

**Shri Jawaharlal Nehru:** The Customs Union?

**Shri A. M. Thomas:** Yes.

**Shri Jawaharlal Nehru:** A number of years; I could not say exactly. Four or five years. I am not quite clear about the period.

**Shri A. M. Thomas:** What was the reason for stopping the same?

**Shri Jawaharlal Nehru:** As far as I remember, certain changes were suggested to the original arrangement and they were not agreed to by the parties concerned. So, it lapsed.

**Shri Kelappan:** Is the Government aware that large quantities of contraband articles are being sent to these possessions as gift parcels or family parcels and then they are smuggled out of the French possessions into the Indian Union?

**Shri Jawaharlal Nehru:** I know that there is a great deal of smuggling going on. Does the hon. Member refer to some special parcels being sent?

**Shri Kelappan:** Yes.

**Shri Jawaharlal Nehru:** By whom?

**Shri Kelappan:** From Malaya and Hong Kong family parcels or gift parcels weighing, say, ten pounds are sent to the French possessions and from there smuggled into the Indian Union.

**Shri Jawaharlal Nehru:** It is perfectly true that there is a great deal of smuggling. I have no doubt that, as the hon. Member says, family parcels are sent. In what quantity, I cannot say.

**Shri K. Subrahmanyam:** How is it proposed to check this large scale smuggling?

**Shri Jawaharlal Nehru:** So long as the present arrangement lasts, that is, so long as these settlements do not become parts of the Union of India, the only way to stop that is to have as efficient customs barriers as possible.

**Shri Chattopadhyaya:** Do Government contemplate rigid economic sanctions as regards the French possessions in India?

**Mr. Speaker:** I am afraid, I do not see how this question arises.

**Shri Jawaharlal Nehru:** I am prepared to answer, Sir. This question arises because some people have got economic sanctions in their head without relation to facts or reality.

#### EVACUEE PROPERTY DISPUTE

\*12. **Shri A. M. Thomas:** (a) Will the Minister of Rehabilitation be pleased to state whether it is under the consideration of Government to refer the question of evacuee property to an international tribunal or to arbitration?

(b) Have the Government of Pakistan placed any such proposal before the Government of India?

(c) Has the statement of Dr. I. H. Qureshi, Pakistan's Minister for Refugees, that India is finding excuses for confiscation of property left by Muslims by illegal means come to the notice of Government?

(d) If so, what is the answer to that charge?

The Minister of Rehabilitation (**Shri A. P. Jain**): (a) to (d). A statement is laid on the Table of the House.

#### STATEMENT

As the House is aware, there has been a prolonged stalemate with the Government of Pakistan over the evacuee property question. Without going into the history of the negotiations, I might state the facts of the present situation.

Immovable property of evacuees is divisible into two parts—rural and urban. So far as the rural evacuee property is concerned, the intention of the Governments of India and Pakistan has all along been that they should assume responsibility therefore and settle the values on a Governmental level. The Government of Pakistan have already settled refugees on evacuees agricultural land and allotted rural houses under a scheme which that Government calls "provisionally permanent". The Government of India have, likewise, in the States of Punjab and P.E.P.S.U. settled displaced persons on evacuee agricultural lands and rural houses generally on a quasi-permanent basis. Five years have already elapsed since the migration of displaced persons from and to Pakistan. It cannot now be contemplated that the land or rural houses can be sold or disposed of by evacuee owners. For all these reasons the Government of India feel that the problem of the settlement of rural evacuee property can no longer be delayed either in the interests of the evacuees or of displaced persons, and the settlement has in the very nature of things to be at governmental level.

In so far as urban immovable property is concerned, for the last five years evacuees from either country

have been undergoing great hardships. They have neither received any income from the property left behind by them in the country of their origin nor can they fully resettle in the country to which they have migrated on account of the want of credit. At the same time, evacuee properties left in both countries are deteriorating fast. While it is true that both Governments have created Custodian's organisations for the preservation of the property of evacuees, the fact is that their properties are occupied mostly by persons who have no interest in them. Even minor repairs which an occupier of a house is normally expected to execute are not carried out by them. The result is that properties are deteriorating fast. Rent recovery is also unsatisfactory.

The return of the evacuees from either country to their country of origin being no longer within the bounds of possibility, the Government of India feel that this continued state of uncertainty should be terminated.

The Government of India have communicated their aforesaid views to the Government of Pakistan. It has been suggested that the two Governments take over the evacuee properties and compensate the evacuee owners. For that purpose the evacuee properties on either side will have to be evaluated either by a Joint Commission of the two countries or by an impartial body according to the principles that might be agreed upon by the two Governments. If direct negotiations prove unfruitful, the Government of India would be prepared to refer the question of the method of evaluation to arbitration by an impartial tribunal agreed upon by the two countries. If the Pakistan Government so desires, the matter may be referred to an International court or to any *ad hoc* court consisting of the nominees of the two Governments. The decision by arbitration or through an impartial tribunal would be considered final and binding on the two countries and as soon as such a decision is reached, the two countries will proceed to give effect to it.

The Government of India have communicated to the Government of Pakistan that they intend to proceed to take over the property of evacuees in India on the basis of the aforesaid proposals and have suggested that the Government of Pakistan may do likewise.

There is no truth in the reported charge of Dr. Qureshi, Pakistan Minister for Refugees, that India is finding excuses for confiscation of property left by Muslims. These proposals are just the reverse of confiscation and

will enable evacuee owners in either country to realise their lost property.

**Shri A. M. Thomas:** From which side did the suggestion arise?

**Shri A. P. Jain:** It is clearly mentioned in the statement.

**Mr. Speaker:** The hon. Member may refer to the statement.

**Shri A. M. Thomas:** With regard to the allegations made by the Pakistan Minister, were they contradicted then and there by the Government?

**Shri A. P. Jain:** I would refer the hon. Member to the last para. of my statement.

**Shri Gidwani:** How many efforts were made to resolve this problem and no result has been achieved?

**Shri A. P. Jain:** A number of brochures have been issued on the subject. If the hon. Member cares to read them, he will see all the details about this question.

**Shri Gidwani:** I wanted to know whether all the efforts have failed.

**Shri A. P. Jain:** It is a question of opinion. Of course, there has not been much success.

**Mr. Speaker:** I am afraid it is mostly a question of fact. Most of them might have failed; most of them may not have failed. The question is wrong when the hon. Member says 'all' Next question.

#### IRON AND STEEL CONTROLLER'S EQUALISATION FUND

\*13. **Shri A. M. Thomas:** (a) Will the Minister of Commerce and Industry be pleased to state what is the amount of the Iron and Steel Controller's Equalisation Fund?

(b) What is the object with which this Fund has been started?

(c) Do Government intend to grant any loans from this Fund?

(d) If so, to what concerns and under what terms?

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** (a) Rs. 6½ crores approximately on the 30th September, 1952.

(b) to (d). It is the general policy of the Government of India to arrange for the sale of steel, whether manufactured in India or imported, at a uniform price as far as possible. For this purpose, a price is fixed by Government, and recoveries are made from producers or importers if their costs are lower than the standard