

Shri Punnoose (Alleppey): The hon. Minister said that it is a matter of demand and supply. It is not correct because the export of rubber is banned and so, the free play of demand is not allowed. The Dunlop Co., and the Firestone Co., have almost a monopoly of the purchase of rubber.

Secondly, the producer of rubber in Travancore-Cochin, which gives 80 per cent of the total production in India, is almost a small producer: two lbs., three lbs. a day. If the hon. Minister goes there, he can see every evening these people going with two lbs. of rubber for their rations. It is that which is being stopped.

The hon. Minister says it is not a very serious matter. I have had occasion to talk to him this morning. I am very sorry he does not appreciate the situation. There is also growing unemployment in the estates. I beg to submit I consider this a very serious matter, and Government has to proceed immediately to see that misery is relieved.

Shri B. S. Murthy (Eluru): Will the Government allow export?

Shri A. M. Thomas (Ernakulam): May I know whether, if this company was closing for annual stock-taking, it was so closed in previous years?

Shri T. T. Krishnamachari: My information in that regard is not as good as the hon. Member's.

Shri K. P. Tripathi (Darrang): If there is such a surplus of rubber, may I know why the Government does not take a decision to stop imports instead of requesting the firms that they should agree to reduce their imports?

Mr. Deputy-Speaker: There seem to be a number of suggestions to be made and a lot of other information to be elicited. There is also a short notice question which I have sent to the hon. Minister. It is in the course of transmission. I do not think I should spend the time of the House on this adjournment motion.

Hon. Members: When can we expect a reply?

Mr. Deputy-Speaker: Before we disperse, I think.

BUSINESS OF THE HOUSE

HOURS OF SITTING

Mr. Deputy-Speaker: I have to make an announcement so far as the timings of the House are concerned. The House will sit on the 18th from 10 A.M. to 1 P.M. and from 2-30 P.M. to 6 P.M. On Friday and Saturday, there are no Questions and so the Question-hour is not there. Therefore, we may sit from 10-45 A.M. to 1 P.M. and 2-30 P.M. to 5 P.M. instead, of from 10 A.M. to 6 P.M. as we have been doing for want of time. This may also be included in the Bulletins.

PAPERS LAID ON THE TABLE

The Minister of Planning and Irrigation and Power (Shri Nanda): I beg to lay on the Table a copy of each of the following Reports:

(i) Report of the *Ad hoc* Committee in connection with the investigations of the River Valley Projects [*Placed in Library. See No. IV. M.4 (24)*],

(ii) Report of the Advisory Committee on Hirakud Dam Project, June 1948, [*Placed in Library. See No. IV. M.4 (11)*],

(iii) Report of the Advisory Committee on the Kosi Project 1952 [*Placed in Library. See No. IV.M.4 (27)*], and

(iv) Report of the Advisory Committee on Hirakud Dam Project, March, 1952 [*Placed in Library. See No. IV. M.4 (11)*].

STATEMENT RE COMMONWEALTH ECONOMIC CONFERENCE

The Minister of Finance (Shri C. D. Deshmukh): Sir, with your permission, I wish to make a statement on the Commonwealth Economic Conference which I recently attended in London on behalf of the Government of India. The purpose of this Conference was to hold consultations between the Commonwealth countries as to the economic policies that should be adopted by the sterling area countries for strengthening their balance of payments and as to the action that could be taken towards the expansion of the world production and trade. The conclusions of the Conference were published in a Press Communique in London on the 11th December 1952. I am laying copies of this Communique on the Table of the House for the information of the hon. Members. [*See Appendix IX, annexure No. 7*].

It is clear that if the sterling area countries are to play their part, individually or collectively, in securing an expansion of world trade, each country must follow sound internal economic policies. Such policies are most essential for achieving a healthy balance of payments position. The essence of these policies is to live within one's means and to adjust investment and consumption to levels which the economy can afford. By releasing more goods for export and by restraining demand for imported goods, these policies help in achieving external balance.

Such internal measures are also necessary for sound development of increased production on an economic basis. They are, therefore, equally indispensable for countries seeking to develop their resources.

Hon. Members will have observed that the Conference has also stressed the need for sound development policies on the part of the sterling area countries. Increased production is to be secured of those commodities which would help in the improvement of balance of payments and an increased expansion of trade. The Conference, however, recognised the essentiality of capital investment for basic development for improving the standards of life in under-developed countries, in so far as such development was a necessary foundation for further economic progress.

The Conference reiterated the objective of unrestricted multilateral trade and payments and of convertibility of sterling as a pre-requisite for the expansion of world trade on a multilateral basis. These objectives are to be achieved by suitable progressive stages. While measures that are to be taken by the sterling area countries will undoubtedly help in strengthening the balance of payments of the sterling area, rapid and effective progress towards convertibility of sterling and a multilateral system of trade and payments cannot be made by the efforts of the sterling area countries alone. Complementary action is equally necessary on the part of other trading nations of the world so that equilibrium in world trade can be established at the highest possible level. It is hoped that the results of the Conference and the confidence generated by these discussions would secure the measure of co-operation that is needed from the other trading countries for a rapid advance in these directions.

