

Tuesday,
19th March, 1957

LOK SABHA DEBATES

VOLUME I, 1957

(19th March to 28th March, 1957)



सत्यमेव जयते



FIFTEENTH SESSION, 1957

LOK SABHA SECRETARIAT
NEW DELHI

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Shri Manubhai Shah: Research in weaving, particularly finishing and printing of handloom cloth.

Shri S. V. Ramaswamy: Does the Government of India propose to acquire the site at the place proposed in order to locate this Institute?

Shri Manubhai Shah: Yes, Sir.

Dr. Rama Rao: May I know the reasons for this proposed transfer and the expenditure involved in that?

Shri Manubhai Shah: The reasons are that Salem is a good centre for handloom art; and the expenditure involved is not more than Rs. 2 lakhs.

Shri D. C. Sharma: May I know if similar Textile Institutes are going to be set up in other parts of India; if so, has Government any plan in this respect?

Shri Manubhai Shah: Yes, Sir, another Institute has been set up at Banaras.

Shri S. V. Ramaswamy: May I know whether this is linked up with the question of industrial estate?

Shri Manubhai Shah: No, this is a scheme under the All India Handloom Board and it has no connection with the industrial estate or small-scale industries.

श्री विभूति मिश्र : क्या उत्तर बिहार में टैक्सटाइल मिल की स्थापना होने जा रही है ?

श्री मनुभाई शाह : यह सवाल इन्स्टीच्यूट के साथ ताल्लुक रखता है। टैक्सटाइल मिल से इसका कोई सम्बन्ध नहीं है।

Middle Income Group Housing Scheme

*4. **Dr. Satyawadi:** Will the Minister of Works, Housing and Supply be pleased to state the progress made in the housing scheme for the Middle Income Group?

The Minister of Production (Shri K. C. Eddy): Subsequent to May, 1956, when I stated in the House that the Scheme was under active consideration and that I hoped a decision would be taken in four to six months' time, Parliamentary Committee 'D' on Social Services (Sub-Committee on Housing) recommended that the

Scheme be deleted from the Second Five Year Plan and that the amount of Rs. 3 crores provided for it in the Plan be diverted to other Housing Schemes in the Plan. This recommendation has been accepted by the Planning Commission. The Commission have, however, recommended that the possibility of the Life Insurance Corporation's advancing loans to the Middle Income Group should be investigated. This is being done.

Tobacco Imports

*5. **Dr. Rama Rao:** Will the Minister of Commerce and Industries be pleased to state:

(a) how much unmanufactured tobacco has been imported from the U.S.A. upto the 28th February, 1957 under the Agricultural Commodities Agreement of 1956;

(b) the price of tobacco agreed to; and

(c) how Government propose to dispose it of?

The Minister of Heavy Industries (Shri Manubhai Shah): (a) No imports of tobacco have been made so far in pursuance of the agreement.

(b) and (c). Certain quantity of high grade virginia tobacco is imported into the country each year by cigarette manufacturers for blending with Indian tobacco for production of high grade cigarettes. The imports under the present agreement will also be made by cigarette manufacturers at prices to be negotiated by them with American suppliers.

Dr. Rama Rao: The hon. Minister has referred to ordinary imports by cigarette manufacturers. But I am referring to the Surplus Commodities Agreement according to which the Government has agreed to import 6 million lbs. of tobacco. This is far in excess of ordinary use or requirements. How does Government propose to dispose of this, and what is the price Government has agreed to pay?

Shri Manubhai Shah: The answer to that is covered by part (a) of my reply that so far no imports have been

made in pursuance of the agreement. It is true that 6 million lbs. are to be imported during the next three years. And the price, as I have said in parts (b) and (c) of the reply, will be negotiated between the counterpart manufacturers here and the exporters in America.

Dr. Rama Rao: The hon. Minister knows that Andhra in particular is finding it very difficult to dispose of its virginia tobacco and we are trying to sell it to the Soviet Union and China. In view of this, how does Government propose to dispose of these six million lbs. when we are not able to sell our own tobacco?

Shri Manubhai Shah: These factors have been taken into consideration in arriving at the agreement. The normal import of this superior type of virginia tobacco is essential for the very blending and disposal of our tobacco, about which the hon. Member is anxious. And that is why we have negotiated these imports.

Shri B. S. Murthy: May I know whether the virginia tobacco produced in Andhra is not of a high grade; and if it is, may I know why extra imports are made from America?

Shri Manubhai Shah: If the hon. Member refers to the export of virginia tobacco from this country he will find that 75 million lbs. are exported every year. In order to enable the production of certain varieties of special grade virginia tobacco, we are going to import only 2.5 million lbs. as against this figure of 75 million lbs.

Shri Raghavaiah: May I know whether Government is sure that the kind of superior quality of tobacco which Government says is used for the manufacture of high class cigarettes is not at all produced in India?

Shri Manubhai Shah: Yes, Sir, Government have verified this fact and therefore permitted these small imports.

Foreign Publicity

Mr. Speaker: Question No. 7.

The Deputy Minister of External Affairs (Shri Anil K. Chanda): The

answer is a long one, about a page in length. May I read it, Sir?

Mr. Speaker: I think it is about half a page only.

The Prime Minister and Minister of External Affairs and Defence (Shri Jawaharlal Nehru): It is more than half a page because there is something more on the back side of the sheet also.

Mr. Speaker: As there are not many questions today, the hon. Minister may read out the answer.

*7. **Shri Krishnacharya Joshi:** Will the Prime Minister be pleased to state:

(a) the steps Government have taken to intensify foreign publicity during 1956-57; and

(b) the amount spent on the same during that period?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) The needs of India's external publicity abroad are kept constantly under review and from time to time such steps are taken as, in the opinion of Government, would make it more effective.

Some of the important measures taken during the year 1956-57 are as follows:

(i) Two new publicity offices were opened at Belgrade and Damascus. A Publicity Assistant was added to our Mission in Jeddah also.

(ii) The existing Publicity Establishments at Djakarta, Kathmandu, Cairo, New York, Washington, Sydney and Karachi were further strengthened.

(iii) Mobile Cinema Vans were provided to our Missions in Accra, Bangkok, Colombo, Djakarta, Karachi, Lahore and Nairobi. The supply of vans to Sikkim and Dacca is also under way.

(iv) A large number of pamphlets and feature articles including special pamphlets in a number of foreign languages on Kashmir and Goa problems were prepared and supplied to our Missions abroad for wide distribution.

(v) Supply of suitable audio-visual publicity material such as films, photographs, gramophone records etc. was augmented.

(vi) A number of foreign journalists were afforded special facilities to tour the country and see things for themselves.

(vii) Special publicity was organised through all available media on the occasion of the 2500th birth anniversary of Lord Buddha.

(viii) Our Missions were encouraged to organise or participate in a number of fairs, festivals and exhibitions where Indian films were shown, cultural shows given and objects of Indian art and craft displayed.

(b) The extent of exact expenditure incurred on steps taken to 'intensify' our publicity activities during the year 1956-57 is not capable of being properly assessed. However, the total expenditure during the year is estimated at Rs. 96,69,000 against the actual expenditure of Rs. 72,83,210 during the year 1955-56.

Shri Krishnacharya Joshi: Is it not a fact that on account of insufficient foreign publicity, the Kashmir problem is not understood properly by foreign countries?

Shri Jawaharlal Nehru: That, Sir, is not a question of fact, but a question of opinion. There are many factors involved in people forming their opinion. It may be that in some cases the hon. Member may be right. It is not a question of inadequate or insufficient publicity. However, I can hardly answer such a question.

Shri D. C. Sharma: May I know the names of the countries from which foreign journalists were invited to this country and if their reactions to this country have been tabulated and have been found to be favourable?

Shri Jawaharlal Nehru: I have not got the list here, but people from quite a number of countries have come here. Some are regularly invited; some come on delegations; some come as individuals; some come on their own part; and some come as semi-tourists. I do not know what

the hon. Member means by tabulating their reactions. We do collect anything they write afterwards. If that is tabulation, naturally we have got it. But we have not got any psychologists or psychiatrists to tabulate their reactions.

Shrimati Ammu Swaminadhan: May I ask if Government is aware that our people who have gone to England and U.S.A. come back saying that our publicity in those countries is very inadequate, and is the Government taking any action, especially in those countries, from where so many of our people come back with this impression?

Shri Jawaharlal Nehru: Yes, the hon. Member is right; we are aware of that, and I am not prepared to say that there is no justification for that criticism. There is. Nevertheless, there are certain basic factors which have little relation with the normal media of publicity. One thing is that we conduct our publicity, I hope, trying to maintain some standards of decency and truth. Sometimes other parties maintain neither decency nor truth. Another factor is that the reaction to the publicity of a country in any other country is governed very considerably by the policy of that country and by the general attitude of the Press of that country, which has little relation with the facts of the case, either friendly or hostile. Its policy may not approve of something and that policy imposes itself on the people of that country through its Press, through its other organs, and then it becomes very difficult to counteract those basic elements merely by some pamphlets, books or speeches. The hon. Member may think that one has only to put the truth across for the world to accept it, but the question is not quite so simple as all that.

Shri Gidwani: May I know whether adequate steps have been taken to counteract the propaganda of Pakistan, particularly in U.S.A. and Britain?

Shri Jawaharlal Nehru: I have just answered that question. I do not think I can add anything to it. Naturally it is our desire to correct mis-

statements and to counteract wrong propaganda. The hon. Member referred to Kashmir. It is not merely a question of Kashmir but so many other things get allied to it. There is the Baghdad Pact; there is the SEATO, which brings it into another sphere of approach. Naturally we try to do it.

Shri Jaipal Singh: Does the figure given in part (b), that is the amount of about Rs. 96,00,000, include what has been spent on the goodwill missions that have gone abroad? If the answer is in the affirmative, I would like to know what the amount is.

Shri Anil K. Chanda: That figure does not include the expenditure on goodwill missions.

Shri N. M. Lingam: May I know if our Missions abroad suggested to the Government the need to expand the publicity that is required in every country, and if so, whether Government accept their programmes in full for making effective propaganda abroad?

Shri Jawaharlal Nehru: We receive naturally reports from our Missions abroad regularly, periodically, about the activities, including the activities on behalf of publicity, and the machinery to judge it is the Department or the Ministry which deals with it.

Shri Joachim Alva: Has Government got any dynamic programme by which able young men from journalism will be drafted into foreign publicity and also to upgrade those able holders who are already in the foreign publicity and also to give handsome allowances to those who are in foreign publicity?

Shri Jawaharlal Nehru: According to the rules, regulations and laws on the subject, we can only engage people through the Union Public Service Commission. We may occasionally appoint temporarily a person for a little while, but he has to get vetted and accepted by the Union Public Service Commission.

Registration of Handlooms

*8. **Shri S. V. Ramaswamy:** Will the Minister of Commerce and Industries be pleased to state:

(a) whether the registration of handlooms has been completed throughout India;

(b) if so, what is the total number; and

(c) whether sufficient time has been given for the registration of handlooms?

The Minister of Heavy Industries (Shri Manubhai Shah): (a) No, Sir.

(b) Does not arise.

(c) Yes, up to the 30th June, 1957.

Shri S. V. Ramaswamy: What is the figure obtained for the whole of India, and in particular, for Madras?

Shri Manubhai Shah: Rs. 8,90,760; for Madras, Rs. 4,32,603.

Shri S. V. Ramaswamy: Have representations been made to the effect that the time allowed is inadequate, that the facilities for registration are not satisfactory and that the registering authorities are not co-operative and sympathetic?

