

लेकिन वह बात सही है कि जो कम्प्लेक्सन पन्ना डायमंड सिंडीकेट द्वारा मांगा जा रहा है उसको गवर्नमेंट अफरत से ज्यादा समझती है और वह कोशिश कर रही है कि मुनासिब कम्प्लेक्सन तै हो जाये ।

Shri Dasappa: May I know whether any mining expert's collaboration is being sought by the Government and whether any of them have offered themselves to do the service?

Shri K. D. Malaviya: Yes, Sir. There are two or three advisers whose opinion was sought and we have got reports also, and all those reports have been considered and are still being considered.

Shri T. B. Vittal Rao: These protracted negotiations have been going on for well over a year, but there is need for working these mines in view of our requirements of industrial diamonds. So, when can we expect these negotiations to come to an end.

Shri K. D. Malaviya: In a way no time has been lost because even after negotiations had been successfully completed a lot of detailed prospecting was needed to find out exactly the quantum of investment that will be economically feasible for the exploitation of the Panna diamond mines. We did not stop for the detailed prospecting and it has been going on. Together with it, some diamond also is being exploited. It is not of much consequence from the point of large-scale exploitation, but as I said, both the items of the programme, that is negotiation and detailed prospecting are going on simultaneously. So there is no loss of time.

Shri Kashiwal: Probably the hon. Minister is aware that before this question of nationalisation was taken up a Russian team of investigators was invited by the company to go into the whole matter. May I know whether these experts mentioned by the hon. Minister now are the same

Russian team of investigators or some other team?

Shri K. D. Malaviya: No Russian diamond mining experts as such were invited either by the Syndicate or by the Government from the USSR to carry on investigations, but certain Russian geologists were available to the private company who gave their opinion on the data produced by the company. That was not necessarily to be accepted by the Government. We got it checked up and there was some amount of difference on the opinion expressed by the Russians. Now there is not much of a difference, and we hope that as soon as the negotiations are concluded, we shall start actively working the mines.

Fiscal Monopolies

*700. **Shri Shree Narayan Das:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 117 on the 18th July, 1956 and state:

(a) whether any decision for making an expert enquiry into the possibilities of setting up fiscal monopolies with a view to augmenting public revenues has since been taken; and

(b) if so, the nature thereof?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). The matter had been examined at an official level and Government do not feel that there is a *prima facie* case at the present moment for instituting an expert enquiry into the possibilities of setting up fiscal monopolies.

Shri Shree Narayan Das: May I know the names of the articles in relation to which this question was examined by the department?

Shri B. R. Bhagat: The Taxation Enquiry Commission recommended that tobacco, matches and salt should be selected for fiscal monopoly and these have been examined at the official level.

Shri Shree Narayan Das: May I know the important considerations that led to this decision?

Shri B. E. Bhagat: The whole question of augmenting public revenues through fiscal monopolies has assumed a different complexion altogether, because, since the recommendations of the Taxation Enquiry Commission about three years ago, the excise duties on a number of commodities have gone up. And it is now evident or rather proved that it is possible to raise the revenue from excise duty substantially. Apart from this, there are administrative complications in taking over a large number of items from private business into the public sector. There are other considerations also. I think due to these considerations, the committee came to the conclusion that there was no *prima facie* case for an enquiry of this nature.

Shri Shree Narayan Das: In view of the fact that excise duty is levied on salt, will Government consider the necessity of having fiscal monopoly in this respect?

The Minister of Finance (Shri T. T. Krishnamachari): Even this matter has been under examination for a long time. But there is one particular fact connected with salt, that is to say, that if we take up monopoly distribution, it might quite conceivably be mentioned by people that it is an indirect method of levying a duty on salt. Personally, I think it is feasible to work salt as a State monopoly, but I think we have to consider the other matters that would arise from that before we take up a decision.

The door is not closed in regard to this matter. We have, as hon. Members know, a State Trading Corporation. The accusation made against the State Trading Corporation is that it is becoming a monopoly. My hon. friend opposite, Shri M. R. Masani, is one of those vigorous advocates against State capitalism, and fiscal monopolies are naked forms of State capitalism. Of course, they are intended to produce revenue, but there

are other matters which will have to be taken into consideration. It does not mean that Government's mind is sealed against this idea. But the matter must be further examined; maybe, salt might be brought under Government control not merely for the purpose of producing more revenue but also on grounds of the health of the people, it is quite likely. And this question will duly be considered at the appropriate time.

Pay Scales Revision

*701. **Shri M. R. Krishna:** Will the Minister of Defence be pleased to state whether the LDCs in the Defence Services have been benefited by the revised Pay Scales introduced for the Central Secretariat personnel?

The Deputy Minister of Defence (Shri Raghuramalaiah): Yes, Sir.

Shri M. R. Krishna: May I know whether the LDCs in the Defence Services were given the revised pay scales simultaneously with the Central Secretariat employees, or after a couple of months?

Shri Raghuramalaiah: In the case of clerks in the Central Secretariat, the revised scales came into operation with effect from 1st April, 1956. But in the case of clerks paid out of the Defence Estimates, it came into effect from 1st August, 1956.

Shri M. R. Krishna: May I know the reasons for the delay in effecting the revised scales? Was it that there was no demand from the LDCs in the Defence Services?

Shri Raghuramalaiah: First of all, the decision was taken only in respect of clerks in the Central Secretariat and offices included in the Central Secretariat Clerical Service Scheme. Later on, representations were received, and Government extended these increased scales of pay to all clerks; and in pursuance of that decision, it was extended to clerks paid out of Defence Estimates. But the decision of Government then was that it should come into effect from 1st August, 1956.