

Shri H. N. Mukerjee: Is it a fact that diplomatic immunity is really given in the case of American personnel who work under this agreement?

Shri C. D. Deshmukh: I shall be prepared to answer this question, but it does not arise out of this particular question.

Mr. Speaker: The hon. Member's question is with reference to the American personnel employed under this scheme.

Shri C. D. Deshmukh: There is no scheme, Sir. We have purchased wheat, and we lent the money got by sale of this wheat, to our own State Governments.

Pandit Munishwar Datt Upadhyay: How has this amount been distributed Statewise?

Shri C. D. Deshmukh: That obviously requires notice.

Shri Barman: May I know the actual value of the sale proceeds of the loan wheat?

Shri C. D. Deshmukh: I think the statement has already been made in the course of the Budget discussions. The actual recovery in rupees would be about Rs. twenty crores less than the rupee equivalent of the loan.

Shri B. S. Murthy: What is the rate of interest, and the period agreed to, for the repayment?

Shri C. D. Deshmukh: The rate of interest is 2½ per cent., and the period of repayment is 30 years beginning from June 30th, 1957.

TERRITORIAL ARMY

*1156. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Defence be pleased to state what is the increase in the Territorial Army since August, 1947?

(b) What are the main difficulties in the recruitment of the Territorial Army and what steps have been taken to remove them?

(c) What is the expenditure per year per head of an ordinary soldier in the Territorial Army and how does it compare with the expenditure on a soldier of a regular army?

The Minister of Defence (Shri Gopalswami): (a) Recruitment to the Territorial Army commenced only in August 1949. It is not in the public interest to divulge the figures of recruitment.

(b) Our main difficulties in recruitment to the Territorial Army arise from the fact that—

(1) a very large number of the people who wish to join are desirous of being taken in on a whole-time basis whereas the Territorial Army is designed only for part-time service;

(2) those who have other regular employment are apprehensive of

(i) having to face a substantial drop in their emoluments if they are called up for whole-time service for then they would receive payment with reference to the duties they will be performing in the Army in accordance with the Army scales of pay, and

(ii) their liens on their civil appointments being lost in the event of their being called up for Army service in an emergency for a prolonged period.

There is no solution for the first of these difficulties. Such applicants must come in for recruitment to the regular Army. The problem of retaining the lien has been solved by amending the Territorial Army Act during the last session of Parliament by which it has been made obligatory on the civil employer to retain an employee's lien when he is called up for service in the Territorial Army. The other difficulty of the difference between the civilian earnings and the Army rates of pay is one which can be surmounted only if the employers are prepared, as a matter of public service, to make good the difference between the civilian rates of pay and the Army rates of pay. So far as the Central and the State Governments are concerned, this liability has been accepted. It is to be hoped that private employers will follow suit to the maximum extent possible.

(c) It would not be in the public interest to disclose this information.

Pandit Munishwar Datt Upadhyay: What is the percentage of men that is being maintained in regular payment in that army? Otherwise, the people come only for a particular period, and then go away.

Shri Gopalswami: I do not know what exactly the hon. Member means. Obviously the answer to that question will also not be in the public interest.

Pandit Munishwar Datt Upadhyay: Is there any section of technicians in this Territorial Army, if so, what is the strength?

Shri Gopalswami: There are technical units to which recruitment is made.

Shri Venkataraman: Has it come to the knowledge of the Government that some of the private employers have refused to take back those employees who had offered themselves for service in the Territorial Army, after their services were over in the same?

Shri Gopalaswami: That, perhaps, is so. It is only for the purpose of preventing that, that we passed an amendment to the Act, that their lien should be retained in private service.

Shri Venkataraman: How many such cases have come to the knowledge of the Government?

Shri Gopalaswami: I am afraid, I must ask for notice.

Shri P. T. Chacko: May I know whether the Territorial Army is liable to be called out in aid of civil power and if so whether any such requests have been made by any States?

Shri Gopalaswami: It is certainly liable to be called up, if the necessity arises for doing so. But I am not in a position to say how many States had asked for the assistance of this force.

Shri Damodara Menon: May I know whether the Government have made any attempt to persuade the private employers to make good the loss of pay the employees are likely to suffer when they are called off to Territorial Army service?

Shri Gopalaswami: We have appealed to them to accept that liability.

Shri K. Subrahmanyam: What is the proportion of officers of all grades, to the soldiers in the Territorial Army?

Shri Gopalaswami: I am afraid I must ask for notice.

FOREIGN INTERESTS IN INDUSTRIES

*1157. **Shri V. P. Nayar:** Will the Minister of Finance be pleased to state:

(a) the percentage of foreign interests in Public Limited Companies in:

- (i) jute industry in India;
- (ii) Tea Estates in India; and
- (iii) Coal Industries in India; and

(b) the foreign interests in the industries referred to in sub-parts (i), (ii) and (iii) above in proprietary and partnership firms?

The Minister of State for Finance (Shri Tyagi): (a) Information is not available separately as to public limited companies. Total foreign investment in all limited companies (including private limited companies) incor-

porated in India and abroad has been roughly estimated, on the basis of figures of paid-up capital as in 1948, at 24.4 per cent. for the jute industry, 74.7 per cent. for tea estates and 13.1 per cent. for the coal industry.

(b) Percentage figures cannot be given in the absence of information as to total capital in Indian proprietary and partnership firms but on the 30th June 1948 foreign interest in such firms was Rs. 8.45 lakhs in the tea industry and there was no foreign interest in such firms in the jute and coal industries.

Shri V. P. Nayar: Do the figures given include foreign investments in managing agencies also?

The Minister of Finance (Shri C. D. Deshmukh): To the extent to which they are limited companies, Sir; not otherwise.

Shri V. P. Nayar: Is it a fact that almost all the high grade coal industry is controlled by foreigners?

Shri Tyagi: I have no detailed information, Sir.

Shri A. C. Guha: The hon. Minister has given figures for 1948. Has there been any change since then?

Shri Tyagi: There must have been some change; we have no information. The figures on which I am depending are the old figures.

Shri K. Subrahmanyam: May I know, Sir, whether it is proposed to acquire these interests against our sterling balances locked up in Britain?

Shri C. D. Deshmukh: There is not enough sterling balances locked up to purchase these things now.

Shri H. N. Mukerjee: Is it usual for Government to supply figures for 1948 when questions are asked in 1952?

Mr. Speaker: Order, order.

Shri C. D. Deshmukh: I have got a perfectly good reply to give, Sir. These censuses are conducted periodically. These figures of 1948 are based on a census of foreign investments conducted by the Reserve Bank, and if the hon. Member was sufficiently acquainted with the complexity of the task, he would agree that such censuses could not be carried out when questions were asked.

Shri B. S. Murthy: May I know, Sir, what steps have been proposed to be taken by the Government to discourage foreign investments?

Mr. Speaker: I think it is much beyond the question.