Shri Manubhai Shah: This is not a fact as borne out by the numbers already registered. The time has been extended twice, and the latest period given is upto the 30th June 1957. Regarding the registering authorities, the *mamlatdars* and *tehsildars* have been appointed by the Textile Commissioner to receive and consider the registration applications. So far, no complaints of that nature have been received about any impediments in registration.

Shri S. V. Ramaswamy: The normal machinery for getting the census figures and statistics, for instance, even for agricultural products, is to go down to the village officers like the village *munsiff* and *karnam*. I want to know why in this case it has been fixed at a higher level upto the grade of *tehsildar*. Is it not a fact that because we do not go down to the village officers the registration has suffered?

Shri Manubhai Shah: The presumption of the hon. Member is not quite correct. In this particular case, the co-operative societies are functioning mostly at the tehsil headquarters and also in some of the sub-headquarters. The facilities so far provided have been found to be quite adequate.

Shri B. S. Murthy: Is the hon. Minister aware that in certain quarters the handloom weavers are apprehensive of this system of registration? May I know what steps are being taken to allay this apprehension?

Shri Manubhai Shah: If the hon. Member looks at the order, it is more of a promotional order than of a penal order, and in order to give assistance to the handloom weavers, unless the Government knows the exact number of handlooms operating in each district, it is very difficult to reach every handloom weaver. The main purpose is to promote handloom weaving and help the handloom weavers.

Shri Raghavaiah: May I know whether the Government is aware of the fact that a large number of handlooms are working in the countryside and, as the hon. Minister has just now stated that the Government has not yet taken the co-operation of the village officers, whether, without this co-operation, this registration is not going to be a terrible failure?

Shri Manubhai Shah: The co-operation of the village officers is already implied. Only the registering authority is the tehsildar. The village officers are assisting the weavers to fill up the forms and bring them to the headquarters.

Shri Raghavaiah: May I know what sort of assistance the Government proposes to give to the weavers as a result of this registration?

Shri Manubhai Shah: The registration is primarily meant to get a census. The hon. Member knows that during the last three years about Rs. 11 crores had been given to these weavers by way of loans and grants and about Rs. 35 crores are provided for grants and loans to handlooms in the Second Plan.

Shri Ramachandra Reddi: May I know whether adequate steps have been taken to prevent the registration of bogus looms?

Shri Manubhai Shah: That is already implied in the law. Nobody can register bogus looms. The form is so detailed that full details of the loom, its type, the accessories, etc. have to be mentioned therein.

सेठ अब्दुल सिह: क्या माननीय मंत्री यह बतलाने की कृपा करेंगे कि उत्तर प्रदेश में अब तक कितने हैंडलूम्स रजिस्टर्ड हुए हैं?

श्री मनुभाई शाह: उत्तर प्रदेश में अभी तक कुल २ लाख २१ हजार ७६ हैंडलूम्स रजिस्टर्ड हुए हैं।

Mr. Speaker: May I suggest to the hon. Minister that a detailed statement may be laid on the Table of the House for the information of the hon. Members?

Shri S. C. Samanta: May I know what steps have been taken to allay the fear in the minds of the weavers that taxes will be imposed on them if the registration is made?

Shri Manubhai Shah: In the Press note we have made it clear repeatedly that this is only a census. No question of tax is involved in this.

Shri S. C. Deb: From these registration figures, can it be ascertained as to what percentage of the looms remains idle and has the Government any scheme to rehabilitate them?

Shri Manubhai Shah: The precise reason of this order was to see that the Government came to know as to the number of idle looms. As a result of this registration, Government is very hopeful to know the exact number of looms functioning in the country and the manner in which it could help them to the utmost.

Shri S. V. Ramaswamy: Is the Government aware that these weavers live in remote places, at the foot of the hills and on hill-tops and that information has not reached them. If so, would the Government consider the possibility of extending the time to give wider publicity?

Shri Manubhai Shah: As far as the Government is aware, information has reached them. But, I would ask for the co-operation of the hon. Members also in reaching them. We have given them adequate time already.

Shrimati Jayashri: May I know whether it includes those which weave khadi also?

Shri Manubhai Shah: We have made no distinction whether they work on silk or hand-spun yarn or art silk.

Coal Prices

Dr. Rama Rao: Since, we have plenty of time, may I request you to permit questions 3 and 6 also being answered?

Mr. Speaker: Yes.

*3. **Shri H. N. Mukerjee:** Will the Minister of Production be pleased to state:

(a) whether a deputation of colliery owners approached him lately for an upward revision of coal prices; and

(b) if so, whether Government contemplate a second increase in coal prices in the course of a year?

The Deputy Minister of Production (Shri Satish Chandra): (a) A deputation of colliery owners met the Officers of the Ministry recently, to represent their case for an upward revision of coal prices, subsequent to the decision of the Labour Appellate Tribunal in the Colliery disputes.

(b) The Colliery Associations have been granted Special Leave by the Supreme Court to appeal against the Appellate Tribunal's Award and the Court has also granted an *ad interim* stay of operation of the Appellate Tribunal's decision. Any decision regarding the revision of prices will have to await the judgment of the Supreme Court.

Shri K. K. Basu: May I know whether the Tribunal, before giving a decision, took into consideration the existing price and the rate of profit earned by the coal mine owners? What factors weighed with the Government to revise the decision based

on the findings of the Appellate Tribunal and to enhance the rate?

Shri Satish Chandra: The Tribunal has not calculated the cost of production in the collieries; it has depended upon the statements made before it. In fact, the Tribunal has said that a decision will have to be taken on the basis of investigations to be carried on by proper authorities. The wage increase that was proposed to be given, but could not be given due to the Supreme Court's intervention, was based on several factors.

Shri K. K. Basu: Is it not true that both the parties placed all the facts before the Tribunal and that it came to a decision after verifying the facts submitted by them?

Shri Satish Chandra: The original Tribunal did go into these matters in greater detail but the Appellate Tribunal only heard arguments in appeal. It has said that this matter is for investigation by proper authorities.

Shri Sadhan Gupta: May I know whether the revision, the enhancement of prices has already been permitted or whether the enhancement will be permitted, if at all, after the decision of the Supreme Court?

Shri Satish Chandra: The prices were enhanced a few months ago after the original Tribunal gave its award. As far as the present Award is concerned, the price enhancement has not been announced so far.

Shrimati Tarkeshwari Sinha: The hon. Minister replied that there was no difference in the prices. Still, there is a big difference in the costs of production. The Government is always incurring losses. May I know whether the Government will take some steps to see that this continuous loss is stopped?

Shri Satish Chandra: The wage factor in the cost of production has become uniform as a result of the award of the original Tribunal. The wage structure is now the same in all the collieries—State-owned or private.

Shri Sadhan Gupta: May I know whether any investigation has been

made as to the effect of this increase on the products of other industries, particularly essential industries like steel, cement, etc.? If so, what would be the effect on the cost of production in those industries?

Shri Satish Chandra: Obviously, there would be some effect on the cost of production in other industries but it is not likely to be a very large. This matter may have to be investigated for each industry.

Shri K. K. Basu: In determining the proposed enhancement of the coal prices, is it the intention of the Government to keep the profits of the coal mines at the existing levels or will they be changed, if necessary?

Shri Satish Chandra: The profits of the coal mines have nothing to do with this. This will only be an increase to meet the expenditure on additional wages and additional facilities to be given to the workers. In fact, while giving effect to the original award, the price increase was limited to the extent that industry could pay out of its high profits in certain regions.

राजमाता कमलेन्दुमति शाह : क्या मैं जान सकती हूँ कि इन कोल माइन्स वर्कर्स का प्राविडेंट फंड भी मिलता है ?

श्री सतीशचन्द्र : जी हाँ, मिलता है ।

Indian Labour Conference

*6. **Shri T. B. Vittal Rao:** Will the Minister of Labour be pleased to state:

(a) the reasons for the delay in convening the 15th Session of Indian Labour Conference;

(b) when the same is likely to be held;

(c) whether the subjects for discussion at the conference have since been finalised; and

(d) if so, what are the subjects?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). Ordinarily a session of the Indian Labour Conference would have been held towards the end of 1956 but the pre-occupation of many State Governments with re-organisation and with elections made that unsuitable. It is pro-

posed to hold a meeting as soon as the new Ministries have been installed in the States.

(c) Not yet.

(d) The question does not arise.

Labour Welfare (Manganese Workers)

*9. **Shri T. B. Vittal Rao:** Will the Minister of Labour be pleased to state:

(a) when the Labour Welfare Organisation, on the lines for workers in coal mines, will be set up for the labour employed in the manganese mines;

(b) whether any legislation is proposed to be undertaken for this purpose; and

(c) if so, the reasons for the delay?

The Deputy Minister of Labour (Shri Abid Ali): (a) to (c). The Organisation will be set up after the necessary legislation is enacted. The proposals for legislation are being finalised.

WRITTEN ANSWER TO QUESTION N.E.F.A.

1. **Shri Krishnacharya Joshi:** Will the Prime Minister be pleased to state:

(a) the development works undertaken in North East Frontier Agency area during 1956; and

(b) the amount spent during the same period?

The Prime Minister and Minister of External Affairs and Defence (Shri Jawaharlal Nehru): (a) During 1956 development works undertaken in North East Frontier Agency covered the following fields:

(i) Engineering.

(ii) Agriculture and Animal Husbandary.

(iii) Forestry.

(iv) Community Development and National Extension Service.

(v) Medical and Public Health.

(vi) Education.

(vii) Cottage Industries.

(viii) Research.

(ix) Publicity.

(b) The total amount spent during the same period on these items is about Rs. 35.36 lakhs.

DAILY DIGEST

[Tuesday, 19th March, 1957]

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LOK SABHA DEBATES

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LOK SABHA

Tuesday, 19th March, 1957

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-30 hrs.

DEATH OF SHRI P. S. KUMARASWAMI RAJA

Mr. Speaker: I have to inform the House of the sad demise of Shri P. S. Kumaraswami Raja who died on the 15th March, 1957 in Madras due to heart attack. He was a Member of the old Central Legislative Assembly.

The House will join with me in conveying our condolence to his family. The House may kindly stand in silence for a minute to express its sorrow.

The Members then stood in silence for a minute.

PAPERS LAID ON THE TABLE

FOREIGNERS (EXEMPTION) ORDER, 1957

The Minister of Home Affairs (Pandit G. B. Pant): I beg to lay on the Table, under sub-section (2) of section 3A of the Foreigners Act, 1946, a copy of the Foreigners (Exemption) Order, 1957, published in the Notification No. S.R.O. 270, dated the 19th January, 1957.

[Placed in Library. See No. S-19/57]

FINANCIAL AGREEMENT BETWEEN THE GOVERNMENTS OF INDIA AND BURMA

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to lay on the Table a

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copy of the Financial Agreement between the Government of India and the Government of the Union of Burma.

[Placed in Library. See No. S-20/57]

NOTIFICATIONS RE: AMENDMENTS TO REPRESENTATION OF THE PEOPLE (CONDUCT OF ELECTIONS AND ELECTION PETITIONS) RULES

The Minister of Law and Minority Affairs (Shri Biswas): I beg to relay on the Table, under sub-section (3) of section 169 of the Representation of the People Act, 1951, a copy of each of the following Notifications making certain amendments to the Representation of the People (Conduct of Elections and Election Petitions) Rules, 1956:—

- (1) Notification No., S.R.O. 2719 dated the 16th November, 1956.

[Placed in Library, See No. S-487/56]

- (2) Notification No. S.R.O. 3668, dated the 14th December, 1956.

[Placed in Library. See No. S-572/56]

I also beg to lay on the Table, under sub-section (3) of section 169 of the Representation of the People Act, 1951, a copy of the Notification No. S.R.O. 412, dated the 4th February, 1957, making certain further amendments to the Representation of the People (Conduct of Elections and Election Petitions) Rule, 1956.

