is good for us to have things as they are because we have an export surplus with this country.

That concludes what I have had to tell the House in explanation of what the delegation did, a duty cast on me because of the fact that I was associated with this delegation. Finally I would like to urge this. I was myself one of those who in the past in this House, times without number, spoke on the sterling balances. Many others also did. We have always belittled the fact that we would ultimately get any sterling from U.K. Others have said that this is a nest egg from which we can draw upon to meet the demands of all our post-war recovery plans. There was exaggeration on both sides. We have now settled the issue more or less, so far as we are concerned. And after the division of Pakistan the amount that will stum to our credit will be less than 800 million pounds. We have enough security for that amount and we shall spend a substantial quantity out of that 800 millions in the next three years. I would urge the members of this House after the discussion is over just to forget all about it. It is not worthwhile going on harping on the sterling balances and fritting away our energies which should be directed into more fruitful channels.

I agree with the honourable members in this House that we must compel the Government here and now to make adequate arrangements to utilise this 160 millions properly. The secretariat of the Delegation had prepared a list of commodities that we shall require for Government use only for a period of five years and it actually staggered the U.K. officials when the list was presented to them. But if we concentrate even on what the Government could absorb for their various hydro-electric projects, for improvements in various directions, and plan our needs we can utilise this amount. But it would be necessary that we have an adequate and strong organisation in London for this purpose. Let me tell the House that I personally feel that we must have a very good organisation in Europe for purchases, for locating what is available, for getting the best prices, for seeing that those orders are progressed. And as things are with London becoming more or less, again, so far as currency is concerned, the centre of activity in Europe, there is no better place than London for the location of such an organization. I would ask my honourable friends to help in compelling the Government to create a first-class organisation either in London or somewhere else in Europe because there is very little chance of getting anything from America for some time to come. There seems to be an enormous amount of possibility of obtaining the bulk of our requirements in Europe and let us make use of it and let us not after 24 years say: We have still a considerable portion of this amount left unspent.

I will be failing in my duty if as a non-official member of the delegation I do not mention one fact. My honourable friend, the Finance Minister spoke of the work of the secretariat of the delegation in regard to assessing the value of the market stocks. I had the pleasure of staying in the same premises as

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the members of the secretariat of our Delegation. They were drawn by and large from the Finance Department and the Commerce Department and there were two officers from the Reserve Bank of India. I must say that I felt very proud that we had in them persons who were more than a match for their counterparts on the other side. There is no more fitting tribute to India's ability to govern itself than the fact that when India was bereft of the services of all those people who ruled her in the past, whose rule was supposed to be necessary for us, we were able to take a delegation from India composed entirely of Indians who were able to uphold the credit of India and India's secretariat. I think it is a matter of personal pride to me that I was associated with these gentlemen whose names it would be invidious to single out for praise. I do hope that the House will realise that we need not feel ashamed of our secretariat, for they would distinguish themselves wherever we might send them.....

Shri H. V. Kamath (C. P. and Berar: General): Mutual admiration, I suppose!

Shri T. T. Krishnamachari: It may be that my honourable friend Mr. Kamath being no longer a member of that service has a very natural psychological antipathy towards these people. But these gentlemen did not all come from the I.C.S. They were drawn from other services as well, some of them were also drawn from the Reserve Bank. However, I shall not labour the point. I do feel as a non-official member of the Delegation I must mention the enormous amount of work that the secretariat staff put in and the credit they brought to this country thereby. I hope the House will pass this supplementary demand and the country will rest content with the fact that our sterling assets or such as is left out of it is safe. The money is secure and it would remain so notwithstanding anything that Mr. Churchill might say or anything that Sir Stafford Cripps might say to mollify Mr. Churchill.

Pandit Lakshmi Kanta Maitra (West Bengal: General): Will there be another supplementary demand in favour of the staff?

Mr. B. K. Sridhva: Sir, while I do not share the views on all the points.... ..

Mr. Speaker: I might inform the House that in view of the fact that there is a large number of honourable members who wish to speak I would restrict the time limit to 15 minutes now, because at 4-30 the Finance Minister will win the debate.

Mr. B. K. Sridhva: Sir, while I do not share the views expressed by my honourable friend the last speaker on all the points, I am glad that he has confessed the failure of the Delegation on certain matters. On the other hand, let me tell you that yesterday while the Honourable the Finance Minister moved the Demand to discuss the sterling balance question he made a very poor show. He rightly stated that our money is quite safe in the Bank of England, viz., Rs. 1,536 crores. As we all know when a depositor deposits his money in a scheduled bank or a guaranteed bank he can draw cheques as he likes, whenever he likes and to whatever extent he likes to the amount that he has in the deposit. If the money is in fixed deposit then there is a certain period during which the interest is to be paid by the bank and he withdraws at the expiry of that agreed period. So one cannot safely state that to that extent our money is safe in the Bank of England. I am referring particularly to the interest which it has been stated would be paid at 78 per cent. I am very sorry that in that respect our delegation had cut a sorry figure. America is charging 2.2 per cent from Britain today and America is charging 8 per cent. to all other countries. Naturally I fail to understand why our Delegation was generous enough

to accept .78 per cent. This has brought a loss of 500 crores to us if you distribute the money over 50 years. It brings in Rs. 10 crores loss towards interest every year. I want to put the question to the Delegation whether they feel themselves happy over this transaction, when they very well knew that America was charging quite a different rate to Great Britain, why should we have been so generous to tell Britain that we would be content with .78 per cent. On the other hand we have a grievance. You should have stated that that money is our own money which we can draw whenever we like and to whatever extent we like but we have been prevented from doing so, because of your peculiar economic situation and to that extent we are prepared to help you. Certainly I fail to understand why we should not have stated that and forcibly asked them to pay a legitimate rate of interest. I want an explanation from my honourable friend Mr. Krishnamachari who was a non-official member of the Delegation. I can understand the Government member bringing in many excuses but as a non-official member I am asking my friend what explanation he is going to offer.

As regards installations and stores about which many members have pertinently put questions, my friend Mr. Krishnamachari has not satisfied me in the least. He said "What are those installations? Aerodromes". Does he refer to the city aerodromes? I do not refer to them but those over which crores of rupees have been spent during the war aerodromes built in the villages of the interior in the various parts of the country. I have personally travelled in motor cars in the interior of villages and there are many such small aerodromes, which will go up to 400, which were built for war purposes. I am not prepared to accept even for argument's sake.....

The Honourable Shri R. K. Shanmukham Chetty: If it can prevent further argument of the honourable member I might say for his information that all the aerodromes that we have abandoned we have excluded from the valuation and we have not paid anything.

Mr. R. K. Sidhva: I would like to know which are those installations which have been abandoned?

The Honourable Shri R. K. Shanmukham Chetty: I will ask my officers to give you the details.

Mr. R. K. Sidhva: I would like it to be placed on the table of the House during this session. Only a fortnight ago I was touring a stretch of 145 miles in a car in the U.P. and Banarus district.....

The Honourable Shri R. K. Shanmukham Chetty: How did you get the petrol?

Mr. R. K. Sidhva: I was on an official tour. I would like you to be very careful before making such a remark. I do not purchase petrol like you in the black market. I was travelling on an official tour a stretch of 140 miles and I came across four aerodromes in the interior. They were the homes of vultures and foxes. The bricks and the buildings were worth nothing, everything were dilapidated. I would like my honourable friend to see whether any part of them will be ever serviceable or worth one pice.

Coming to the stores near this very city in the Delhi Cantonment in the last March session I went with some of my colleagues to the M.E.S. The stores are unserviceable. Thousands of packages are lying unpacked as they were received from America or Britain or elsewhere. They have not been opened but condemned as unserviceable and out of date. I asked the officer in charge "What are you going to do?" He said they are of no use and have to be reshipped. I would ask my friend Mr. Krishnamachari to go and see them. It is only six miles away from here. Let him go and see and let us know what

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is the value of this. If these are to be sent back what would it cost in the shape of shipping, freight and cartage. Otherwise they will have to be thrown into the sea. When we see with our own eyes these things how can we say that this 133 crores which you have made as a present will be returnable to the State. That is my difficulty. It may be that some stores may be valuable lying at some place but stores seen by me have been condemned as unserviceable. Motor trucks, vehicle parts in thousands have been imported and they are absolutely unserviceable. You may have counted all that. Place the whole list on the table and if I find the bargain is profitable we shall give you credit that for 500 crores you have paid 133 crores and thereby saved 376 crores to the State. Take the credit where it is due; otherwise from what I have seen I may say that this money is wasted.....

