



Tuesday
11th December,
1956

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I- Questions and Answers)

Volume VIII, 1956

1956

**PARLIAMENT SECRETARIAT
NEW DELHI**

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Dated...../5.07.2015

LOK SABHA DEBATES

(Part I—Questions and Answers)

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LOK SABHA

Tuesday, 11th December, 1956

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Flood Damages

- +
- *1020. {
 Dr. Ram Subhag Singh :
 Shri Bhagwat Jha Azad :
 Shri R. N. Singh :
 Shri Sadhan Gupta :
 Shri Dasaratha Deb :
 Shri Veeraswamy :
 Shri Anirudha Sinha :
 Shri D. C. Sharma :
 Shri Bheekha Bhai :
 Shri N. B. Chowdhury :
 Pandit D. N. Tiwary :
 Shri Kajrolkar :
 Shri Raghunath Singh :
 Shri Kamath :
 Shri Jhulan Sinha :
 Shri Amar Singh Damar :
 Shri Shree Narayan Das :
 Shri Debendra Nath Sarma :
 Shri K. K. Basu :
 Shri Bibhuti Mishra :
 Pandit C. N. Malviya :
 Shri Sanganna :
 Shri Dhulekar :
 Shri Buchikotaiah :
 Shri H. R. Nathani :

Will the Minister of **Food and Agriculture** be pleased to lay a statement on the Table of the Sabha showing :

(a) the extent of damages caused State-wise to paddy and other crops by the floods that visited the country during September and October, 1956; and

(b) the nature of relief provided by Government ?

The Minister of Agriculture (Dr. P. S. Deshmukh) : (a) and (b). As the floods in various States occurred from June to November during the current year, it is not possible to determine the damage done only during September and October, 1956. A statement containing the

available information about the damages caused by floods during the entire period, is laid on the Table of the Lok Sabha, [See Appendix IV, annexure No. 24].

Pandit D. N. Tiwary : May I know whether the Government have given relief to the flood-affected areas on some planned basis or on the requirements submitted by the State Governments ?

Dr. P. S. Deshmukh : Essentially, the relief measures rest with the State Governments, and I am sure they have more than adequately dealt with the situation, because I was satisfied with the measures wherever I went.

Pandit D. N. Tiwary : What would be the provision for public institutions, schools and culverts wherever they are damaged ?

Dr. P. S. Deshmukh : There is provision for giving relief to those areas where such institutions have been damaged, or buildings or houses have been washed away, and so on.

डा० राम सुभाग सिंह : इस बार जो बाढ़ आई है वह ज्यादा ऐसे स्थानों पर आई है जहाँ बांध है या रेल की सड़कें चलती हैं। वहाँ पर कलवर्ट बनाने के लिए, रेल की लाइन पर या बड़ी बड़ी सड़कों पर पुल बनाने के लिये कोई योजना बनाई गई है ताकि आगे से बाढ़ न आये।

डा० पं० डा० बेशमस : यह एक प्रलग सवाल है। यह सवाल तो केवल फ्लड डेमेज और इमिडियेट रिलीफ के बारे में है।

Mr. Speaker : The Minister of Agriculture can answer only those questions relating to flood relief.

Dr. Ram Subhag Singh : The point is this. The flood, especially in the Durgavati Chand and in the areas covered by the Banaras and Ghazipur districts, in certain thanas, has affected recent constructions, such as new railway lines and canal constructions, etc., owing to lack of water passage. Therefore, I want to know whether

in the light of the experience gained this year, Government propose to provide more culverts, outlets and bridges also, so that there may not be more damage next year?

The Deputy Minister of Irrigation and Power (Shri Hathi): The Ganga Commission has appointed a committee which will look into the question of bridges and roads for the passage of water. Wherever the difficulty for the passage of water arises, that will be looked into by this committee.

Dr. Ram Subhag Singh: There is no question of the Ganga Bridge Project here. These floods were due to other reasons.

Shri Hathi: I mean the Ganga basin and not the Ganga river itself.

सेठ अचल सिंह: क्या मंत्री महोदय यह बताने की कृपा करेंगे कि क्या यह सच है कि इस वर्ष जो बहुत ज्यादा वर्षा हुई है और पलड आये हैं क्या वे हाइडरोजन बमों के विस्फोटों के कारण आये हैं ?

डा० पं० श० बेशमुख: चन्द लोगों का सवाल है कि ये वर्षा इन विस्फोटों के कारण हुई है। मगर काफी एक्सपर्ट हैं जो कहते हैं कि ज्यादा वर्षा होना या बाढ़ आना कोई अस्वाभाविक बात नहीं है।

श्री विभूति मिश्र: क्या सरकार को पता है कि जो रिलीफ दिया गया है उसका बटवारा ठीक तरह से नहीं हो पाया है। इसका कारण यह है कि उन गावों में जहां रिलीफ दिया जा रहा था आसानी से पहुंच नहीं पाये थे क्योंकि बोट्स वगैरह नहीं थी। क्या सरकार इस बात का आगे से खयाल रखेगी कि लोगों को ठीक तरह से रिलीफ मिले ?

डा० पं० श० बेशमुख: अगर यह शिकायत सच है तो स्टेट गवर्नमेंट के पास करनी चाहिये। रिलीफ पहुंचाना स्टेट गवर्नमेंट का काम है। हो सकता है कि कहीं कुछ खराबी हो गई हो मगर उद्देश्य तो यही है कि ठीक तरह से इसका वितरण हो।

Shri T. S. A. Chettiar: Now that these floods have become an annual feature, may I know whether the Govern-

ment have considered the reason for these things, namely, the denudation of forests in the Himalayas or the cutting away of the trees which hold water, and may I know whether any steps are taken to look into this matter?

Dr. P. S. Deshmukh: The floods have caused us so much concern that all these factors are being examined by the various Ministries and the various departments.

श्री ब० द० पांडे: मैं यह पूछना चाहता हूँ कि पैडी और दूसरी जो फसलें हैं उनका कितना नुकसान हुआ है और आगे के लिए यू० पी० में उन जगहों के लिए भोजन सुरक्षित रखा गया है या नहीं ?

डा० पं० श० बेशमुख: यू० पी० में तो बहुत ज्यादा नुकसान हुआ है, उसमें कोई शक नहीं है। एस्टीमेट है कि साढ़े २१ करोड़ का नुकसान हुआ है। मगर जहां तक भोजन का सम्बन्ध है जहां जहां भी ऐसी मुसीबत आई है वहां स्टेट गवर्नमेंट ने काफी इतिजामात किए हैं ताकि जिनका नुकसान हुआ है उनको कुछ न कुछ इम्पाद दी जा सके।

The Minister of Food and Agriculture (Shri A. P. Jain): May I add a few words? The Uttar Pradesh Government have started a scheme of selling wheat at subsidised rates, and they have asked from us large quantities of wheat. We have already supplied them a substantial quantity of wheat, and they are distributing wheat, in the flood-affected areas at a subsidised price of Rs. 13 per maund.

राजभाता कमलेश्वरमति शाह: माननीय मंत्री जी ने अभी कहा कि प्रान्तीय सरकार के जिम्मे वितरण का काम है। क्या मैं जान सकती हूँ कि प्रान्तीय सरकार के नुमाइंदे जो जिलों में हैं वे इस वितरण के काम को ठीक तरह से नहीं कर रहे हैं और क्या इस बात की खबर केन्द्रीय सरकार प्रान्तीय सरकार को कर देगी ?

डा० पं० श० बेशमुख: इसका जवाब मैं पहले ही दे चुका हूँ। अगर कोई शिकायत है तो उसे यू० पी० गवर्नमेंट के पास किया जाना चाहिये। मगर जहां तक हमें मालूम है वितरण काफी हद तक ठीक ढंग से हुआ है !

Shri Sadhan Gupta : May I know whether any estimate has been made of the probable effect on food production, caused by the damage on account of these floods, for the ensuing year?

Dr. P. S. Deshmukh : Very rough estimates have been made and we would probably lose several lakhs of tons of food-grains. But happily, the tempo of agricultural production in the country has so improved that a good deal of the losses would probably be made up by those areas where no floods or droughts occurred.

Shri C. D. Pande : The Minister has just said that wheat is being sold at Rs. 13 a maund. But, recently, I had occasion to visit one of the centres in U. P., and I found that wheat was being sold at 2 seers and 8 *chataks* a rupee, that is, at the rate of Rs. 16 a maund.

Shri A. P. Jain : The hon. Member must have gone to a different place, perhaps the wrong place, because wheat is being sold under two schemes. One is the relief scheme where wheat is being sold at Rs. 14-8-0 a maund. The other is the wheat trading scheme where wheat is being sold at Rs. 13 a maund.

Shri C. D. Pande : No, it is Rs. 16 a maund.

Shri Shree Narayan Das : May I know the extent of the flood-affected areas where scarcity conditions prevail?

Dr. P. S. Deshmukh : I do not know if my hon. friend wants the extent of the areas affected by drought. We are now dealing with floods, and I have got the figures, and I can give them.

Mr. Speaker : No.

Fruit Preservation Industry

*1022. **Shri Jhulan Sinha :** Will the Minister of Food and Agriculture be pleased to state :

(a) the amount sanctioned during the last two years by way of assistance for the development of the Fruit Preservation Industry in the country; and

(b) the extent to which the Industry has developed during the period?

The Minister of Agriculture (Dr. P. S. Deshmukh) : (a) Rs. 7 lakhs.

(b) The development of fruit preservation industry in India during the last two years has been encouraged. Production of canned fruits increased from about 11,541 tons in 1954 to about 14,061 tons in 1955. The number of licensed manufacturers increased from 662 in 1954 to 718 in 1956.

Shri Jhulan Sinha : May I know whether the country has become self-sufficient in the matter of canned and preserved fruits?

Dr. P. S. Deshmukh : It is difficult to say. In some places there is excess of production, and in some places there is deficiency. I do not think it would be possible for me to say exactly whether we are self-sufficient or not.

Shri Jhulan Sinha : May I know whether in view of the vital importance of this industry to the health and life of the country, Government are sufficiently alive to the necessity of developing it to such an extent that the country may be self-sufficient in this respect?

Dr. P. S. Deshmukh : We were not so aware in the First Five Year Plan. But in the Second Five Year Plan, we have become very much conscious of the importance of the fruit industry to the country.

सेठ मचल सिंह : फ्रूट प्रिजरवेशन इन्डस्ट्री के लिए जो रूपया दिया गया है, वह कौन-कौन सी फर्मों को दिया गया है और कहाँ कहाँ दिया गया है ?

डा० पं० शं० बेशमुख : यह तो खास तौर से आसाम का सवाल है

I have not got the names of the firms, but I can give the break-up of the amount under the different items. The amounts are as follows :

	Rs.
Rebate on tinned plate	23.5 lakhs
Loans at commercial rates :	
(a) For large-scale canners .	35 lakhs.
(b) For small-scale canning units	20 lakhs.
(c) Establishment of cold storage	40 lakhs.
Quality control administration and staff for development .	14.2 lakhs.
Research on packaging	1 lakh.
Scheme for setting up of regional reserach stations .	12 lakhs.
TOTAL	145.7 lakhs.

Shri P. C. Bose : May I know the different varieties of fruits that are being preserved?

Dr. P. S. Deshmukh : I would not be able to give the complete list. Most of the fruits that will pay are being canned.

Shri B. D. Pande : May I know whether Government are giving any grant to the fruit preservation unit that has recently been set up at Ramgarh?

The Minister of Food and Agriculture (Shri A. P. Jain) : That is by the U.P. Government.

Dr. P. S. Deshmukh : This has been started by the State Government. If it is qualified for any grant under our rules, it will certainly get it.

Shri Heda : May I know the cities where the cold storage units have been constructed, and their capacity?

Dr. P. S. Deshmukh : I have not got the list here. I would ask for notice.

Shrimati Jayashri : May I know whether Government are giving encouragement to the export of these preserved fruits, and if so, to which countries they are being exported?

Dr. P. S. Deshmukh : We do try to encourage, although we do not probably subsidise any export of fruits. It is our intention that our fruits should be consumed by as many countries in the world as possible.

Flood Control Schemes

+
 *1024. { **Shri Sadhan Gupta :**
Shri Ram Krishan :
Shri D. C. Sharma :
Dr. Ram Subhag Singh :
Shri R. N. Singh :
Sardar Iqbal Singh :
Sardar Akarpuri :
Shri Gidwani :
Shri Bibhuti Mishra :
Shri C. D. Pande :

Will the Minister of **Irrigation and Power** be pleased to refer to the reply given to Unstarred Question No. 856 on the 23rd August, 1956 and state :

(a) whether the schemes for flood control programme during the Second Five Year Plan period have been received from the State Governments;

(b) if so, the details of the schemes State-wise; and

(c) the nature of the decision taken by Government in each case?

The Deputy Minister of Irrigation (Shri Hathi) : (a) to (c). Apart from the continuing schemes which were in progress during the First Five Year Plan period, certain new schemes, costing over Rs.

10 lakhs, each, have been received for inclusion in the flood control programme for the Second Five Year Plan period. A statement giving the requisite information in respect of these schemes is laid on the Table of the House. [Placed in Library. See No. S. 554/56]

Shri Sadhan Gupta : Is it a fact that Government are prepared to sanction any amount that the States can spend on the flood-control schemes, as appeared according to press reports from the speech of the Minister of Irrigation and Power at Lucknow?

Shri Hathi : Government are prepared to spend not any amount but an amount within the ceiling allotted to each State.

Shri Sadhan Gupta : Under the Second Five Year Plan ?

Shri Hathi : Yes, under the Second Five Year Plan. The ceiling fixed under this Plan is Rs. 60 crores. On that basis, various amounts have been allotted to the various States. It is desirable that the flood-protection works should be completed as soon as possible. So, subject to the ceiling and the availability of funds, they would be entitled to spend the amounts.

Shri Sadhan Gupta : May I know the period over which the ceiling can be spread out? Can the period of five years be reduced, in the case of flood-control schemes, because of the extreme urgency of flood controls?

Shri Hathi : The idea is that the speedier they are executed the better; and that period can be reduced.

Sardar Iqbal Singh : May I know whether Government have received any scheme from the Punjab Government, and if so, when it was received, and whether any action has been taken on the same?

Shri Hathi : One scheme has been received from Punjab, costing more than Rs. 10 lakhs. There were 24 other minor schemes costing Rs. 64 lakhs or so. Out of these, 20 schemes have been approved already.

Dr. Ram Subhag Singh : From the statement, I find that about 16 schemes have been submitted by the Government of Bihar, and about four more have been submitted very recently. But none of these schemes relate to the rivers which have been in floods for the last two or three years during the monsoon periods. May I know whether Government have any agency to find out the areas which are flooded during the monsoon period and start flood-control schemes there also?

Shri Hathi : Generally, the schemes flood-protection are prepared by the State Governments. The State Flood Control Boards are there, and they look to these things. Then, the schemes are sent up for scrutiny here. If there is any technical point involved, then the officers from the Central Water and Power Commission go there and advise them. But, generally, the investigations are being done by the State Governments.

श्री विभूति मिश्र : इस स्टेटमेंट को देखने से पता चलता है कि बूढ़ी गंडक के लिए दो स्कीम रखी गई हैं। यह नदी चम्पारन से निकलती है और मंगेर जिले में गंगा नदी में गड़ती है। चम्पारन के बाद ही इस नदी में बांध है लेकिन चम्पारन में इस नदी में यथेष्ट बांध नहीं है। मैं जानना चाहता हूँ कि क्या इंजीनियरी का यही कायदा है कि जहाँ बूढ़ी गंडक नदी गंगा में मिले, वहाँ पर स्कीम बनाई जाय और उदगम-स्थान पर कोई स्कीम ब बनाई जाय ? क्या सरकार इस पर विचार कर रही है ?

Shri Hathi : I shall enquire from the Bihar State Government about what the hon. Member has just referred to.

Shri L. N. Mishra : May I know whether it is a fact that much concern has been expressed by some of the State Governments at the Planning Commission's proposal to reduce the allotment for flood-control from Rs. 117 crores to Rs. 60 crores, and if so, whether the Union Ministry has pressed for more grants from the Planning Commission, and if the answer to the latter part of the question be in the affirmative, what the reaction of the Planning Commission has been ?

Shri Hathi : For the present, Rs. 60 crores have been allotted for flood control. It is a fact that when the schemes were prepared and sent tentatively by the various States, the total amount required was found to be Rs. 117 crores. But just as in other sectors full provision has not been made by the Planning Commission, likewise, here also, Rs. 60 crores only have been provided. But if the schemes are urgent and immediate, the Irrigation and Power Ministry will try to see that immediate and urgent schemes are not withheld for want of funds.

Pandit D. N. Tiwary : Are Government aware that in the bunds that have been constructed, sufficient outlet is not given

and therefore, when a heavy downpour occurs, the villages are flooded by rain water ?

Shri Hathi : Generally, openings and sluice gates are being provided where such embankments have been constructed. It might be that they might not have been ready by a particular time; otherwise, due precautions are taken to see that openings and sluice gates are provided.

Shri Heda : Sometimes floods are caused by the breach of huge water reservoirs. The effective method in use in the USA to deal with this is either to dig the bed of the river or construct alternate canals to let the water flow away swiftly. Has this method attracted the attention of Government ?

Shri Hathi : So far as we are concerned, we have not had any experience of huge reservoirs having given way. Here the problem is with respect to the rivers, their tributaries and drainage. We have not yet faced any problem of any huge reservoir having given way and flooding the neighbouring area. But this is a suggestion for consideration.

Shri C. K. Nair : May I know if there is any scheme for a bund to be built on the western side of the Yamuna in Delhi ?

Shri Hathi : That is under consideration.

Dr. Ram Subhag Singh : Certain very serious accidents have occurred recently, but none of the rivers concerned has been mentioned in these schemes, though they are exhaustive. May I know whether the Government will see that careful attention is paid by the State Governments in drawing up such schemes.

Shri Hathi : As I said, these schemes are drawn up by the State Governments. But if there is any immediate danger to any particular area and it is brought to the notice of the Central Government, they would advise the State Government concerned to take up that scheme immediately.

ग्राम-क्षेत्रों में परिवार आयोजन

*१०२६. श्री भक्त दर्शन : क्या स्वास्थ्य मंत्री २४ अगस्त, १९५६ के तारकित प्रश्न संख्या १३४७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) ग्राम क्षेत्रों में परिवार नियोजन का प्रचार करने की जिस योजना पर विचार

किया जा रहा था, क्या उसके बारे में इस बीच अन्तिम निर्णय कर लिया गया है; और

(ख) यदि हाँ, तो क्या उस योजना की मोटी रूप-रेखा तथा वित्तीय पहलुओं को बताने वाला एक विवरण लोक-सभा पटल पर रखा जायेगा ?

स्वास्थ्य उपमंत्री (श्री मती चन्द्रसेखर) :

(क) जी, हाँ ।

(ख) एक विवरण जिसमें आवश्यक सूचना दी गई है, समा की मेज पर रख दिया गया है । [देखिये परिशिष्ट ४, अनुबन्ध संख्या २५]

श्री भक्त बर्षान : इस विवरण से ज्ञात होता है कि परिवार आयोजन का प्रचार करने के लिए दो हजार केन्द्र खोले जायेंगे और लगभग पांच करोड़ रुपया उन पर व्यय किया जायेगा । क्या मैं जान सकता हूँ कि अब तक कितने केन्द्र खोले जा चुके हैं और उन्हें कितनी सफलता मिल रही है ?