[Placed in Library. See No. S-21/57]

NOTIFICATION RE: AMENDMENT TO REPRESENTATION OF THE PEOPLE (PREPARATION OF ELECTORAL ROLLS) RULES

Shri Biswas: I beg to lay on the Table, under sub-section (3) of section 28 of the Representation of the People Act, 1950, a copy of the Notification No. S.R.O. 140, dated the 10th

[Shri Biswas]

January, 1957, making certain amendment to the Representation of the People (Preparation of Electoral Rolls) Rules, 1956.

[Placed in Library. See No. S-22/57]

NOTIFICATION RE: AMENDMENTS TO AIR CORPORATIONS RULES

The Minister of Legal Affairs and Civil Aviation (Shri Pataskar): I beg to lay on the Table, under sub-section (3) of Section 44 of the Air Corporation Act, 1953, a copy of the Notification No. 7-CA(8)/55, dated the 19th February, 1957, making certain amendments to the Air Corporations Rules, 1955.

[Placed in Library. See No. S-23/57]

ANNUAL REPORT OF AIR-INDIA INTERNATIONAL CORPORATION

Shri Pataskar: I beg to lay on the Table a copy of the Annual Report of the Air-India International Corporation for the year 1955-56 under sub-section (2) of Section 37 of the Air Corporations Act, 1953.

[Placed in Library. See No. S-24/57]

ANNUAL REPORT OF REHABILITATION HOUSING CORPORATION

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): On behalf of Shri Mehr Chand Khanna, I beg to lay on the Table a copy of the Annual Report of the Rehabilitation Housing Corporation Limited for the year ended 31st December, 1955, under sub-section (1) of Section 639 of the Companies Act, 1956.

[Placed in Library. See No. S-25/57]

NOTIFICATIONS RE: AMENDMENTS TO DISPLACED PERSONS (COMPENSATION AND REHABILITATION) RULES

Shri J. K. Bhonsle: On behalf of Shri Mehr Chand Khanna, I beg to lay on the Table, under sub-section (3) of Section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954, a copy each of the following Notifications, making certain further amendments to the Dis-

placed Persons (Compensation and Rehabilitation) Rules, 1955:—

- (1) Notification No. S.R.O. 300/R. Amdt. XI, dated the 15th January, 1957.
- (2) Notification No. S.R.O. 382/R. Amdt. XII, dated the 21st January, 1957.
- (3) Notification No. S.R.O. 434/R. Amdt. XIII, dated the 31st January, 1957.

[Placed in Library. See No. S-26/57]

NOTIFICATION RE: AMENDMENTS TO ADMINISTRATION OF EVACUEE PROPERTY (CENTRAL) RULES

Shri J. K. Bhonsle: On behalf of Shri Mehr Chand Khanna, I beg to lay on the Table, under sub-section (4) of Section 56 of the Administration of Evacuee Property Act, 1950, a copy of the Notification No. S.R.O. 667, dated the 20th February, 1957, making certain amendments to the Administration of Evacuee Property (Central) Rules, 1950.

[Placed in Library. See No. S-27/57]

HALF-YEARLY REPORT OF COIR BOARD

The Minister of Heavy Industries (Shri Manubhal Shah): On behalf of Shri Kanungo, I beg to lay on the Table, under sub-section (1) of Section 19 of the Coir Industry Act, 1953, a copy of the half-yearly Report on the activities of the Coir Board for the period from 1st April 1956 to 30th September, 1956.

[Placed in Library. See No. S-28/57]

REPORT OF PLANTATION INQUIRY COMMISSION ON RUBBER INDUSTRY

Shri Manubhal Shah: On behalf of Shri Kanungo, I beg to lay on the Table a copy of the Report of the Plantation Inquiry Commission on the Rubber Industry together with the minute of dissent of late Shri K. G. Sivaswamy and Annexures and Appendices.

[Placed in Library. See No. S-29/57]

**NOTIFICATIONS RE: AMENDMENTS TO
COFFEE RULES**

Shri Manubhai Shah: On behalf of Shri Kanungo, I beg to lay on the Table, under sub-section (3) of Section 48 of the Coffee Act, 1942, a copy of each of the following Notifications, making certain further amendments to the Coffee Rules, 1955:—

- (1) Notification No. 15(2) Plant/B/56, dated the 18th January, 1957.
- (2) Notification No. 15(10) Plant/B/56, dated the 18th February, 1957.

[Placed in Library. See No. S-30/57]

**NOTIFICATIONS ISSUED UNDER ESSENTIAL
COMMODITIES ACT**

Shri Manubhai Shah: On behalf of Shri Kanungo, I beg to lay on the Table, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955, a copy of each of the following Notifications:—

- (1) Notification No. S.R.O. 1675, dated the 18th July, 1956.
- (2) Notification No. S.R.O. 1885, dated the 23rd August, 1956.
- (3) Notification No. S.R.O. 2403, dated the 19th October, 1956.
- (4) Notification No. S.R.O. 3151, dated the 19th December, 1956.

[Placed in Library. See No. S-31/57]

I also lay on the Table a copy of S.R.O. No. 3152, dated the 19th December, 1956.

[Placed in Library. See No. S-31/57]

REPORT OF TARIFF COMMISSION

Shri Manubhai Shah: I beg to lay on the Table, a copy of each of the following papers, under sub-section (2) of section 16 of the Tariff Commission Act, 1951:—

- (1) Report (1956) of the Tariff Commission on the Automobile Industry.

- (2) Government Resolution No. 21(4)-TB/56, dated the 23rd January, 1957.

[Placed in Library. See No. S-32/57]

**NOTIFICATION RE: AMENDMENTS TO
REGISTRATION AND LICENSING OF
INDUSTRIAL UNDERTAKINGS RULES**

Shri Manubhai Shah: I beg to lay on the Table, under sub-section (4) of Section 30 of the Industries (Development and Regulation) Act, 1951, a copy of the Notification No. S.R.O. 691-IDRA/30/1/57, dated the 1st March, 1957, making certain amendments to the Registration and Licensing of Industrial undertakings Rules, 1952.

[Placed in Library. See No. S-33/57]

ESTIMATES COMMITTEE

**FORTY-FOURTH AND FORTY-FIFTH
REPORTS**

Shri B. G. Mehta (Gohilwad): I beg to present the following Reports of the Estimates Committee:—

- (1) Forty-fourth Report on the action taken by Government on the recommendations contained in the Fourth Report of the Committee.
- (2) Forty-fifth Report on the Ministry of Community Development (Community Projects Administration) Part IV.

I may inform the House in this connection that the Forty-fifth Report has been published and circulated during the inter-session period under Rule 379 of the Rules of Procedure and Conduct of Business in the House of the People.

RESIGNATION OF A MEMBER

Mr. Speaker: I have to inform the House that Shri Udai Shankar Dube has resigned his seat in Lok Sabha with effect from the 18th March, 1957.

RAILWAY BUDGET, 1957-58

The Minister of Railways and Transport (Shri Jagjivan Ram):

Mr. Speaker, Sir, I rise to place before the House the annual financial statement in respect of Railways, showing the estimated receipts and expenditure for the year 1957-58.

As the hon. Members are aware, the voting of the Demands for Grants for the whole year 1957-58 is being left to the new Parliament which will shortly be inaugurated. I propose to ask this House only to vote such supplies as may be necessary for meeting the estimated expenditure for the first five months of the coming financial year. The annual financial statement gives, however, the estimates for the whole year, to facilitate the grant of supplies for the first five months. Following the precedent in 1952-53, a White Paper is being circulated with the budget documents, in which most of the subjects normally mentioned in the budget speech have been dealt with. It is, therefore, not necessary for me to deliver any long speech on this occasion and I propose to touch upon only a few important points bearing on the finances of the Railways and their operation and administration.

I shall first deal with the financial position of the Railways. In the year 1955-56, which is the latest year for which completed accounts are available, the actual surplus was Rs. 14.22 crores against Rs. 9.58 crores anticipated in the revised estimate. This improvement in the surplus was due to the receipts being Rs. 2.19 crores higher and the expenditure Rs. 2.45 crores lower than the anticipations in the revised budget. The additional surplus earned has been credited to the Development Fund.

In the current year, the revised estimates of gross traffic receipts have been placed at Rs. 5 crores more than the budget, this increase being primarily due to higher earnings from passenger traffic. Under working expenses, there is a net increase, com-

pared to the budget, of Rs. 5.04 crores, due chiefly to the increase in the statutory prices of coal and in building materials and labour rates etc., not anticipated at the time of the budget. This increase has partly been covered already by supplementary demands voted by the House in the December session, and as regards the balance, fresh supplementary demands will shortly be presented by me for the consideration of the House. The dividend payable to general revenues is Rs. 1.98 crores less than the budget, and this, along with other minor variations, has resulted in an increase in the surplus of about Rs. 4 crores. It is proposed to credit this extra amount to the Development Fund.

Turning now to the estimates of the coming year, the total gross traffic receipts have been placed at Rs. 368.5 crores, on the basis of the present level of fares and freight, including the 6½ per cent. supplementary charge on parcels and goods. In framing this estimate an increase of three per cent. in passenger traffic and five per cent. in goods traffic over the current year has been assumed in the light of the present trends and future anticipations. The working expenses are expected to increase over those of the current year by Rs. 14.82 crores, of which Rs. 4.6 crore are due to the increased cost of operation reflecting the anticipated increase in passenger services and goods traffic, about Rs. 3.32 crores due to more repairs to rolling stock and the balance mainly on account of additional expenditure on staff, which includes a provision of Rs. 2.20 crores for the payments, with retrospective effect from 1st April, 1956, arising from the readjustment of cadres for certain categories of staff, which was recently announced by me. Under miscellaneous expenditure, an increase of about Rs. 3 crores is expected, mainly on open line works chargeable to revenue. The dividend to general revenues is expected next year to be Rs. 43.8 crores, against Rs. 37.62 crores in the current year. The surplus will come to about Rs. 21.45

crores which is proposed to be credited entirely to the Development Fund.

I would like to tell the hon. Members that the earnings estimate taken in the financial statement for the next year is only tentative. As they are aware, the question of reviewing the freight structure of the Indian Railways was remitted in July, 1955 to a High Level Committee which includes two Members of the House, and it is expected that they will finalise their recommendations and submit their report shortly. It is the intention of the Government to consider and implement the recommendations as far as practicable within the next financial year and this, as the hon. Members will appreciate, may affect the earnings estimate which has now been incorporated in the budget for the next year. The extent to which the level of rates of different commodities will be modified by the recommendations of the Committee and to what extent the earnings estimate will be affected thereby cannot obviously be anticipated at present. It is hoped, however, that when the budget is presented again in the new House, it would be possible to give an indication of the recommendations of the Committee and the effect of the implementation of those recommendations.

Turning now to the Works, Rolling Stock and Machinery budget, the railways expect to spend Rs. 178 crores in the current year against Rs. 193 crores originally provided, or a shortfall of Rs. 15 crores. The shortfall on the works expenditure is of the order of about Rs. 12 crores, which would have been much more but for the inclusion of certain new items in the revised estimate for the current year, such as the additional payments to TELCO in the current year amounting to about Rs. 3½ crores. This year has been one of constant anxiety due to acute shortage in the availability of essential materials like steel, cement, track materials, etc. The next year's budget for works, rolling stock and machinery has been fixed at Rs. 218 crores which provides for all new lines and

important line capacity works required for carrying the additional traffic connected with the increased production of steel and coal. The extent to which the works programme for next year can be carried out will again depend a great deal on the timely availability of critical materials in sufficient quantities. This is a vital question for railways, and the Railway Board, in conjunction with the other Ministries concerned, are considering measures for improving the procurement of rails, sleepers, etc., and, while certain steps have already been taken to economise on the use of steel, cement, etc., further investigations are going on in this direction as also on the use of alternatives, where possible and economical.