There was a full and frank discussion at the Conference of all problems connected with these objectives. There was also a considerable understanding

of the needs of the under-developed countries of the sterling area. As an instance, hon. Members will notice that, even in regard to the removal of restrictions on trade, the importance of the continued use of these restrictions by the under-developed countries with a view to making the fullest possible use of their resources towards developmental needs, has been recognised.

The broad objective of our policy to implement the Five Year Plan and to raise the standard of living of our people should enable us to play our part in the expansion of world trade on the lines agreed to at the Commonwealth Economic Conference. Thus, by helping ourselves in the execution of this Plan, we shall also be helping the Commonwealth and the rest of the world in their approach towards a wider expansion of world production and trade and broad-based international solvency.

Dr. S. P. Mookerjee (Calcutta South-East): In the House of Commons the other day, answer to a question, the Prime Minister of the United Kingdom assured the House that a White Paper would be laid on the Table of the House including the decisions arrived at at the Conference, and also a summary of the discussions—not the detailed discussions, but a summary. May I suggest that a similar White Paper may be laid on the Table of this House including whatever information is contained in the British White Paper?

Shri C. D. Deshmukh: That will have to await the issue of that White Paper. All the records of the Conference are with them. We have got only a summary.

Dr. S. P. Mookerjee: Whatever information is available.....

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Any information that is available will be gladly placed on the Table of the House, but the House is likely to adjourn in a few days' time, and then it will have to wait for the next session.

Dr. S. P. Mookerjee: Unless you circulate it to us.

Shri Jawaharlal Nehru: We will place it in the Library.

Dr. S. P. Mookerjee: It can be printed and circulated to the Members of Parliament. There should not be much difficulty about it.

Shri K. K. Basu (Diamond Harbour): They have not got the papers!

Shri H. N. Mukerjee (Calcutta North-East): Could we have a day for it in the next session? (*Interruption*).

Mr. Deputy-Speaker: The next session is far off.

STATEMENT RE LOANS SANCTIONED BY INDUSTRIAL FINANCE CORPORATION

The Minister of Finance (Shri C. D. Deshmukh): While I was in London, there was a certain amount of fog which soon dispersed. In my absence I learn there was a storm here which I hope has by now abated; and, it is in that connection that I wish to make a statement. I refer to certain matters which arose during the discussion on the Industrial Finance Corporation (Amendment) Bill in both the Houses.

Various allegations were made about the *bona fides* of the Corporation's loan transactions and a very strong demand was voiced for the disclosure of the names of the industrial concerns to which the Corporation has given financial accommodation.

On the question of divulging the names, the Prime Minister made a statement in which he mentioned the practice so far followed and pointed out the considerations which influenced us in adhering to that policy. At the same time, he recognised the force of some of the grounds on which the information was asked for and undertook to have the matter re-examined on my return. I am grateful to him and the House for giving me a chance to review the position. The maintenance of secrecy by a lending institution regarding its transactions with its clients is a well recognised practice based on sound business principles and should not be lightly discarded while circumstances are normal and there is no reason for doubts and apprehensions regarding the transactions. While, therefore, I consider that the stand taken by the Government so far, which was not challenged in the past in this House, was justified, I have to take account of the doubts that have arisen and of the desire of Parliament to be furnished with the names of concerns to which monies, for which the Government had given guarantees, have been advanced by the Corporation. The refusal to disclose the names, even though it may be based on a healthy convention, would create an entirely unjustified suspicion against the Corporation and the borrowing concerns, which it is essential to dispel. Realizing this, the

Corporation has itself written to me that it is desirous of submitting to Parliament a list of loanees and the amounts given to them. I am accordingly laying on the Table of the House a statement showing the names of the individual concerns under each category of industry and the amount of loan sanctioned to each concern. [See Appendix IX, annexure No. 8.] I am forwarding sufficient number of copies of the statement for circulation to the hon. Members of both the Houses.

There were specific allegations of nepotism and favouritism in the grant of loans made against the Corporation during the debate. My colleague, the Deputy Minister, in his reply both in this and the other House, tried to explain how these are unfounded and seem to be based on a misconception about the scope of the Corporation, the composition of its Board of Directors and the manner in which it functions. I think it is only fair to the Corporation and to the borrowers that these allegations should be thoroughly investigated. I have in one capacity or another been closely associated with the work of the Corporation ever since its inception, and am anxious that complaints should be enquired into and, if any undeserved charges have been made, the Corporation should be authoritatively cleared. Both the Chairman, Mr. Shri Ram, and the Directors are, on their part, naturally anxious that the suspicions which have been created by the charges made in Parliament should be cleared and have asked that a Committee should be appointed to investigate these charges. I also feel that while discussion in Parliament of each individual case of grant or rejection of a loan by the Corporation is neither feasible nor desirable, it is due both to Parliament and the Corporation that the specific allegations made should be enquired into. I propose, therefore, to appoint shortly, for the purpose, a small compact Committee consisting of representatives of both the Houses and one or two outside experts not connected with the Corporation.

TEA BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move for leave to introduce a Bill to provide for the control by the Union of the tea industry, and for that purpose to establish a Tea Board and levy a customs duty on tea exported from India.