Shri M. Ananthaswamy Ayyangar (Madras: General): What will you do?

Mr. R. K. Sidhva: I am mentioning it as we see it.

About the release the Honourable the Finance Minister stated yesterday that the fact remained that we must admit that it is the fault of ours by not purchasing the capital goods which were voluntarily offered by Britain. I do not know what kind of goods were offered to us, whether they were capital goods like textile manufacturing machinery, or electric manufacturing machinery or tool-making machinery. He merely stated it and blamed the industrialists and after that he came upon this House blaming the members. May I remind him of the industrial policy, decided in this House only last session and he says he stands by that. We really stand by it. I want to know what has he done. During these four months why did he not purchase these capital goods on behalf of the Government and brought them to India. If need be we could have nationalised them and started our production. Why did he fail in that? He was part and parcel of the Government. He could have told his colleagues and the Prime Minister "This is the position. We must buy these articles. "If we don't buy them we are not going to get more money for this purpose". No explanation has been given for that. He merely says that he stands by that resolution. The House stands by that resolution whole heartedly and yet the industrialists want to non-cooperate with us. They don't want to share in the capital—they don't want to subscribe in the loans which may be raised by Government for the reasons best known to themselves and also to the Honourable the Finance Minister. I do not know why they are backing out after this industrial policy has actually been laid down which I consider beneficial to them also.

I consider the Pakistan Agreement is to an extent better than the Agreement that they have entered into with India. In the Pakistan Agreement they have got more amount for release. Their agreement is subject to reconsideration at the end of this year, and the British Government have promised to consider the question of release of sterling and dollar balances at the end of this year. There are many things I would like to point out which nobody—neither Mr. Krishnamachari nor the Finance Minister has stated—as to how Pakistan has fared in this Agreement. Let him say in his answer and refute my statement that Pakistan has not fared better than ourselves.

He told us yesterday that as far as certain capital goods were concerned the Government have been promised cotton, metals and plywood and petrol, oil and lubricants. I questioned him that it was not quite correct to state that the British Government have promised us that they would supply us all these articles. I will, for his benefit, read from page 58 of the White Paper. It is letter written by Sir S. Cripps to the Finance Minister on the 9th of July

from which it would be seen that while they have promised the supply of cotton, non-ferrous metal and plywood, as far as petrol, oil and lubricants—which are more important for us—are concerned, point is doubtful. This is what he says:

"I write to assure you that the Government of the United Kingdom appreciates your problem and will do its best to help."

It is help and no promise. Then he says:

"Representatives of our Supply departments and your officers have already discussed the ways in which the United Kingdom can assist as regards India's requirements of non-ferrous metals, cotton and plywood, to which commodities you drew my special attention."

Whereas in the preamble to the Honourable Minister's statement he has combined all the oil and other articles, stating that all these have been promised, what does the next paragraph say? It says:

"You also expressed anxiety at the possibility that India might have to pay more dollars for her imports of petrol, oil, and lubricants in the event of an increase in the proportion of petrol, oil and lubricants supplied from dollar sources as compared with previous years. I am advised that this is most unlikely, but should such a situation develop my Government will be glad to enter into discussions with yours with a view of finding a solution."

There, in the first paragraph they state they will 'help'. In the second paragraph it is stated 'they will enter into a discussion' with us. Is that a promise, I would like to know from the Honourable the Finance Minister. When he stated yesterday that they have definitely promised us these things and when I questioned him, he says "you don't believe me and you believe them". That was his argument when he was answering my point while I referred to this matter. I would really have quoted the figures to satisfy the House to what extent India has been unfairly helped by this delegation, and to some extent we have been let down, whether innocently or carelessly I do not want to say. But the fact remains that our delegation have been very lenient to the British Government; they have shown a soft corner for them in their heart, at the expense and cost of India. I do not know whether my friend, and particularly my friend Mr. T. T. Krishnamachari—deserves credit and a vote of confidence or congratulation. As far as the Minister is concerned it is a different matter, but my friend, who was the non-officials' mouthpiece, laid stress on this time out of number. I want to ask him under the circumstances "Do you want congratulation from us, whom you represented, when I fail to see after reading and re-reading as to what is the immediate relief that India has really achieved?" It is nothing. If this release money is to be really utilised later on by the Government they must revise their import policy. The import policy is at present very defective. You have no co-ordination with various departments. You did not see that you had so much money with you and still Commerce Department refused grant of licences. People wanted to import goods, they were clamouring for the grant of licences but you would not give them. You favoured somebody with lakhs of rupees. The others you did not. The result was that so much money was left unspent and the money has now been accumulated. I do not know what is going to happen to this unspent money. Sir, when you have rung the bell I must obey you and therefore I sit down, but I would have preferred to satisfy him further from his own books and all other figures from the Pakistan Government which I have that they have certainly fared worse than Pakistan.

Shri M. Ananthasayanam Ayyangar: The reference to sterling balances has almost become a hardy annual. On two previous occasions we had discussions on them besides discussions during the budget debate, and this is the third time. I thought it would be the last time when we would have to discuss the sterling balances issue. I, along with many others in the Standing Finance Committee, wanted that there should be a final settlement of this issue once

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and for all now. That does not mean that England should pay away all the thousand one hundred and odd million pounds straightway into our hands. It may take time. It may pay some amount immediately and it may take some time to pay the rest. We saw no advantage in going there again and again and standing before their doors and getting pittances from time to time.

So far as these thousands one hundred and odd millions of pounds are concerned, the Honourable Minister said that this is the property of the Reserve Bank of India. No. It is not the property of the Reserve Bank. They issued merely notes and have agreed to pay on demand—"I promise to pay to whosoever is in possession of the notes, so much and so much rupees". Therefore the backing for all the currency that has been issued is these thousand one hundred and odd million pounds. It belongs to the toiling millions of this country. It belongs to every man who sacrificed his all during all these five years, underfed his wife and children, himself starved, went naked and supplied the foreign country. It was thus squeezed out from the country. What I am sorry for is that this White Paper that has been placed before us and the various speeches that the Honourable Minister has been making are more in consonance or keeping with what Sir Stafford Cripps should have said that what we should have said. I thought we had one advocate who would certainly place before the world and the United Kingdom our difficulties. I thought Mr. Chetty, being a *baniya*, would be certainly anxious to wrench out from them as much as possible considering the difficulties we have had and the way in which the money was squeezed from the toiling millions of this country. Before War England was a rich country. It was one of the richest countries. Though her exports were small her imports were large on account of the invisible exports she was able to maintain. It is due to that she is thriving with all the force at her own hand. During the war she did not suffer because she laid an upper limit on wages, rationed articles. Their Health Report stated that during the period of the war, with less eating than they were eating before, their percentage of deaths decreased except those that went under the shell directly. Their health improved. Today, shortly after the cessation of war, like a ball they have jumped once again upon their feet. They are going to place themselves on their feet very soon and I am glad to learn from my honourable friend Mr. T. T. Krishnamachari that our debtor country is certainly sound. To that extent I am extremely glad—for that information, if not for anything else that has transpired immediately. If it is sound, one day we may get back what we have there, provided they are going to give.

Now, Sir, that is the present position. How are we? We are one of the largest countries in the world, with perennial rivers, with a stable mother earth unlike Japan and other places—we have no Vesuvius of any kind,—with equitable temperature, and lots of labour. Everything is there in the shop, but in the mouth of the son-in-law Saturn sits for ever; the son-in-law would not get anything in the mother-in-law's house; though there may be plenty available the son-in-law would not be fed. That is the position in which we are placed. There is an ordinary proverb in our parts like that—I don't know if there is one like that anywhere else.

Day before yesterday I had occasion, in a fit of enthusiasm, to quarrel with our Government, which unfortunately some of our news papers wanted to take too much advantage of, and then say, "There seems to be a rift in the lute". If I criticize our Government it is for the better improvement of our Government. I have stood by the leaders of our Party who have worked for the freedom. (An Honourable Member: 'Not an apology?') It is not a question of apology but I would like to warn persons outside.