I would invite the attention of hon. Members to the introductory note to the White Paper which brings out in a concise manner the achievements of the railways in the First Five Year Plan and the progress already made in the implementation of the second Plan. The second Plan provides for the construction of about 842 miles of new lines at a cost of Rs. 66 crores, which would involve the construction of a number of bridges. In addition, there is a separate provision of Rs. 15 crores for the construction of new major bridges. There is also the provision of about Rs. 350 crores for rehabilitation, of which Rs. 118 crores are for rehabilitation of track and bridges. With this substantial provision in the Plan for rehabilitation of existing bridges and construction of new bridges, it is essential that in executing these works, the fullest advantage is taken of the latest achievements in the science of hydrology. Indian Railways have to their credit pioneer works in the field of hydraulic engineering specially in the branch of hydrology concerned with the determination of waterways in the design of bridges and of river training and control. This branch of the science, as many others, has progressively advanced and a considerable amount of information and data has now accumulated in various regions

[Shri Jagjivan Ram]

of the country. Lately, a number of big river valley projects have also been undertaken all over India, which also would have a bearing on the subject. The time has, therefore, been considered opportune to collect and compile all the knowledge now available in the science of water engineering and hydrology and make it available to railway engineers engaged in the task of bridge construction and bridge rehabilitation as envisaged in the Plan. The Ministry of Railways have, therefore, appointed a high level committee of engineers with Dr. A. N. Khosla, ex-Chairman of the Central Water and Power Commission and now Vice-Chancellor of Roorkee University, as Chairman, in order to prescribe appropriate designs and formulae for waterways and other instructions for the upkeep of bridge structures, protection works, etc.

In the White Paper mention has been made of our endeavours for attaining some degree of self-sufficiency in the production of the railways' requirements in the country. As the designs for these are constantly improving and no self-sufficiency can be achieved without a proper technological background, there was need to further strengthen the present research, design and standardization organisation and I am taking suitable steps to do so.

In the sphere of railway operation in the current year, one satisfactory feature is the increase of about ten per cent. in the originating tonnage handled by railways over the last year and the relatively free movement of traffic all over the country, particularly through most of the break-of-gauge transshipment points at Moghal Sarai, details of which have been given in the White Paper. Equally heartening is the improvement in the utilisation of rolling stock particularly wagons. There has been a steady increase in passenger and goods train miles and net ton miles per wagon per day on the broad gauge

have increased to the record figure of 541, never attained before in the country.

I am glad to be able to say that staff relations have generally been satisfactory during the year. Matters of interest relating to the staff have been detailed in the White Paper, and I need not repeat them here. There is one subject, however, which I should like to mention. It has been noticed that in the matter of promotion of Class IV employees to higher classes, the present rules are rather restrictive and for certain categories there is no avenue of promotion at all. I shall have this matter examined to see how the opportunities for advancement could be improved for these employees, consistent with efficiency.

Before concluding, I wish to record my appreciation of the assistance and co-operation I have received even during the short period that I have been in charge of this Ministry from all railwaymen. The responsibility which has devolved on them under the impact of the Five Year Plans is enormous, but I am confident that they will rise equal to the task set before them.

Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareli Distt.—East): May I know if Volumes I and II of the Railway Code will be supplied to us?

Shri Jagjivan Ram: I will look into the matter.

STATEMENT REGARDING SUPPLEMENTARY DEMANDS FOR GRANTS FOR 1956-57.

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1956-57.

STATEMENT REGARDING DEMANDS FOR EXCESS GRANTS FOR 1952-53

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to present a statement showing Demands for Excess Grants in respect of the Budget (General) for 1952-53.

STATEMENT OF EXPENDITURE FROM THE CONSOLIDATED FUND OF KERALA STATE

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I beg to present the Statement of Estimated Receipts and Expenditure of the State of Kerala for the last five months of the year 1956-57.

Section 70 of the States Reorganisation Act, 1956, permitted the Governor to authorise the expenditure from the Consolidated Fund of every new State for the last five months of the current year. Although the Act did not expressly provide for the regularisation of this expenditure by the State Legislature, it was considered desirable that the expenditure authorised under that section should be approved by the legislature. The powers of the Legislature of Kerala are exercisable by and under the authority of Parliament by virtue of the Proclamation issued by the President on the 1st November, 1956. These estimates are accordingly being brought before the Parliament.

As the hon. Members would have an opportunity to examine the budget of the Kerala State for the year 1957-58, which is to be presented to the Parliament shortly, I do not propose to deal at length with the estimates for the current year. The revenue receipts for this period are estimated at Rs. 13.04 crores and the revenue expenditure at Rs. 13.74 crores, leading to a revenue deficit of Rs. 70 lakhs. In addition, the estimates include Rs. 8.23 crores for capital ex-

penditure, Rs. 1.31 crores as net payments of loans and advances by the State Government and Rs. 18 lakhs for repayment of the permanent debt. Of the capital expenditure, the main items are, irrigation Rs. 1.45 crores, industrial development Rs. 69 lakhs, civil works Rs. 3.17 crores and electricity schemes Rs. 2.53 crores.

These estimates include Rs. 13.84 crores for schemes included in the second Five Year Plan, representing the target envisaged for the first year of the Plan. This has been assessed for the residuary area of the former Travancore-Cochin State, on the basis of the original budget estimates of that State and similarly, for the Malabar district, on the basis of the estimates for that district in the budget estimates of the Madras State.

The total requirements of the State are thus estimated at Rs. 10.42 crores, which are proposed to be met by loans from the Centre Rs. 3.77 crores, sale of State holdings of Government securities Rs. 2 crores, running down of the State cash balance Rs. 2.55 crores and the balance of Rs. 2.1 crores from the net receipts under "Other Debt and Remittance Heads".

The amounts of expenditure, both on revenue and on capital account, as also of disbursements of loans, for which a vote is being sought, are those authorised under the States Reorganisation Act. The final results of the year are likely to show some savings which will help to improve the State's budgetary position for 1957-58.

STATEMENT REGARDING SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS) FOR 1956-57

The Minister of Railways and Transport (Shri Jagjivan Ram): I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1956-57.

SEA CUSTOMS (AMENDMENT)
BILL

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): I beg to move:

"That the Bill further to amend the Sea Customs Act, 1878, be taken into consideration."

This is a simple measure and is consequential to the President's Proclamation early last year extending our territorial waters to six nautical miles. The House is aware that every maritime State has what is called a "territorial sea" over which it can exercise sovereignty as complete as on its land territory. In some countries, this territorial sea extends to three nautical miles from the coast-line; in others, it extends to six nautical miles, which is the maximum width of the territorial sea recognised by international law. In this country, until some time ago, we have been assuming that our territorial sea had only a three-mile width, but on further examination, we came to the conclusion that we could, and should, claim the maximum of six nautical miles for our territorial waters. Hence the President's Proclamation was issued early last year.

According to international law and practice, certain limited powers on customs, fiscal, immigration and sanitary matters can be exercised by a maritime State even beyond its territorial waters, in the so-called 'contiguous zone'. This zone may extend up to a distance of six nautical miles measured beyond the outer limit of the territorial waters, that is to say, up to a distance of twelve miles from the sea coast. For this, however, a specific law is necessary, and that is why we have brought forward this piece of legislation before the House. Hon. Members would observe that we have, for the time being, confined our proposals only to our customs needs; should the necessity arise in course of time to extend a similar control over the contiguous zone with reference to our immigration and sanitary regulations, we shall come again to the

House and ask for the requisite powers. Meanwhile our customs needs are urgent and the provisions of the present Bill, which has been framed on the model of customs legislation in other countries, will assist us in checking smuggling.

Mr. Speaker: The question is:

"That the Bill further to amend the Sea Customs Act, 1878, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3.—(Insertion of new Chapter VIA)

Amendment made:

Page 1, line 11—

omit the word "section" appearing for the second time.

[Shri T. T. Krishnamachari]

Mr. Speaker: The question is:

"That clause 3, as amended, stand part of the Bill".

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clauses 4 to 7 were added to the Bill.

Clause 1.—(Short title)

Amendment made:

Page 1, line 4, for "1956" substitute "1957".

[Shri T. T. Krishnamachari]

Mr. Speaker: The question is:

"That clause 1, as amended, stand part of the Bill".

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1, for "Seventh Year" substitute "Eighth Year".

[Shri T. T. Krishnamachari]

Mr. Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

Mr. Speaker: The question is:

"That the Title stand part of the Bill."

The motion was adopted.

The Title was added to the Bill.

Shri A. C. Guha: I beg to move:

"That the Bill, as amended, be passed."

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

FOREIGNERS LAWS (AMENDMENT) BILL

The Minister of Home Affairs (Pandit G. B. Pant): Sir, I move:

"That the Bill further to amend the Foreigners Act, 1946, and the Registration of Foreigners Act, 1939, be taken into consideration."

This is a very simple measure. This Bill was introduced in this House in November last but owing to the pressure of other business, it could not be taken up and it dealt with a matter of some importance, and the situation called for urgent and immediate action. So an Ordinance embodying the provisions of this Bill was issued on the 19th of January. Now, I have the privilege of moving for the consideration of this Bill. The Foreigners Act was passed a long time ago. It dealt with the conditions as they existed before the advent of Independence. It became an anachronism thereafter. We were, however, not able to amend it as we had no citizenship law of our own. Last year, this House passed the Citizenship Act, and this Bill is almost a corollary to that Act. In the olden days, the definition of a 'foreigner' as

a citizen was governed by the conditions as then prevailed, and it was the Imperial aspect of the question which regulated the definition of a foreigner as well as of a citizen of India. Now, we have amended the definition with the result that all persons who are not citizens of India will be brought within the scope of a foreigner under this amending Bill. At the same time, we have taken power to exempt any of the Commonwealth countries from the operation of this Act. There is associated with it also the Foreigners Registration Act and an amendment will be made in that Act too.

A notification has been issued exempting some of the Commonwealth countries from this definition of foreigners, but even there we have the authority to apply the Act to any individual who may belong to any of the exempted countries even.

The need for this Act arose, as I said, because of our having no real definition of an Indian citizen, so long as we were under foreign rule.

Now, everyone who is a citizen of our country enjoys a distinct status, and others who do not share that status are rightly to be regarded as foreigners, but apart from that there are certain difficulties which had to be faced especially by the State Governments within the borders of their respective States. Some of the people who came to India either with passports or via or with permits from Pakistan and the neighbouring States could not be dealt with effectively. Similarly those who had been staying here without any such passports or visas could not be brought under the operation of any law, and we had no power to send them back in a really effective way.

These orders were passed, but they were not executed and we could not proceed against them. So there were many difficulties. We could not issue orders restricting their movement, or ask the State Governments to take such other precautions as we might have considered necessary. Now,

[Pandit G. B. Pant.]

this amending Bill will enable us to deal with all such situations in an effective way. I do not think it is necessary for me to take more time of the House; as I stated at the outset, it is a non-controversial measure....

Shri K. K. Basu (Diamond Harbour): May I know the names of the Commonwealth countries which have been exempted as stated earlier by the hon. Minister?

Pandit G. B. Pant: A notification has been issued, but I will give you the names, if you like. In a way, I may say that Commonwealth countries other than Pakistan and South Africa have been exempted.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Foreigners Act, 1946, and the Registration of Foreigners Act, 1939, be taken into consideration."