Shrimati Chandrasekhar : As mentioned in the statement, 2,000 clinics are to be opened in the Second Five Year Plan period in the rural areas. They will be attached to the primary health units. The assistance that will be given by the Central Government will be as follows :

Non-recurring	· 100 per	cent.
Recurring : First year	· 80	”
Second ”	· 70	”
Third ”	· 50	”
Fourth ”	· 30	”
Fifth ”	· 20	”

श्री भक्त बर्षान : ठीक प्रश्न यह था कि इन दो हजार केन्द्रों में से अभी तक क्या कोई केन्द्र खोला भी गया है और यदि खोला गया है तो उसे अपने काम में सफलता भी मिल रही है या नहीं ?

Shrimati Chandrasekhar : Yes, there are a number of clinics opened. The

total number of clinics so far established is as follows:—

State Governments	· · ·	188
Local bodies	· · ·	34
Voluntary organisations	· · ·	
TOTAL	· · ·	<u>316</u>

श्री भक्त बर्षान : ये जो केन्द्र विभिन्न राज्यों को दिये जायेंगे वे किस आधार पर दिये जायेंगे ? क्या जनसंख्या के आधार पर इनका वितरण किया जायेगा या कोई और आधार उनके वितरण के लिए निश्चित किया गया है ?

Shrimati Chandrasekhar : Mostly it will be on a population basis.

Shri Kelappan : I find that the Government are going to waste a lot of money on this wild-goose chase. May I know how these voluntary schemes will be financed? Will it be on the recommendation of the State Governments or will any bogus institution also get grant?

Shrimati Chandrasekhar : Most of the grants that are given by the Central Government are on the recommendation of the State Governments.

Shri Gidwani : May I know whether the Executive Committee, as recommended by the Family Planning Board, has been appointed, and if so, when ?

Shrimati Chandrasekhar : It has been appointed. I think the hon. Member, being a member of the Board, knows about it.

Shri Gidwani : I have not received any notice. So I was asking.

Shrimati Chandrasekhar : His address was given at Bombay. The latter might have reached Bombay.

मेडिकल कालेजों में नेपाली छात्र

*१०२७. श्री विभूति मिश्र : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) विभिन्न राज्यों के विभिन्न मेडिकल कालेजों में प्रति वर्ष कितने नेपाली छात्र शिक्षा प्राप्त करते हैं ;

(ख) क्या सरकार विभिन्न मेडिकल कॉलेजों में नेपाली छात्रों के लिये सीटें बढ़ाना चाहती है; और

(ग) यदि हां, तो कितनी और कब ?

. स्वास्थ्य उपमंत्री (श्रीमती चन्द्रशेखर) :

(क) इस बारे में एक विवरण जिसमें आवश्यक जानकारी दी हुई है, सभा की मेज पर रख दिया गया है। [देखिये परिशिष्ट ४, अनुबन्ध संख्या २६]

(ख) इस मतलब के लिये सीटों का कोई कोटा मुकर्रर नहीं है। कोलम्बो प्लान के अन्तर्गत किसी खास वर्ष के लिये नेपाली छात्रों की सीटों की संख्या नेपाल सरकार की वास्तविक मांग पर निर्भर है।

(ग) यह प्रश्न नहीं उठता।

श्री विभूति मिश्र : नेपाल के विद्यार्थी किसी साल नाम लिखाने के लिए ज्यादा संख्या में आ जाते हैं और किसी साल कम आते हैं। इस कारण जिस प्राविस के कालेज में वे जाते हैं वहां के लड़कों को दिक्कत का सामना करना पड़ जाता है। मैं जानना चाहता हूँ कि क्या सरकार इन नेपाल के विद्यार्थियों के लिए कोई संख्या निश्चित करने पर विचार कर रही है कि फलां कालेज में इतने विद्यार्थी लिये जायेंगे और फलां में इतने ?

स्वास्थ्य मंत्री (राजकुमारी अमृत कौर) : जो विद्यार्थी नेपाल से आते हैं उनके लिए गवर्नमेंट स्वीकार करती है कि उनको इतनी सीटें दी जायेंगी और जहां तक हो सकता है हम उनको जगह देते हैं। उनकी मांग पर भी यह बात निर्भर करती है लेकिन हम उनको ज्यादा सीटें तो नहीं देते। हम अपने लड़कों पर ज्यादा ध्यान देते हैं और उनको जहां तक हो सकता है पहले जगह देते हैं।

श्री विभूति मिश्र : क्या सरकार हर साल नाम लिखवाने के ६ महीने पहले नैपाल सरकार स पता चला लिया करेगी कि उसके

यहां के कितने विद्यार्थी आने वाले साल में हमारे यहां मेडिकल कॉलेजों में नाम लिखाने आवेंगे और उसी के अनुसार सीटों का प्रबन्ध कर ?

राजकुमारी अमृत कौर : जी हां, उनको काफी वक्त में पूछा जाता है कि आप कितन विद्यार्थी इस साल म भेजना चाहते हैं। वह भी कहीं और नहीं भेज सकते इसलिए हमारे ऊपर नकी मांग ज्यादा रहती है और वह बढ़ती चली जा रही है

Shri Matthen : In granting admission to foreign students, will the hon. Minister bear in mind the great demand for doctors in our country, the limited accommodation in our medical colleges and the large number of students who are denied admission in our colleges ?

Rajkumari Amrit Kaur : This fact always borne in mind. Naturally our students must get priority. But the Government of India have also got certain obligations to foreign countries, and in this matter, we are dependant on the Ministry of External Affairs; whatever decision is taken by them in regard to foreign students, we follow.

Family Planning Centers In Bombay

*1028. Shri Gidwani : Will the Minister of Health be pleased to state :

(a) whether the attention of Government has been drawn to the reply given by the Deputy Minister of Health, Bombay State Government in Bombay Legislative Council on the 9th October, 1956 to the effect that the Government of Bombay refused an offer of aid by the Union Government for establishment of Family Planning Centres in the State as the State did not believe in Family Planning by artificial methods like contraceptives and Government would not encourage any such centres with financial aid as it was against its policy; and

(b) if so, whether the Government of India have devised any measures to open Family Planning Centres in the Bombay State ?

The Deputy Minister of Health (Shrimati Chandrasekhar) : (a) Yes.

(b) Family Planning Centres have been opened with Central assistance in Bombay

State under the Family Planning Scheme approved by the Government of India.

A statement showing grants-in-aid sanctioned by the Government of India for the opening of these Centres is laid on the Table of Lok Sabha. [See Appendix IV, annexure No. 27].

Shri Gidwani : May I enquire through you whether it is open to any State Government to refuse to carry out the policy laid down by the Union Government or to refuse to offer any co-operation in implementing the same ?

Mr. Speaker : It is a general question of policy.

Shrimati Chandrasekhar : The hon. Member knows that in the matter of the subject of health, the State Governments are autonomous and they can decide any policy they like.

Shri Gidwani : Is that true ? Can any State Government refuse to implement any policy laid down by the Centre, which forms part of our planning programme ?

Mr. Speaker : On the constitutional issue as to whether in the field which is exclusively given to the States, the States have exclusive jurisdiction or they are tied down by the policy laid down by the Planning Commission or the Centre, the hon. Member may look into the Constitution.

Shri Kelappan : Is it not a fact that the Minister of Health of the Central Government also does not believe in artificial methods of family planning ?

The Minister of Health (Rajkumari Amrit Kaur) : The fact that family planning programmes have been undertaken by the Central Ministry of Health is the answer to his question.

Dr. Jaisooriya : Did the Bombay Government adopt any special method of their own, as opposed to yours ?

Rajkumari Amrit Kaur : The Bombay Government have accepted the rhythm method. They were not in favour of contraceptives.

Dr. Jaisooriya : Has the Bombay Government adopted the rhythm method because it was very successful ?

Rajkumari Amrit Kaur : The rhythm method has proved cent per cent successful where it has been practised with intelligence and the necessary amount of restraint.

Indian Engineers for U.S.A.

***1030. Dr. Ram Subhag Singh :** Will the Minister of Irrigation and Power be pleased to state :

(a) whether a team of Indian Engineers has recently been sent to the U.S.A. to study flood control methods there ;

(b) if so, whether that team will study the flood control methods of any particular river system there ;

(c) the period of study ; and

(d) whether the expenditure of that team will be borne by the U. S. Technical co-operation Mission ?

The Deputy Minister of Irrigation and Power (Shri Hathi) : (a). No, Sir.

(b) No, Sir.

(c) From two to six months depending on the nature of the subject which each member of the team is required to study.

(d) Yes, Sir.

Dr. Ram Subhag Singh : In reply to part (b) of my question, the hon. Minister has replied "No". May I know which flood control measures they will study ?

Shri Hathi : They will study different subjects dealing with flood control, e.g., flood hydrology, model experiments, flood forecasting, river training and meander control, stabilisation of banks, soil conservation, soil research and those allied subjects which have to be necessarily studied with regard to floods.

Dr. Ram Subhag Singh : Is it possible for them to acquire the practical knowledge without visiting any river flood control projects obtaining elsewhere ?

Shri Hathi : No. During their study they may visit some places. But it will mostly be a course on theory.

Food Import Plans

***1033. Shri Kajrolkar :** Will the Minister of Food and Agriculture be pleased to state :

(a) whether Government have under consideration any scheme to ensure continuous flow of food into the country during the next year ; and

(b) the names of the countries from which it is proposed to secure food supplies during the next year ?

The Minister of Agriculture (Dr. P. S. Deshmukh) : (a) Yes, Sir.

(b) At present we have agreements with the Governments of U. S. A. and Burma.

Shri Kajrolkar : What is the present position of food stock in the country ? Is it adequate ?

Dr. P. S. Deshmukh : Yes, Sir.

Shri Kajrolkar : How far the Suez Canal problem and the consequent difficulty in getting shipping here affected the import of foods ?

The Minister of Food and Agriculture (Shri A. P. Jain) : The shipping position has become a little tight. But, on the whole, we are getting fairly good supply.

Shri Kajrolkar : Have the Government secured adequate number of ships for the import of food in time ?

Shri A. P. Jain : We are chartering ships from time to time. I think we are getting sufficient shipping for our purposes.

Shrimati Tarkeshwari Sinha : Before importing foodstuffs from foreign countries, will the Government assure the House that they will stock them in the Government godowns ?

Shri A. P. Jain : Sure.

Mr. Speaker : Hon. Members are more anxious to get assurances than facts. A question like "Are there sufficient number of godowns to stock all the imported food or if not, what is the deficiency ?" will elucidate an answer. If the hon. Member wants an assurance, the hon. Minister will give an assurance and it will end there.

Shri Kasliwal : The hon. Minister said just now that there is an agreement with Burma for import of rice. May I know what is the total quantity of rice that is going to be imported from Burma during the years 1956-1957 and 1957-58 ?

Shri A. P. Jain : We go by the calendar years. In 1956 we had agreed to import three lakhs tons, out of which, I think, 20,000 to 25,000 tons remains to be imported. It will be carried over to the next year and in 1957 we propose to import 500,000 tons.

Shrimati Tarkeshwari Sinha : How are we going to pay for the rice imported from Burma ?

Shri A. P. Jain : In cash.

Shri Matthen : The hon. Minister said just now that he is chartering several ships for importing food. May I know

the number of ships chartered from the beginning of this year and what is the measure he is adopting in the matter of chartering, that is, is it through his own Ministry or Transport Ministry or some other means ?

Shri A. P. Jain : We are chartering ships on the basis of our monthly requirements. We try to utilize them as early as possible. 50 per cent of these are U. S. A. flag ships and the remaining 50 percent are non-U.S.A. flag ships.

Shri Matthen : How many ships have been chartered during this year ?

Shri A. P. Jain : I cannot give the total number. We are chartering them from time to time.

Development of Ports

*1034. **Shri Matthen :** Will the Minister of Transport be pleased to state:

(a) whether it is a fact that the estimated cost of the development schemes submitted by the major ports was reduced from about Rs. 57 crores to about Rs. 37 crores;

(b) if so, the basis on which such a reduction was made;

(c) whether it is a fact that the greatest cut was made in the provision of social services like Housing, Hospitals, Sanitary facilities to the workers and

(d) if so, the reasons because of which such a drastic cut was made in view of the importance attached by the Planning Commission for the provision of housing?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan) : (a) to (d). The estimated cost of the development schemes of major ports included in the Second Five Year Plan is about Rs. 80 crores to be financed partly by Government assistance and partly from the resources of the Ports. This include 5.1 crores for housing, hospitals and welfare services for which the estimates submitted by the Port authorities amounted to Rs. 8.1 crores. The question of restoring part of the cut in these items is being reviewed.

Shri Matthen : May I know the answer to part (a) of my question?

Shri Shahnawaz Khan : It is one composite answer.

Shri Matthen : Does he believe that the provision of houses will be adequate if the cut is enforced?

Shri Shahnawaz Khan : Originally, Bombay had asked for a grant of Rs. 4

crores. There was a cut of Rs. 2 [crores on the assumption that the quarters were meant for higher officers. But it has been pointed out that the quarters are required for Class III and Class IV staff. So we hope there is a good possibility of the cut being restored.

Shri Matthen : What about the accommodation for workers? Is there any cut in the provision for accommodation for workers?

Shri Shahnawaz Khan : This is also included in the Plan.

Shri Raghavalah : Has Vishakha patnam port also been affected by-cut?

Shri Shahnawaz Khan : No, Sir.

Co-operative Movement

+
*1035- { **Shri Kamath :**
 Thakur Jugal Kishore Sinha.
 Shri Deogam :

Will the Minister of Food and Agriculture be pleased to state whether in view of the statement made by the Prime Minister while inaugurating the National Development and Warehousing Board on the 7th November, 1956 about the rigidity of co-operative laws, official control and the discouragement to the poor section of the people in advancing of loans by the co-operative organisations, any scheme has been prepared to provide incentive to the poor people to join the co-operative organisations?

The Minister of Agriculture (Dr. P. S. Deshmukh) : A Committee on Co-operative Law is considering actively the question of simplification of cooperative laws.

It is proposed that the nominees of Government will not exceed one-third of the total number of Directors in reorganised cooperative institutions, even though the State will provide 51% of the share capital. The nominees of the Government are expected not to interfere in the day to day administration of such institutions.

The facility for collection of share capital in easy instalments and priority of loans in case of shortage of funds are some of the measures for encouraging poor farmers.

Shri Kamath : Is it a fact that in spite of the best intentions of the Central Government, the indifference of several State Governments in this matter has largely contributed to the comparative failure of the co-operative movement in India?

Dr. P. S. Deshmukh : I do not know if my hon. friend is talking about the past. So far as the past is concerned, I am afraid, there is a finding of a survey committee which says that it has not succeeded so well. But from the time we have started reorganisation, I don't think we can come to the conclusion which my hon. friend seems to have come to.

राजमाता कमलेन्दुमति शाह : क्या मैं जान सकती हूँ कि यह जो सहकारी संघ है इनके जो भ्रान्त के गोदाम हैं वे खत्ती के रूप में बनाये जायेंगे या घरों के रूप में बनाने का विचार है क्योंकि खत्ती गोदाम बनाने से सस्ती पड़ती है।

डा० प० श० बेशमुख : हमारा इरादा कौई कीमती मकान बनाने का नहीं है जितने भी रास्ते वे बन सकें उनको बना कर इस्तेमाल करने का इरादा है।

राजमाता कमलेन्दुमति शाह : क्या खतियो को रखेंगे।

डा० प० श० बेशमुख : गोदाम बनाये जायेंगे।

Dr. Ram Subhag Singh : The hon. Minister said that a Committee has been set up to study matters. May I know whether that committee consists entirely of officers? In case it consists entirely of officers and in case the Committee recommends in favour of that control, will it be possible under the existing set-up to evolve any alternative method to that of official control?

Dr. P. S. Deshmukh : The Committee first of all consists of both officials and non-officials, and I do not think we should pre-judge what the recommendations of the Committee would be.

Shri L. N. Mishra : In view of the fact that one of the main reasons for not having proper development of co-operatives in our country has been the want of a suitable machinery for the purpose, have Government considered the possibility of entrusting this movement or organisation to non-official bodies or organisations for the development of co-operatives in particular areas, say, in important districts in some of the States?

The Minister of Food and Agriculture (Shri A. P. Jain) : So far as

the machinery is concerned, Parliament has already passed a law and that law contemplates the setting up of a National Co-operative Development and Warehousing Board which will be charged with policy questions and which will be advancing finances. At the State level of course, the State Department of Co-operation will be functioning. It is our intention to have the largest amount of co-operation from non-officials. We are in constant touch with the Indian Co-operative Union and are receiving full co-operation from them. Of course the co-operative movement envisages that there must be large co-operation with non-officials.

Personnel For River Valley Projects

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*1036. { Sardar Iqbal Singh;
Sardar Akarpuri :

Will the Minister of Irrigation and Power be pleased to state whether Government have received the report of the Sub-Committee appointed by Co-ordination Board for personnel of river valley projects?

The Deputy Minister of Irrigation and Power (Shri Hathi) : Not yet, Sir.

Sardar Iqbal Singh : In view of the shortage of technical personnel on river valley projects may I know whether Government is considering the increase of the retiring age of these personnel?

Shri Hathi : No, Sir, but in special cases, extensions may be given or the persons may be re-employed.

Sardar Iqbal Singh : May I know whether Government have any integrated plan so that after the completion of one project, its officers may be transferred immediately to other projects?

Shri Hathi : That is one of the terms of reference for this Sub-Committee and the Sub-Committee will deal with that.

Shri R. P. Garg : During the Budget Session the hon. Minister said that he was going to set up some sort of a National Construction Corporation or some sort of a committee for the Co-ordination of the different river valley projects. May I know what is the progress in the matter?

Shri Hathi : These two things are different. The National Construction Corporation is being established. The preliminary procedure and other things have been worked out already and that will perhaps start functioning within two or three months. So far as the question of surplus personnel of the different river valley projects is concerned, we

have also a scheme whereby in the different projects the surplus or the deficit is being intimated to the Central Water and Power Commission and they see that the surplus from the one can be absorbed in the other.

Pandit D. N. Tiwary : In view of the fact that many river valley projects suffer for want of technical hands, especially of engineers may I know whether Government has considered the question of establishing an All India Service of Engineers?

Shri Hathi : There is a proposal for constituting an All India Service of Engineers for Irrigation, but not much progress has been made. We have been in communication and negotiation with the different States.

Sardar Iqbal Singh : Is Government aware of the fact that even in lower grades, there is great shortage of technical personnel such as overseers and others? It is so in the Punjab. May I know whether Government is going to consider the pooling of the overseers for the river valley projects?

Shri Hathi : It is a fact there is a shortage of overseers. For this purpose different States have been requested to start schools for condensed courses for overseers of 18 months or so and many of the States have done that. The other question of pooling of these overseers from the different States also has been handled by the Sub-Committee, but as its report is not yet out, it would not be proper to say what the recommendations of that Committee are the report has not yet been finalised.

Shrimati Tarkeshwari Sinha : May I know whether one of the causes of delay in establishing an All India Service of Engineers is the disagreement of the different States to co-operate in the scheme? If so, which are the States which have expressed their intention of not co-operating in this scheme?

Shri Hathi : Actually, that question does not arise from this. But anyway, different States have shown their viewpoints for not agreeing to the formation of an All India Service. The main reason is that the scales of pay differ from place to place, and some States have a sufficient number of engineers and, therefore, do not agree. But we have been persuading the State Governments in the matter. The names of the States cannot be mentioned by me; the detailed list of the States that have agreed or have not agreed is not with me.

राष्ट्रीय राजपथ

*१०३६ श्री ख० चं० सोषिया :

क्या परिवहन मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि मध्य प्रदेश में सागर और देवरी के बीच राष्ट्रीय राजपथ संख्या २६ पर पड़ने वाली नदियों और नालों पर पुलों और पुलियों का निर्माण-कार्य रोक दिया गया है;

(ख) यदि हां तो, उसका क्या कारण है; और

(ग) निर्माण-कार्य कब से फिर शुरू किये जाने की आशा है ?