In a huge machinery, here and there there may be a nut or bolt which may be loose. With all earnestness I am appealing to my Government not to be indifferent to it lest a hundred years hence the whole machinery may crack. It is not as if immediately the machinery is cracking, or the pilot is bad or the foreman is useless and has to be dismissed. I find some of the news papers are anxious to take advantage of my words. I am sure that they are keen to bring about a split in our camp. I do stand by the Ministers, by the Leader and the Deputy Leader of our Party in whose hands the country is safe; for a long time to come we may not be able to displace them. But spending out what I feel, I say that so far as the management of a particular wheel has got out of order, we have to see whether greasing is necessary and whether if necessary a wheel has to be displaced here and there; so that the machinery may be set on the road properly in the interests of the larger machinery some adjustments may have to be made by themselves or elsewhere.

Now, Sir, so far as the present subject is concerned, I am not satisfied with the manner in which it has been done. The very approach is wrong. The approach—you will read from this paper—is, "How much can they give"? It is not, "How much do you want"? That is the way the question has been approached and that is the main limit that has been set upon the negotiations. "How much do you want? How much can you digest"? If somebody has my money with him and I ask for it, he says, "Are you going to celebrate your daughter's marriage? Or are you sending your son to America? Otherwise keep quiet, I don't pay". As if I have to go to him from time to time and beg to him placing my entire budget before him saying, "This is my budget; I have placed it before you. Therefore kindly release some portion". I am entitled to ask for it here and now and ask him to pay it with various loans etc. "You have the Marshall Plan, everybody in the world is going to make you richer, but never has any consideration to the poorer countries in Asia. Therefore, you give it."

That is not the approach, instead the approach is, "How much am I able to digest"? That kind of an approach is wrong. Assuming that you knew how much you are able to digest, I am really surprised as to why you travelled all these 8,000 miles to a foreign country to say that we were not able to digest even the £ 80 million granted to us. One of these conditions should be there: "Irrespective of my capacity to digest, I want my money because it is my money. Transfer it to my account, I will do what I can". What is the guarantee that they can pay tomorrow? Already Mr. Churchill and others of his like are creating trouble; three years later they may not pay at all. Therefore, say, "Here and now transfer it to my account".

That is the approach. That is exactly why we said in the Standing Finance Committee that you take some more people. On a former occasion I told my honourable friend the Finance Minister on the floor of this House that in the previous six months' arrangement he did not, according to me, fare well. Then I suggested that he must take strong men with him. He said, though not stout bodies he will take stout hearts. I am surprised that he has not stood by it. We have two stout hearts in the Standing Finance Committee..... (Interruption) I am not one, Sir, because I am stout body. We did have two stout hearts.

Sir, I have been a *vakil* practising for a very long time. Never does a client agree to enter into a compromise without always saying that he would consult his younger brother; possibly he will never pay a single pie to his younger brother, but in the matter of compromise he will say, "I will consult my younger brother". In the matter of negotiation he must have taken some younger brother with him; Prof. Ranga who would kick right through and some intractables he must have taken with him. Suppose at any time it breaks,

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what will happen? We assume the threat is made, what does it break? How will it affect us? £1,100 million were due to us on the day the Honourable the Finance Minister took the aeroplane and went to England. It is all the other side that has gained and have not gained.

So far as the military stores are concerned their book value is 500 crores. My honourable friend Mr. Sidhva said so many things. But I am not one who would say that; because it is not possible for them to remove all the aerodromes, therefore, I ought not to deny a fair price so long as I use the aerodromes. Of course we ought not to pay a pie for those left behind unserviceable. If anything is to be paid let it be paid. The only question is whether the 500 crores is correct. The Finance Minister said that his office has looked into that matter. We have no time to look into it meticulously and I am sure the office would have looked into it. £ 100 million is a big figure and unless somebody goes round and investigates those articles it is impossible to assess it.

Therefore, accepting the £ 100 million which they are going to set off for the surplus stores left behind by the British Government here, the total due is reduced from £ 1,100 million to 1,000 million.

We have to pay them pensions. What we in the Standing Finance Committee advised them was that they are not going to give it away. £ 1,000 million at the rate of one per cent per annum gives by way of interest £ 10 million. We have to pay pensions, both provincial and central, of over £ 7 million a year. Why not pay off from the interest that we earn? Why do you liquidate the capital? Why do you convert the pensions to 224 crores and then pay it off? I was not able to understand the explanation on this subject. The Finance Minister was addressing himself constantly to a talk in the Press that he must have commuted these and once for all paid. Between commutation and converting it into a number of annuities there may be a difference. Possibly he may be right. If it has to be judged from the point of view of commutation this may be a better arrangement. But there is still a better arrangement which was suggested to him by the Standing Finance Committee. What is the hurry? In the blocked account today even if Rs. 800 crores odd go away we have still £ 700 million odd and the interest on this at 7½ per cent will yield £5½ millions. Those millions are our property and they can go in reduction of these pensions. Under these circumstances I am not prepared to agree to this commutation or purchase of annuities. It is unnecessary. What has really happened is this; the Finance Minister does not possibly understand the implication in the purchase of annuities. For sixty years he has given instalments; he has agreed to purchase annuities in instalments over a period of sixty years. He is prepared to take it instalments, that is sixty years, which the Finance Minister has given to the other side. Now, Sir, I am not agreeable to this course.

Then two other concrete suggestions were made. Nearly a £ 100 million out of this 1,000 million were the property of this country even before the war started. Therefore so far as this 100 million is concerned, at that time they were multilaterally convertible. We were entitled to recover them in gold. So we suggested that so far as these are concerned, we should insist on their being paid by gold or by dollars and their being treated separately from the rest. That has not been done in these negotiations.

Then, so far as the balances are concerned, we divided the entire thing into four parts. We suggested that 25 per cent might be insisted upon for payment either in gold or in dollars or being made multilaterally convertible. This ought to be a final arrangement.

Regarding 25 per cent of the balance, capital goods must be given to us. I am not a little surprised at the manner in which some explanation has been given as to why capital goods have not been purchased or indented for. I have got figures here. In the year 1947 import licences applications were 2,200 to the value of Rs. 58 crores, of which 1,554 applications were accepted and licences granted to the value of Rs. 41 crores. There is no good blaming our people here. Not many have been rejected. Only 185 licences were not issued and even those are under consideration. Now, there are three bottlenecks. Either the applications were not granted by the Commerce Department or the Reserve Bank did not give any exchange, or at that end they were not prepared to part with capital goods. What I suspect is that they are not parting with the capital goods. So instead of a financial agreement with this country, it must have been a commercial agreement with Great Britain. What is the good of merely getting anything on paper from one account in the Bank of England to another account? Hitherto it had stood in the name of X; now it stands in the name of Y. What is the use of this if it is not going to be translated into capital goods we need? Sir Stafford Cripps is not going to give a farthing; nothing by way of gold, bullion, dollar or anything. Under these circumstances, it is idle; it is unnecessarily wasting time as if we are going to get the 1,000 million. What ought to have been done is to have found out what they are going to supply. They are not supplying. That is my feeling. They are not supplying at the other end. Our friends went with a host of Secretaries and Under Secretaries for the purpose of getting something, but evidently they have not been able to cut much ice there. They are not able to show to us anything. It only reminds me of what a person in my country side who is called a Punganoor man did. He went to his house and told his younger brother. "On the way a Pathan came. He asked me to wear a load on my head. I said 'No.' He said, 'You must'. So I carried it. Was I afraid?" Then he proceeded, "He asked me to carry it. I refused to carry it. He said 'You must carry it'. So I carried it. Was I afraid?" And then, he said: "The Pathan was walking swiftly and I lagged behind. I could not follow him. He said 'Walk briskly'. I walked. Was I afraid?" And finally, he said: "The Pathan asked me to take the load to his village and place it there and I did it. Was I afraid?" This is the way in which both the Honourable Minister and the friends that we sent from here have tried to defend this matter. I am not trying to pooh-pooh. This is an important matter. I am only trying to put the humorous side of it, so that one may not lose sight of it.

So far as capital goods are concerned, I am not asking him to re-write what has been done. If it is still possible, I ask him so far as the pensions are concerned, to say that we do not want these annuities. Let us grant only 100 millions now, that is so far as the surplus stores are concerned. Regarding the annuities, there is nothing wrong; there is no breach of faith with the British Government; we are not going to get any profit out of it and we have not refused our liability to pay the pensions. All that we say is that even with the limited rate of interest of .78 or .75 per cent, we are going to get—although I dare say a more reasonable interest could be expected—even this interest at .78 or .75 per cent, on 1,000 million gives about 7.5 millions which are quite enough to wipe out the pensions that accrue from day to day.