Shri K. K. Basu: Mr. Speaker, Sir when the hon. Minister introduced the Bill, he tried to explain it away as a very non-controversial piece of legislation and that it is made on the lines of the Ordinances that have been issued in the month of January. I remember that when we were discussing the Citizenship Act, it was more or less the unanimous opinion of the House that along with the Commonwealth countries, if any special exemption is to be given, certain friendly neighbouring countries like Ceylon, Burma, and Nepal should be put in the same category. Unfortunately, however, in this case, under this proposed legislation, under clause 4, new section 3A (1)(b) "any other individual foreigner or class or description of foreigner" might be put under the accepted category. As I said the Notification is only restricted to Commonwealth countries other than South Africa and Pakistan. We would have very much wished that if such exemption is to be given, it should have been extended to Ceylon, Burma and Nepal which are friendly, neighbouring countries of India. I do not understand why the special exemptions have been given

to most of the countries, because though we are one of the Commonwealth countries.....'

Mr. Speaker: Is not Ceylon a Commonwealth country?

Shri K. K. Basu: Burma and Nepal also. The special exemptions are given in respect of the Commonwealth countries. We do not really know what the reasons are behind these exemptions, because we know that in spite of our being a Member of the Commonwealth, there have been occasions, and particularly in recent times, when our relations have been rather strained. We would rather wish that in view of our expanding international good relations we should put those countries in the accepted categories, whether they belong to the Commonwealth or not, because they are very friendly to us and their behaviour in our international relationship is not inimical to the interests of India. Unfortunately, our Government seems to be under the influence of Commonwealthphobia and therefore, they have made special exemptions in respect of the Commonwealth countries.

One very important point I would like to raise, because the Home Minister said that Pakistan has not been put in the exempted category. Of course, we know fully well that, in recent times, because of certain incidents, our relations with Pakistan are not very much friendly. But, there are difficulties if you take a practical point of view. I can say from personal experience, in our part of the country, there are large numbers of people who originally, or even today, belong to that part of Bengal which has gone to Pakistan and who have been working in many of the institutions, especially, sea transport, river transport, tramways and other essential services in Calcutta. I have known cases where they have been working for years even before the country was divided into India and Pakistan. Possibly at the time of the communal frenzies, some of them

might have gone back to their village homes. They have again come back and are working here. Under the old system, they have been granted visas or some other documents under which they come here. As you will appreciate, they are very poor people who have been working here in the tramways or water transport and other essential services for many years. Now, they are asked to go back to Pakistan and then come back with the necessary documents and try for a job. Apart from the fact that on account of a large exodus of these people from India to Pakistan, essential transport services are likely to be jeopardised and affected, we feel that for these people who have been working here for a number of years, there should be some special rules by which they can be exempted. If they possess certain documents or if they show from the records that they have been working in our sea transport, etc., for a number of years, they should not be asked to go back to Pakistan. I know in recent times there was a good deal of row about it and a large number of persons were asked by the local authorities to go back to Pakistan. It was said that they should not continue in service either in the tramways or other services which they manned in Calcutta. As Pakistan has not been put in the exempted category, possibly because of the recent relationship, as they might try to argue, we feel that a realistic and pragmatic view of things should be taken. In view of the fact that a large number of people who have their village homes in East Pakistan, live most of their time in Calcutta, in the industrial areas, and they have been working there if not for generations, at least for a number of years, some sort of special exemption rules should be provided so that they may not be put to difficulties. The local authorities or the police authorities should not ask them to go back to Pakistan and lose their jobs. The Minister said that this is a simple piece of legislation. But, when they have tried to put the Britishers and others in the exempted categories because, the Min-

ister might argue, many of them come here to work in British business houses, which they own, however much we may dislike, we would urge that these are absolutely poor workmen and some special provision should be devised so that they are not put to any difficulty by being asked to go back to Pakistan leaving their jobs and then come back and try for jobs, thereby depriving them of whatever means of livelihood that they have. I hope the Minister will take into consideration this aspect and make the necessary amendments when the time comes.

Shri Mohiuddin (Hyderabad City): Sir, I fully support the amendment of Foreigners Laws as proposed by the hon. Home Minister. I agree that in the circumstances that now prevail, the exemption that has been given to certain countries by notification is in conformity with the present conditions. Pakistan and South Africa have not been exempted. In the present circumstances, it is desirable that we should take steps to safeguard the national interests of the country and it is in general conformity with national interests that Government have taken these steps. The law as will be passed will be in the general interests of the country, no doubt. But, in actually implementing the law, we have to take into consideration certain human factors. I am sure the hon. Home Minister will issue instructions that these human factors must be taken and should be taken into consideration. I know of certain cases and I have brought certain cases to the notice of the hon. Home Minister. I have found they are very hard cases. Unless the human sympathy is there, it will cause great hardship and misery to some people, especially women. I know of some cases where a person had migrated to Pakistan. He either died there or has divorced his wife. The wife has no relatives in any part of Pakistan. It is but natural that she should come back to India. Under the present law, she can come back to India only if her case is judged, examined and decided in full sympathy.

[Shri Mohiuddin]

with the circumstances that are prevailing. I shall not support any case in which there may be suspicion, there may be a case for doubting the genuineness of the case. But, I am sure that the Home Ministry will fully consider these cases in which the difficulties are genuine and which require sympathetic and human considerations for permission to come and stay either on long period visas or otherwise. Miseries will be caused if the act is enforced strictly according to the word of the law. This misery has to be reduced as much as possible.

With these words, I fully agree with the Bill and I hope the Minister will take these considerations into account and issue necessary instructions for dealing sympathetically with cases which deserve sympathy.

Shri Sadhan Gupta (Calcutta South-East): The Home Minister, in introducing the Bill, has stated that it is a non-controversial Bill. As Shri K. K. Basu has pointed out, we do not quite agree with the non-controversial character of the Bill because it perpetuates the distinction between a foreigner belonging to other countries and a foreigner belonging to Commonwealth countries. To that aspect I should come later, but before that I shall raise a few things about a minor point, namely the treatment of foreigners from Pakistan.

You are aware that the partition of the country, the creation of India and Pakistan, has not only split the country, but split many things. It split families, it split properties. There are many cases where near relations have to live across the border, in two different countries. There are many cases where the properties and the persons are split between the two countries, a substantial part of the property being across the border. We have recognised these cases by providing for special treatment in respect of those properties. For instance, we have recognised the privilege of carrying head-loads

by people living near the border who have cultivation across the border. My apprehensions are that in the case whether of Pakistanis or of Indians who are employed across the border, or who have properties across the border, or who have relations across the border, great hardship might be caused by this blanket exemption of all Commonwealth countries other than Pakistan. I would quite agree that since our relations with Pakistan are not up to the mark, since Pakistan has joined a certain bloc which poses a threat to the security of our country, some powers must be reserved for seeing to it that people are not sent from that country who might endanger the safety of our country, but that should be by way of an exception, and that, as I shall show a little later, does not apply to Pakistan alone, but applies to many other Commonwealth countries. Apart from that, some special formula should be evolved and I think the Home Minister is best able to evolve that formula by which some special treatment should be afforded on a reciprocal basis to Pakistani nationals in our country and to our nationals in Pakistan. For instance, those from Pakistan who come here to visit their relations or to attend on some sick relations might have to stay for long times at a stretch. If they are put under the difficulties which the Foreigners Act involves—for instance, the necessity to register and all the other things which are involved, I do not know whether everything of that kind is involved, but if they are put under any difficulties on the score of the Foreigners Act, it will be a very difficult thing for them, and it will be a great hardship for them in this country. Similarly, if people from Pakistan come across the border to collect their produce or they have to go across the border to undertake their employment in this country or vice versa, that would mean a great hardship if the rigours of the law are applied too strictly. Therefore, some special provision should be evolved by which the security of our country

is guaranteed and yet undue hardship is not caused to people who have genuinely to travel across the border. Please remember that it is not going to be a one-sided affair. If we are going to treat Pakistani nationals in a particular way our nationals there would be treated in the same way. There is a considerable volume of people going across the border, particularly in Bengal, to look after their property in Pakistan. I am very anxious that nothing should be done to them by way of what may be called reprisals by the Pakistan Government, and no opportunity should be given them by reason of the passage of this Bill.

I come now to the most controversial point involving the question of the principle itself. Here the principle followed is that citizens of all Commonwealth countries should not be regarded as foreigners except by way of exception, and citizens of countries other than Commonwealth countries should be regarded as foreigners unless there is exemption. On the floor of the House we have repeatedly tried to impress upon this House as well as upon the people of this country that the distinction between the Commonwealth countries and other countries is not only unwarranted, but is a disgrace on our country, it is a disgrace on our foreign policy. There is no reason whatever why we should treat Commonwealth countries as such on a different level. The Commonwealth tie to which we are unfortunately stuck has not brought any good, has, on the other hand, brought us several ills which I should advert to in a moment. I am also aware of the reasons given for continuing in the Commonwealth, which gradually have proved themselves to be absolutely fallacious. It is said that we have to make contacts and not to break them, we want to strengthen them. I am all for strengthening contacts, but why should we strengthen contacts in a way which insulates us from some other countries and puts us in a special position *vis-a-vis* some other countries. When we have to do it, we

have to do it not on the basis that certain countries are Commonwealth countries, but that certain countries are friendly countries. And friendship cuts across the Commonwealth tie. For example, we have reason to be more friendly with countries like Burma or China than countries like Australia or New Zealand, or, let us say, Britain itself which is the leader of the Commonwealth. If we take the security reason as one of the determining factors, our security is in danger from some of the Commonwealth countries, as well as other countries.

Recently there was a report in the press that a British gentleman, with the recommendation of Lady Mountbatten, undertook a trip in the Naga Hills. He had been recommended by the Prime Minister, it is said. On the authority of the Prime Minister he was allowed to take a trip in the Naga Hills, ostensibly to make botanical studies. It is said in the report also that our military authorities there found that he was not doing what he was expected to be doing. He was not making botanical studies, but he was doing something suspicious, and it was arranged to keep some surveillance on him. He refused, to have any staff which was courteously offered to him on the ground of his personal security and went about his business himself. He was found to be typing things late at night; and suspicions were aroused. Finally, botanical experts were sent to examine him, and it was found that he knew nothing about botany at all. This kind of thing shows that danger can come from the country to which we are most tied in the Commonwealth, namely from Britain herself, and understandably so because there are many interests which Britain has, which are adverse to the interests of our country. Particularly, Britain is not satisfied with the kind of foreign policy we pursue.

Whatever may have been the reason for our getting into the Commonwealth, now it is an anachronism, because our foreign policy and our Commonwealth tie are likely to work-

[Shri Sadhan Gupta]

towards different objectives, and we have found this so in the case of our Goa policy, for example. I am not going to dilate very long upon it, but it is a well-known fact that the firm action taken by the Government of India in regard to the *satyagrahis* in Goa resulted after the British *Charge-d'affairs* from the U.K. High Commission paid a visit to the External Affairs Ministry. That shows that our contact is not quite operating for our profit that it is not a contact which is for our benefit.

If we must have contacts, let us put all countries on an equal footing, whether it be Russia or China or Viet Nam or Burma or Ceylon or Pakistan or any other country; let us develop our contacts, and let us develop our friendly relations with everyone, in the manner which is best suited to us, and which is best to our benefit. And let those contacts go stronger which are most to our interests and let us not keep a contact strong simply because it belongs to a certain group of nations, with which politically we have very little interest in common.