रेलवे तथा परिवहन उपमंत्री (श्री शाहनबाज खां): (क) जी, नहीं।

(ख) और (ग) - सवाल ही पैदा नहीं होता।

श्री ख० चं० सोषिया : जो पुल बनने वाला था, उसका काम बन्द हो गया है। तो मिनिस्टर साहब ने जो यह फरमाया था कि एक नये किस्म का पुल बनने वाला है, वह सब क्या आप भूल गये?

श्री शाहनबाज खां : ग्रानरेबुल मेम्बर साहब को रेलवे मिनिस्टर साहब ने भी एक खत लिखा है जिसमें उन्होंने पूरी पोजीशन (स्थिति) एकस्प्लेन (स्पष्ट) की है। एक पुल बनाने के लिये कुछ पहले से काम करना पड़ता है, उसकी जमीन देखनी पड़ती है। इसमें कुछ वक्त लगता है, लेकिन वह काम शुरू हो रहा है।

श्री ख० चं० सोषिया : कब शुरू होगा ?

श्री शाहनबाज खां : शुरू है।

Infective Hepatitis

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*1040. {Shri Kamath:
Shri Kajrolkar:

Will the Minister of Health be pleased to refer to the answer given to Starred

Question No. 80 on the 15th November, 1956 and to supplementaries thereon and state whether any cases of infective hepatitis have recently been reported in Delhi or New Delhi?

The Deputy Minister of Health (Shrimati Chandrasekhar): The incidence of infective hepatitis in Delhi & New Delhi during the last 3 months was as follows:

September, 1956	103
October, 1956	82
November, 1956 (upto 23rd November, 1956)	62
Total	247

A few cases of infective hepatitis keep on occurring throughout the year. No increase in the incidence of the disease has recently been reported in Delhi or New Delhi.

Shri Kamath: From where have these figures of the incidence of infective hepatitis been taken, from hospital registers or elsewhere?

Shrimati Chandrasekhar: From hospitals and dispensaries we get the reports.

Shri Kamath: Is it not likely that because of the high mortality in Delhi Hospitals last year during the yellow scourge, the poor people of Delhi thought they had a better chance at home and with non-allopathic treatment and, therefore, they are not going into the hospitals?

The Minister of Health (Rajkumari Amrit Kaur): I am afraid that proposition cannot hold, because the attendance at hospitals is going up like any thing.

Shri Kamath: Is it a fact that Sardar Baldev Singh, one of our colleagues in the House is seriously ill with hepatitis and that has it been diagnosed as infective hepatitis caused by drinking contaminated water?

Rajkumari Amrit Kaur: It is quite wrong to say so. I know Sardar Baldev Singh very well. His hepatitis came ages ago, along before the supposed infection of water, and it was due to different causes altogether.

Shri Kamath: Is it a fact that the Central Minister and the former Delhi State Minister have indulged in the not very edifying pastime of shifting responsibility from one to the other with regard to last year's epidemic and compensation for fatalities therefrom, and if so, does the Minister at least this year assume full responsibility in the matter and will she even emulate the example of the former

Minister of Railways and Transport if things go very wrong in the capital?

Mr. Speaker: This need not be answered.

Shri Kamath: The first part at least may be answered. The Second part is also important.

Mr. Speaker: All that I can say is this. The hon. Member referred to the shifting of responsibility for the incidents of last year and wants an assurance that she will take full responsibility. That is there. She is fully responsible as far as responsibility can go. So far as the other matters are concerned, the hon. Member cannot get an assurance here.

Shri Kamath: Did the Minister, after return from her strenuous holiday abroad in October, care to ascertain for how many days the people of Delhi got contaminated water?

Shri Gadgil: On a point of order, can a Member indulge in irrelevant remarks which are not relevant to the question?

Mr. Speaker: Even yesterday, I made an observation that so far as questions are concerned, these remarks should not be made; there may be other occasions where anything may be appropriate and the relevancy will be decided there and then. So far as questions are concerned, let there be no argument or insinuation. There should be a plain question, a single question, a matter of fact question as to whether it is so or not; what is the fact, etc. Nothing more need be added. It is rather irksome for me to point this out again and again to the hon. Member. The preamble must be avoided.

Shri Kamath: Your remarks has pained me I am not insinuating, I merely asked after her strenuous time abroad, on her return in October, did she care to ascertain for how many days in October the Delhi Joint Water and Sewage Board supplied joint water and sewage to the Delhi public?

An Hon. Member: No answer should be given.

Mr. Speaker: Did it come to the notice of the hon. Minister that during her stay abroad there was any contamination of water here?

Rajkumari Amrit Kaur: I object very strongly to the question that are put on the floor of this House. There is no question of my going on a holiday abroad at any time. In regard to protected water supply I have laid a statement and answered many questions on the floor of this House. There has been

no contamination of water this year as the facts have shown. I am responsible for the work of the Joint Water and Sewage Board. There is a Parliamentary Health Committee that sees what is going on and can also see that the assurances that I have given on the floor of this House have been fulfilled. I will refuse to answer questions if they are put in this manner to me.

Shri Syamnandan Sahaya: Will the Government be pleased to state if it is a fact that the symptoms of the disease are sometimes not found in the eye or the face but in the mind itself?

Shri Debeswar Sarmah: Will the Government be pleased to state whether the drinking water now supplied can be drunk without boiling?

Rajkumari Amrit Kaur: Yes, Sir. A Press note was issued some weeks ago that filtered water can be used for drinking purposes without being boiled.

Goods, Booking and Parcel Clerks

*1041. **Shri Velayudhan:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the percentage of higher grade posts held by Goods, Booking and Parcel Clerks in Railways is the lowest;

(b) whether it is a fact that these clerks are denied due channel of promotion to inspectorate posts; and

(c) whether it is also a fact that the curtailment of higher grade posts from 25 to 15 per cent. has not been adequately compensated in the form stated in part (b) above?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan): (a) and (b). No.

(c) Does not arise.

Shri Velayudhan: May I know how promotion is made for the posts of inspectors? Is it entirely from the parcel clerk's cadre or from outside?

Shri Shahnawaz Khan: Promotions are made on seniority-cum-efficiency basis.

Shri Velayudhan: May I know whether promotions are made not from this cadre but from outside, from the general pool, even though people belonging to that pool have no experience of financial matters and accounts?

Shri Shahnawaz Khan: Promotions to various posts are being made in accordance with the rules and regulations that exist on the subject.

Central Grass Land Survey Party

*1044. **Shri I. Eacharan:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Central Grassland Survey Party has completed its work and submitted any report; and

(b) if so, what are the suggestions and recommendations made by them?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) No. It will take another 2-3 years to complete the survey work. The Central Grassland Survey Party has so far completed reconnaissance survey of grasslands in the Punjab (including PEPSU), Western U. P., Assam, Manipur, Delhi, Andhra, Bihar, West Bengal, Rajasthan, Madras, Mysore, a portion of Bombay, (including Saurashtra and Baroda) and the former States of Travancore-Cochin and Coorg.

(b) A summary of the suggestions and recommendations made by the Grassland Survey Party in its report for 1954-55 is laid on the Table of Lok Sabha. [See Appendix IV, annexure No. 28].

राजमाता कमलकुमति शाह : क्या मैं जान सकती हूँ कि यह जो घास उगाने के स्थान है वह हर गाँव में जानवरों के चरने के वास्ते खेती की भूमि से किस अनुपात में रखे जायेंगे।

डा० पं० श० बेशमुख : यह सवाल तो घास (घास) के सर्वे (सर्वेक्षण) के बारे में है।

Bridge across Jia Bharali River

*1045. **Shri K. P. Tripathi:** Will the Minister of Transport be pleased to refer to Starred Question No. 1831 on the 6th September, 1956 and state:

(a) whether there has been any change since in the selection of the site of the proposed bridge across Jia Bharali river in Assam; and

(b) if so, what is the finally approved site?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) No, Sir.

(b) Does not arise.

Shri K. P. Tripathi: May I know if the site has not at all been selected till now?

Shri Alagesan: It has been selected.

Shri K. P. Tripathi: May I have a description of the place?

Shri Alagesan: It is two miles below the existing ferry site. This was also gone into by the State engineers. On further inspection the original selection of the site by the Additional Consulting Engineer was upheld and so it has been selected.

Shri K. P. Tripathi: May I know if it will be necessary to change the river for any length so that the bridge may stand at that place?

Shri Alagesan: Many works including training works will have to be carried out to contain the river in its course.

Shri K. P. Tripathi: When is the construction likely to be taken up?

Shri Alagesan: I think the estimates have been received only now, very recently. They have to be scrutinised. After the estimates have been finalised and approved, work will start.

Sugar Factories in Orissa

*1047. **Shri Sanganna:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether any new licences have been given for the establishment of new sugar factories in the State of Orissa;

(b) if so, the place of location; and

(c) whether the licences are for Co-operative Organisations or otherwise?

The Minister of Agriculture (Dr. P. S. Deshmukh): (a) Yes, Sir. One licence is being given.

(b) Aska, District Ganjam.

(c) Co-operative Organisation.

Shri Sanganna: May I know whether the question of granting new licences has been considered in the light of the recommendations made in the Karve Committee Report?

The Minister of Food and Agriculture (Shri A. P. Jain): No, Sir. We had decided to issue licences up to a certain limit. That limit has now very nearly been approached and we are issuing licences according to the policy laid down.

Shri Sanganna: May I know whether the present licence issued by the Government recently will affect the existing sugar factory and the rice production in the State?

Shri A. P. Jain: I do not know what exactly is the implication of the question. May be that certain area, now under rice,

may come under sugarcane cultivation. But, that will be a very small area.

Railway Employees

*1091. **Shri Radha Raman**: Will the Minister of Railways be pleased to refer to the replies given to Unstarred Questions Nos. 541 and 1189 on the 4th April, and the 27th September, 1955 respectively and state:

(a) whether Government have come to any decision regarding the question of imposing the penalty of withholding increments on their staff;

(b) whether any cases have been instituted by the aggrieved staff against the Railway Administration; and

(c) if so, what is the outcome of such cases?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Government have come to the conclusion that the withholding of increments under the Service Rules is in order.

(b) Some cases have been instituted by staff whose increments were withheld.

(c) In some cases, withholding of increments has been held to be *ultra vires* of the Payment of Wages Act and in others, not so.

Shri Radha Raman: May I know whether any case was instituted by some of those who were aggrieved and Government has lost that case?

Shri Alagesan: Yes, that was in Bombay. But the Punjab High Court held that it is not *ultra vires* of the Payment of Wages Act and there the staff lost the case. Therefore, Government are thinking of bringing an amendment to the Payment of Wages Act.

WRITTEN ANSWERS TO QUESTIONS

Bhopal-Bina Railway Line

*1018. **Shri T. B. Vittal Rao**: Will the Minister of Railways be pleased to refer to the reply given to unstarred Question No. 270 on the 30th July, 1956 and state:

(a) whether a firm decision has since been taken regarding doubling the line from Bhopal to Bina;

(b) if so, the nature of the decision taken; and

(c) if not, the reasons therefor?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan): (a) No Sir.

(b) Does not arise.

(c) Final decision will be taken only after the Survey Report is received and examined by the Railway Board.

National Highways (Mysore)

*1099. **Shri KeshavaIengar**: Will the Minister of Transport be pleased to state:

(a) what is the total amount of the estimated cost of important National Highway original works in the State of Mysore sanctioned during 1955-56 and 1956-57; and

(b) how much of this amount has been actually spent and what is the sum lapsed?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Rs. 10.74 lakhs and Rs. 7.77 lakhs respectively.

(b) According to the figures of expenditure so far available, Rs. 6.24 lakhs in 1955-56 and Rs. 0.11 lakh in 1956-57. As the estimates are current till the works are completed and they are not sanctioned on a year-to-year basis, the question of lapse does not arise.

Auxiliary Medical Workers

*1021. **Shri Krishnacharya Joshi**: Will the Minister of Health be pleased to state:

(a) whether a two-year course of training of Auxiliary medical workers is being implemented; and

(b) if not, the reasons therefor?

The Minister of Health (Rajkumari Amrit Kaur): (a) The two-year course of training of Auxiliary medical workers has not yet been started.

(b) None of the State Governments has so far submitted any scheme on the lines proposed by the Government of India.

Railway Accidents

*1023. **Shri Dabhi**: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the incidence of accidents per million train miles occurring on the Western Railways in 1953-54 is disproportionately high as compared to those on other Railways; and

(b) if so, the reasons therefor?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan):

(a) Yes.

(b) A large number of accidents were due to failure of engines and rolling stock and cattle run over.

In the case of failure of engines and rolling stock, it may be stated that this Railway had a set back after integration due to the amalgamation of a number of small private railways of the Indian States. The basis of compilation has not always been uniform.

Railway Delegation to Japan

*1025. **Shri D. C. Sharma** : Will the Minister of Railways be pleased to refer to the reply given to Starred Question No. 280 on the 25th July, 1956, and state :

(a) whether the delegation that visited China and Japan to study the functioning of their Railway systems has submitted any report ; and

(b) if so, whether it has been considered ?

The Deputy Minister of Railways and Transport (Shri Alagesan) :

(a) The delegation's formal report has not yet been finalised.

(b) Does not arise.

Trains on Khandwa-Ajmer Lines

*1029. **Shri Bheekha Bhai** : Will the Minister of Railways be pleased to refer to the reply given to Unstarred Question No. 377 on 2nd August, 1956 and state :

(a) whether any train has been started on the Khandwa-Ajmer section of Western Railway; and

(b) if so, how far this has removed overcrowding ?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan):

(a) No, Sir.

(b) Does not arise.

Casual Leave for Railway Employees

*1031. **Shri Dhushiya** : Will the Minister of Railways be pleased to state :

(a) whether it is a fact that every station master on the spot is not authorised to grant casual leave to his subordinates on the North Eastern Railway ;

(b) what is the usual practice for applying and granting such leaves, whether by telephone, telegram or by ordinary correspondence ;

(c) whether it is a general complaint that the employees do not get such leaves at the time of their needs; and

(d) if the answer to part (c) above is in the affirmative whether Government will alter the methods of grant of casual leave so as to make it more convenient ?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan):

(a) Yes—only Station Masters in scale of Rs. 200-300 and above are authorised to sanction casual leave to staff under them.

(b) The usual practice is to apply for leave through applications. Sanctions thereto are communication by ordinary correspondence except in cases of emergency when these are communicated by phone or telegram.

(c) No.

(d) Does not arise.

Family Planning Officer

*1032. **Shri Gadilingana Gowd** : Will be Minister of Health be pleased to state :

(a) whether it is a fact that the Family Planning Board has recommended the appointment of a Family Planning Officer in each State ;

(b) if so, whether the recommendation has been accepted by the Union Government; and

(c) the main functions of the above Officer ?

The Minister of Health (Rajkumari Amrit Kaur): (a) Yes.

(b) The recommendation is under consideration. A decision will be taken in consultation with State Governments.

(c) A statement indicating the main functions of the proposed State Family Planning Officers is laid on the Table of Lok Sabha. [See Appendix IV, annexure No. 29].

Rapti River Scheme

*1037. **Shri Ram Shankar Lal:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the U.P. Government have submitted for sanction any scheme to tame the river Rapti called the Jal-Kundi Scheme;

(b) how much of electricity is expected to be generated and how much area would be irrigated;

(c) the extent to which it will prevent the ravages of flood; and

(d) the reason of delay, if any, in its sanction?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (d). A preliminary estimate has been received but the detailed project estimate is still awaited. The details of the scheme and the question of approving it can be settled only after the detailed estimate has been received and subjected to technical and financial scrutiny.

Fruit-Canning Industry

*1038. { **Shri A. K. Gopalan:**
Shri C. R. Iyyanni:

Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government have explored the possibilities of starting a Fruit-canning Industry in Kerala State; and

(b) if so, the result thereof?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The possibilities of starting a Fruit Canning Industry in the State as a whole have not been explored so far, but Nayyattinkara Vilavancode Community Project area was specially surveyed recently.

(b) A scheme for establishment of one small canning unit in the Community Project area has been prepared.

Oil and Oil Seeds

*1042. **Dr. J. N. Parekh:** Will the Minister of Food and Agriculture be pleased to state:

(a) the position of oil and oilseeds this year and the expected crop position;

(b) the export policy for the same;

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(c) whether the attention of Government has been drawn to hectic rise in prices of all oils and oilseeds; and

(d) if so, the steps proposed to be taken by Government to check the same?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Two statements giving the available information are placed on the Table of Lok Sabha. [See Appendix IV, annexure No. 30].

(b) Exports of major edible oils *viz.*, groundnut, sesamum and mustard are banned at present. Exports of coconut oil have always remained banned. Exports of major non-edible oils *viz.* linseed and castor oils are being licensed freely. Exports of all the five major oilseeds are banned.

(c) and (d). Since the end of 1955, the prices of vegetable oils have tended to move up. The Government are keeping a constant and careful watch over the trend of internal prices of oils and oilseeds and taking necessary remedial measures including adjustments in export policy and export duties.

Railway Engines

*1043. **Shri B. S. Murthy:** Will the Minister of Railways be pleased to state:

(a) whether passenger Railway Engines are to be manufactured at Chittaranjan; and

(b) if so, the number of Engines to be manufactured in the first phase of the programme?

The Deputy Minister of Railways and Transport (Shri Alagesan):
 (a) Yes.

(b) 10 WT and 36 WP locomotives.

Bombay Suburban Railway Service

*1046. **Shri Tulaidas:** Will the Minister of Railways be pleased to state:

(a) the extent of overcrowding in the suburban trains of Bombay both on the Central and Western Railways;

(b) the number of additional trains and bogies placed on suburban branches of Bombay both on Central and Western Railways during the current year to relieve overcrowding; and

(c) the number of casualties arising from railway accidents due to overcrowding?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan): (a) to (c). A statement is laid on the Table of Lok Sabha. [See Appendix IV, annexure No. 31].

बीकानेर रेलवे वर्कशाप

*१०४८. श्री प० ला० बारूपाल :
क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रेलवे का बड़ा स्टोर बीकानेर में नहीं है और आवश्यक सामग्री जोधपुर से मंगानी पड़ती है और इसमें काम में विलम्ब होता है; और

(ख) क्या बीकानेर में एक बड़ा स्टोर स्थापित करने की कोई योजना है ?

रेलवे तथा परिवहन उपमंत्री (श्री शाहनवाज खाँ) : (क) बीकानेर में एक सब-स्टोर डिपो है, जिसमें कारखाने की जरूरत के लिए काफी सामान रखा जाता है। इस डिपो से जितना सामान निकाला जाता है, उसे निर्धारित समय पर पूरा कर दिया जाता है।

(ख) दूसरी पंचवर्षीय योजना में बीकानेर के रेलवे कारखाने के विस्तार के साथ-साथ वहाँ अधिक सामान रखने की व्यवस्था भी की जायेगी।

Nellore-Maidakur Line

*1049. **Shri Viswanatha Reddy:** Will the Minister of Railways be pleased to state:

(a) whether the survey of Nellore-Maidakur line, for which allotment has been made in the current budget has been started; and

(b) if so, when it is likely to be completed?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan): (a) Not yet.

(b) Does not arise.

Food Situation in Andhra

*1050. **Dr. Rama Rao:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Andhra Pradesh Government have requested the Central Government to send more food supplies and to stop export of rice from Andhra, in order to meet the serious food situation and high prices there; and

(b) what action has been taken in the matter?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b). On the merger of Hyderabad with Andhra, the Andhra Pradesh Government has requested that the movement of rice from Central Reserve Depots in Hyderabad which had been taking place to Madras and Mysore States, should be stopped. This has been agreed to and the rice has been offered to the State Government for distribution in the twin cities of Hyderabad and Secunderabad.

