

MESSAGES FROM THE COUNCIL OF STATES

Secretary: Sir, I have to report the following two messages received from the Secretary of the Council of States:—

(i) "In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to enclose a copy of the Drugs and Magic Remedies (Objectionable Advertisements) Bill, 1953, which has been passed by the Council of States at its sitting held on the 16th February, 1954."

(ii) "I am directed to inform the House of the People that the Council of States at its sitting held on the 16th February, 1954 has passed the following motion extending the time for presentation of the Report of the Joint Committee of the Houses on the Special Marriage Bill, 1952:—

MOTION

"That the time appointed for the presentation of the Report of the Joint Committee of the Houses on the Bill to provide a special form of marriage in certain cases, and for the registration of such and certain other marriages, be extended upto Thursday, the 18th March, 1954."

DRUGS AND MAGIC REMEDIES
(OBJECTIONABLE ADVERTISEMENTS) BILL

Secretary: Sir, I lay the Drugs and Magic Remedies (Objectionable Advertisements) Bill, 1953, as passed by the Council of States, on the Table of the House.

STATEMENT RE: COMMONWEALTH FINANCE MINISTERS' CONFERENCE HELD IN SYDNEY

The Minister of Finance (Shri C. D. Deshmukh): With your permission, Sir, I wish to make a statement on the Commonwealth Finance Ministers' Conference held recently at Sydney, which I attended on behalf of the Government of India.

This Conference is one of a series held in recent years with the object of facilitating consultations among Commonwealth countries in regard to the economic policies that should be followed by the Sterling Area countries in order to strengthen their balance of payments and to promote the expansion of world production and trade. The deliberations of the Conference and its conclusions were published in a Press Communiqué in Sydney on the 15th January 1954 and I am laying a copy of it on the Table of the House for the information of hon. Members. [Placed in Library. See No. S-20/54.]

During the period of over a year which had elapsed since the last Conference met in December 1952, there had been an improvement in the balance of payments position of the sterling area. The action taken in the previous years had enabled it to overcome the crisis in its central reserves of gold and dollars and a continuous deficit had been turned into a moderate surplus during 1953. This encouraging result has been achieved by the determined action of member countries in following sound economic policies, internal and external. The essence of these policies is that each country should maximise its production and development and achieve.....

Mr. Speaker: Order, order. Let there be no talking, please.

Shri C. D. Deshmukh:...a competitive position in foreign markets so that its exports and balance of payments may be maintained and an expansion of world trade as a whole secured. It is not sufficient for this pur-

[Shri C. D. Deshmukh]

pose that each country should live within its means—each should strive to live upto its means—in other words, a balance should be struck at the optimum level of production and trade. Moreover, it is not enough for each country to achieve a balance in its external account but the balance has to be achieved at a high level of imports and exports which would secure for the vast population of the areas comprised within the Commonwealth a higher level of consumption, which alone is the test of an improving standard of living.

The Conference paid particular attention to this aspect of the matter. The member countries realised that it was imperative that restrictions on world trade inherited from the war time scarcities should be gradually eliminated. This would result in the strengthening of sterling, the currency in which the countries of sterling area carry on their trade among themselves and with the world at large. The objective is to move towards freer currencies and anything that strengthens sterling would help in the attainment of this objective. At the Conference, the participating countries reaffirmed their faith in this objective and undertook to follow policies which would assist in making this feasible.

The economic development of the various participating countries in the period since the last Conference was reviewed and the Conference felt satisfied that this development was proceeding on a sound basis that would, among other things, assist in strengthening the balance of payments position of the sterling area as a whole. While individual countries were raising the maximum amount of resources for their development, it was realised that there still remained very considerable scope for both mutual assistance inside the Commonwealth and support from outside for ensuring fuller development. The United Kingdom have been making

special efforts to make increased capital available for Commonwealth development from the London market, and with the level of production attained in that country an indication was given at the Conference that some additional capital may be available from that source. This finance would be not only for individual schemes but also for general schemes of development so long as the essential conditions were satisfied.

The Conference reviewed the general prospects of world trade in the context of certain indications of a down-turn in the economy of the United States and the fears expressed in certain quarters of this developing into a large scale recession. On the indices available to it the Conference came to the conclusion, which I believe is substantially correct, that any such recession, if it developed, would be moderate and short and that while the sterling area countries were bound to be affected by such a recession their long-term objectives should not be allowed to be affected by temporary fluctuations. It has also to be remembered that any large-scale recession would affect the economy of the United States nearly as much as it would affect the economy of the countries outside, and that it was not unreasonable to expect that the United States' administration would itself take steps to secure that a recession does not lead to a slump. In this view the Conference was greatly encouraged by the United States President's message to Congress delivered about the time the Conference was in session. Since then the report of the Commission appointed by the President to examine the economic policy of the United States has been published....

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): May I ask if the Minister of Parliamentary Affairs is doing a right thing in standing between you and the speaker?

Mr. Speaker: I agree; he is not

Shri C. D. Deshmukh: And there are already welcome indications of the extent to which action will follow.