Now, the other thing that has been urged repeatedly by the Prime Minister is that this Commonwealth tie helps us to influence matters of war and peace. Speaking for myself, I have not yet come across any event which would show that our Commonwealth tie has really enabled us to influence matters of war and peace. On the other hand, we have found that our Commonwealth tie has been useless in this respect. In spite of our Commonwealth tie, we could not prevent the aggression in Egypt; in spite of the Commonwealth tie, we could not prevent the slaughter in Kenya; in spite of the Commonwealth tie, we could not stop the war in Malaya. Therefore, it is quite clear that when, at any rate, the bigger Powers in the Commonwealth, particularly Britain insists on having her way, we can do precious little through our Commonwealth tie, and we have been able to do precious little. On the other hand, due to our

Commonwealth tie, our country's security has sometimes been endangered. So, politically, our Commonwealth tie is rather to our disadvantage than to our benefit.

Economically also, we must beware of the Commonwealth tie. I can quite understand that our Commonwealth tie may be putting us in some disadvantage, and in some embarrassment in taking our own way as regards the economic interests which Britain has in our country. Britain has considerable interests here, which should not exist. For example, there are many undertakings which we legitimately might nationalise. There is, for example, the Tramway Co. in Calcutta or the Calcutta Electric Supply Corporation, which are very profitable concerns. We have had one opportunity of nationalising them, but we have, instead of nationalising them, given them a fresh lease. I cannot help thinking that our Commonwealth tie has something to do with it, because, in the normal circumstances, had it not been for anything else like this, I could not see why we should have given an extension of their lease for twenty years, as we have done in both cases, especially when the concerns are very profitable and we have an option of taking them over.

All these things, these political considerations, these economic considerations, and last but not least, considerations of our national dignity abhor the continuance of the Commonwealth tie as such.

I say, again let us develop contacts with all countries including Commonwealth countries, but not on the basis that a particular country is a Commonwealth country but on the basis that it is a friendly foreign country. If we must give exemption to foreigners or treat them differently, let us apply it to all these countries. There is no reason why a citizen of China should be treated differently from a citizen of Britain. For all we know, our relations with China today are much better

and deserve to be much better than our relations with Britain can be expected to be. Therefore, there is no reason why a British citizen should be allowed to roam at random in our country and go anywhere he likes, whereas a Chinese citizen should be compelled to register himself and suffer all the indignities which any other foreigner is supposed to suffer under the Foreigners Act.

Nationally, that is, talking from the point of view of the national sentiment, the Commonwealth tie is only a continuation of our erstwhile subjection. It is only an anachronism today. It sprang up because something of the subjection had to be kept up. But we do not think that it should be kept up today.

Therefore, speaking politically, speaking economically, and above all, speaking from the point of view of the national sentiment, we are strongly opposed to this principle of affording a different protection to the Commonwealth countries and treating Commonwealth countries as such on a different footing from other countries with which we should develop the friendliest of relations.

Shrimati Renu Chakravartty: (Basirhat): I would like to point out that although this looks a very simple Bill, there are certain tendentious qualities attached to some of the clauses, especially with regard to certain sections of our people who have very close relations with Pakistan. It is quite true, and I also feel, that we should guard against such people, whether in Pakistan or elsewhere, as would act against the security of our State.

At the same time, up till now, those of us who live on the borders of India and Pakistan (East Bengal and West Pakistan), and especially in West Bengal, have been going and coming from Pakistan and this going and coming has been treated on a special footing, with the result that we have allowed two or three different categories of people to go to and come from

Pakistan under different types of visas. The reason for this is this. I can illustrate it by an example. For instance, in my constituency, one day I found that I was standing on Pakistan territory, because half the bridge belongs to us, and the other half belongs to Pakistan; I happened to be a little beyond half way on the bridge, and, therefore, I was in Pakistan territory. So, one can understand how very close we are on either side of the border. Both Hindus living in East Bengal and having property in West Bengal and coming over to West Bengal as well as Muslims living in West Bengal, and having property in East Pakistan and going to East Pakistan have to come and go constantly.

That is why I feel that if we have blanket provisions of the Foreigners Act of 1946, especially, section 2 (iii) which I find in an annexure to the Bill, many innocent people will be put to great trouble, if the local authorities so desire. And I can assure the Home Minister that there are cases where local authorities do get influenced by local politics, and take advantage of this local politics to put certain difficulties in the way of people coming and going.

For instance, under section 2(iii) of the Act, I find that a person who comes under the Foreigners Act, that is, at the moment, all those who are Pakistanis will fall under this provision. They will, if necessary, have to undergo any restrictions on their movements. Clause 3(2) (e) says:

"shall comply with such conditions as may be prescribed or specified—

(i) requiring him to reside in a particular place;

(ii) imposing any restrictions on his movements;

(iii) requiring him to furnish such proof of his identity and to report such particulars to such authority in such manner and at such time and place as may be prescribed or specified:

[Shrimati Renu Chakravartty]

(iv) requiring him to allow his photograph and finger impressions to be taken etc."

Then there is one blanket provision:

"otherwise regulating his conduct in any such particular as may be prescribed or specified".

So I was feeling that if these blanket provisions are also allowed to apply in every case, it would result in harm being done to simple peasants and workers who actually are economically inter-linked between the two States, who still exist today on property which is across the border, who come and go; they have got A class visas, B class visas and C class visas—I think C class visa means that they can come and go every day.

So I feel that some clause should also be inserted here whereby these people are not put in the same category as all other foreigners; otherwise, there will be certain cases—I am afraid, many cases—where they will be put to great difficulties. For example, I am told by Shri A. K. Gopalan, that such cases of hardship also exist in Malabar in certain places, where bidi workers, who have migrated from Malabar and have gone to Pakistan, working there for a few annas everyday as bidi workers, come back to Malabar to visit their ailing parents or somebody else, and then after 15 days find that they have to pack up and go, because they cannot get extension, because they, more or less, come under this suspicious class of foreigners.

So I think that these cases, as well as the very important case brought to the notice of the House by Shri K. K. Basu, deserve special consideration. I refer specially to the case of the large numbers of seamen who are working in the port of Calcutta. As you know, the best seamen used to be the people from Chittagong and Noakhali. Even today, the port of Calcutta is very largely manned by Noakhali and Chittagong seamen. They have been work-

ing there for generations. Nothing has been proved to show that they have jeopardised our interests or our security. I feel that sometimes the authorities may use these clauses in order to bring difficulties in their way—I was hearing already what the Tramway company was doing in order to get rid of those who were not wanted but who were actually Pakistani nationals.

So in respect of these three or four categories, I would urge the Minister to assure the House that some special clause or other provision will be inserted whereby these people will be given an easier time, because, as Shri Sadhan Gupta has rightly pointed out, it is not always only Pakistani nationals who will be a source of danger to our security. He cited one example. I think the Chinese Government have also complained to our Government that, according to them, there are certain foreign agents in Kalimpong, who have been working there for years. It may be that they may even fall under this category of getting exemption from the purview of the Foreigners Act by being members of Commonwealth countries.

So I feel that whilst we are making a blanket provision by this amendment that any individual foreigner or any class or description of foreigner may be exempted from the operation of the Act, we can as well allow those people who have interests across the border between Pakistan and ourselves easy transit and exemption from the rigours of the Foreigners Act, as apply to them now. That is why I would like the hon. Minister to clarify these points; otherwise, I am afraid that people living across the border will be put to great hardship.

Pandit G. B. Pant: Sir, I have listened to the speeches made by my hon. friends sitting on the opposite benches. So far as the larger question of the association of India with the Commonwealth is concerned, I do not think that we can dispose of that

matter by dealing with this small and tiny Bill. That raises larger issues. I do not say that no time will ever come when we may have to give thought to that problem; it may be necessary to reconsider and re-examine the position when circumstances require us to do so. But we cannot take a decision with regard to such matters when we have to handle a Bill of this type at the fag end of the life of this Parliament.

The Commonwealth is a voluntary association of sovereign States. No one is bound by any treaty. It is open to any member to withdraw from the Commonwealth at any time a member chooses to do so. There is no compulsion, there is no obligation and we are free to take a decision even unilaterally any time we consider it expedient or desirable to do so. So I do not think it is necessary for me to deal with that question or to advance any arguments for or against it. There is a strong feeling in the country today. But the Commonwealth association has not come in the way of our attitude towards important and vital international issues. We have adopted a free line in the interest of world peace and consistently with our own national interests without being in any way detracted from the right track by our relations with the other countries in the Commonwealth.

The latest example is furnished by the way we treated the Suez question; whether in the U.N. Security Council or outside, throughout we adopted an independent line. But I do not thereby rule out the possibility of our having to give thought to this question sometime or other as to the advantages or disadvantages. When that question comes up for consideration, all those will have to be weighed, and weighed in the balance fully. Above all, we will be guided by a rational examination of the pros and cons and all relevant aspects and factors bearing on this issue. But here we are concerned with a very simple matter.

We enjoy certain reciprocal privileges and amenities in these Common-

wealth countries which have been excluded from the scope of this Act. We should forego those privileges and facilities, before we can deprive the citizens of those countries from similar facilities in our country. I do not know if it would be to our advantage to do so. We have got a large number of citizens in U.K.; I am not sure whether they would like us not to have a provision of this character. Even if we cease to have any relations with the Commonwealth as such, still it may be necessary to have special provisions with regard to countries where our own citizens have been living for generations and where they have been allowed certain facilities, amenities and rights, which other foreigners living in those countries do not share with them. It would be hardly wise on our part to do any act which would be prejudicial to our citizens in other countries without gaining anything in return. So, at present, I think there is no alternative to our having a provision of this character. Wherever there is any invidious discrimination against our citizens, of course, we are free to take necessary action; and the exclusion of Pakistan and South Africa demonstrates that we are ready to do so and even, to some extent, we would forestall any such action on the part of any other country. But, in the existing circumstances, on the basis of reciprocity, we have agreed to enjoy certain privileges in other countries and it is but fair and just, and I would even say it would not be consistent with our honour, to adopt a different attitude towards the citizens of those countries.

As to Pakistan, I may say that they enacted a law of this type in 1952. We have, however, having in view our general attitude in all such questions, refrained from toeing the line. We have allowed things to be handled in a more generous way in our own country. Some appeals have been made on the ground of humanity. I can say that whatever be our law our treatment will always be humanitarian. We stand by the traditions of our country and we have never been

[Pandit G. B. Pant]

harsh or cruel or unjust deliberately. That will continue to be our policy.

As to the law, I think there is still some misunderstanding. We have a provision in the Foreigners Act which enables us to exempt any foreigner even from the operation of that Act. That applies to everyone whether one belongs to Pakistan or to any other country. So, the amendment does not in any way affect that provision of the Act.

Apart from that, we have, although this Ordinance has been in force for 2 months exactly, today being the 19th of March—the Ordinance having been introduced on the 19th January—taken no action to which objection can be taken by anybody in this House. And, I dare say that not a single instance has presumably come to the notice of any hon. Member of this House in which vindictive action has been taken under the cover of the Ordinance which will now be merged in this Act.

Then, again, as hon. Members may be knowing, it is not we who have introduced restrictions in the way of free movement of people from India to Pakistan or Pakistan to India. To start with, there were no restrictions. Then restrictions were imposed with regard to the people living in West Pakistan. We did this more or less in accordance with the wishes of Pakistan. Later on, in 1952 these restrictions of passports and visas were also brought into operation in East Pakistan. Again, it was done at the instance of Pakistan. So, we have not taken any action—if you choose to call it “aggressive”, you may say so. But we have throughout tried to handle all these matters with utmost consideration.

At present this amendment, in fact, does not introduce much that is new with regard to Pakistan. The passport and visa system is already in operation. Passports have to be taken and visas are necessary for people travelling between India and Pakistan. Certain long-term visas, permits etc. are given

to the people to whom reference was made by some of the speakers. There are some Pakistani citizens who cultivate land on our side of the border. They are allowed to come; they take away their produce; and there are also permits with regard to certain matters enabling people to come and go. So we have not interfered with that.