Madras-Tuticorin Express Accident

*1051. { **Shri Veeraswamy :**
Shri Kamath :

Will the Minister of Railways be pleased to state :

(a) the final number of people killed in the Madras-Tuticorin Express accident on the 23rd November, 1956 ;

(b) the number of injured persons who succumbed to their injuries in the hospitals at Trichinopoly ; and

(c) the number of injured persons discharged from hospitals?

The Deputy Minister of Railways and Transport (Shri Alagesan): The position given below is as on 6-12-1956.

(a) 152.

(b) Three.

(c) 82 (as on 6-12-1956.)

Dearness Allowance of Railway Employees

*1053. **Shri T. B. Vittal Rao:** Will the Minister of Railways be pleased to state :

(a) whether there is any proposal to treat the dearness allowance granted to Railway Employees as pay for the purpose of computing the Provident Fund and Gratuity ;

(b) if so, when the same will be given effect to; and

(c) if not, the reasons thereof?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a)

The question was examined by the Gadgil Committee in 1952 who recommended that 50% of the dearness allowance granted to civil government servants in the various pay groups upto a pay of Rs. 750/- p.m. should be treated as pay for certain purposes including Provident Fund and Gratuity.

(b) The recommendation has been accepted by Government and has been given effect to from 15-7-52 for computing Provident Fund and Gratuity and from 1-4-53 or other purposes.

(c) Does not arise in view of (a) and (b) above.

Toned Milk

*1054. **Shri Jhulan Sinha :** Will the Minister of **Food and Agriculture** be pleased to refer to the reply given to Starred Question No. 1562 on the 14th September, 1956 and state :

(a) whether the proposal for setting Toned Milk Plant in Madras and Calcutta has since been finalised; and

(b) if so, the total cost thereof?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) The Calcutta Milk Project has been finalised and the details of the Madras Milk Project are under consideration.

(b) About Rs. 73 lakhs will be spent for a plant for handling about 7,000 maunds of toned milk* and whole milk under the Calcutta Milk Scheme. The expenditure for the Madras plant for handling 2,000 maunds of toned milk and whole milk is estimated at Rs. 44 lakhs.

Train Derailment

*1055. **Shri Dabhi :** Will the Minister of **Railways** be pleased to refer to the reply given to Starred Question No. 39 on 17th July, 1956 and state :

(a) whether Government have since taken a decision on the report of the Government Inspector of Railways, who held his statutory enquiry into the derailment of No. 340 Down Rajkot-Okha mail on 19th May, 1956 as well as on the difference of opinion between the Government Inspector who enquired into this matter and the General Manager; and

(b) if so, the nature of the decision?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan) :

(a) and (b). Yes; the Railway Board have decided to accept the finding of the Government Inspector of Railways.

Railway Equipment

*1056. **Shri D. C. Sharma :** Will the Minister of **Railways** be pleased to state the progress made during the year 1956 so far in the direction of developing the capacity for the manufacture of Railway equipment in the country?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan) : A Statement is placed on the Table of Lok Sabha. [See Appendix IV, annexure No. 32.]

यमुना नदी पर पुल

*१०५७. श्री भक्त दर्शन . क्या रेलवे मंत्री २ अगस्त, १९५६ के तागकित प्रश्न संख्या ६४६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि यमुना नदी पर हुमायू के मकबरे और शाहदरे के बीच रेल का एक और पुल बनाने की दिशा में इस बीच क्या प्रगति हुई है ?

रेलवे तथा परिवहन उपमंत्री (श्री शाहनवाज़ ख़ाँ) : भारत सरकार के ट्यूब वेल विभाग में निवेदन किया गया है कि पुल बनाने की जगह पर बोरिंग करें ताकि नींव-तल (foundation strata) का पता लग सके । पुल की लम्बाई के बारे में केन्द्रीय जल और बिजली कमीशन (The Central Water & Power Commission) में भी राय मांगी गयी है ।

Shortage of Doctors

*1058. **Shri Bibhuti Mishra :** Will the Minister of **Health** be pleased to state :

(a) whether Government envisage shortage of doctors in the Second Five Year Plan for the implementation of its health programmes; and

(b) if so, how does Government plan to meet the shortage?

The Minister of Health (Rajkumari Amrit Kaur) : (a) The answer is in the negative.

(b) Does not arise.

Gram Sevakas

*1059. **Shri Krishnacharya Joshi** : Will the Minister of Food and Agriculture be pleased to state :

(a) what is the total number of persons trained during 1956 for multi-purpose Gram Sevakas;

(b) whether Central Ministry of Education is co-operating in this regard; and

(c) the total number of training centres?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) Presumably reference is to 'Gram Sevakas'. The total number trained during 1956 (from January to October 1956) is 5147.

(b) No.

(c) 49.

Sugar

*1060. **Dr. Ram Subhag Singh** : Will the Minister of Food and Agriculture be pleased to state :

(a) whether it is a fact that the cost of production of sugar in the sugar factories in Uttar Pradesh and Bihar is higher;

(b) if so, whether there is any proposal to increase their standard of efficiency;

(c) if the answer to part (b) be in the affirmative, the nature of that proposal; and

(d) when the sugar factories which have been given expansion permission will use the latest technological devices?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) to (d). A statement giving the required information is laid on the Table of Lok Sabha. [See Appendix IV, annexure No. 33].

General Managers of Railways

*1061. { **Thakur Jugal Kishore Sinha** :
Babu Ramnarayan Singh :
Shri Deogam :
Shri Kamath :

Will the Minister of Railways be pleased to state :

(a) what are the special powers vested in the General Manager according

to which he can order the termination of the services of an employee with immediate effect without assigning any reasons; and

(b) under what law such special powers are being enjoyed by the General Managers?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) In exercise of the powers conferred by the provisions of the service agreement executed by railway servants and also in terms of the provisions of rule 148 of the Indian Railways Establishment Code, the service of a non-pensionable railway employ can be terminated with immediate effect by paying him one month's pay in lieu notice and without assigning any reason.

(b) Termination of service of any employee pursuant to a right to terminate by notice, unilaterally or bilaterally contained in the contract of service or in terms of conditions of service, is not held *ultra vires* of the Constitution.

Typhoid Cases in Delhi

*1062. { **Sardar Iqbal Singh** :
Sardar Akarpuri :
Shri Kamath :

Will the Minister of Health be pleased to state :

(a) whether Typhoid cases have creased in Delhi;

(b) if so, the causes of increase

(c) the steps Government propose to take to control it?

The Minister of Health (Rajkumari Amrit Kaur) : (a) From the statistics available, there appears to be no increase in Typhoid cases in Delhi.

(b) and (c). Do not arise.

Dredging of Bombay Port

*1063. **Shri Matthen** : Will the Minister of Transport be pleased to state :

(a) whether the cost of dredging at the port of Bombay would necessitate an expenditure of Rs. 8 crores; and

(b) how the Commission intend to finance the project?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) A provision of Rs. 8 crores, based on very rough estimate suggested by the Consulting Engineers of the Bombay Port

Trust has been included in the Second Five Year Plan. A firm estimate can be prepared only after the results of the model experiments to be carried out at the Poona Research Station are known and tenders for the work have been invited.

(b) Partly by loans advanced on concessional terms by the Government of India and partly from the resources of the Bombay Port Trust.

Import of Rice from Burma

*1064. **Shri B. S. Murthy** : Will the Minister of **Food and Agriculture** be pleased to state :

(a) the quantity of rice imported from Burma from the 1st January, 1956 till 31st October, 1956 and the cost of the same; and

(b) the places to which this rice has been supplied?

The Minister of Food and Agriculture (Shri A.P. Jain) : (a) and (b). statement is laid on the Table of Lok Sabha. [See Appendix IV, annexure p. 34.]

River Commission's Report

*1065. **Shri Sanganna** : Will the Minister of **Irrigation and Power** be pleased to state :

(a) whether the Indian River Commission has made any recommendations to the Government for flood control in Madhya Pradesh, Orissa, Andhra and Bombay subsequent to its meeting on 23rd November, 1956 in Bombay;

(b) if so the details of these recommendations; and

(c) the reaction of Government to them?

The Deputy Minister of Irrigation and Power (Shri Hathi) : (a) to (c). The hon. Member is presumably referring to the second meeting of the Central India River Commission (Floods) which was held at Bombay on the 22nd November, 1956. This River Commission was set up to assist the Central Flood Control Board in technical matters connected with flood control measures. The minutes of the meeting have not yet been finalised.

Oil Technological Institute, Anantapur

*1066 **Shri Vishwanatha Reddy** : Will the Minister of **Food and Agriculture** be pleased to state :

(a) whether it is proposed to take over the Oil Technological Institute at Anantapur now being run by the Government of Andhra; and

(b) if so, when it is likely to be taken over?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) and (b). The proposal is under Government's consideration.

Tuticorin Express Accident

*1067 **Shri Veeraswamy** : Will the Minister of **Railways** be pleased to state :

(a) whether the property of the dead and injured persons in the Tuticorin Express accident has been restored to their relatives; and

(b) the value of the property recovered and restored to the claimants?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan) :

(a) The properties of the dead and injured persons recovered at the site of the accident are under the custody of the police at Trichinopoly and these are being delivered to the proper claimants on identification.

(b) Value of the property recovered Rs. 17,930/- approximately. Value of the property restored to the claimants upto 16 hours on 2-12-1956 Rs. 9,660/- approximately.

Motor Transport

*1068 **Shri Dabhi** : Will the Minister of **Transport** be pleased to state :

(a) whether it is a fact that Government propose to set up an *ad hoc* committee to inquire into the administration of motor transport in the States and to suggest means of improving it;

(b) if so, when the committee is to be set up; and

(c) what will be its terms of reference?

The Deputy Minister of Railways and Transport (Shri Shah Nawaz Khan)

(a) Yes, Sir.

(b) and (c). Details regarding the composition and terms of reference of the Committee are under consideration.

Agricultural Delegation to China

*1069. { Shri D.C. Sharma :
Shri Bhakt Darshan :
Sardar Iqbal Singh :
Sardar Akarpuri :
Shri V. P. Nayyar :

Will the Minister of Food and Agriculture be pleased to refer to the reply given to Starred Question No. 2143 on the 13th September, 1956, and state:

(a) whether the report submitted by the delegation which recently visited China to study the agricultural development schemes and methods there has been considered; and

(b) if so, the decisions taken?

The Minister of Food and Agriculture (Shri A.P. Jain): (a) and (b). The conclusions and recommendations contained in the report cover a widefield and will receive the consideration of Government. It is not necessary to take any formal decision on such reports.

Milk Powder Factories

*1070 { Shri Bibhuti Mishra :
Shri T.B. Vittal Rao :

Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government have issued any direction to various State Governments to set up milk powder factories;

(b) if so, the number of such factories in each State and the extent of State Governments co-operation; and

(c) the period within which the factories will start functioning?

The Minister of Food and Agriculture (Shri A.P. Jain): (a) The State Governments were advised to set up milk powder factories, wherever there are large milk pockets.

(b) The Governments of U.P., Punjab and Andhra have included two factories each in their Plans and one factory will be set up by Bihar Government.

(c) During the Second Five Year Plan.

स्थानीय स्वायत्त शासन

*१०७१. श्री भक्त दर्शन : क्या स्वास्थ्य मंत्री १ दिसम्बर, १९५५ के तारांकित प्रश्न

संख्या ३२६ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगी कि स्थानीय स्वायत्त शासन में प्रशिक्षण प्राप्त करने के लिये भारतीयों को विदेश भेजने की योजना के बारे में इस बीच क्या प्रगति हुई है ?

स्वास्थ्य मंत्री (राजकुमारी अमृत कौर):

इस योजना के मातहत मात उम्मीदवारों का चुनाव हो चुका है। कुछ और उम्मीदवारों के चुनाव के लिए कार्यवाही की जा रही है।

Dam on Ghaggar River

*1072. { Sardar Iqbal Singh :
Sardar Akarpuri :

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Central Government have sanctioned the scheme for the construction of a dam on the river Ghaggar in the Punjab State;

(b) if so, the time by which the survey of construction would be taken up and

(c) the number of officers appointed for the survey work?

The Deputy Minister of Irrigation and Power (Shri Hathil): (a) No, Sir.

(b) and (c). A full fledged Division was working for survey work which has already been completed.

Credit Schemes

*1073 **Thakur Jugal Kishore Sinha.** Will the Minister of Food and Agriculture be pleased to state whether any schemes have been chalked out for the co-ordination of the working of Central Co-operative Banks and the State Bank of India in connection with credit schemes?

The Minister of Food and Agriculture (Shri A. P. Jain): Yes, Sir, the State Bank of India has agreed to give the following facilities to co-operative institutions:—

(a) To allow free remittances once a week to co-operative banks.

(b) To charge interest at 1/2% rate below the State Bank rate with a minimum of 3% on advances to co-operative banks against Government securities.

(c) To levy interest at 1/2% below the usual rate for advances for repledge of goods pledged to co-operative banks.

(d) To collect or purchase cheques of co-operative banks at concessional rate at 1/32% with a minimum charge of -/10/- annas.

2. With a view to ensuring that a Co-operative society and/or bank does not utilise the services of a State Bank when another co-operative agency is available, the State Bank has agreed not to advance loans to a co-operative unless the prospective borrower produces a letter from the concerned Co-operative Central Bank indicating that such facilities would be available from the State Bank.

Railway Crossing Stations

815. **Shri Ram Krishan** : Will the Minister of Railways be pleased to state the number and names of the stations which are being declared as crossing stations on the B.G. and M.G. lines of the Northern Railway during 1956-57?

The Deputy Minister of Railways and Transport (Shri Alagesan) : The following crossing stations will be provided on the B.G. and M.G. lines of the Northern Railway during 1956-57 :—

B.G.

One flag station, namely, Nilokheri will be converted into crossing station.

M.G.

Nine crossing stations, namely, pari-hara Kiroda, Rangmahal, Parvizpur, Belasar, Benisar, Shansra, Gurusar, Sahnewala and Parsneu will be provided.

Conference of the State Minister of Co-operation

816 **Shri Ram Krishan** : Will the Minister of Food and Agriculture be pleased to refer to the reply given to Unstarred Question No. 290 on the 30th July, 1956 and state :

(a) whether Government has since considered the recommendations of the Conference of the State Ministers of Co-operation; and

(b) if so, the nature of the decision taken?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) Yes.

(b) The recommendations have been generally accepted except in the following cases :—

(1) Creation of relief and guarantee fund at the Centre; and

(2) enhancement of the of Co-operative Sugar Factories from 35 to 60.

Kotkapura-Fazilka Railway Line

817. **Shri Ram Krishan** : Will the Minister of Railways be pleased to state:

(a) whether the question of converting the Kotkapura-Fazilka metre gauge line into broad gauge is under consideration; and

(b) if so, the date by which it would be implemented?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) No.

(b) Does not arise.

Milk Supply in Delhi

818. **Shri Ram Krishan** : Will the Minister of Food And Agriculture be pleased to state :

(a) whether it is a fact that an adequate supply of good milk and milk products is not available for the inhabitants of Delhi and New Delhi; and

(b) if so, the steps to be taken to supply good milk and milk products in sufficient quantity at reasonable rates?

The Minister of Food and Agriculture (Shri A.P. Jain) : (a) Yes.

(b) In order to effect improvement in the supply of good milk and milk products in sufficient quantity at reasonable rates to the inhabitants of Delhi and New Delhi, the Govt. have prepared the Delhi Milk Supply Scheme which is estimated to cost Rs. 338 lakhs. An *Ad hoc* Milk Board, which will be responsible for the planning and implementation of the Scheme, pending the constitution of a statutory Milk Board, was set up in August last. The Board held its first meeting on the 1st November, 1956.

The Board considered the proposed Scheme in broad outline and approved that :—

(i) a milk colony and a dairy plant should be set up near Azadpur village and Patel Nagar respectively as early as possible,

(ii) an organisation to collect and procure milk from villages in Delhi, U.P. and Punjab should be established,

(iii) pending establishment of the proposed dairy plant which is likely to take about two years, an interim organisation necessary for handling upto 25,00 mdt. of milk per day should

be set up, if possible by making use of the existing dairy at the Indian Agricultural Institute, and

- (iv) detailed estimates necessary to secure financial sanctions for the above should be worked out expeditiously.

The above decisions of the Board are under active implementation.

It is hoped that the Scheme when completed would handle about 7,000 mds. of milk daily.

Jagadhri-Ludhiana Railway Line

819. Shri Ram Krishan : Will the Minister of Railways be pleased to refer to the reply given to Unstarred Question No. 967 on the 25th August, 1956 and state at what stage the scheme of construction of Jagadhri-Ludhiana Railway line *via* Chandigarh on the Northern Railway is ?

The Deputy Minister of Railways and Transport (Shri Alagesan) : The proposal is still at investigation stage.

Fishing Industry

820. Shri V. P. Nayar : Will the Minister of Food and Agriculture be pleased to state :

(a) whether the Government of India have any plans to manufacture, in the public sector, boats and ships for the fishing industry ; and

(b) if so, the details thereof ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) Not at present, Sir.

(b) Does not arise.

Use of Alga in Human Food

822. Shri Ram Krishan : Will the Minister of Food and Agriculture be pleased to state :

(a) whether it is a fact that the U.P. Board of Agriculture has investigated human food value of alga, a single-celled water plant rich in proteins and carbohydrates;

(b) if so, whether the Government of India has received any report in this regard from the U.P. Government ; and ?

(c) if so, the details of the report ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) No.

(b) and (c). Do not arise.

Gram Sevikas

823. Shri D. C. Sharma : Will the Minister of Food and Agriculture be pleased to state :

(a) the duration and the courses of the training of Gram Sevikas in the centres opened in the Punjab ; and

(b) the scales of pay on which these Gram Sevikas are employed on completion of their training ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) The course of the training at the centre in the Punjab is of one year's duration and comprises of Food and Nutrition ; Family clothing ; Mother and Child care ; Housing and management of Home ; Health and Sanitation ; Handicrafts and cottage Industries ; Agriculture (including kitchen gardening, dairy, poultry etc.) ; Cooperation and Home Science Extension.

(b) Rs. 50-3-80/4-100.

Quilon-Ernakulam Railway

824. Shri A. K. Gopalan : Will the Minister of Railways be pleased to state :

(a) whether Government is aware that personnel working in the Quilon-Ernakulam Railway are temporary and hence they could not apply to the Railway Service Commission ;

(b) whether Government is aware that since they are working temporarily their ages exceed and they are denied the chance of applying for Railway Service ;

(c) if so, the steps taken to eradicate this anomaly ; and

(d) the number of workers employed under different contractors in Quilon-Ernakulam Railway construction temporarily and permanently so far ?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) to (c). Applications received from those serving on the Quilon-Ernakulam Construction seeking employment through Railway Service Commission were transmitted without being detained. There are a few cases of Class IV personnel about 12 who were overaged when they joined the Construction. Their cases are, however, being considered for absorption.

(d) Permanent Nil.

Temporary 3,500.

Tube-Wells

825. Shri D. C. Sharma : Will the Minister of Food and Agriculture be pleased to state :

(a) whether the programme for construction of tube-wells under medium irrigation Scheme in the State of Punjab during the Second Five Year Plan has been finalised; and

(b) if so, the details of the programme ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) There is a provision for 466 tubewells in the Punjab during the 2nd Plan. The programme has not, however, been finalised pending the results of Exploratory borings.

(b) Does not arise.

Atomic Energy for Health

826. Shri D. C. Sharma : Will the Minister of Health be pleased to state whether any progress has been made in the research on the use of atomic energy for health ?

The Minister of Health (Rajkumari Amrit Kaur) : Research on the applications of atomic energy to medical and health problems is a continuous process. With the application of atomic energy for peaceful purposes, radio isotopes have become available both for medical research and treatment.