Shri K. Santhanam: But do you want also our balances to be there for sixty years?

Shri M. Ananthasayanam Ayyangar: No. My friend thinks that a man will go on as if he is going to be a *Markandeya*. Whoever is going to live for sixty years? So the amount on pensions will go on decreasing. I do not think anybody will live as long as that and I would suggest to anybody who wants to live long to go to my friend Mr. Santhanam and take his blessings.

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So that is my point as far as capital goods are concerned. We can do that even now if the Honourable Minister does not think.....

The Honourable Shri R. K. Shanmukham Chetty: I have done exactly that thing. I will explain.

Shri M. Ananthasayanam Ayyangar: I am always anxious to be shown that I am in the wrong.

The Honourable Shri R. K. Shanmukham Chetty: No, you are right and I have tried to do what you consider to be right.

Shri M. Ananthasayanam Ayyangar: If that is so, I will pass on. Another thing that I must mention is that my exuberance I said the machine does not seem to be working, but my Honourable friend seems to support me and to have come over to this side. He says who is responsible? He is the Finance Minister. Why did he not drive the others? As a matter of fact, what I see is that there was drive so far as other Departments are concerned. But nothing seems to have come out. The Finance Minister went all the way. He had books. He had figures. He could have negotiated in terms of goods. No 1, 2, 8. This is what England should do. But what happened is this. It happens with every debtor. The debtor says: "I have purchased from this shop. So do not go to that shop. Go to the other shop." He will purchase from the other shop with his current earnings and will not be able to pay the other shop. Similarly, England wants as much advantage as she can from us. Therefore, you must have placed insistence upon them that they should give us priority. Now they are giving priority for all capital goods to X, Y, Z. We have priority 4th. Why could we not have the first priority in capital goods? What is the arrangement that has been made for this 160 million at least? What is the guarantee that you are going to use it? My hon'ble friend Mr. T. T. Krishnamachari says "Establish another concern there and then go on."—Well, a High Commissioner, a Low Commissioner, all kinds of Commissioners there are. What is the present position? Under those circumstances, it is wrong to have obtained a financial agreement. All that I am submitting is that it is necessary that these gentlemen must have addressed themselves to these considerations and entered into not a Financial Agreement but a commercial agreement.

The third point is we suggested that 25 per cent of this we should be enabled to float a loan in America and the British Government may guarantee the loan. Let them pay in various instalments. We have not got dollars. The British Government advised us gently "Go and borrow from the International Monetary Fund." Are we in need of this advice? The debtor refuses to pay and then says there is the other creditor whom you may approach. Still, we have borrowed to the tune of 52 million dollars from the International Monetary Fund. We have an adverse balance of trade with America. My friend Mr. T. T. Krishnamachari says, "You are not going to get anything from America." Now which man will not be willing to sell if we have got the money and offer the money? Today prices are high everywhere and our prices are also high. Under these circumstances, we gave the advice that 25 per cent may be got by way of dollars for a loan.

Lastly, Sir, we advised also that 25 per cent. may be utilised for the purchase of coal mines and others. This advice was given by the Standing Finance Committee to our friends. We are yet to hear why this practically unanimous Resolution was turned down. We still believe that if they had adopted it, we would have fared better in the negotiations.

Mr. Speaker: The honourable member's time is up.

Sri M. Ananthasayanam Ayyangar: If I have said anything and taken more time it is to say that one safeguard may have been obtained. After all, we have not lost much. Still there are two-thirds of the money that is due. If it is still there, it is open to the Finance Minister to consider this proposition that he may once again consider the question as to whether we should now give away 200 and odd millions for the purpose of creating tapering annuities for a long period. If he withdraws that supplementary grant and prescribes only for 100 millions certainly we need not have any hesitation, even otherwise, if he has entered into an agreement we will certainly stand by him.

Dr. B. V. Keskar (U.P.: General): Mr. Speaker, during the course of this debate, we have had all sorts of views expressed about the sterling balances and what our Delegation, which went to England, should or should not have done. There were two opposite points of view expressed here. On the one hand, some of our colleagues here—and amongst them some very distinguished economists have very violently criticised the Finance Minister for the agreement that he has concluded in England, the very basis of the agreement has been criticised. Well, on the other hand other honourable members have hastened to his rescue; they have even given him certificates about his competence and his ideas about sterling balance. I have no doubt about his competence. You all know it and he is conscious of it and we all know the work that he is doing. I do not think that he is in need of any certificate from us.

I fear, Sir, that during all this debate, we have not tried to tackle the problem. I am afraid most of our honourable friends here have not tried to tackle the fundamental point. On the other hand they are trying to make an unassailable case for India which is good. Supposing that we made an unassailable case for India and we got it passed to our own satisfaction, to the satisfaction of the Indian members, to the satisfaction of the people at large. Well, what then? Where do we go from there? We would not go any further, by having said something to our own satisfaction in this House, in getting the sterling balances settled.

I therefore submit, Sir, that this is a practical question; this is a political question; this is not an economic question; this is not a question of scaling down of the sterling balances which England owes to India and all that it implies. We are all unanimous and I quite agree with my honourable friend Prof. Shah that England does owe to India this huge sum, but the problem is how are we going to make England pay this amount? In all this debate I have heard only one practical suggestion made by my honourable friend Prof. Shibban Lal Sakaena, and it is that we should confiscate the British capital invested in India. I again say, Sir, that no other practical suggestion has been put forward.

With regard to his suggestion, I would submit that it is possible, as Mr. T. T. Krishnamachari was saying; personally I think that it is theoretically possible; it is practically not so possible. It is easy to say that we will confiscate all the foreign capital in India; we can do it, no doubt, but we have to be ready for all the consequences. Are you in a position to realize from England this amount today or in a number of years? There is an amendment standing in the name of my honourable friend Mr. Lari that no guarantee has been taken for not scaling down of the sterling balances in the future. Well, Sir, I would submit that whatever assurances that the Finance Minister may give here, I personally think that it is not possible for anybody to guarantee anything with regard to the future of the sterling balances. I think it is always dangerous to predict very long and very far in politics and especially when such big sums are involved. Personally I think that we are probably not going to

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get any enormous amount whatever of the sterling balances, though the Finance Minister has assured us that the balances are not going to be scaled down. It is, Sir, a question of the capacity of England to pay. I know, Sir, that it would be too hard for England to pay us.

Prof. N. G. Ranga: Willingness of America to allow her to pay.

Dr. B. V. Keskar: It is not only the willingness of America to allow England to pay, but it is also the capacity of England to pay. No doubt, we would be very glad if England pays us; personally I would be very glad, but we know that it is not human nature. Well, in those conditions what are you going to do? Do you think by simply maintaining here that England ought to pay the sterling balances, we are going to make her pay? You are not going to do anything of the kind. Let us be practical and let us be realists and from this point of view I do consider that some sort of settlement had to be arrived at.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Shrimati Ammu Swaminadhan (one of the Panel of Chairmen).]

It is quite possible that the settlement that the Honourable the Finance Minister and the Delegation that went to England, arrived at was not probably the best possible settlement. It is also possible that another Finance Minister, more dynamic and with greater power of persuasion might have persuaded the British Government to give us a few more millions. I agree it is possible—I am not going into the details, but I do maintain that either you had to come to a settlement or you had to throw overboard the whole sterling balances. I am not going to mince matters and I think that whatever you might put in theory, in practice you cannot ask any country however big to pay such a huge amount as my honourable friend Mr. Ananthasayanam Ayyangar just said: "Put it in our accounts this 1,500 million pounds".

Well, Sir, I would very much like it, but I do not think that it is practically possible, and if tomorrow England refused to put it what are we going to do? It all boils down to this that in theory it is very well and we can agree with Prof. Shah, but for me the question is: who is going to implement it? Who is going to bell the cat? I think, Sir, it is this practical point that we have to keep in view and from this point of view, I do think that the Delegation that went there did some good work. I would not agree with it in every detail; there are many details in which I disagree. Many of the points have been stressed by other friends who spoke before me. As Dr. Pattabhi Sitaramayya was good enough to say this was a kind of academic debate, but our having a fling at the Finance Minister and throwing blame on him and the Government policy is a very bad thing. Supposing we had been in the delegation, what we would have done? We could have broken there, come back and sat at home; we would have put the sterling balances into cold storage for ever. (An Honourable Member: 'Not at all'.) I would submit to my friends, Sir, that theoretical criticism apart, let us come down to brass tacks and accept that we had to come to a settlement and it is possible that whatever little defects of detail there might have been, we should accept it, that some good work has been done. Many things about the work done by the Delegation I would personally have criticised. They have been already put forward by other honourable members and I would not like to waste the time of the House. I find that most of our friends have been stressing the obligation of England to pay and have taken this opportunity of abusing it; I would like to abuse England, but I think we have done it so much that there is no point in doing it over and over again. (Mr. R. K. Sidhva: 'What is your practical point?'). My point

is that we have to come to a settlement, some such settlement, whatever the details might be. I might disagree in the details with the Finance Minister, but a settlement of this kind had to be made and we have to accept it.