Similarly, there was a reference made to seamen and others who are employed in Calcutta and other places. We have not turned them out; we have not sent them back to Pakistan. They are all there although they are, Pakistani nationals and some of the essential services are under their control. That shows the amount of tolerance that we have shown; that shows the consideration with which we have been dealing with all such matters. I was surprised to find that there is some suspicion in some quarter even now that we may not behave in a very dignified manner. I think that is hardly justified. We were entitled to a word—I would not say of appreciation—but at least to a just appraisal of these matters which are of a delicate character even by Members belonging to a certain party. They have their sympathies with some things; we appreciate their views. But, still, they should not shut their eyes to facts as they are.

Then, this law is a simple one. We had, as I just said, the passport and visa system regulating intercourse between these two countries. A man can come only with a passport and a visa, say, either for a year or for six months or three months. If he overstayed, then, we have no remedy. Similarly, there are people who otherwise are not entitled to stay under the existing arrangements but we cannot take any action against them although the period has expired or other conditions have not been fulfilled or there has been a breach of those conditions. This Bill will enable us to deal with such cases in an effective manner. I do not see how there could possibly be any objection to a measure of this type.

There was some reference to Burma and to Nepal. There is no passport or visa system between Nepal and India. The citizens of Nepal, I think, are free to come to India as they like. They are not registered here. No restrictions are ever imposed in the way of their movements. I wonder what more our friends would like to be done. It is much more than any provision in the Foreigners Act exempting them from the operation of this Act.

As to Burma, hon. Members are aware of the difficulties which our citizens are at present experiencing in Burma. The Government of Burma itself would not like the visa and passport system to be withdrawn. Action can be taken wherever two countries are willing to adopt a different line. If any such occasion arises we would certainly like to do all we can to help our friends in Burma. We treat that country not only as a neighbouring country but as a country with which our associations go back to thousands of years. With them we have not only to be friendly but also to regard them as belonging to the same family as we which they have always been for ages.

13 hrs.

So, we would not like to do anything that would be prejudicial to the dignity or to the national honour of Burma, or which would in any way put the citizens of Burma to any unnecessary inconvenience. But I wonder if the Government of Burma would like any exception to be made that would create complications for them. But if my hon. friends are sure that such reciprocity would be welcomed, we would be prepared to give thought to the matter, so far as the citizens of Burma belonging to India are concerned, because their condition today is not altogether as happy as we would like it to be. I do not at all blame the Government of Burma. We want to be friendly with everybody, and so far as Burma is concerned, as I said, we are one with them, not in one matter, not in two matters, but in our ideals, in our traditions, in those basic prin-

ciples which govern human life and human relations. So, our desire to be friendly with every country is there. Here we have a simple Bill and I do not see how the arguments that have been advanced in any way affect this Bill.

There was some reference made to a personal matter about which I have no knowledge, and I do not see how it is relevant. I do not accept the statement that has been made. As I said, I have no particular knowledge about this matter. But the way the allegations have been made does not seem to me to be quite fair. Anyhow, that is neither here nor there. As far as the other matters are concerned, I have already made some observations.

Mr. Speaker: The question is:

"That the Bill further to amend the Foreigners Act, 1946, and the Registration of Foreigners Act, 1939, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill

Clause 3.—(Amendment of section 3).

Amendment made:

Page 1,—

for clause 3, substitute—

"Amendment of Section 3.—

3. In section 3 of the Foreigners Act,—

(a) in sub-section (2), the brackets, letter and words "(g) shall be arrested and detained or confined," shall be omitted;

(b) in sub-section (3), for the words, brackets and letters "clause (f) or clause (g)", the words, brackets and letter "or clause (f)" shall be substituted."

—[Pandit G. B. Pant]

Mr. Speaker: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

[Mr. Speaker.]

Clause 3, as amended, was added to the Bill.

Clause 4.— (Insertion of new section 3A).

Amendment made:

Page 1, line 13,—

omit '(1)'.

—[Pandit G. B. Pant]

Mr. Speaker: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 to 8 were added to the Bill.

New Clause 9

Pandit G. B. Pant: I beg to move:

"Page 2, line 28,—

add at the end—

"Repeal and saving.—9(1) The Foreigners Laws 1 of 1957 (Amendment) Ordinance, 1957, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any powers conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken."

Mr. Speaker: The question is:

"Page 2, line 29,—

add at the end—

"Repeal and saving.—9(1) The Foreigners Laws 1 of 1957 (Amendment) Ordinance, 1957, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any powers conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken."

The motion was adopted.

Mr. Speaker: The question is:

"That New Clause 9 be added to the Bill."

The motion was adopted.

New Clause 9 was added to the Bill.

Clause 1.— Short title

Amendment made:

Page 1,—

for clause 1, substitute—

"Short title and commencement.—1.(1) This Act may be called the Foreigners Laws (Amendment) Act, 1957.

(2) It shall be deemed to have come into force on the 19th day of January, 1957."

—[Pandit G. B. Pant]

Mr. Speaker: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,—

for "Seventh" substitute "Eighth".

—[Pandit G. B. Pant]

Mr. Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

Pandit G. B. Pant: I beg to move that the Bill, as amended, be passed.

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

RE MOTION ON ADDRESS BY THE PRESIDENT

Mr. Speaker: I want to make a small announcement before the House adjourns.

Members are aware that there will be a separate debate on the international situation. As Members will have ample opportunity to raise matters relating to foreign affairs in the course of those discussions, I would suggest that they may not refer to these matters during the discussion on the Motion of Thanks on the President's Address. I would also suggest that no amendments relating to these matters may be tabled by Members in connection with the Motion of Thanks.

Members are also aware that within a few days there will be a discussion on the Budget. Detailed matters relating to economic and financial position will be raised during those discussions. In the circumstances, those details may not be referred to during the course of discussion on the Motion of Thanks.

The discussion may, therefore, be confined to other matters referred to in the President's Address.

I take it that the House agrees with these suggestions.

Mr. Speaker: The work on the agenda is over now. The House will now stand adjourned to meet again at 5 p.m. today for the Budget.

13-14 hrs.

The Lok Sabha then adjourned till five of the clock.

The Lok Sabha re-assembled at Five of the Clock.

[MR. SPEAKER in the Chair.]

GENERAL BUDGET, 1957-58

Mr. Speaker: The Finance Minister.

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): Sir, I rise to present the budget of the Central Government for the year 1957-58. In 1952, under similar circumstances, my predecessor presented an interim budget. Its main purpose is to place before Parliament, an account of the finances of the Central Government for the current year and to obtain from the House a vote on account to meet Government's expenditure until the new Parliament considers the budget again.

The White Paper, on the budget which is being circulated separately attempts to give a review of major economic developments during the year. It is, therefore, not necessary for me to cover the whole ground over again.

The year under review has been a year of some strain from the point of view both of internal and of external resources. Domestic prices as well as the balance of payments have been under pressure, mainly as a result of the growing tempo of developmental activity. The decline in agricultural production in 1955-56 and external factors, such as the closure of the Suez Canal have added to the strain on the economy. The White Paper mentions the various measures we have taken in the last few months to bring the situation under control, and I have every hope that these measures will prove effective in due course.

[Shri T. T. Krishnamachari]

The outlook on internal prices depends considerably on the level of agricultural production, and Government are fully seized of the urgency and importance of achieving better results in this sphere. Price stability also requires control over credit and a budgetary policy which restricts the purchasing power in the hands of the public. We have taken steps recently to apply selective credit controls, while taking care at the same time not to cut down unduly the supply of credit needed for the expansion programmes in the private sector. Basically, what we need is more savings, not less investments. In the matter of budgetary policy, I must say I am not happy with the size of deficit to which I shall presently be referring. In this context, the increasing demands being made on our resources by Defence requirements cannot be lightly passed over. The increase under this head, as you will see, is the major element in widening the deficit on revenue account in the coming year. The overall deficit in the budget, viz., Rs. 365 crores is, I am afraid, somewhat large considering the economic situation. There is certainly no slack in the economy at present which would permit a complacent view of the budgetary deficit. Defence is hardly an item on which we should like to spend more either in terms of domestic currency or of foreign exchange. If, however, the exigencies of the situation make such increases inevitable, the necessary sacrifices have to be made.

The crucial problem at this juncture, however, is that of foreign exchange. The Second Five Year Plan with its emphasis on the development of industry, mining and transport has a large foreign exchange component, and it now appears that the deficit in the balance of payments over the Plan period will be larger than was originally estimated. This is due both to the increase in the prices abroad and to the expansion of some of the projects included in the Plan. In fact, the

draft on our foreign exchange resources has already been heavier than we had expected; since April 1956, this has amounted to about Rs. 260 crores. This strain on the balance of payments has necessitated the stiffening of import policy which was announced in January.

The foreign exchange situation as I now see it for the Plan period is briefly as follows. The total deficit in balance of payments over the Plan period is likely to be about Rs. 400 crores more than was envisaged in the Plan. Taking into account the external finance that might be available for our various projects and the balance available from the authorisations of the First Plan period, we have in hand foreign exchange of the order of Rs. 450 crores to meet our requirements. With this, and assuming the continuance of aid from the U. S. A. and Colombo Plan countries more or less on the present scales and allowing for a moderate amount of private foreign investment coming in, we may take the total of resources in sight at about 50 per cent of the total requirements. We are at present negotiating with the International Bank for Reconstruction and Development in respect of loans to cover the foreign exchange needs of several of our development projects. We are also exploring possibilities of deferred payments in respect of our imports of capital goods from various countries. On the whole, the prospects of our being able to raise the foreign exchange resources for the Plan are not altogether discouraging. This, of course, is not to say that the task is by any means easy.

For tiding over the period which must necessarily elapse before the new import policy becomes effective, we have obtained accommodation totalling in all \$ 200 million from the International Monetary Fund. The problem, I must emphasise, is not one of achieving a balance in our external accounts by just cutting down imports. The task is twofold. Firstly,

every care has to be taken to phase Plan expenditure in a manner that will not impose an excessive strain on the balance of payments. This requires adherence to a strict system of priorities within the general framework of the Plan. Secondly, we have to find ways and means of financing the large imports that will still be essential for the Plan, and this calls for sustained effort along several lines. The first essential step is to increase exports so as to enlarge our foreign exchange earnings and to cut down imports to the extent possible. Neither of these is possible without a sacrifice, but the sacrifice has to be made in the interests of planned development.

The Second Five Year Plan, needless to say, will strain the economy. But, I think, at this stage it is important to think of how best to meet this strain rather than to question the basic assumptions or postulates behind the Plan. The path of development does not always run smooth. The experience of recent months only reinforces the well-known fact that the balances implicit in a Five Year programme of development have to be checked and rechecked continually in the light of experience. The balances between investment and consumption, between available external resources and the claims on them, between the final flow of goods and services and the materials required for their production can hardly be estimated precisely in advance, and unforeseen factors do arise which upset these balances from time to time. It was in recognition of this fact that the Second Plan report laid considerable emphasis on flexibility in planning and on the machinery of annual plans to provide for the necessary adjustments.

For the immediate present, the need is for giving top priority to schemes which increase export earnings and reduce import needs without making an excessive claim on foreign exchange resources in the immediate future. Schemes which

contribute most to an early increase in agricultural production also deserve high priority; schemes which have already been commenced and on which considerable expenditure has been incurred claim, in any case, a considerable proportion of the resources available. Government intend to be guided strictly by such priority considerations in determining the phasing of Plan expenditure; first things must necessarily come first. At the same time, we have to ensure to the extent possible that development programmes which are calculated to contribute most to an increase in the productive capacity of the country and a strengthening of the long-term balance of payments do not suffer unduly. While a review and adjustment of priorities and strict adherence to them are essential in view of the limitation of resources, every care is being taken to see that the momentum gathered by the Indian economy in the last three or four years is kept up. In the making of our budgets—which are essentially development-oriented—and in the formulation of policies, this positive aspect of the tasks in hand is being constantly kept in mind.