The main work so far has been in the use of radio isotopes for following the metabolism of various substances in the human body. Some of the fields of work for the above purpose are given below :—

- (a) Use of radioactive carbon and phosphorus for fundamental studies on cancer cells and nucleic acid metabolism.
- (b) Use of radioactive Carbon, Sulphur, phosphorus and Radon for studying the biological effects of radiation.
- (c) Use of radioactive sulphur, for synthesis of D.D.S. a drug used in the treatment of Leprosy and studying its metabolism in the body.
- (d) Use of Radioactive iodine for studying the functions of the thyroid gland.
- (e) Use of Zinc in studies on cirrhosis of liver.

In the field of treatment, radioactive iodine, radioactive phosphorus and radio-gold have been used for treating cancers, thyroid diseases, blood diseases and leukemia.

In India isotopic research is in progress in the Cancer Research Centre, Bombay and the Chittaranjan Cancer Hospital and University College of Technology, Calcutta, but not much work is being done because radioactive isotopes are not readily available from the country producing these and even if they were available their cost is prohibitive. With the establishment of an atomic energy reactor in our country, some of the isotopes may become freely available and further work in this field can then progress rapidly.

Seed Farms in Punjab

827. Shri D. C. Sharma : Will the Minister of Food and Agriculture be pleased to state :

(a) the number of seed farms so far opened and proposed to be opened in the State of Punjab during the year 1956-57 ;

(b) their places of location; and

(c) the grants made to the State of Punjab for this purpose ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) Nineteen seed farms of 25 acres each are proposed to be opened in the reorganised Punjab State but so far no farm has been opened.

(b) Suitable lands in compact blocks at Gurgaon, Hissar, Sonapat, Karnal, Jagadhri, Samrala, Nawanshaher, Moga, Taran Taran, Bataia, Hoshiarpur, Narpur, Bhatinda District, Naagarh and Kandaghat are being selected.

(c) Rs. 3,20,625/-.

National Water Supply and Sanitation Scheme

828. Shri S. C. Samanta : Will the Minister of Health be pleased to state :

(a) how many centres have been opened in West Bengal according to National Water Supply and Sanitation Scheme in rural areas; and

(b) how much sum has already been spent up-to-date in the matter.

The Minister of Health (Rajkumari Amrit Kaur) : (a) and (b). The information is being collected and will be placed on the Table of Lok Sabha in due course.

Flood Warnings

829. Shri N. B. Chowdhury : Will the Minister of Irrigation and Power be pleased to state in how many districts of West Bengal and to what extent it was possible for the Government to issue

food warnings during the recent unprecedented flood in that State?

The Deputy Minister of Irrigation and Power (Shri Hathi) : The requisite information is given below :—

- | S. No. | Name of District | Position |
|--------|------------------|--|
| 1. | Howrah | The Collector received flood warning messages from the local irrigation officers and the District Officer concerned. He communicated these messages over wireless, through the Superintendent of Police, to the Sub-Divisional Officer, Uluberia, and the Officers, in-charge of Uluberia Begnan, Shyampur and Amta Police Stations and asked them to warn the public about the rise in the level of the river Damodar. |
| 2. | Hooghly | The Collector received flood warning messages from the Sub-Divisional Officer (Irrigation), Edilpur Irrigation Sub-Division, in Burdwan district and took the necessary precautionary measures. Flood warning messages in respect of the Darkeswar river were communicated to all concerned by the Executive Engineer, Hooghly Irrigation Division. |
| 3. | Burdwan | The district authorities received flood warning messages from the Executive Engineer, Damodar Canal Division. |
| 4. | Midnapore | Flood warning messages in respect of the rivers Kangsabati, Selye, Darakeswar, Rupnarayan and Damodar were issued by the local officers of Irrigation and Waterways Department to the Collector of Midnapore and the Sub-Divisional Magistrates by express letter or by telegram. Telegraphic reports in respect of the principal rain-gauge stations of the Damodar, cossye, Selye and Darakeswar catchment areas were communicated from the Irrigation Division to the respective Irrigation Sub-Divisional officers, who communicated them to the public. |
| 5. | Murshidabad | The Collector received flood warning messages daily by phone and occasionally reports through letters. |
| 6. | Nadia | The Collector received flood warning messages daily by phone and occasionally reports through letters. |
| 7. | 24-Parganas | Timely reports were received from the Meteorological Office, Alipore, about the movement of the cyclone from the Bay of Bengal towards the hinterland and about the heavy rain-fall. |

Medical Assistance to the Handicapped

830. Shri R. P. Garg: Will the Minister of Health be pleased to state :

(a) the number of organisations in the country that look after the physically handicapped in the way of providing medical assistance;

(b) the number of such organisations entirely run by Government;

(c) whether Government intend to open any new institution during the current year; and

(d) if so the expenditure thereof?

The Minister of Health (Rajkumari Amrit Kaur): (a) to (d). The required information is being collected and will be laid on the Table of Lok Sabha in due course.

Kosi Canals

831. Shri L. N. Mishra: Will the Minister of Irrigation and Power be pleased to state:

(a) whether the excavation of canals in Kosi would start in the year 1957;

(b) if so, the mileage and names of such canals; and

(c) their cost and the area to be irrigated by them?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The excavation of the main East Kosi Canal is proposed to be started in the year 1957.

(b) The length of the main canal is 27 miles approximately and it is proposed to take up a portion of this canal for excavation. It will have the following four branch canals :—

Name of Branch canal	Length in miles
(i) Supaul Branch	37
(ii) Pratapganj Branch	50
(iii) Purnea Branch	43
(iv) Arraria Branch	48

(c) The revised estimated cost of the Eastern Kosi Canal system is Rs. 14 crores and the annual irrigation from this system would be 13.9 lakh acres.

Ratlam-Udaipur Railway Link

832. Shri Bheekha Bhai : Will the Minister of Railways be pleased to state :

(a) whether Government have received any representation for opening of a survey division at Banswara during the survey work on the proposed Ratlam - Udaipur line ; and

(b) if so, the action taken so far ?

The Deputy Minister of Railways and Transport (Shri Alagesan) :
(a) No.

(b) Does not arise.

Railway Training School, Ajmer and Udaipur

833. Shri Bheekha Bhai : Will the Minister of Railways be pleased to state :

(a) the total number of trainees in the Railway Training Schools at Ajmer and Udaipur, separately ;

(b) the number of trainees from amongst the Scheduled Castes and Scheduled Tribes ; and

(c) whether any seats have been reserved for Scheduled Castes and Scheduled Tribes ?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) Ajmer .. 115

Udaipur ..	198	
(b)	Sch. Castes	Sch. Tribes
Ajmer	8	Nil
Udaipur .	Nil	Nil

(c) No.

Irrigation Research Stations

834. Shri Buchikotaiah : Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 31 on the 15th November, 1956 and state :

(a) whether any fundamental problems with regard to irrigation are being dealt with in research stations maintained by the State Government ; and

(b) if so, what they are ?

The Deputy Minister of Irrigation and Power (Shri Hathi) : (a) Some of the research stations maintained by the State Governments are dealing with problems of a fundamental nature.

(b) Some of the main problems of a fundamental nature are mentioned below :—

1. Effect of Krillium on alkaline soil (Irrigation and Power Research Institute, Punjab).
2. Effect of acid treatment on expensive properties of clays (Irrigation Research Institute, U. P.)
3. Basic studies on segmental spillways and spillways profiles (Mysore Engineering Research Station, Krishnarajasagar).
4. Strength characteristics of surkhi-cement, surkhi-cement-sand mortars (Mysore Engineering Research Station, Krishnarajasagar).

Further detail of work done at research stations is given in the Central Board of Irrigation and Power 'Research Pamphlet-1956'. (Will be sent to Library of Lok Sabha Secretariat).

Nagarjunasagar Project

835. Shri C. R. Chowdary : Will the Minister of Irrigation and Power be pleased to state :

(a) whether the works on various sectors, canals and dams etc. are keeping to the Schedules prescribed under works programme proposed for Nagarjunasagar Project ; and

(b) whether monthly progress report as in the case of Tungabhadra Project Works, will be circulated to the Members of Parliament, at least to those who are from Andhra State ?

The Deputy Minister of Irrigation and Power (Shri Hathi) : (a) Yes, Sir.

(b) Uptil now only preliminary work was being done on the Project. Monthly Progress Reports will be circulated to the members of Parliament from Andhra Pradesh, if so desired by the, as soon as major work on the Project gains momentum.

Poultry Development and Extension Centres

836. Shri M. Islamuddin : Will the Minister of Food and Agriculture be pleased to refer to the reply given to Starred Question No. 1554 on the 30th August, 1956 and state :

(a) the names of the places where poultry development and extension centres are proposed to be set up in Bihar and West Bengal during the year 1956-57 ; and

(b) the loan sanctioned to these States for the purpose, if any ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) Bihar.

1. Motihari II (Turkawalia).
2. Ekangarsarai (Patna District.)
3. Jamtara (Dumka District.)
4. Barhee I. (Monghyr District.)

West Bengal

1. Jhargram (Midnapur District.)
2. Beldanga (Murshidabad District.)
3. Bankura (Bankura District.)
4. Purulia (Purulia District.)
5. Suri (Birbhum District.)

(b) A loan of Rs. 81,580/- has been approved for Bihar. The West Bengal Government has not so far asked for any loan.

Punctuality of Trains

837. Shri M. Islamuddin : Will the Minister of Railways be pleased to state :

(a) whether all the trains reaching at Purnea Station (Eastern Railway) are not punctual, sometimes two to three hours late ; and

(b) if so, the steps that are being taken to run these trains according to the time-table ?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) No. Only 9.4 % and 7.4% of passenger trains arrived two hours or more late during October and November, 1956 respectively at Purnea Railway Station, North-Eastern Railway, (not on the Eastern-Railway as stated in the Question).

(b) Every effort is being made to achieve better punctuality of passenger carrying trains by :—

- (i) Punctuality drive.
- (ii) Inspecting officials accompanying trains with a view to eliminate avoidable detentions.
- (iii) Provision of extra time to cover time lost for Engineering restrictions and whenever necessary, revision of timings of trains to improve punctuality.
- (iv) Planning inter-locking and re-modelling of Katihar Yard as also train control system on Katihar-Purnea-Jogbani Section.

Goods, Booking and Parcel Clerks in Railways

838. Shri Velayudhan : Will the Minister of Railways be pleased to state :

(a) whether Accounts Examinations in Appendix IIA and IIIA is open to the Goods, Booking and Parcel Clerks ;

(b) if not, the reasons therefor ; and

(c) what categories are allowed to take these examinations ?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) No.

(b) and (c). As these are departmental examinations prescribed for regulating promotion in the Railway Accounts Department, only staff of the Railways Accounts Offices are allowed to take these examinations.

Nagarjunasagar Project

839. Shri B. S. Murthy : Will the Minister of Irrigation and Power be pleased to state :

(a) whether aerial survey of Nagarjunasagar Dam area has been contemplated ; and

(b) if so, the purpose, the agency and the estimated cost of the same ?

The Deputy Minister of Irrigation and Power (Shri Hathi) : (a) Yes, Sir.

(b) The main object is to have Contour survey of the submergible area for computing the reservoir capacity at different levels correctly. The estimated cost of aerial survey is approximately Rs. 1.8 lakhs and this work is entrusted to the Director Southern Circle, Survey of India, Bangalore.

Production of Guar

840. Pandit Thakur Das Bhargava : Will the Minister of Food and Agriculture be pleased to state :

(a) the names of the States in which guar is produced ;

(b) the acreage under guar in each State during the last five years (year-wise) ;

(c) the total production of guar in each year from 1950 to 1955-56 in each State ; and

(d) what are the uses of *guar* in such States ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) *Guar* is cultivated throughout India, but large scale cultivation of it is concentrated in Punjab, Rajasthan, Uttar Pradesh (West) and Bombay (Gujarat and Saurashtra).

(b) and (c). The required estimates are not available since *guar* is not included among the crops for which estimates of acreage and production are framed.

(d) It is a multipurpose crop used for forage and green manure, the green pods of the plant are used as vegetable and the dry grain as cattle feed.

Storage of Foodgrains

841. Shrimati Kamlendu Mati Shah : Will the Minister of Food and Agriculture be pleased to state :

(a) whether Government are contemplating to use the old method of underground holes (*khattis*) for the safe storage of foodgrains; and

(b) whether the above method will be much more economic and effective than godowns for safe storage of foodgrains ?

The Minister of Food and Agriculture (Shri A. P. Jain) : (a) No.

(b) Does not arise.

Suburban Trains in Bombay

842. Shri Tulsidas : Will the Minister of Railways be pleased to state :

(a) the number of suburban trains in Bombay, both on the Central and on the Western Railways, cancelled during each month in 1955 and 1956; and

(b) the reasons therefor ?

The Deputy Minister of Railways and Transport (Shri A. Alagesan) : (a) A statement is laid on the Table of the the House. [See Appendix IV, annexure No. 35.]

(b) (i) Abnormally heavy rains and flooding of the track during the monsoon.

(ii) Failure of over-head electric wires.

(iii) Failure of rolling stock.

(iv) Failure of Signals and points.

(v) Regulation due to out of course running of Suburban trains.

(vi) Un-authorized stoppages.

(vii) Alarm chain pulling.

Katihar Railway Section

843. Shri M. Islamuddin : Will the Minister of Railways be pleased to

refer to the reply given to Starred Question No 912 on the 14th March, 1955 and state:

(a) whether new coaches have since been provided on the Katihar section to replace the old ones; and

(b) if so, how many coaches have since been replaced and how many are still to be replaced?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) Yes.

(b) Out of 297 coaches based at Katihar, 120 coaches are new. It is not possible to state how many coaches require replacement since the coaches are condemned on age-*cum*-condition basis after intensive examination in the workshops at the time of P.O.H.

Centrally Aided Road

844. Shri M. Islamuddin : Will the Minister of Transport be pleased to refer to the reply given to Unstarred Question No. 1352 on the 30th September, 1955 and state:

(a) whether the Gairki-Araria and Dhima-Darhera roads in Purnea district (Bihar) which were proposed to be constructed with the Central aid during 1955-56, have been completed; and

(b) whether any new road has been sanctioned for the current year in that district ?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan) :

(a) The information has been called for from the State Government and will be laid on the table of the Sabha.

(b) No.

Village Road Development

845. Shri Hem Raj : Will the Minister of Transport be pleased to state ;

(a) the amount spent during the First Five Year Plan period on village road development on a co-operative basis out of the sum of rupees fifteen lakhs earmarked under that Plan ;

(b) the break-up of this amount State-wise; and

(c) the amount proposed to be spent for that purpose during the Second Plan period and its break-up State wise ?

The Deputy Minister of Railways and Transport (Shri Shahnawaz Khan) :

(a) to (c). The sum of Rs. 15 lakhs originally earmarked from the Central Road Fund (Ordinary) Reserve for giving

grants to States for village Road development or a co-operative basis was subsequently increased to Rs. 60 lakhs. The scheme was not confined to the 1st Five Year Plan. The grants sanctioned upto 31st March 1956 to the different States aggregate Rs. 48.24 lakhs as shown in the statement laid on the Table of the House [See Appendix IV, annexure No. 36] The amounts spent during the First Plan period are being ascertained from the States and will be furnished to Lok Sabha. The amount available for expenditure during the Second Plan period will be the unspent balance out of the total of Rs. 60 lakhs.

Dispensaries in Manipur

846. **Shri Reishang Keishing** : Will the Minister of Health be pleased to state:

(a) the number of dispensaries established in each year during the First Five Year Plan in both the hills and plains of Manipur;

(b) whether Government are aware of the fact that almost all the dispensaries have been without medicines; and

(c) the action Government propose to take to improve the supply of medicines?

The Minister of Health (Rajkumari Amrit Kaur): (a) The information is given below:—

1951-52	Nil
1952-53	10
1953-54	10
1954-55	One Mobile Hill Dispensary (East)
1955-56	One Mobile Hill Dispensary (West)

TOTAL

22

(b) Medicines are supplied regularly to all the dispensaries and there has been no shortage.

(c) Does not arise.

बीकानेर रेलवे वर्कशॉप

८४७. **श्री ए० ला० बाळ्याल** : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि बीकानेर रेलवे वर्कशॉप में इस समय काम करने वाले मजदूरों की कुल संख्या कितनी है?

रेलवे तथा परिवहन उपमंत्री (श्री अल्लमेश्वर) : बीकानेर के (रेलवे कारखाने में तीसरे और चौथे दर्जे के कुल १२६० कर्मचारी हैं।

परमनेंट वे इन्सपैक्टर

८४८. **श्री ए० ला० बाळ्याल** : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उत्तर रेलवे के बीकानेर डिवीजन के असिस्टेंट परमनेंट वे इन्सपैक्टरों (वर्ष भर चलने वाली लाइनों के सहायकों निरीक्षक) के बतनों में अन्तर है जब कि उनके कर्तव्य और जिम्मेदारियां उनकी श्रेणी के अन्य कर्मचारियों जैसी ही हैं; और

(ख) बीकानेर डिवीजन में असिस्टेंट परमनेंट वे इन्सपैक्टरों की कुल संख्या कितनी है और इनमें कितने हरिजन ह ?

रेलवे तथा परिवहन उपमंत्री (श्री अल्लमेश्वर) : (क) जी नहीं।

(ख) बीकानेर डिवीजन में सहायक रेलवे निरीक्षकों (A.P.W.Is.) की कुल तादाद २६ है। इनमें से एक अनुसूचित जाति (Scheduled Caste) के हैं।

Bridge on Machhu River

849. **Dr. J. N. Parekh**: Will the Minister of Railways be pleased to refer to the reply given to Starred Question No. 215 on the 20th November, 1956, and state:

(a) whether it is a fact that the Railway Bridge on river Machhu at Wankaner (Saurashtra) on former Moris Railway originally built and designed for narrow gauge Railways is utilized for metre gauge purposes; and

(b) when the bridge was originally constructed and what is the present age of the bridge; and

(c) what steps are proposed to be taken to widen the bridge in view of the fact that it is also utilized for normal traffic between the town and Railway Station and great hardship is felt by the public because of frequent closure of gates?

The Deputy Minister of Railways and Transport (Shri Alagesan): (a) Yes.

(b) The bridge was constructed in the year 1890 and its present age is 66 years.

(c) The bridge is programmed for strengthening in the year 1958-59 when it is proposed to be widened to 16 ft.

दिल्ली की नगरपालिकाओं में

अनुसूचित जातियों का प्रतिनिधित्व

८५०. श्री नवल प्रभाकर : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या दिल्ली और नई दिल्ली की नगरपालिकाओं और अन्य स्थानीय निकायों में लिपिकों (क्लर्कों) की संख्या में अनुसूचित जातियों को अनुपातानुसार प्रतिनिधित्व प्राप्त है ; और

(ख) यदि नहीं, तो सरकार का इस सम्बन्ध में क्या कार्यवाही करने का विचार है ?

स्वास्थ्य मंत्री (राजकुमारी अमृत कौर) :

(क) और (ख) . नवम्बर, १९५३ में स्वास्थ्य मंत्रालय द्वारा जारी की गई हिदायतों के अनुसार दक्षिण व पश्चिम दिल्ली नगरपालिकाओं को छोड़कर जिनकी स्थापना १९५४ में की गई, दिल्ली की सभी Local Bodies ने नौकरियों में अनुसूचित जातियों के Reservation के लिये भारत सरकार के प्रस्ताव (गृह मंत्रालय का प्रस्ताव संख्या ४२।२।१।४९ एन० जी० एस०, दिनांक १३ सितम्बर, १९५०) को अपना लिया है। इन दो कमेटियों को भी आवश्यक हिदायत देने के लिये दिल्ली के चीफ कमिश्नर को कहा गया है।

लोक-निर्माण कार्यों के लिये दिल्ली नगरपालिका द्वारा निर्धारित की गई राशि

८५१. श्री नवल प्रभाकर : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) पिछले तीन वर्षों में दिल्ली नगरपालिका ने लोक-निर्माण कार्यों के लिये कितनी धन-राशि निर्धारित की ;

(ख) इसमें से कितना धन व्यय किया गया ; और

(ग) इन निर्माण कार्यों का संक्षिप्त विवरण क्या है ?