Shri Ajit Prasad Jain (U. P.: General): The motion of the Honourable the Finance Minister and the two amendments, one moved by Mr. Lari and the other by Professor Shibban Lal Saksena raise two fundamental questions: Whether the settlement entered into by the Honourable the Finance Minister regarding the sterling balances, that is, purchasing stores and installations for a total amount of 100 million pounds, the funding of the pensions at a value of 188 million pounds, the settlement of the Defence Expenditure Plan at 55 million pounds, and the release of the sterling balances, a part of it in the form of hard currency, is a good deal or it is one which does not deserve the approval of the House? The second question is whether the question of scaling down of the sterling balances has been settled once for all or it is still left open?

My honourable friend Mr. Lari referred to the White Paper *in extenso*. But, unfortunately, some of the other speakers who said that the question of scaling down of the balances was still open to U.K., did not refer to any authoritative document. They expressed a kind of *a priori* opinion which does not carry much weight. In fact, Mr. Lari exhibited what one might call the pre-fifteenth-August mentality. His whole argument was that what the Chancellor of the Exchequer in U.K. or Mr. Churchill said is good and what the Honourable the Finance Minister says does not carry any weight. That is the old mentality that the Chancellor of the Exchequer could overrule the Finance Minister of India. The whole question is one of interpretation. The letters and the documents relating to the settlement are all published. I would refer you to page 2 of the White Paper that deals with the first stage, when the question of sterling balances came up for the first time in February 1947. There is a list of questions that came up for discussion. In this list, we do not find that the question of scaling down was raised. The next stage arrives when the basic agreement of 14th July was entered into between the representatives of India and the United Kingdom. Article 4 of that agreement is very important. That article lays down certain claims which England made against India. Those claims are classified in paragraph 2. They relate to the value of the military stores and equipment, settlement of matters outstanding under the Defence Expenditure plans, the question of the release of sterling balances and the funding of the pensions. It is quite clear that there is no mention whatsoever of the question of scaling down. The next stage in February 1948 divides the sterling account into two parts: Pakistan has a separate account and India has a separate account. Even then, no question of scaling down is raised. During the course of the present negotiations, no question of scaling down was raised. Therefore, the Honourable the Finance Minister is perfectly correct when he says that the question of scaling down was never raised. No creditor ever goes to the debtor and says: do you want a scaling down of your debt? England never raised this question; it was not for the Finance Minister of India to say to the Chancellor of the Exchequer, do you want its scaling down? That would have been a foolish thing. The whole question before the Delegation was at what figure the sterling balances should be fixed. As the agreement of the 14th of August will show, tentatively, the value of the sterling balances was fixed at 1160 million pounds, but it was subject to certain adjustments. The question of adjustments was before the Delegation, and the Delegation has struck a final balance, which is acceptable to both the parties. How does the question of scaling down, therefore, remain alive? Why should we care for what Churchill asks and Sir Stafford Cripps replies? I was glad to hear a stout 'No' from the Finance Minister, when a

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suggestion was made to ask for clarification from the Chancellor of Exchequer. We stand on absolutely firm grounds.

Coming to the details of the settlement the first question was about the value of the stores and installations. A good deal has been said in this House and outside about the value of the stores. We have been told that they have been over-valued. During the speech of the Finance Minister, I asked a question as to the basis on which this value was fixed. Unfortunately, I could not get any definite reply from him. Mr. Krishnamachari has given us some figures; but they do not take us very far either. I have seen some of the assets left by the Britishers in India. We have got an aerodrome and quite a number of barracks and other buildings and installations left in that part of the country from where I come, namely, the Meerut Division. My own idea is that some of these installations left by the British are of no value; they are not even worth the cost of transportation. There are hundreds and thousands of barracks which used to accommodate soldiers, over which crores of Rupees have been spent and which are lying in an absolutely dilapidated condition and which will hardly be of any use. It is not possible for us to correctly assess whether this estimate of 100 million pounds is correct or not. It consists of a variety of items. All that we can say is that it is an *ad hoc* amount, about which it is difficult to say whether the stores and equipment and installations that we have received are worth the amount or not. May be that they are not; but we can well leave it to the experts who have calculated the value.

The other question is about the capitalisation of pensions. I can well understand an absolute capitalisation which absolves us of all responsibility for payments in future. I can understand the position where we are responsible for the payment of pensions until they are exhausted. But this kind of intermediate arrangement whereby the responsibility for payment remains ours, but at the same time, we have locked up not less than 168 million pounds in the hands of the British, without deriving any corresponding advantage. I cannot understand. This amount could have been invested in our account; we could have opened a third account, which would earn interest. We would have absolute domination over this money. Under the present arrangement, however, our responsibility for the payment of pensions remains intact. The Honourable the Finance Minister has advanced three reasons for doing it. He says that it would have shown lack of faith on our part if we had absolved ourselves of responsibility to pay pensions. I submit that this is only a sentimental reason. We were not going to absolve ourselves of this responsibility for nothing. We were going to make a block payment and fix the responsibility upon another person. Another reason which he gave was that these pensions are payable during good conduct. If pensions were to be capitalised, it could have been laid down as one of the conditions that in case any of the recipients of the pension did an act in a manner which would entail the forfeiture of his pension, that amount would be refunded to us. We could continue to be judge of good conduct. The third reason given was that India may impose income-tax. In the agreement, it could have been provided that in case these pensions are subjected to income-tax, the amount of income-tax would be payable to India by the British Exchequer by making deductions at the source from the amounts of the pension. To my mind it appears that we have without deriving any corresponding advantage blocked up a very huge amount of 168 million sterling. In fact in a way it ties us to England for a very long period.

The question about the rate of interest has been raised. The Finance Minister said that the rate of interest on the sterling investment varies between .75 and .6 per cent. That is too low a rate of interest. Mr. Sidhva has pointed out that U.S.A. is charging 2.2 per cent. What is the position in

India? In last October a loan of 40 crores was floated at a rate of 2 3/4 per cent and that did not attract sufficient cash subscription. We invest our resources at a rate of interest of .75 to .8 per cent. while we are floating our loans at 2 3/4 per cent; that is not a very wise thing to do.

The question of release of sterling during the next three years is another question which has been controversial. We failed to utilise the balance released last year. The more important question for us is to utilise the money at our disposal. Regarding that portion about 18½ million sterling which would be available to us for expenditure in hard currency areas, the first letters that were exchanged between the Indian Delegation and the representatives of the United Kingdom say that this amount will be in addition to any amount that we may draw from amounts from the International Monetary Fund. This part of the agreement has been confined only to one year. We all know that India during the last several years has been importing large amounts of grain; and at a time when we want to launch upon big industrial programmes, we should have taken more of multilateral convertible money. I am afraid, as the Finance Minister himself admitted, that the amount available may not prove sufficient.

A suggestion was made by Prof. Shah that we could have repatriated sterling balances by acquiring the investments of the Britishers in India. I do not agree with that suggestion. That would mean that we would have converted the sterling balances into fixed productive assets that we already possess in India. We would not have added one iota to our productive capacity and would have locked up this amount. In my opinion their mobile resources should be utilized in setting up new schemes and enterprises. There is one more point that I should like to emphasise and that relates to Article VIII of the Agreement of 14th August 1947 which has been extended by this Agreement. Paragraph 3 of Article VIII says: "Notwithstanding anything in this article the two Governments shall not restrict transfers of capital from India to the United Kingdom representing—

(a) remittances of savings belonging to persons of United Kingdom origin leaving India in order to take up permanent residence in the United Kingdom; and

(b) the voluntary repatriation of investments by persons regarded as resident in the United Kingdom for purposes of exchange control in the United Kingdom".