The Conference reaffirmed its support to the general policy of securing the widest possible system of multi-lateral trade and payment, the reduction and progressive elimination of import restrictions and the convertibility of sterling and other important currencies. These require collective action by both debtor and creditor countries. In recent months, the growing confidence in sterling and the increasing strength and flexibility of the sterling area countries had led to some progress towards expanding trade and freeing currencies. The attainment of these objectives, however, depends not merely on the soundness of internal policies of the countries concerned but also on the willingness of trading nations to adopt policies designed to assist the expansion of trade and the availability of adequate financial support from such organisations as the International Monetary Fund. It is obvious, and this was emphasised at the Conference, that we have to work as far as possible through existing international organisations dealing with trade and finance. In this context the functions of GATT and I.M.F. will become increasingly important and the Conference recognised that the rules, procedure and organisation need close examination and review so as to enable them to play a full and effective part. The participating countries agreed that there should be prior consultation among Commonwealth countries in connection with forthcoming review of GATT.

The discussions of the Conference provided an excellent opportunity for a full and frank exchange of views on the various economic problems of the Commonwealth countries represented at it. I believe I am right in saying that all those who attended the meeting came away with the feeling that the last twelve months had been a period of progress and achievement in the sterling area as a whole. We have moved from a period of crisis

to one of reasonable confidence and although there is no justification for any complacency and the efforts of individual countries to increase production and development must continue, the future can be faced with some measure of optimism. While it is true that there is an element of uncertainty in regard to what might happen if any large-scale recession develops I feel that one could look with confidence to the countries outside the sterling area, notably the United States, and international organisations like the International Monetary Fund to do their best to ward off a major set-back which would be a set-back not merely for certain countries but for the world as a whole. So far as our own country is concerned, as I said in this House on my return from the previous Conference, while we help ourselves by implementing our development plans we shall also be helping the Commonwealth and the rest of the world in their approach towards an expansion of world production and trade and a more stable and broad-based international solvency.

Shri H. N. Mukerjee (Calcutta North-East): As soon as the Chancellor of the Exchequer returned from Sydney, there was a discussion in the House of Commons regarding his report of the Conference. I hope the Government will give us some time so that we could see the points he has raised for a discussion.....

Mr. Speaker: There is no hurry to make a statement just now.

Shri C. D. Deshmukh: We have received a communication from an hon. Member of this House and we are considering this matter.

Shri Bansal (Jhajjar-Rewari): On a point of information, Sir. Subsequent to this Sydney Conference, a point has arisen affecting the sterling area. A trade agreement with Japan has been signed in London on 19th January and I understand from the *Board of Trade Journal* that the Economic Secretary to the Treasury

[Shri Bansal]

while making a statement in the House of Commons, said:

"There was a review of trade between Japan and the Sterling Area in the light of Japan's heavy balance of payments deficit and acute shortage of Sterling which in the absence of any action would have compelled Japan to impose heavy restrictions on the purchase of Sterling Area goods."

Inasmuch as this new agreement is bound to help the countries—the whole of sterling area—and India being a part of that area, I want to know whether Government of India were consulted by the U. K. Government when this agreement was discussed and signed.

Mr. Speaker: This also will be left over and may come up when the matter is taken up for discussion, because we do not allow any supplementary questions on a Statement made.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

PRESENTATION OF SECOND REPORT

Shri M. A. Ayyangar (Tirupati): I beg to present the second Report of the Committee on Private Members' Bills and Resolutions.

STATEMENT RE: SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS) FOR 1953-54

The Minister of Railways and Transport (Shri L. B. Shastri): I beg to present a Statement showing Supplementary Demands for Grants for expenditure of the Central Government on Railways for the year 1953-54. [Placed in Library. See No. S-21/54.]

PAPERS LAID ON THE TABLE

DELIMITATION COMMISSION FINAL ORDERS Nos. 5—9

The Minister of Law and Minority Affairs (Shri Biswas): I beg to lay on the Table, a copy of each of the following Orders, under sub-section (2) of section 9 of the Delimitation Commission Act, 1952:—

(i) Delimitation Commission, India, Final Order No. 5, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 21st December, 1953. [Placed in Library. See No. S-22/54.]

(ii) Delimitation Commission, India, Final Order No. 6, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 23rd December, 1953. [Placed in Library. See No. S-23/54.]

(iii) Delimitation Commission, India, Final Order No. 7, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 29th December, 1953. [Placed in Library. See No. S-24/54.]

(iv) Correction to Delimitation Commission, India, Final Order No. 7, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 18th January, 1954. [Placed in Library. See No. S-24/54.]

(v) Delimitation Commission, India, Final Order No. 8, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 30th December, 1953. [Placed in Library. See No. S-25/54.]

(vi) Delimitation Commission, India, Final Order No. 9, published in the Gazette of India Extraordinary, Part II, Section 3, dated the 30th December, 1953. [Placed in Library. See No. S-26/54.]

STATEMENTS OF THE STATE-WISE POSITION OF ELECTION PETITIONS

The Minister of Law and Minority Affairs (Shri Biswas): I beg to lay on the Table, a copy of each of the following statements showing the