स्वास्थ्य मंत्री (राजकुमारी अमृत कौर)

(क) से (ग) इस बारे में एक विवरण सभा की मेज पर रख दिया गया है। [बैठिये परिशिष्ट ४ अनुबन्ध संख्या ३७]

नागरिकों की ओर से दिल्ली नगरपालिका द्वारा आयोजित स्वागत समारोह

८५२. श्री नवल प्रभाकर : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) पिछले तीन वर्षों में नागरिकों की ओर से दिल्ली नगरपालिका द्वारा कितने स्वागत समारोहों का आयोजन किया गया ; और

(ख) इन पर कितना धन व्यय किया गया ?

स्वास्थ्य मंत्री (राजकुमारी अमृत कौर) :

(क) तैईस।

(ख) न० २, १६, ४५५।६।-

Delhi-Fazilka National Highway

853. { Sardar Iqbal Singh:
Sardar Akarpuri:

Will the Minister of Transport be pleased to state:

(a) whether a statement showing the number of culverts and bridges with their width on the National Highway between Delhi and Fazilka will be laid on the Table of the Sabha;

(b) whether it is a fact that the breadth of culverts and bridges has not been widened according to the width prescribed by rules; and

(c) the steps Government propose to take in the matter?

The Deputy Minister of Railways and Transport (Shri Alagesan) : (a) to (c). The requisite information is being collected and will be laid on the Table of Lok Sabha in due course.

DAILY DIGEST

[Tuesday, 11th December, 1956]

ORAL ANSWERS TO QUESTIONS.		Columns 1259-87	S.Q. No.	Subject	Columns
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1026.	Family Planning in Rural Areas	1268-70	1046.	Bombay Suburban Railway Service.	1292-93
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1030.	Indian Engineers for U.S.A.	1274	1050.	Food Situation in Andhra.	1294
1033.	Food Import Plans	1274-76	1052.	Madras-Tuticorin Express Accident.	1294
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1036.	Personnel for River Valley Projects	1279-80	1055.	Train Derailment	1295-96
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1040.	Infective Hepatitis	1281-84	1057.	Jamuna Bridge	1296
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LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)



LOK SABHA SECRETARIA.
NEW DELHI

SIX ANNAS (INDIA)

TWO SHILLINGS (FOREIGN)

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Dated... 23.03.2015

LOK SABHA DEBATES
(Part II—Proceedings other than Questions and Answers)

2491

LOK SABHA

Tuesday, 11th December, 1956

—
The Lok Sabha met at Eleven of
the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12 hrs.

PAPERS LAID ON THE TABLE

**AMENDMENTS TO TRAVANCORE-COCHIN
MOTOR VEHICLES RULES**

The Deputy Minister of Railways and Transport (Shri Alagesan): Sir, I beg to lay on the Table, under sub-section (3) of section 133 of the Motor Vehicles Act, 1939, a copy of each of the following Travancore-Cochin notifications, making certain amendments to the Travancore-Cochin Motor Vehicles Rules, 1952:

(1) Notification No. T4-11846/55-PWC, dated the 26th April, 1956.

(2) Notification No. T4-5146/54-PWC, dated the 18th July, 1956. [Placed in Library. See No. S-539/54].

**NOTIFICATIONS UNDER ESSENTIAL COM-
MODITIES ACT**

The Minister of Agriculture (Dr. P. S. Deshmukh): Sir, on behalf of Shri M. V. Krishnappa, I beg to lay on the Table a copy of each of the following Notifications, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955:

(1) Notification No. S.R.O. 2342, dated the 20th October, 1956. [Placed in Library. See No. S-537/56].

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(2) Notification No. S.R.O. 2409, dated the 27th October, 1956. [Placed in Library. See No. S-538/56].

**REPORT OF INDIAN DELEGATION TO UNITED
NATIONS WHEAT CONFERENCE**

Dr. P. S. Deshmukh: Sir, on behalf of Shri M. V. Krishnappa, I beg to lay on the Table a copy of the Report of the Indian Delegation to the United Nations Wheat Conference held during 1955-56. [Placed in Library See No. S-536/56].

**ELECTRICITY (SUPPLY) AMEND-
MENT BILL—concl'd.**

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Nanda on the 10th December, 1956:

“That the Bill further to amend the Electricity (Supply) Act, 1948, as reported by the Select Committee, be taken into consideration.”

Shri N. C. Chatterjee (Hooghly): Mr. Speaker, Sir, when you were good enough to appoint me as Chairman of the Select Committee, I did not realise that it would be such a difficult task. The hon. Minister rightly pointed out that it was a very difficult and complicated measure, but until we went into the deliberations of the Select Committee we did not realise how complicated it was.

You know, Sir, that the Electricity (Supply) Act was enacted in the year 1948. During its operation for the last eight years, very serious defects have come to light, and we found it was the duty of the Parliament to plug all the loop-holes.

[Shri N. C. Chatterjee]

The electricity supply industry is rightly regarded as a very vital industry absolutely essential to the economic development of the country. The next Five Year Plan has attached a very great importance to rapid industrialisation and for that this industry has got to play a very vital role.

Three representations were made before this Committee. First of all came before this Committee to give evidence the representatives of the Federation of Electricity Undertakings in India. They came from Bombay. I must say on behalf of the Select Committee that we were deeply impressed by the evidence given by Shri Choksi on some points, although we could not accept all their recommendations. Next came the Association of Electricity Undertakings in South India. That is an organisation in Madras. They were also helpful. Third came the East India Electric Supply and Traction Company from Calcutta. We gave them the fullest hearing. We realised that they were also conscious that the defects ought to be remedied and that the loopholes ought to be plugged. But they appealed to us that although the Government should control and regulate the industry that should not be carried beyond certain limits. Excessive control, we also realise, would not promote rapid development of the industry but might have very deleterious effect.

The aim of this legislation was to amend the Act so as to enable the State Governments to exercise a larger measure of control over State Electricity Boards, and the real object was to benefit the consumer and, at the same time, giving the undertakings a fair deal and a fair return. I maintain, Sir, that we have done our best to fulfil both the objectives.

Four abuses came to light and all those abuses had to be rectified. One was, we found that in regard to interest the undertakings were charging interest on loans and debentures as an item of operating expenditure in

addition to earning a reasonable return thereon. Shortly putting it, they were earning a double return which was unfair. The object of reasonable return was to see that for any type of capital there should be no discrimination, they should get a fair deal and there should be no distinction made between loans and share capital.

Now, while they tendered evidence, the representatives of the Federation—if I remember aright—the hon. Minister will correct me if I am wrong—admitted that there was a loop-hole and that should be remedied. We have done it.

The second abuse which came to light was that the undertakings and the licensees were earning reasonable returns on amounts of investments made out of depreciation returns outside the business of electric supply in addition to earning dividends thereon. Thus they were earning a double return and we had to stop it. I think Parliament will accept our suggestion because we have tried to rectify this abuse also.

The third abuse which came to light was that the licensees were appointing managing agents in addition to managers, managing directors or managing partners and the expenditure was being charged to revenue. Thus, in working out a reasonable return this was allowed on the expenditure scale, and that was again unfair. The licensees, in our opinion, should not charge managing agents' remuneration and office allowances in addition to the pay of manager and managing director employed for the purpose of the management of the undertaking. We have tried to remove this defect.

The fourth abuse was that the licensees were making returns even on amounts collected from consumers—for example, security deposit, tariff and dividend control reserve and so on. These amounts were carried forward in the accounts of the licensees for distribution to consumers in future.

We thought that this should not be done, and we have done our best to see that this defect is remedied.

We have done our best to plug these loop-holes by suitable amendments of the Act. In addition, we have reduced the permissible margin of clear profit over the amounts of reasonable return from 30 per cent. to 15 per cent. The reasonable return was fixed at 5 per cent. Now it is made 5½ per cent. That increase of half per cent. will go to meet the demands of the licensees, and we maintain that we are giving a fair deal to them.

Shri Sadhan Gupta and another hon. Member have given a minute of dissent, where they have put forward this complaint that we are being over-generous to the industry and what we are giving them is not fair. They want to cut down the reasonable return. They are saying that we have been really partial to these industries. I claim, Sir, that it is not so. As a matter of fact, if you will look at the figures you will realise that a comparison of the dividends paid by the electricity supply industry with those paid by other industries indicate that dividends paid by electricity supply companies are very modest on the average. The return of 5 per cent. on the capital base works out to about 6.6 per cent. on the total share and loan capital. No doubt, the scheme of the Act would enable a company that was ploughing back profits in business in the past to earn higher profits. Yet, they are given nothing more than what is due to them, for nobody gets a return on the capital invested in assets plus high rates charged on the consumers. Therefore, we have been fair both to the industry and to the consumers. We think we have maintained a fair balance, a synthesis between rival and conflicting claims, and the very fact that Shri Tulsidas and Shri Sadhan Gupta are disappointed shows that on the whole the Select Committee has maintained an even balance.

Shri Tulsidas has put in a very pathetic plea that the electricity supply industry in the country has a six-

able programme of expansion during the Second Five Year Plan period. That is true, and Shri Choksi, who appeared on behalf of the Federation, pleaded before us that they are expected to find finance to the extent of Rs. 75 crores to Rs. 80 crores. Only a small part of the finances can come from depreciation money. Therefore, the bulk of the resources must come from the ordinary investor. So, they wanted a higher rate, so that we can induce the ordinary investor to come forward and invest in electricity undertakings. We, at the same time, pointed out to them—and I hope Parliament will accept our suggestion—that if we accepted that recommendation, we would have added to the burden of the ordinary consumer, which would not be fair. As a matter of fact, they have got certain concessions, some monopolistic privileges, and they have been assured of something by virtue of Schedule VI and therefore, they should not complain. I think on the whole the industry will realise that what we have done is fair and reasonable and they will be good enough to work in a spirit of co-operation.

We have made certain changes which, I maintain, are for the better. We have acceded to most of the recommendations made both by the Federation and by the representative who came from Calcutta. They pointed out that there should not be an artificial introduction of the statute immediately, so as to imperil the financial working of the industry. They pointed out to us that we were trying to make very radical changes in the financial provisions of the Electricity (Supply) Act and they wanted some time to be given to them, so that they can adjust their financial matters on a satisfactory footing. We accepted that point of view. We have made the necessary changes, so that the financial provisions will come into operation a little later; and, we have given the Government the authority to adjust the date accordingly. I am sure the hon. Minister will do so, so as not to hit the undertakings in an unfair way.

[Shri N. C. Chatterjee]

With regard to the State Electricity Consultative Council, we have introduced some kind of a democratic element. We have recommended that the general consumers of electricity should have a chance of being represented on these councils and I hope Parliament will accept it. This is a step in advance. Mr. Sadhan Gupta tried to urge that there should be such a representation on other bodies also. The hon. Minister could not accept it, but I think he put forward some cogent reasons, which appealed to the members of the committee.

There was a limit of Rs. 10 lakhs put in the Bill with regard to the preparation of schemes by the Board without prior consultation of the State Government. Then, Mr. Mitra, who is the Chairman of the Bengal Board, wrote to me as Chairman of the Select Committee that there should be some adjustment made. Accordingly, we have raised the limit to Rs. 15 lakhs and we have also recommended that section 21 of the principal Act should be amended so as not to apply to schemes prepared by the Board at the instance of the Central Government or the State Government or any schemes prepared under the direction of the Central Government or the State Government.

Another point which was very strongly urged by the Federation and also by the electricity company from Calcutta was that we are now giving very wide powers, so as to cover the entire undertaking. Formerly directions could be issued by the Board only in respect of generating stations. Now we are expanding that power, so as to cover the entire undertaking. They suggested that it should be reasonable and there should be some check. Otherwise, if the Board is given the power to issue any directives, that would be very unfair and might work harshly. I was a little perturbed, because the Supreme Court has struck down such cases where unfettered power or discretion is given to the executive authority to issue any

directives without any appeal. Therefore, a suggestion was made to the Select Committee and the Select Committee approved of it. We put in a clause that it should be reasonable and in cases of dispute or difference of opinion between the Board and the undertaking concerned, there must be an appeal to the Central Electricity Authority and they shall decide the matter.

We have made one great improvement and I hope Parliament will recognise it. We have completely altered the structure of the Rating Committee. The Rating Committee was to be nominated or dominated by the nominees of the Board. The electricity undertakings pointed out in the course of their evidence that it was not fair. You will appoint a Rating Committee if something wrong has been done by the Board. Then, if you allow the Board to nominate the majority of the members of the Rating Committee, it would be unfair; it will really mean the prosecutor being the judge. So, we accepted their point of view and I hope what we have done will appeal to the Members of the House. We have said that a District Judge or High Court Judge should be the president. In certain cases, we have said, the Board should initially determine whether the licensee had breached the provisions of the Sixth Schedule. It was thought that, when the Rating Committee is constituted, the interest of the consumer would be sufficiently safeguarded if one of the members of the Rating Committee is a judicial officer of some standing; and, the Minister was good enough to accept it. It was our suggestion that a judicial element should be introduced. I hope that the introduction of this judicial element in the Rating Committee will be acceptable to the House, that it will lead to fair-play and will remove a legitimate grievance.

Mr. Mohiuddin, who was a member of the Select Committee, raised an important question. There was no time limit fixed during which the Rating Committee must submit its report. Mr.

Mohiuddin suggested that a time-limit should be imposed. We accepted it and put down that it should be three months, with a further extension not exceeding three months, so that the charge of dilatoriness and delay caused by adjudication may be eliminated. I hope Parliament will approve of our acceptance of Mr. Mohiuddin's suggestion.

There are certain other minor details. For example, we have provided that income-tax should have priority after the operating and management costs have been met. I hope there will be no difficulty with regard to that. We have amended clause 19 and we have really inserted a new clause to amend section 75. The *raison d'être* is this. We want that an annual report should be prepared by the Board and that should be placed before the State Legislature, so that the members elected from the State may be in a position to know exactly how the policy is being directed, guided or controlled. They should be in a position to criticise it if necessary, so that the attention of the highest authorities in the State can be brought to bear upon it.

Then, we have made some provision for arbitration costs. Sometimes arbitrators go against the undertakings and the undertakings do not pay the costs. So, we have provided that arbitration costs should be recovered as if it is an arrear of land revenue.

A view was expressed by the Committee that all directions issued by the State Government to a Board should be laid before the State Legislature. But, the Minister could not accept it. He pointed out that there might be certain practical difficulties. Supposing somebody is given a black mark, it will not be proper to bring it before the State Legislature. We have, however, recommended that where any directions are issued to the Board by the State Governments, the Board should, unless public interest otherwise requires, incorporate such directions in its annual report, which

will be laid before the State Legislature. I am sure the Minister will issue the necessary directives to see that this is put into effect.

Then, very important changes have been made with regard to clause 27. That is the most difficult and most important clause. It deals with the Sixth Schedule and the Sixth Schedule is a very difficult schedule. The electricity undertaking from Bengal pleaded that the licensee should be given the permission to alter the rates once in each year. The committee felt that it would not be fair and it might lead to continual harassment of the consumers. We had a discussion with the representatives of the Federation and they pointed out, "at least let us increase the rates without going to the State Government for prior approval." We thought that was fair, because prior approval would mean a great deal of difficulty and delay. So, any undertaking can increase its rates provided within the Schedule; but, if it is ultimately found that they have exceeded the limit or that it is not fair, then there must be an automatic adjustment in the next month's bill; there should be a rebate granted to the extent of the excess collected. And they have been good enough to accept that position. If I remember right, Mr. Choksi clearly said that it is what they wanted. They said that no fetter should be put by Parliament because that will lead to delay and difficulty. They wanted that this should be allowed and if it is ultimately found out that they have, in any way, violated the Act, then it will be set right by suitable adjustment in the next Bill.

Then, Sir, certain other alterations were made. One was, in regard to 'reasonable return', the licensee's share of the excess of clear profits over the reasonable return has been reduced from 7½ to 5 per cent. In the opinion of the Committee, such reduction is the logical result of the reduction of the permissible excess of clear profit over the reasonable return from 30 per cent. to 15 per cent.

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There was a great deal of discussion in regard to certain other matters. First of all, I shall take up the development reserve and the creation of a deferred taxation reserve. The undertakings desired that the concessions permitted to industry under the Income-tax Act due to installations of new fitting and machinery which were recovered in later years should not be passed on to the consumers in the form of reduced rates but should be built in the reserve to meet taxation liabilities. Creation of reserve was permitted on condition that the rate should not be increased. I understand that they have not pressed this point and they have written something to the hon. Minister. They are not pressing it. If that is so, that solves one point. They have themselves realised the difficulty.

The hon. Minister was good enough to allow half a per cent. as handling charges in respect of the return of the accumulation of development reserve. They wanted more but we thought that half a per cent. is good enough and any higher rate would lead to unfair burden being imposed on the consumer.

With regard to bonus, Shri Gupta strongly and strenuously contended that there should be discrimination regarding the bonus paid to workmen which should be treated as expenditure; whereas the payment of bonus to all other employees need not be allowed as expenditure unless the State Government ratifies it. We thought this kind of discrimination was not possible. A general charter to include all kinds of bonus would not be justified. It will lead to abuse and unfair discrimination between workman and workman. Shri Gupta suggested that this sub-clause should be modified so as to give the licensee complete freedom to pay bonus to employees who are workmen within the meaning of the Industrial Disputes Act, 1947 and to make the payment of bonus to all other employees subject to the appro-

val of the State Government. We thought that that was not proper. There should not be discrimination. I don't know how such a clause of discrimination would be consistent with the equality clause in the Constitution. It is no good saying that the workmen are in an entirely different plane because ultimately those who get bonus get it because they contribute to the prosperity of the company during the year by their participation in the venture. I think what we have done is fair. We have amended the sub-clause to provide for cases where a dispute regarding bonus is referred for determination to any tribunal or other authority under any law for the time being in force relating to industrial or labour disputes. In other cases, bonus paid to employees will be allowed as expenditure only, if payment of such bonus has been approved by the State Government. I maintain that this is fair. Although one would like to do everything possible to help labour, at the same time, there should not be unfair discrimination. Having regard to the present set-up, I don't think any difficulty would be created. I maintain that the changes made in regard to the composition of the Rating Committee are a distinct advance over what was originally provided in the Bill. The time-limit for submission of the report is also an innovation which should be accepted. Then, the interests of the consumers have been protected because there would be a workman on the State Consumers' Council; and we have also made it incumbent that the report of the Board should be placed before the State Legislature.

We felt that a limit of ten lakhs of rupees with respect to the preparation of schemes by the Board without prior consultation with the State Government is too stringent. The limit has accordingly been raised from ten to fifteen lakhs and that should satisfy the industry. We have also provided that the excess of clear profits over reasonable return should be reduced from 7½ per cent. to 5 per cent., that

is, one-third of 15 per cent. instead of half of 15 per cent. This is in consonance with the whole spirit of the Act and its main operative provisions.

I submit that what the Select Committee have done is fair and reasonable and they have gone to the farthest limit in this matter. I must also pay a tribute to the hon. Minister who was very helpful. He was not rooted to any dogmatic attitude. We have gone to the farthest limit to satisfy the reasonable demands of the industry and I hope the industry will do their best to co-operate in the successful operation of this Act as it is amended by Parliament. I hope the House would be good enough to accept the recommendations which the Select Committee have made.

Shri Kamath (Hoshangabad): May I point out, Sir, that there is no quorum in the House?