It means that any resident of the United Kingdom who has been living in India and has made some savings or a person who has made investments here can encash his savings and investments and take them to England. This leaves an unfettered power in the hands of Britishers who want to leave India. I have no objection to their taking away their money, but it should have been made automatically payable out of the sterling balances. Under the arrangement laid down in the previous clause part of these amounts will be offset against our current earnings of sterlings. I do not think this is a desirable thing.

I submit that this Agreement has many loopholes, but as it has been already concluded we are left with no alternative but to accept it.

Pandit Lakshmi Kanta Malwa: Madam, this is going to be the last of the series of discussions on this highly important subject of sterling exchanges for a period of at least three years from this date. It is hardly necessary for me to convey to the Finance Minister and to the members of his Delegation that we appreciate the very arduous task that they had undertaken on behalf of this country to effect an amicable settlement in regard to the sterling balances. We are also deeply grateful to him for the vehemence and insistence with which he resisted the claims and counter-claims which have come forth from time to time that India was morally bound to pay a more substantial amount as a set-off

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for the security she had purchased during the war. While we say all this and express our appreciation of the task that he undertook which was both difficult and the Delegation that was going abroad would have some inaugural conference convey to him the reactions of the different sections of the House to the settlement that has been arrived at. We realise that it is not within our competence to ratify it or to reject it; we are simply to express our opinion as to how we look at this deal from the point of view of the larger economy of the country. When such a delicate undertaking was going to be taken up we naturally expected—at least I naturally expected—that the Finance Minister and the delegation that was going abroad would have some inaugural conference here in Delhi or consultations with financial experts and commercial interests and then go prepared for the problems that were to be discussed there. From the speeches that I have heard so far I do not know that any such advisory board or council of experts was called prior to their departure from here. It will probably be argued that such a conference could not in all probability anticipate the various points of view that would be placed before it, and therefore the work of such an advisory expert board would have been more or less guesswork. I do not share that view. Any serious student of economics in this country who has been studying this question of sterling balances could well anticipate the points that were likely to be raised. For instance, my honourable friend the Finance Minister has categorically stated that the ghost of scaling down these balances has been finally laid. Where is the justification for that statement? He comes to that conclusion because of the reticence and perhaps studied silence of the Chancellor of the Exchequer. He must have construed from that silence that for all time to come this question of scaling down had been given the go-by. Today, I read in the newspapers reports to the effect that the Honourable the Finance Minister is said to have had enough documentary evidence in his possession to prove here and now that this was the case. I would invite him in his reply to come forward with all that evidence.

The Honourable Shri E. K. Shanmukham Chetty: I read the letter yesterday!

Pandit Lakshmi Kanta Maitra: If that is all the document which the Honourable the Finance Minister has on the point which he today read in reply to a supplementary question, then I am not in the least happy. For myself, I would not be satisfied with anything short of a categorical declaration from the British Chancellor of the Exchequer, that for all time to come, this question was not going to be raised. (*Shri L. Krishna-swami Bharathi:* 'Would that be binding on the successors?') Whether binding or not, such a statement should have been forthcoming. On the other hand, immediately after the negotiations were ended, Mr. Winston Churchill raised an outcry in reply to which the Chancellor of the Exchequer had to say that the matter was open on both sides. I can quite imagine that, God forbid, if Mr. Churchill were to come to power again in three years' time with his Conservative gang, he will see to it that the scaling down business was pursued with compound interest. (*Shri K. Hanumanthaya:* 'He cannot!') You may say he cannot. But if you had that declaration from the British Government the position would have been different.

Coming to the three main issues arising out of this, the question of the stores, fittings, fixtures and installations, which have been satisfactorily accounted for in the opinion of the Delegation, has been considered here and views have been expressed about them. My honourable friend, Mr. Sidhva, whom I do not find in his seat, was perfectly right in saying that most of the stores were out of date, unserviceable and not fit for use. On the floor of this House on several occasions, I have put questions to the Honourable the Defence Minister with regard to the ordnance factories. The stores that

had been imported into this country immediately before the cessation of the war and which had been unpacked, had to be sent away, destroyed or put up for disposal. If the Honourable the Finance Minister thinks that he has been able to score a point there. I have nothing to say, because he represents the Indian Government and we must accept his statement at its face-value.

But with regard to the pensionary charges and the capitalization of the pension fund, I am surprised that Mr. T. T. Krishnamachari, defending it with all the vigour that he was capable of, said that it was a most perfect deal. We on this side of the House do not take that view. We do not think that this was really a satisfactory part of the deal. These balances have been in England all this time. Nothing by way of security was demanded and they could have been freely drawn upon from time to time as need arose. There was even the alternative of a lump-sum payment which had certain advantages notwithstanding the fact that income-tax could not straightaway be deducted from them. But that possibility should have been explored.

But what is still more vital is the question of releases. In the course of the next three years they are going to release only 80 millions. Now try to look at the picture as it emerges. Straight off you wipe out a huge block of sterling on account of your pension capitalization fund. That means that it reduces the volume of your reserves and substantially so, quite apart from whatever advantage you may have. We in this country have always looked upon this sterling balances as the very life-blood of the nation. It represents not only the goods and services rendered by the masses during the war, but it represents in abounding measure the sweat, and toil and tears which this country spent in abundance to acquire them. Therefore, it is only natural that Indians should be very sore over its settlement and if one honourable member here and another honourable member there expresses dissatisfaction, the Finance Minister ought not to be put away. This is very vital. We have all built our hopes for the future economic reconstruction of the country on the sterling balances. Therefore, we think that the quantum of release agreed upon will be grossly inadequate. My friend the Finance Minister and Mr. Krishnamachari said that six previous months' experience in this respect was not very encouraging. We could not utilise it to the full. But there is a variety of factors leading to this state of affairs and the Honourable Minister is also responsible in a large measure for that failure. If we could not consume that in the course of six months, is that any argument that he could not do it in the next three years? Could you not visualise that if we were not able to have our blue-prints ready for industrial development, the money would be withheld and the sterling balances would not be available to us? Now, if in the course of three years we cannot spend £200 million do you think there is any chance for this country to make any headway either in industrialization or in economic reconstruction? I do not see any future for it.

Then take the multilateral convertibility. Only 15 millions out of this is going to be available for that purpose. We feel that India should try to get her capital goods in the best market, wherever available, and if necessary we shall have to go to America for them; and \$15 million sterling in my opinion is too small an amount. Moreover, you will find that nowhere in the report on these negotiations is there any indication that any interest was demanded. Great Britain was made to pay interest to America, though America was her most potent and powerful ally. But could we not claim straightaway from the British Government that since so many hundreds of pounds sterling were with them India was entitled to have some form of interest? I strongly feel that this should have been done and we are sorry that this was not done. This does not necessarily mean that we condemn our honourable friend the Finance Minister for what he has not been able to

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achieve. But I do feel that with his best intentions, with all his sincerity of purpose he has ultimately been out-witted by Sir Stafford Cripps and it is a misfortune that he could not come out better in this deal.

Whatever it may be, the deal as it is should be implemented in the proper way and in the proper spirit. Let not Great Britain come forward again and tell us that because you could not utilise the releases we had made on your behalf during the last three years, we are not going to release any further sterling for you. This is a queer sort of argument that a debtor advances to a creditor! The debtor seems to insist that the creditor should satisfy the debtor that he has spent the money in a certain way. This is not the way of a commercial or financial deal. Therefore we want the Government of India to be particularly careful to see that further tricks on India are not played by the Britisher. We have had enough of it and we must make them understand that he will not tolerate any more of them. As it is we have no other choice but to give our approval to the agreement today but we give that approval with a feeling of disappointment and despondency in our minds.

The Honourable Shri R. K. Shanmukham Chetty: Madam, on the whole I listened to the debate for the last two days with great pleasure. Having been in active public life for over a quarter of a century, I have not been in the least perturbed by some of the adverse criticisms levelled against the agreement on the floor of this House. Some of the criticisms were really actuated by the motive to create difficulties for the Government and to condemn whatever Government did. Mr. Lari's criticism was pronouncedly of that type. Some criticism was based upon a difference in the ideology and the whole approach to the problem. Prof. Saksena and Prof. Shah are representatives of that type. The rest of the criticism was really due to a genuine apprehension on the part of honourable members to see that the interests of India were safeguarded and their apprehension was really enhanced, leading sometimes to some confusion of thought, on account of a misunderstanding of the highly technical implications associated with this problem. I do not therefore resent any criticism at all.