I would now give a brief account of the Revised Estimates for 1956-57 and the Budget Estimates for 1957-58.

The current year's Budget provided for a deficit of Rs. 18.04 crores on revenue account after allowing for the modifications in the Finance Bill accepted by Parliament. I now expect that the year will close with a surplus of Rs. 37.94 crores. The improvement is largely due to better collections of revenue under Customs and Union Excise duties, the increase in the latter representing, in the main, the yield of the additional duty on cotton cloth imposed during the year. There has also been some saving in expenditure. Revenue, as a whole, is now placed at Rs. 571.49 crores, an increase of Rs. 44.10 crores over the Budget Estimates, and expenditure at Rs. 533.55 crores against the Budget figure of Rs. 545.43 crores.

[Shri T. T. Krishnamachari]

Taking the Revenue and Capital Budgets together, the overall deficit this year is now placed at Rs. 216 crores against Rs. 356 crores assumed in the original Budget. This is the result of the improvement in the revenue account I have just referred to and a saving of about Rs. 64 crores in the provision of Rs. 386 crores made for Loans and Advances to the State Governments and other parties.

For the year 1957-58, I estimate revenue, at the existing level of taxation, at Rs. 636.22 crores and expenditure at 663.09 crores, leaving a deficit on revenue account of Rs. 26.87 crores. These figures are inclusive of certain self-balancing items, aggregating Rs. 38 crores, which appear on both sides and do not affect the Revenue Budget as a whole. There is thus an increase of Rs. 26.73 crores in revenue and of Rs. 91.54 crores in expenditure as compared with the Revised Estimates for the current year.

Of the increase of Rs. 26.73 crores in revenue next year, Rs. 8 crores represent the estimated yield of the Capital Gains Tax and the additional super-tax on companies which take effect from the 1st April 1957, and Rs. 12.4 crores the full year's effect of the increase in the duty on cotton cloth, the new duties on rayon, synthetic fibres and yarns and motor-cars levied during the year. The revenue from Customs duties will drop by Rs. 9 crores as a result of the cuts on import quotas which have been imposed to conserve foreign exchange; but, against this, surplus profits of the Reserve Bank are expected to increase by Rs. 10 crores.

The total expenditure next year, excluding the self-balancing items, is estimated at Rs. 625.09 crores, of which Rs. 252.71 crores will be on Defence Services and Rs. 372.38 crores

under Civil heads. The provisions for Defence Services shows an increase of Rs. 49.76 crores which represents mainly purchases of essential stores for the Army and the Air Force. Civil expenditure also shows an increase of Rs. 41.78 crores over the current year's Revised Estimate, the increase being mainly in respect of nation-building, development and social services. Hon'ble Members will find the main items mentioned in the White Paper and a fuller explanation of variations in the Explanatory Memorandum circulated with the Budget papers and I need not repeat them here.

The provisions for Capital expenditure and Loans to State Governments and others next year is placed at Rs. 772.21 crores against the current year's Revised Estimates of Rs. 636.15 crores. The increase is accounted for entirely by larger provision for the three steel plants and for Railways.

I have taken credit in the next year's estimates for a market Loan of Rs. 100 crores; for small savings collections of Rs. 80 crores; for foreign assistance of Rs. 135 crores and for transactions under other miscellaneous Debt, Deposit and Remittance heads of Rs. 119 crores. Allowing for these credits, the next year's Budget, taken as a whole, leaves an overall deficit of Rs. 365 crores.

I have mentioned earlier that I do not feel happy about a deficit of this order. The objective must be to reduce it to the extent possible by increasing the resources accruing to the public exchequer. May I, therefore, in conclusion, reiterate the point that considering the immediate requirements as well as the fact that Plan expenditure will have to be stepped up year by year, public revenues have to be enlarged steadily, and both the Centre and the States have to exert their utmost towards this end?

FINANCE BILL*

Shri T. T. Krishnamachari: I beg to move for leave to introduce a Bill to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provisions is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year".

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I introduce the Bill.

RULES COMMITTEE

EIGHTH REPORT

Sardar Hukam Singh (Kapurthala-Bhatinda): I beg to lay on the Table, under rule 306(1) of the Rules of Procedure, the Eighth Report of the Rules Committee.

BUSINESS ADVISORY COMMITTEE

FORTY-EIGHTH REPORT

Sardar Hukam Singh (Kapurthala-Bhatinda): I beg to present the Forty-eighth Report of the Business Advisory Committee.

17-18 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 20th March, 1957.

[Tuesday, 19th March, 1957]

COLUMNS

COLUMNS

OBITUARY REFERENCE

35

The Speaker made a reference to the passing away of Shri P.S. Kumaraswami Raja, a member of the old Central Legislative Assembly. Thereafter the Members stood in silence for a minute as a mark of respect.

PAPERS LAID ON THE TABLE

35-40

The following papers were laid on the Table :

- (1) A copy of the Foreigners (Exemption) Order, 1957, published in the Notification No. S.R.O. 270, dated the 19th January, 1957 under sub-section (2) of section 3A of the Foreigners Act, 1946.
- (2) A copy of the Financial Agreement between the Government of India and the Government of the Union of Burma.
- (3) A copy of each of the following Notifications, under sub-section (3) of section 169 of the Representation of the People Act, 1951, making certain amendments to the Representation of the People (Conduct of Elections and Election Petitions) Rules, 1956.
 - (i) Notification No. S.R.O. 2719, dated the 16th November, 1956.
 - (ii) Notification No. S.R.O. 3068, dated the 14th December, 1956.
- (4) A copy of the Notification No. S.R.O. 412, dated the 4th February, 1957, under sub-section (3) of section 169 of the Representation of the People Act, 1951, making certain further amendments to the Representation of the People (Conduct of Elections and Election Petitions) Rules, 1956.
- (5) A copy of the Notification No. S.R.O. 140, dated the 10th January, 1957, under sub-section

(3) of section 28 of the Representation of the People Act, 1950 making certain amendment to the Representation of the People (Preparation of Electoral Rolls) Rules, 1956.

- (6) A copy of the Notification No. 7-CA(8)/55, dated the 19th February, 1957, under sub-section (3) of section 44 of the Air Corporation Act, 1953 making certain amendments to the Air Corporations Rules, 1955.
- (7) A copy of the Annual Report of the Air-India International Corporation for the year 1955-56 under sub-section (2) of Section 37 of the Air Corporations Act, 1953
- (8) A copy of the Annual Report of the Rehabilitation Housing Corporation Limited for the year ended 31st December, 1955, under sub-section (1) of Section 639 of the Companies Act, 1956.
- (9) A copy each of the following Notifications, under sub-section (3) of Section 40 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954, making certain further amendments to the Displaced Persons (Compensation and Rehabilitation) Rules, 1955.
 - (i) Notification No. S.R.O. 300/R. Amdt. XI, dated the 15th January, 1957.
 - (ii) Notification No. S.R.O. 382/R. Amdt. XII, dated the 21st January, 1957.
 - (iii) Notification No. S.R.O. 434/R. Amdt. XIII, dated the 31st January, 1957.
- (10) A copy of the Notification No. S.R.O. 667, dated the 20th February, 1957, under sub-section (4) of Section 56 of the Administration of Evacuee Property Act, 1950, making certain amendments to the Administration of Evacuee Property (Central) Rules, 1950.

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- (11) A copy of the half-yearly Report on the activities of the Coir Board for the period from 1st April 1956, to 13th September, 1956, under sub-section (1) of Section 19 of the Coir Industry Act, 1953.
- (12) A copy of the Report of the Plantation Inquiry Commission on the Rubber Industry together with the minute of dissent of late Shri K.G. Sivaswamy and Annexures and Appendices.
- (13) A copy of each of the following Notifications under sub-section (3) of Section 48 of the Coffee Act, 1952, making certain further amendments to the Coffee Rules, 1955 :
- (i) Notification No. 15(2) Plant/B/56, dated the 18th January, 1957.
- (ii) Notification No. 15 (10) Plant/B/56 dated the 18th February, 1957.
- (14) A copy of each of the following Notifications, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955.
- (i) Notification No. S.R.O. 1675, dated the 18th July, 1956.
- (ii) Notification No. S.R.O. 1885, dated the 23rd August, 1956.
- (iii) Notification No. S.R.O. 2403, dated the 19th October, 1956.
- (iv) Notification No. S.R.O. 3151, dated the 19th December, 1956.
- (15) A copy of S.R.O. No. 3152, dated the 19th December, 1956.
- (16) A copy of each of the following papers, under sub-section (2) of section 16 of the Tariff Commission Act, 1951 :
- (i) Report (1956) of the Tariff Commission on the Automobile Industry.

(ii) Government Resolution No. 21(4)-TB/56, dated the 23rd January, 1957.

- (17) A copy of the Notification No. S.R.O. 691-IDRA/30/1/57, dated the 1st March, 1957, under sub-section (4) of Section 30 of the Industries (Development and Regulation) Act, 1951, making certain amendments to the Registration and Licensing of Industrial Undertakings Rules, 1952.

REPORTS OF ESTIMATES COMMITTEE PRESENTED

40

Forty-fourth and Forty-fifth Report were presented.

RESIGNATION OF A MEMBER

40

The Speaker informed Lok Sabha that Shri Uday Shankar Dube had resigned his seat in Lok Sabha with effect from the 15th March, 1957.

PRESENTATION OF RAILWAY BUDGET

40-46

The Minister of Railways and Transport (Shri Jagjivan Ram) presented a statement of the estimated receipts and expenditure of the Government of India for the year 1957-58 in respect of Railways.

STATEMENT RE DEMANDS FOR SUPPLEMENTARY GRANTS

46

The Minister of Finance and Iron and Steel (Shri T.T. Krishnamachari) presented a statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1956-57.

STATEMENT RE DEMANDS FOR EXCESS GRANTS.

47

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari) presented a statement showing Demands for Excess Grants in respect of the Budget (General) for 1952-53.

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STATEMENT OF EXPENDITURE FROM THE CONSOLIDATED FUND OF KERALA STATE 47—48

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari) presented a statement of Expenditure from the Consolidated Fund of the Kerala State authorised under Section 70 of the State Reorganisation Act, 1956, for the last five months of the financial year, 1956-57.

STATEMENT *RE* DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS) 48

The Minister of Railways and Transport (Shri Jagjivan Ram) presented a statement showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1956-57.

BILLS PASSED—

(1) The Minister of Revenue and Defence Expenditure (Shri A. C. Guha) moved for the consideration of the Sea Customs (Amendment) Bill. The motion was adopted. After the clause-by-clause consideration, the Bill was passed as amended. 49—51

(2) The Minister of Home Affairs (Pandit G. B. Pant) moved for the consideration of the Foreigners Laws (Amendment) Bill. The motion was adopted. After the clause-by-clause consideration, the Bill, was passed, as amended. 51—75

PRESENTATION OF GENERAL BUDGET—

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari) presented a statement of the estimated receipts and expenditure of the Government of India for the year 1957-58. 76—82

BILL INTRODUCED—

The Finance Bill, 1957 83-84

REPORT OF RULES COMMITTEE PRESENTED—

Eighth Report was presented. 84

REPORT OF BUSINESS ADVISORY COMMITTEE—

Forty-eightth Report was laid on the Table 84

AGENDA FOR WEDNESDAY 20TH MARCH, 1957—

Discussion on the President's Address.