Mr. Speaker: The bell is being rung. Now there is quorum.

Shri G. D. Somani (Nagaur-Pali): Mr. Speaker, Sir, yesterday the hon. Minister and today the Chairman of the Select Committee have fully explained the various clauses of the Bill and certain important changes that have been effected by the Select Committee. I propose to confine myself to two or three important features of the Bill which require re-examination and close attention by the Government.

Sir, I need hardly emphasise the important role which the electricity supply undertakings play in the national economy of the country. Indeed the development in other spheres depends upon the full development of the supply of power, and this Bill is of vital importance, affecting as it does the development of electric supply undertakings in the country.

Till the commencement of the first Five Year Plan, the total installed capacity of power generating plants in the country was of the order of 2.3 million k.w.s, of which 1.7 million k.w.s was in public utility electric supply undertakings in the public and

private sector and 0.6 million k.w.s. in industrial establishments generating their own power.

The private sector which forms part of the public utility undertakings accounted for 1.1 million k.w.s. out of 1.7 million k.w.s. i.e.; about 65 per cent. During the first Five Year Plan, the electricity supply undertakings in the private sector added another 200,000 k.w.s. It can be easily seen that the private sector in this industry has thus fulfilled the target laid down for the development of power in the sector and during the second Five Year Plan the target for the private electricity undertakings has been set at about 300,000 k.w.s. Though at the end of the second Five Year Plan, the generating plant installed in the public sector will have reached a total of 4.5 million k.w.s., the private sector with 1.6 million k.w.s., will no doubt be an important factor in the scheme of electricity supply service in the country.

I am focussing attention on the role that the private electricity undertakings are playing in the supply of electric power with a view to draw the attention of Government, to the difficulties that are bound to be faced by these electricity undertakings in one or two directions.

In this connection, I would not, of course, like to take much of the time of the House, but I would like to draw the attention of the hon. Minister to what my hon. friend Shri Tulsidas has stated and with whose comments, I am in full agreement.

As a matter of fact, the approach of the Government to the Bill is to fulfil three basic considerations, so vital for the healthy growth of this industry. Firstly, that its proper control and regulation is but necessary. I fully agree that this is subject to certain differences on basic aspects, but the important consideration governing this Bill is to attempt at providing suitable incentives to the industry, which alone can enable it to increase its capacity to the desired extent. Therefore, I would like to refer to the incentives

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as provided in the Bill and to the need for liberalizing the clause in respect of the fair return to the investors in these undertakings.

I would like to draw the attention of the hon. Minister to the fact that since the passing of the original Act in 1948, only 8 States throughout the country have constituted the statutory electricity boards. Among these States are Delhi, Madhya Pradesh, Saurashtra, West Bengal and Bombay, and therefore we find that many of the States have still to constitute these electricity Boards. I would like to know from the hon. Minister why in the matter of the constitution of Electricity Boards many of the States have not implemented the provisions of the Bill and what the Central Government have done to ensure that these electricity boards are constituted in all the States, as desired in the provisions of the original Act. Perhaps it may have been the problem of taxation which some of the States may have in view while not proceeding with the constitution of the electricity boards, but whatever might be the reason, and even as far as this question of taxation is concerned, the Central Government may have to lay down some sort of subvention or such other assistance as is found necessary. I think that this matter of the constitution of the electricity boards throughout all the States is of vital importance and should be looked into by the Central Government to ensure that necessary steps are taken in the remaining States for the constitution of these boards.

I would now like to say something about the deferred taxation reserve about which the hon. Minister yesterday said that the amendment regarding this has been brought forward at the instance of the Federation of Electricity Undertakings. The whole complication arises due to the fact that the provisions of the Income-tax Act and the provisions of the Electricity Supply Act are contradictory to each other. While the Income-tax

Act with an accelerated depreciation in earlier years results in larger tax relief in the earlier period, and thereby the tax liability of the undertakings is deferred for a future period, the Electricity Supply Act restricts the provision of depreciation to a much lesser degree and to that extent the profits of the electricity undertakings in regard to the income-tax development and depreciation rates are restricted. That Act lays down a smaller depreciation as compared to what is allowed under the Indian Income-tax Act. What has now been done has been put with certain restrictions that it does not really solve the demand that was put forward by the Federation. As a matter of fact if the electricity undertakings should have been allowed to set aside that reserve for reserve taxation liability for future years out of the profits which they earn year by year out of the rate increase which they have put in force from time to time, that would have met the needs of the situation, but the clause as it has emerged would rather create more difficulties than solve them and it has, therefore, been further represented to the hon. Minister by the Federation of Electricity Undertakings that this clause as it stands may please be withdrawn, and I am at any rate, thankful to the hon. Minister for giving some assurance yesterday that he would look into the desirability of deleting this clause, so that this whole question may be examined later and some scientific formula may be evolved, so that the spirit of the Indian Income-tax Act may also be allowed to confer the same benefit to the electricity undertakings as the other industries which enjoy the benefits thereof.

I hope, therefore, for the time being, the hon. Minister will be pleased to agree to delete this amended clause, so as to ensure that the *status quo* remains and the question is re-examined later so as to ensure the benefit that is really meant to be taken of the liberal provisions of the development and depreciation rates under the Income-tax Act.

The only other point that I would like to emphasize is about the fair return to the investors in this industry. As it is, the Select Committee has only agreed to a return of 2 per cent. over the bank rate. This issue has been very thoroughly examined by my hon. friend, Shri Tulsidas and I would not like to repeat those arguments; the fact remains that the condition of the capital market at present as well as the rate of interest being charged by the various credit institutions such as the Industrial Finance Corporation and other credit bodies really indicate how it is difficult for any industry to be restricted to a return of 5½ per cent. which is contemplated under the present provisions of the Bill. The conditions as are prevalent, not only in our own internal market but in the international market, are such that they do indicate the desirability of giving a much more liberal return than 5½ per cent. which has been contemplated under the provisions of this Bill. And if our electrical undertakings in the private sector have to develop their power resources to the extent desired, then it is necessary that they should be allowed to attract capital on a basis which is the order of the day.

I therefore appeal to the hon. Minister to see the desirability of making this provision a little more liberal and in conformity with the present conditions as are prevalent in the market, so as to ensure that the industry which is so vital for the economic development of our country is not deprived of its legitimate finance resources. With this end in view I emphasize that this return of 5½ per cent. should be raised somewhat, so that the legitimate requirements of the industry will be met. I hope the hon. Minister will give a favourable consideration to these aspects of the Bill to which I have drawn attention.

Shri Sadhan Gupta (Calcutta South-East): The importance of this Bill is rather clouded to most of us, ordinary people, behind the very

terrifying technical aspects of it—and it is a really very technical Bill, involving a great deal of technical experience. But if we look at the matter deeply, we find that the Bill is of the utmost importance to us, to the country, to the people of the country. Because, it deals with an industry which is of the greatest importance in the light of economic planning.

We are embarking on a plan to step up our industrial production. For industrial production we need power. Much of this power comes from coal; but a considerable extent of this demand for power will have to be met by electrical energy. In fact, the growth of our electrical power resources is a very important matter. In every country where economic planning has been undertaken, in every country where industrial development has been set up as a target, the desirability of electrification has been emphasised. In the light of this, we have to see how this Bill affects the growth of the electrical industry, especially from the standpoint of the consumers of electricity.

I emphasise the standpoint of the consumer, because we have decided that the electrical industry will no longer be left to private hands, it will be in the public sector. That is our industrial policy which, I think, all sections of the House or almost all sections of the House would accept. Now, that being our industrial policy, we have to emphasise the standpoint of the consumer, rather than the standpoint of the private sector. Of course, we can accommodate the private sector to a reasonable extent, because they are still in the field and they are likely to be in the field. But in deciding the needs of the country and in formulating our attitude towards this Bill we have to be clear that the private sector must be a dying or a vanishing sector, as it were, and therefore an over-emphasis of the needs of the private sector will be of no use for our purposes. In deciding our attitude to the Bill we will, therefore,

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have to keep in mind other points of view, other interests which this Bill will have to promote.

There is the interest, as I said, of the consumer. There will be the interest of the employees whose interests have so far tended to be ignored. These two interests will be the dominant factor. And there will be the interest of the private sector of the electricity industry itself to the extent that a smooth transition to the public sector is possible gradually. Because, let us hope the private sector will not last long and that before very long the entire private sector will be eliminated and the industry will pass into the public sector.

Now, Sir, I have approached this Bill from this angle in my Minute of Dissent. You will find that I have emphasised the interests of the consumer and the employees, particularly the workmen. From this point of view there are certain good things in the Bill; for example, the provision about an independent Chairman of the Rating Committee. That is good for all concerned. Because, in the Committee, as it formerly was, many interests would tend to be disregarded. I am not quite so sure that the Board would have been so prejudicial to capitalist influences that its composition needed to be changed on that account. But the Board, I am rather afraid, would not be able properly to look after the interests of the consumers, for instance; and, therefore, it is a good thing that a provision has been made that a judicial officer should be made the Chairman of the Rating Committee and that the Board should not have a predominance in the Rating Committee. I am not looking at it so much from the capitalist point of view. The capitalists are well able to look after themselves even when the members are nominated by the Board, because the Board itself is heavily weighted in favour of the capitalists. This provision for a

judicial officer as Chairman—a judicial officer of some calibre, because it provides for a High Court Judge or a man qualified to be a High Court Judge, or a District Judge, to be Chairman—is a good thing.

Then, there was a provision for the preparation of annual reports in the Bill as it was referred to the Select Committee. There was also provision for the reports being laid before the Legislature. That is a good provision which has been retained. But regarding directions, many of us felt that the directions should also be laid before the Legislature. Normally, directions would be fit matters to be laid before the Legislature, because directions, as you find from the relevant provision, are to be given on matters of policy; and in matters of policy the Legislature is the most pre-eminently suitable body to pass its judgment, and therefore the Legislature should have an opportunity to discuss those directions. Of course, it may be that certain directions may be of a confidential nature which should not become public and, as a result, it might be injurious to place those directions on the table of the Legislature and so to make them public. I hope in future, the State Electricity Boards will bear in mind that it is eminently desirable that the directions given by the State Governments, so far as possible, should be incorporated in the annual reports so that these directions may come before the legislature and the State legislature may discuss whether the directions were properly given, whether they serve the interests of the development of electricity industry and so on. Of course, we have made some other amendments. For example, formerly, there was a provision that rates could not be enhanced or reduced more than once at a time. We have changed and enabled the licensee to reduce his rates as many times as he likes, but not to enhance it more than once in each year. These are some of the good things that we have done.

But, as I have said, we have failed in some instances. Taking first certain minor matters, about the constitution of the State Electricity Boards, according to the Act as it stands at present and according to this Bill also, the Board will not contain any representatives of the consumers or of workmen. The Boards are concerned with the co-ordinated development of electricity in the States. That is the provision of section 18. In a co-ordinated development, so many things may arise affecting the consumer and the consumer is certainly interested in what rates would be charged, for example, for a unit, and points like that. Consumers would be very much interested in the matter and therefore, I feel some provision should have been made for representing the consumers' interest on the Board. However, even if they have not been represented on the Board, they have received some consolation by being represented on the Consultative councils. But, what about the workmen, the employees of the electricity industry? They have not received any representation anywhere at all. The Board, as I said, is concerned with co-ordinated development. Many questions might conceivably come which are of the utmost importance, of vital concern to the workmen. For example, the Board may decide that for the better development of the electrical industry, there should be greater automation in the industry, and that more automatic machinery should be introduced. I understand that it is possible today to produce electricity with a very few workmen by installing automatic machinery. It is conceivable within the functions of the Board to take such a decision and such a decision may be executed. At once, the questions arise, what will happen to the workmen now employed, are they going to be thrown out of employment, if so, what are they going to receive as compensation, what kind of alternative employment can be offered to them, what can be done to reduce retrenchment on account of automation or to prevent retrenchment altogether, etc. All

these questions are of vital concern to the workmen. The workmen need to be represented. They have to have a say, they have to have a vote on this matter. They have to be able to influence the decision in this matter. In spite of our efforts, I am sorry to say, we could not persuade the Committee to adopt this. I think it is a great injustice done to the workmen. I do not see how the work is going to suffer if the workmen are put on the Board. I have stated how the immediate sectional interests of the workmen may suffer on account of their non-inclusion on the State Electricity Boards.

Apart from that, by the inclusion of the workmen, the object of development of electrical industry itself is going to benefit, because, the workmen will bring in considerable practical experience of the working of the industry and if their suggestions are taken into account, much good may accrue. It is under capitalism that it is fashionable to treat with contempt the contribution that may be made by workmen. But, in a pattern of society which is pledged to socialism, we cannot treat the workmen with the same contempt. We must create conditions in which the workmen's suggestions and the workmen's advice may be available to us for the development of the industry. That purpose would have been served by the inclusion of workmen's representatives in the Board.

The other question is regarding bonus which Shri N. C. Chatterjee dealt with. Before I come to this question, I would like to give you a few historical facts about how this question arose. You know that the electricity industry is a very profitable industry because it enjoys a monopoly wherever it operates and as a result usually, it is in a position to make huge profits and does make huge profits. Naturally the question comes up whether the workmen should get a share of these profits. After the passing of the Electricity Supply Act in 1948, the question came up in a

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Bombay case whether the workmen could claim bonus out of the reasonable returns, because as you know, industrial tribunals have held that bonus can come only after profits. The question was whether bonus could be claimed either as an item of expenditure or out of reasonable returns. The Appellate tribunal held that bonus could not be claimed as an item of expenditure because it was not an allowable item under any of the sub-clauses of clause (b) of section 17 (2). Also the Labour Appellate tribunal held that bonus could not be claimed out of reasonable return because the return was, in fact, reasonable and so, to take something, out of it by way of bonus would reduce the return to an unreasonable level. This decision created great discontent among the working classes. Of course, subsequently, the Labour Appellate tribunal by another Full Bench decision modified it and admitted that bonus was an allowable item of expenditure. By this decision, bonus came in as an item of expenditure. There was one difficulty about leaving bonus absolutely un-regulated. Once bonus is held to be an item of expenditure allowable under the Act, the danger is that of the provisions regulating the profits of the undertaking. There are elaborate provisions for regulating profits, provisions saying how much could be set apart for depreciation reserve fund, how much could be set apart for contingency reserve fund and we have now added development reserve, deferred taxation reserve and so on. After setting apart those things

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and providing for the expenses of management, the balance is to be the clear profits and the provision is that it should not exceed the reasonable return. Now, if we included bonus as an allowable item of expenditure without any further fetters, then the result at least might conceivably be that those electricity concerns which are in a position to make very huge profits would set up what we call *benamdars* as officers and pay money

to them by way of bonus and thereby the entire ceiling on profits would be circumvented.

Therefore, as Mr. Chatterjee has pointed out and I have candidly admitted in my minute of dissent, some kind of regulation of the payment of bonus is necessary. Of course, it is certainly a fact that if we have to regulate the payment of bonus we have to regulate the payment of bonus to highly paid officials. There is no doubt about it. But does it mean that we have to impose a regulation in the case of workmen also? I have stated in my minute of dissent that in the case of workmen there should be no regulation. I have frankly pleaded for discrimination between the two cases between employees who are workmen under the Industrial Disputes Act and employees who are not workmen. Now, under the Industrial Disputes Act, 1947, as it has been amended, workmen comprise employees who belong to the supervisory staff, the clerical staff and the subordinate staff. All other employees would not be workmen. The question is whether there is any unfairness in making a discrimination in respect of these employees, whether it would be unfair to say that men belonging to the supervisory staff, the clerical staff, or the subordinate staff may be paid bonus and whatever bonus is paid to them will be allowed as an item of expenditure and on the other hand bonus paid to other employees, high paid officials, for example, and so forth, will be subject to the approval of the State Government.

Now what is the basis for payment of bonus? You know that industrial tribunals have held, and the Supreme Court has approved of it, and Mr. Chatterjee certainly knows it, that bonus represents the partial satisfaction of the difference between the actual wages paid and the living wages. The assumption—and it is a very correct assumption—is that the wages paid to the employees who are workmen within the meaning of the

Industrial Disputes Act has not reached the level of living wages. They fall short of the living wages and by payment of bonus that gap is being bridged not to the whole extent, but only partly. That is the principle which is being recognised for the payment of bonus.

Of course, when that gap has been bridged, bonus may still be admissible on the principle of profit-sharing. But that is a different matter. What is being decided by the courts of law is that it comes out of profits, but it is given for the partial satisfaction of the short-fall from the living wages. On this ground is there not rational basis and a fair basis for discrimination between employees belonging to the category defined in the Industrial Disputes Act as workmen and other kinds of employees? Can we say that there should be no discrimination in the payment of wages, for example, in the case of a person whose earning is say Rs. 60 or Rs. 70 per month and in the case of a person, whose earning is Rs. 1,000 or Rs. 2,000 a month? There is absolutely no sense in not making a discrimination. Where is the unfairness in it? Every discrimination is not unfair. Actually, the Supreme Court and other courts have recognised the justification of discrimination, because the equality clause in our Constitution does not mean that when there is need to discriminate, we should not be able to discriminate.

Shri N. C. Chatterjee: It makes a rational classification.

Shri Sadhan Gupta: I maintain with all the emphasis at my command that there is an entirely rational basis for the classification made, namely discrimination between workmen and non-workmen. Therefore I strongly plead for incorporation of such a provision in this Bill. I have myself given notice of an amendment to that effect. I will come to that when amendments are under consideration. That is about the question of bonus.

Now I come to the most fundamental question regarding the regulation of profits. I am not for giving

no profits to private enterprise at all. Private enterprise should be entitled to reasonable profits. The question is whether the profits allowed by this Bill would be reasonable in all cases. Mr. Chatterjee has quoted figures to show that on the average the profit is about 6.6 per cent of the paid up capital. In that average there are undertakings with high profits; there are undertakings with low profits. Therefore, the average itself is misleading. But even taking the average you will find that 6.6 per cent of the paid up capital is income-tax free which would really come up to about 9.9 per cent plus Income-tax. I submit that is not a very unfair return, but again I say that is the average. These provisions about regulations of profits should be concerned not with the average, nor with those undertakings which have a low income, but with those undertakings which have a high earning, because every concern is not a threat to the consumer. Those concerns which are not in a position to make profits there is nothing to complain about them. But it is those concerns which may exploit the consumer for the purpose of making profits which we should have in view. What do we find from that point of view? In most big cities we have electricity concerns which are certainly not the average. For example, in Calcutta we have a foreign company, a British company, which has been long established in the City, which has long enjoyed a monopoly of an important industrial area in India, and has built up a considerable capital base which has no relation whatsoever to the paid-up capital. It is infinitely larger than the paid-up capital. It is about three times the paid-up capital. Even this company gets five per cent on its capital base income-tax free, and after the passing of this Bill it will get 5½ per cent income-tax free on its capital base under the new formula. That means that it is going to get over eight per cent plus income-tax that is the return it will get on its capital base, and calculated in relation to its paid-up capital, it will get about 25 per cent return on its paid-up capital. I

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submit that by any standards this is unconscionable, and this would be the case in every place where there is a big industrial area and where therefore the electricity undertaking is in a position to make profits.

Shri Somani has complained that five per cent is a very small figure, but he has ignored the fact that the five per cent or 5½ per cent is not the return on the paid-up capital. It is the return on the capital base which must be larger than the paid-up capital, and when we take into account that it is income-tax free, I think it is not a small figure. That is why I suggest a change or revision of the scheme of regulation of profits. We cannot give up the capital base. At one stage I thought that regulation with reference to the paid-up capital might be sufficient, but in the case of smaller companies which are trying to raise capital a little higher return on the paid-up capital may be necessary to be provided, but if we apply the same standard to the bigger companies, it may be that some anomalies may be created. Therefore, I was suggesting a composite scheme of regulations with reference both to the capital base as well as to the paid-up capital. I was suggesting that the reasonable return may be fixed for example as it has been fixed at the Reserve Bank rate plus two per cent, and a maximum may be laid down which will be calculated with reference to the capital base. When I come to my amendments, I shall explain my scheme in a little greater detail, but I would request the Minister to consider the formula and accept it in the interests of the consumers.