Many honourable members started their criticisms with the observation that the Members of the Delegation were more influenced by the difficulties of England and were not fully alive to the sacrifices made by India in the past or to her needs in the present and in the future. I do not know wherefrom they got this impression. My honourable friend Mr. Ananthasayanam Ayyangar drew my attention to the fact that I ought to have represented to the Chancellor of the British Exchequer that these balances were built on the sacrifice of millions of human being inhabiting this vast continent and suggested that we are entitled to some sort of compensation for the sacrifices that we made during the war period. How does my honourable friend know that I did not make that representation. Surely in presenting the White Paper I never thought it necessary to advance all the arguments that I advanced in my negotiations with the representatives of the British Government. It is not appropriate to give any detailed exposition of the course of an international negotiation. But I do not think that I will be violating any rules of international propriety when I say that in the very first plenary session between the Delegations I made it perfectly plain to the British representatives that they were responsible for the policy which resulted in the building up of these sterling balances, that these balances were built literally on the sacrifice and the blood of the Indian people and we had every right to demand that they should be repaid without demur. I may assure my honourable friend Mr. Ananthasayanam Ayyangar and the other members of the House that it never occurred to our mind to

over-emphasise the difficulties or needs of the British economy, though as negotiators involved in a highly technical matter we were bound to pay some consideration to that aspect of the question also. But the supreme consideration that was present in my mind and in the minds of my colleagues of the Delegation and all the officials that I took with me was the supreme need of India in the present and in the future. I had the fortune of having as colleagues on the Delegation men of undoubted integrity and patriotism, men of great capacity, men who understood the full implications of a highly technical problem of this kind and even to suggest that such members of a delegation ignored the interests of India will be doing very great injustice to our own countrymen. I wish to take this opportunity of expressing my own personal thanks and the thanks of the Government of India for the magnificent services rendered by all those members of the Delegation.

My honourable friend Prof. K. T. Shah referred to the question of the depreciation of the sterling and in an almost gloating manner he announced to the House that a *de facto* depreciation has already taken place, because the value of the pound today in terms of its purchasing power is not the same as it was when we supplied the goods. Yes, he is perfectly justified. But, Madam, depreciation and decay are irretrievably associated with all matters. Nothing that is born in the world, whether it is currency or professors of economics can escape it. Currencies depreciate and even professors decay and whether it is a depreciated currency or a decayed professor we have to accept them at their face-value!

My honourable friend Mr. Ananthasayanam Ayyangar asked me whether we made any attempt to obtain the insertion of a gold clause like the one that the Argentina Government obtained. Yes, we tried our best but we did not succeed. It is no wonder that we failed. Argentina was clever enough, shrewd enough to insert the clause, when the original loans were granted but at the time when these balances accumulated we were not the masters of our destiny. I am sure that if there was a national government during the period of the war that Government would never have accepted the position of the accumulation of these large balances without a safeguard against depreciation. But there the facts are and having been landed in this position, not by our own action, the next best thing that we could do was to see that that very sterling in which so much of our fortune was invested did not depreciate. Madam, it is a curious phenomenon in this world that very often the creditor has to take care so as to see that the debtor does not become insolvent. In fact it is a very common feature in every country in the world that when a man who has borrowed large sums of money from a bank is unable to pay, and threatens to close his business, the bank cajoles him and proposes that further advances will be made to him. As creditors of England it is to our interest, as it is to the interest of all the creditors of England, to see that the sterling does not depreciate and it was in fact one of the vital factors that we had to keep in mind in the course of these negotiations.

My honourable friend Mr. T. T. Krishnamachari gave the other side of the picture as it were, that is the depreciation of the rupee as compared with the depreciation of the sterling during the last seven years. Though it is foolish to prophesy in this quick-changing world, my own feeling is that with all the tremendous efforts put forth by the Britishers their economy will recover very soon. When that economy recovers to anything like normality, not merely will there be no depreciation of sterling, but the chance of our recovering every pound of that sterling balance would become brighter. After all, the very self-interest of England would indicate that she must put forth every effort that she is capable of to restore the position of the sterling as a sovereign currency in the international economic world. England, I am confident, will

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fight, and fight very hard to get that position restored. When that position is restored, not merely is our balance safe in England, but our balance becomes also automatically multilaterally convertible.

I shall now go on to a few observations regarding pensions and stores. I tried my best to elucidate the points raised by certain honourable members. My honourable friend Mr. Ananthasayanam Ayyangar suggested that the wiser course would have been to accept an interest of approximately 1 per cent. on our balance and out of the proceeds of that interest to pay the annual charges relating to pensions. He was right in assuming that the interest will approximately be sufficient to pay the pensions. What he wanted to emphasize was that we should have the benefit of the accruing interest year by year. Under this Agreement we have completely secured it. My honourable friend will find that both for the Central pensions and for the pensions of the Provinces within the Indian Union we have agreed to pay 168 million pounds. If he adds up the figures of the two tables given in the White Paper he will find that in the course of sixty years, in return for the 168 million pounds that we have paid today, England would have paid £198½ million. That 30½ million pounds represents the interest that we are getting on the capitalised payment.

Shri M. Ananthasayanam Ayyangar: What I was submitting was not that we should earn on these 168 million pounds. I know the Honourable the Finance Minister has taken care to see that this interest is carried over and distributed so that ultimately our country gets £198 million as against £168 million that we have invested. As regards the balance in the blocked account there is interest accruing and from time to time and we may be drawing off. Instead of taking it away as current income of the Reserve Bank we might pay it off in the pensions so that the entire balance may stand as it is.

The Honourable Shri R. K. Shanmukham Chetty: While it will be seen that in the scheme of capitalisation of pensions we have secured full advantage based on 1 per cent. basis, we are also earning interest on the remaining sum—0.7 or 0.8 per cent. I think the difference is instead of earning 1 per cent. on the whole we are earning 1 per cent. only for a portion of the sterling balances. We could not succeed in getting more than 0.8 per cent. interest for the rest. But the interest will accrue in our favour. Therefore we do not lose the benefit of it.

This particular method of payment by paying off a capitalised sum became necessary in our interest because, as I tried to explain in my opening speech, if we did not do this, then the entire responsibility for finding the exchange year after year will fall on the Indian Government and the Pakistan Government will go scot-free in that respect. By making this arrangement the 148½ million pounds which has to be paid as a capital sum against the liability of the Central Government for pensions will be taken from the common pool of sterling before it is actually divided between the Governments of India and Pakistan. That is not merely a substantial advantage, but it was very necessary in our own interest to get this done.

Pandit Lakshmi Kanta Maitra: You hope to realize your share from Pakistan?

The Honourable Shri R. K. Shanmukham Chetty: That has all been done in the Partition arrangement, and we need not go into that now. As a matter of fact I would like honourable members to realize that from the point of view of the actual money earned or even the convenience of payment, there is really not much difference between the final arrangement that I have made and the alternative of adopting Mr. Ananthasayanam Ayyangar's suggestion and

paying these pensions year after year. The one fundamental consideration was the need for separating the sterling balances between ourselves and Pakistan.

My honourable friend Mr. B. Das was somewhat confused about the liability that we have placed on the Indian tax-payer in making this arrangement. He thought that I have saddled the present generation with a liability which will be spread over for the next sixty years. Well, nothing of that sort has been done. This is purely a technical arrangement which will have to be made now with the Reserve Bank. We have agreed to pay £168 million now to the British Government out of our sterling balances. The rupee equivalent of it is 216 crores and odd. What we will do is this. We will have now to instruct the Reserve Bank to give to the Bank of England on behalf of the British Government this £168 million. To enable the Reserve Bank to do that we have to give to the Reserve Bank Rs. 216 crores worth of notes—Currency notes. Obviously we have not got all that cash. Therefore what we will do now—and what we propose to do is we will create *ad hoc* rupee securities of the Government of India to the extent of Rs. 216 crores.

An Honourable Member: Treasury Bills?

The Honourable Shri R. K. Shanmukham Chetty: It is *ad hoc* Government of India securities—IOUs. These will be given to the Reserve Bank. As against this *ad hoc* Government of India security of Rs. 216 crores the Reserve Bank will release to the British Government, through the Bank of England, the equivalent in sterling. After this transaction takes place, if you compare the Weekly Statement of the Reserve Bank with the previous week you will find that so far as Rs. 216 crores is represented, instead of sterling securities to that amount you will find Government of India securities to that amount. So no burden has been placed upon anybody. But the question arises "well, it is all very nice; instead of finding Rs. 216 crores of hard cash you simply write an IOUs and give it to the Reserve Bank and against that you draw sterling securities worth Rs. 216 crores. You have now undertaken a debt to the Reserve Bank. How are you going to discharge it?" What will be done is, year after year, as the pensions become due and as our Budget has to be debited, suppose it is Rs. 10 crores for 1949-50, in 1949-50 we will hand over Rs. 10 crores to the Reserve Bank in cash and withdraw Rs. 10 crores worth of securities. If no other arrangement is made in the mean time, in sixty years automatically this debt of Rs. 216 crores will be wiped out. This is under the assumption that no other arrangement is considered feasible in the meantime. But suppose in the meantime we find that we are in a position to successfully raise loans in the market then it is quite possible that we might decide that as against the securities issued in the market we will tender them to the Reserve Bank and withdraw these *ad hoc* securities from the Reserve Bank.

Prof. N. G. Ranga: What will be the interest on the IOUs?

The Honourable Shri R. K. Shanmukham Chetty: That will be a technical matter which will be decided. The rate of interest will be the rate appropriate to the rate prevailing at the time.

Pandit Govind Malaviya (U.P.: General): What happens if England and India go to war against each other?

The Honourable Shri R. K. Shanmukham Chetty: I do not see how it arises here.

Pandit Govind Malaviya: Yes, we lose Sterling Balances all right. But you are taking this loan from the Reserve Bank to pay this sum. We will lose the Sterling Balances as well as this additional huge sum.

The Honourable Shri R. K. Shanmukham Chetty: We are responsible for that.

Pandit Govind Malaviya: So, that is additional burdened responsibility.

Mr. Chairman: Let the Honourable Minister go on.

The Honourable Shri R. K. Shanmukham Chetty: So, that is the technical operation involved in this pensions scheme, and no liability is placed upon this generation, which really ought to be spread over sixty years.

Now, coming to the stores and fixed assets, if honourable members will study the figures in detail, I have no doubt in my mind that they would be convinced that the bargain, to say the least, is fair to both sides if not positively on the side of India. Now we have paid Rs. 133 crores for assets and stores which are estimated to be Rs. 500 crores. The break-up of the 133 crores is somewhat like this:

	Rs.
Surplus stores	37.71 crores
Fixed assets	20.64 "
Stores retained for the use of the Defence Department	
by the Army	65.12 "
Unit equipment that is equipment that remained with	
the Army	4.73 "
Miscellaneous S.E.A.C. items	5.13 "

Out of the 133 crores that we have now paid to the British Government, we would recover from Pakistan in the form of sterling approximately Rs. 25 crores. In other words, so far as we are concerned we have paid only Rs. 108 crores and the House must satisfy itself whether we have got really tangible assets which are worth Rs. 108 crores. I will give a few facts and figures in this context.

Shri K. Santhanam: Do the 500 crores include the value of stores in Pakistan also?

The Honourable Shri R. K. Shanmukham Chetty: Yes, it is the total. Some honourable members especially expressed somewhat sceptic views regarding the valuation of surplus stores. They think that we have probably paid for junk. The total amount that we have paid for surplus stores is Rs. 37 crores most of which is really in Indian territory. Out of this, up to 31st March, 1948 we have already realised Rs. 18 crores by the sale of these surpluses. But for the embargo that the Industries Department put upon further sales, we would have realised very much more. In the course of the current year we expected to realise about Rs. 20 crores. In other words by the end of this year we would have realised Rs. 38 crores which is exactly what we paid to the British Government for the stores. While it is not possible to predict accurately how much we will ultimately realise, the expectation of my officers is that on the whole we will realise not less than Rs. 50 crores in the sale of these surplus stores. In other words, in this transaction relating to surplus stores we are really making a profit of Rs. 18 crores. Now, if we realise 50 crores by way of the surplus stores then the value of the stores retained by us becomes Rs. 48 crores and what we have paid for the assets is only 18 crores.

My honourable friend Mr. Sidhva was very anxious to know whether we have paid for all the abandoned aerodromes, for instance. My honourable friend will be interested to know that the original book value of these fixed assets is 120 crores; for assets on which nearly Rs. 120 crores was spent, we have paid Rs. 18 crores and I would leave it to the honourable members to judge whether the bargain is not really in the interests of India.

But, Madam, apart from any question of bargain, there is one other factor which I refrained from mentioning, but since there was so much criticism on the floor of the House, I am bound to mention this. Let me tell this House that but for the existence of all these stores that we took over from the British Government on the 1st of April, 1947, we would not have had the where-withal in the matter of equipment and armament and munitions to engage in the Kashmir operations. It came to us in a very handy manner. Therefore, please don't be under the impression that we have paid money for worthless stuff. We have not only acquired stuff which has stood us in great stead at a time of great crisis and need, the very acquisition of all these stores at such a time was in itself of value and the value that we have put upon it, the money that we have paid for it, is to say the least, fair to both the countries.

I am sure, Mr. Chairman, that I have given explanation of most of the points that were raised in the course of the debate.

Pandit Lakshmi Kanta Maitra: What about the £200 million reserve?

The Honourable Shri R. K. Shanmukham Chetty: So far as that observation that probably in any case we would retain £200 million as currency reserve, I would ask honourable members not to take that statement literally. In fact, it is more, or less an *obiter dictum*. We are bound to retain, at any rate our currency authority is bound to retain, foreign exchanges in various countries of the world. Until now we were tied down to keep our foreign balances only in sterling and honourable members will find in the Amending Bill that we have now introduced for the purpose of nationalizing the Reserve Bank, I have taken away that restriction. In fact our instruction to the Reserve Bank will be now to build up dollar and other currency balances. So, if the valuation of our foreign trade is to be kept up uninterruptedly, and if we are not to be caught napping when any question of an adverse balance of payment arises, it is necessary in the modern economic set up that the currency authority of any country must retain ample foreign exchange resources to meet any balances that may arise. And it is in that connection that we made more or less an *obiter dicta* that probably we might have to retain £200 million in the form of sterling. It is quite possible that later on we may decide that we will not retain more than £100 million or not anything at all. This is merely an *obiter dictum* indicating the fact that in an actual position of the sterling balances that will be ultimately left, and which will have to be liquidated, you must bear all these factors in mind.

The sterling balances, after making all these payments and after paying the share of Pakistan, will be approximately £800 million. Now out of the £800 million if we are wise, prudent, energetic and vigilant, we would spend £160 million in the next three years which reduces the balance again to £640 million. Assuming that you decide that £100 million is necessary as a currency reserve, the ultimate balance is £540 million.

So, when the picture is seen from this angle you find there is nothing to be alarmed about the size of the sterling balances, and even this is now perfectly secure.

Honourable members referred to the British assets in India. We do not exactly know what the value of the British assets here is. The Reserve Bank is at present engaged in a detailed and scientific study about the valuation of all the British assets. Probably within the next six months or so the actual figures will be available. Whatever might be the results, I feel that the British assets will be not less than £600 or 600 millions so that our sterling balance is completely covered. If any number of Churchill's arise in the future and threaten us we have got the security and the remedy in our own hands—we

[Sbri R. K. Shanmukham Chetty]

need not go to negotiate with Mr. Churchill, but we can straightaway confiscate the assets of the British people here if such a contingency arises. Therefore, the House might feel now perfectly confident that the sterling balance is safe, notwithstanding all the Churchills of England and that for some time at any rate we may take leave of the sterling balances and think of other subjects.

Mr. Chairman: May I ask the honourable members who have moved their out motions whether they wish to press their motions?

Mr. Z. H. Lari (U.P.: Muslim): I beg to withdraw my out motion.

Shri. Shibban Lal Saksena (U.P.: General): I beg to withdraw my out motion.

Mr. Chairman: Have the honourable members leave of the House to withdraw their out motions?

The out motions were, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 2,16,27,18,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending 31st March, 1949, in respect of 'Capital Outlay on Sterling Pensions'."

The motion was adopted.

Mr. Chairman: The question is:

"That a supplementary sum not exceeding Rs. 65,33,33,000 be granted to the Governor General to defray the charges which will come in course of payment during the year ending 31st March, 1949, in respect of 'Defence Capital Outlay'."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the O'clock on Monday the 18th August, 1948.