I once again appeal to the House to take the interests of the consumers into consideration, to take the interests of the employees into consideration and adopt a democratic attitude, a changed attitude to these questions, particularly the question of the employees. Even now, even after we have pledged ourselves to the socialist pattern we show a tendency to ignore

the interests of the employees and the workmen, and this is regrettable. I plead for a revision of that attitude and for giving the workmen their due share of representation on the appropriate bodies. Our Plan envisages workers' participation in management. I am only asking for workers' participation on the Boards and nothing more, and I think that should not be very difficult to adopt. Also, in the interests of the consumer I would request that the House should give that representation on the Board and also regulate the profit not only with reference to the capital base, but with reference also to the paid-up capital which usually is the criterion adopted for calculating the reasonableness of returns in private enterprise.

Shri Tulsidas (Mehsana West): I have already in my Minute of Dissent explained my approach to this Bill. I may say at the outset that at every stage of the discussions in the Select Committee the hon. Minister was very considerate, and always took into consideration the points of view put forward on the different aspects and considered them fully but my approach at the Select Committee does not seem to have been appreciated by the hon. Minister.

The speakers before me have pointed out the importance of this industry. This industry is really a very important one because the development and progress of the country depend on a number of key industries like railways, transport, coal, electricity and power. Without these industrial progress cannot take place. Power is an important aspect, and therefore one has to consider this industry from that point of view.

My approach has been very much different from that of the Government as regards the basic considerations such as that of the method of rate fixing, the formula for fixing the reasonable rate adopted by the Government etc. I feel that the approach of the Government as regards the

determination of the rate of reasonable return is far from being scientific. Even though an *ad hoc* method has been adopted in the Bill, I have a strong feeling that it is far from satisfactory, particularly to those who are responsible for establishing the future of the electricity industry.

We in this Parliament have been making stupendous efforts at accelerating the tempo of economic progress since independence. Our Five Year Plans are undoubtedly aimed at increasing the national income, *per capita* income and consumption through development schemes in agriculture, irrigation and power, industries, transport etc. However, if one compares the rate of progress that we have attained with the state of development in some of the advanced countries, say in the matter of power generation and consumption, we feel rather despondent. Our annual *per capita* consumption of electricity is only 17.8 k.w. which is far below that of any other advanced country in the world. Other countries have got tremendous consumption of electricity, and ours is very small compared to the advanced countries in other parts of the world. I therefore wish to draw the attention of the hon. Minister and the House to the great leeway that we have still to make up, to improve the rate of progress so as to compare with the advanced countries.

Looking back at the background of electricity undertakings in this country, it is clear that this industry has been recognised as a vital public utility so essential for the economic progress we all aim at. My friend Shri Somani has already described the part played by the electricity undertakings in the non-State sector, and has given the figures. I have a particular reason why I am trying to avoid the words "private sector". It is because nowadays there is a fashion that the private sector should be attacked every time. My friend Shri N. C. Chatterjee said that my plea is a pathetic plea. Even he belongs to the same sector to which I belong.

Still, it is now a fashion to see that there is something put against the private sector. That is the popular thing to do now.

Shri N. C. Chatterjee: We have accepted nine out of 11 recommendations.

Shri Tulsidas: I am mentioning the non-State sectors, because the State sector has got a particular thing and the non-State sector is a huge sector. The importance attached to power generation in our economic development can be seen from the fact that Rs. 260 crores have been allotted for this purpose in the first Plan as against an outlay of Rs. 427 crores provided in the second Plan. The installed capacity is expected to be raised from 3.4 million kws. to 6.9 million kws. during 1956-61, thus providing for cent per cent expansion in this vital industry.

May I draw the attention of the House to the fact that I have no personal interest in these undertakings. But I want to point out that everyone in this House is interested in this particular industry. I want to say that the progress of these industries must not slow down. This is a key industry in which we have got to see that progress takes place as rapidly as possible. Everyone in this House should be interested in seeing that this industry functions in a proper way.

There are to my mind, three basic considerations which should govern our approach to this Bill. Firstly, it is the method of control and regulation that have to be adopted for this industry. Secondly, is the scheme and formula for determination of the rate structure in this industry which must ensure power generation at economic rates, and at the same time, guarantee sufficient incentives to the investors in this industry. Undoubtedly, the interests of the consumers must be borne in mind both by the industry and the Government in their scheme of things. The third consideration is about the machinery for controlling and regulating the elec-

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tricity undertakings through the Electricity Boards. I have pointed out these three basic considerations which this Bill must take into consideration.

Coming to the first consideration, I concede that electricity generating industry is a vital public utility service and therefore, its regulation and control should obviously be imperative. I have said even in my Minute of Dissent that I have no hesitation to say that this being a public utility industry, it must have a proper regulation and control. But this control must be such that it should not throttle the industry. It must have a certain amount of freedom within which the industry should function. That is the point which I would like to make.

I am sure that a number of aspects have been taken into consideration at the time of the Select Committee meetings. I must say that the hon. Minister did look at the Bill from the point of which I mentioned. But still I feel that there are a number of things which require that electricity should be controlled and powers be given to the Government. But all this will not create that condition which I have just now pointed out.

Then there is the question of rate fixation. My main argument in this respect has been incorporated in my Minute of Dissent. I would like to add to what I have stated there. I am sure the hon. Members must have read my Minute of Dissent because I have made it quite exhaustive. In the U.S.A., rate regulation of utilities is enforced by a two-tier permanent regulating commission, the proper state power commission and the Federal Power Commission, with resort to courts when necessary. However, in this country, with a large number of medium and small-sized electricity undertakings *ad hoc* regulations by Commissions become impracticable, and therefore, there is a need for regulation of rates by legislation. However, it is possible to adopt the principal governing regulations in the U.S.A. with a suitable modification.

The basic requirements of rate fixation is the guarantee of a fair return to the investor in the industry. Sir, you will be surprised if I point out the fact that in America, the return on the rate base varies from 7.5 per cent to 6.5 per cent, as compared to the rate, a rigid rate, of 5 or 5½ per cent on the capital base as provided in our law.

Why I consider this as unscientific is because of this. We have considered this question of 2 per cent over the bank rate. I do not know whether the hon. Members know that the bank rate is not really the criterion in this country, on which people invest. You know very well that the bank rate is 2½ per cent today and anyone who would like to borrow against even an industrial undertaking cannot take below 5 or 5½ per cent, on the working capital. With regard to the borrowings on the fixed asset or for expansion, the rate is at present, normally, excepting in a very, very exceptional case, six per cent tax-free or 6½ per cent tax-free. You cannot get an investor to invest otherwise.

My hon. friend Shri Sadhan Gupta told us, as usual, of their policy. He represents a party which naturally does not like to say that there must be a democracy in this country and they say that everything must be done by the State. I am not one of those who believe in such a scheme of things. Our country has already accepted the other aspect of it. Therefore, to my mind, whatever he says, namely, that it is a decaying or dying sector, is not true. That sector is very much alive and very much kicking.

Shri N. C. Chatterjee: At the election time!

Shri Tulsidas: My point is that in this particular aspect, the important point is, the investor must get a fair return on his investment. Unless he gets a fair return, it is not possible to get the capital from the people.

I would like to point out here that very few shares of the public utility

concerns are at a premium. Practically everyone is at a discount in spite of what my friend Shri Sadhan Gupta says, namely, that there has been an enormous profit in these undertakings. Practically, almost all shares of almost all the companies are at a discount. One can appreciate the fact that even if the investor wants to put in more money in these undertakings, he must be tempted to invest it. Unless he has some chance of getting a fair return on his investment, he is not going to put in the money which is required.

There is another aspect which has been pointed out in this connection, namely, this 5 or 5½ per cent will be tax-free, and it has been contested that 5 or 5½ per cent would mean about 8 or 8½ per cent taxable. I have already made that point in my Dissenting Note. I would like to dilate it a little more, because there is a certain amount of difference of opinion, and there is also a misunderstanding. The Income-tax Act and other monetary Acts in this country bring about things in a different way, and they bring about a different picture. In this undertaking, the basic assumption is 5 or 5½ per cent. It is understood that it is tax-free. But, in the present stage, when an industry has to expand rapidly, and when they put in a new asset, then, under the Income-tax Act, they get a certain relief by way of accelerated depreciation. If this accelerated depreciation is first taken out from the profits, before they are assessed for income-tax purposes, then, in the initial period the profits become so small or practically nil that there is no sizeable profit, and therefore the companies do not pay income-tax in the initial period. That is why there is a provision for Development Reserve. Later on, when the assets are depreciated much more, then, there has to be more tax, and therefore, a provision to that effect has been made in the very beginning. But what has happened to the investor when he gets 5 or 5½ per cent return which is considered tax-free? He does not really get it tax-free. He has to pay, be-

cause the company has not paid any tax in the particular year. Therefore, the dividend is taxable and not tax-free. To that extent, he is not interested in this 5 or 5½ per cent.

Unless the investor has got a chance of getting it tax-free, he will not be able to invest more money in this industry, and he will not be able to invest capital on the acquisition of more and more assets. As long as this industry has to expand, this provision as it exists now should continue. In my opinion, it should continue at least for the next ten years, because this industry has to expand and has to invest more and more on the acquisition of assets. I hope the Minister will look at it from this point of view.

I am not ignoring the effect on the consumers. I would like the Minister to tell me what rates are being charged by the State electricity undertakings as compared with the ones charged by the undertakings run by private enterprise. If the figures are given, you will see clearly that the private undertakings are charging a much lower rate than the State undertakings. I would like to know from the Minister whether any State undertaking charges a lower rate to the consumer.

Again, as I have pointed out already, if the rate is increased from 5½ per cent to 6 per cent tax-free, the difference, so far as the consumer is concerned, is very small; it comes just to one pie or 1½ pies per unit. That is the extra cost which he has to pay at the most. But, as you have seen, a number of taxes are being imposed by the State Governments, which put up the cost to the consumer to a greater extent than the increase in the rate from 5½ to 6 per cent; these taxes add another two or three pies to the cost per unit. But that aspect has never been looked into. The consumers' point of view comes in only when the question of giving a reasonable return to the investor comes in and not at the time the State imposes the taxes and thereby increases the

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cost to the consumer. The consumer is really forgotten at the time the taxes are imposed, and he has somehow to put up with the increase.

The most important aspect which has to be borne in mind is that the investor should be tempted to bring in more money in order to expand this industry. Unless you put these industries on the same basis as other industries where money is available for investment, it is not possible to get more and more of investors to invest money in this industry. This is an aspect which I would like the Minister to examine.

Then, I come to the question of bonus shares, to which my hon. friend Shri Sadhan Gupta had made a reference. I would like to remind him that under the Income-tax Act no one can be paid more than three months' salary as bonus, unless it be under the Industrial Disputes Act.

Dr. Krishnaswami (Kancheepuram): But he wants to have it amended.

Shri Tulsidas: He wants discrimination. But a workman is a workman whether he is a worker or a manager. The definition of 'workman' is such that even an officer drawing a salary of Rs. 1,000 or Rs. 1,500 is still an employee of the company. So, you cannot make any distinction in this regard. The Select Committee have definitely gone into this question, and they have felt that it is not fair to make any discrimination between a workman and a manager. If there is any dispute, it can be settled through the usual machinery. But we have provided here that everything must be done with the approval of the State. That is a sufficient check. As long as that check is there, there is no difficulty, and there is no need to create a different machinery for the worker and a different machinery for somebody else. The Select Committee have looked into this matter already, and there is no doubt whatsoever that the suggestion which has

been made has been made after the most careful consideration.

I would request the Minister who has taken great pains in regard to this Bill to go into these aspects and consider the approach that I have suggested. We want this industry to make rapid progress, and we want the investors to come forward for helping this industry to expand. But unless the necessary conditions are created, the investor would not like to put in more money, and it will not be possible to make as rapid a progress as we would all desire.

Shri Mohiuddin (Hyderabad City): I must, at the outset, pay my tribute to Shri Nanda who, in the Select Committee, had shown a remarkable grasp of the technicalities involved in the Electricity Supply Act; and whenever he saw there was some substance in the objections or arguments that were raised, he immediately accepted the suggestions, and made a decision on the spot.

The Electricity Supply Act, I am sure, is unique as compared with other Acts on our statute-book, because it contains detailed provisions regarding the calculation of the capital base, the calculation of the expenditure that may be incurred for the production of electric power, calculations for various items like depreciation, and so on. This unique Act, unfortunately, has not had a complete chance of being fully worked in the whole country. It is applied to the private sector in all the States, but as far as Government undertakings are concerned, the boards have not been established in more than a few States.

Shri G. D. Somani just now said that in so many States the boards have been established, including Saurashtra and New Delhi. But the important States in which electricity boards have been established, as far as I know, are only Bombay and West Bengal.

We were informed that some of the amendments proposed in the Bill are intended to induce the State Governments to appoint electricity boards in their States. Some of the provisions give greater power of control to the States over the boards. But, I believe the hon. Minister might have read the report that appeared in the newspapers last week that the Chief Ministers of some of the States have said that the appointment of a board is not desirable, since it will only add to red-tapism and it will hamper the progress of electricity undertakings. I hope that this attitude would only be a temporary phase, and the Minister of Irrigation and Power would be able to induce the Chief Ministers of the States to apply the Act as a whole in their respective States.

Although the Act has been there on the statute-book for the last eight years, yet, very few States have established electricity boards. The position here is just like what obtains in the case of fixation of minimum wages for agricultural workers under the Minimum Wages Act; the Labour Minister comes forward before the House almost every second year and asks that an extension may be given to the Act, since many of the States have not been able to apply the Act in their territories. I hope this will not be the state of affairs as far as the Electricity Supply Act is concerned.

Shri Sadhan Gupta has very strongly pleaded today, as also in his Minute of Dissent, for freedom to pay bonus. In the Minute of Dissent, he has said—and I am sure Shri Tulsidas and Shri G. D. Somani must have been pleased to read these words—

“We, therefore, strongly recommend that the proposed new sub-clause (xii) should be modified so as to give the licensee complete freedom to pay bonus to employees who are workmen within the meaning of the Industrial Disputes Act, 1947”.

I am surprised that a representative of the Communist Group should plead for ‘complete freedom’ to the employers, that they should be given complete freedom to do anything they liked. I do not know what is the reason why in all other respects the Communist Party pleads for more and more restrictions being enforced on the employers and capitalists, while in this case they plead that complete freedom should be given to them.

Shri Sadhan Gupta: Because money will come to the workers.

Shri N. C. Chatterjee: Socialistic approach.

Shri Mohiuddin: It is not only a question of pleasing the workers, but there is something more. For example, in this electricity undertaking, which is a monopoly undertaking, the items of expenditure are strictly regulated by the Act. Under the amended Act, bonus comes under the permitted item of expenditure. If the expenditure is increased indiscriminately in order that some licensees may please the workers, it will have the effect of damaging to the industry as a whole. The Select Committee has provided that if a tribunal has given an award that bonus should be paid, the approval of the State Government is not at all necessary; but if there is an agreement between the workers and the employers, the approval of the State Government is essential, because it adds to the expenditure and the State Government must look into the affairs of the company and see whether the bonus paid will not unduly add to the total expenditure of the company. There, I do not agree with Shri Sadhan Gupta and I hope the Government also do not agree to the amendment proposed by him.

Shri Tulsidas and Shri G. D. Somani have pleaded for an increased rate of reasonable return. Shri G. D. Somani in his speech simply said that the return was 5½ per cent, and pleaded

[Shri Mohiuddin]

for a rise. He did not mention that the 5½ per cent was free of income-tax and was calculated on the capital base and not on the paid-up capital. These two important factors have got to be taken into consideration.

Shri Tulsidas made the point that according to the Income-tax Act, if the company did not pay the income-tax on the dividend paid, the dividend receiver had to pay. I am sure that what is intended by the Act is that if the profits fall within the scope of the Income-tax Act and the dividends are paid, the company will pay the income-tax on the dividends. Of course, the receiver has not got to pay the income-tax on that part of his income which he receives as dividend, though the dividend is included in his total income for the purpose of the rates at which his tax on income will be calculated. Now, I do not wish to go into the details of this. I am sure that the revised reasonable return, that is, 2 per cent. over the bank rate, is very liberal and should satisfy all concerned.

The Select Committee has plugged so many loopholes, details of which have been given by the hon. Minister and by Shri N. C. Chatterjee. I would not like to go into the points already dealt with. But I should like to draw the attention of Government to one very important consideration. The principle underlying the Electricity Supply Act and the amendment which we have now before us is that because the electricity undertaking is a monopoly concern, the profit should be regulated and restricted. With that we entirely agree, and, as I have said, 2 per cent above the bank rate is a very liberal profit. The other consideration is that consumers' interests should be safeguarded. The consumer should get electricity supplied at as low a rate as possible, consistent with the principles of expenditure laid

down in the Electricity Supply Act and reasonable profit.

Now this amendment has made many changes in Fifth, Sixth and Seventh Schedules, but there is one important consideration, to which I should like to draw attention. With a view to reduce the cost of electricity to the public or at least with a view not to raise the price of electricity to the public, it has been laid down that depreciation should be calculated at a certain rate for a prescribed period.

A clause in the Schedule lays down that an amount would be set aside for depreciation throughout the period and accumulated at 4 per cent interest per annum until it reaches 90 per cent of the value of the assets. That principle is no doubt very sound. But the provision goes a step further. It says that as soon as the accumulated depreciation reaches the level of 90 per cent, there should be no more depreciation provided for as an item of expenditure. That is meant to see that as soon as 90 per cent of the value of the fixed assets has been kept aside in depreciation account, the expenditure should go down by reducing the amount of depreciation set aside for that purpose. The result is that for companies which had purchased their machinery before War the depreciation amount for the machinery will be practically half of the replacement value of the machinery which they have got to buy today. The Schedule lays down the limit. For some plant and machinery the prescribed period is 25 years. For the plant and machinery for hydro-electric generating stations, the prescribed period is 35 years. I am sure that those companies who had purchased their generating plants about 15 years before the war or 20 years before the war will realise, when they want to replace a plant, that the cost of the plant which they will have to purchase will be more than double the amount they originally paid 20

years ago. The result would be that they will have to raise funds from the public or borrow money from the Government. That is why Mr. Kila-chand and Mr. Somani pleaded for an increase in the reasonable return so that the electricity undertakings can borrow money from the public. Regarding the commercial policy as far as fixed assets is concerned, the undertaking should be able to provide at the end of the prescribed period, that is, at the time when the fixed assets become obsolete, sufficient funds from their own resources to purchase new machinery to replace old ones without borrowing funds from the public. It is, therefore, desirable that the principles on which depreciation amounts are restricted to a prescribed period should be reconsidered and it should be seen that the funds which the undertakings accumulate from their own resources are sufficient not only, as I said, to replace the plant, but also for the purpose of expansion.

In modern times the savings from corporations, or corporate savings, as they are called have assumed very great importance. The personal savings are going down even in advanced countries. In England, for example, in 1942 over £2,500 million were invested as capital out of which £1,250 million came from the corporate savings. In India also, if industries are worked on sound financial principles, and if industries are to expand and add more machinery—not only to replace, but add more machinery—it is necessary that they should be in a position to meet with their own resources, as far as possible, the cost to be incurred for replacement and for expansion. For this purpose, I hope the Ministry will consider the Schedule, as far as “prescribed period” is concerned.

The Bill, as it was introduced, has undergone considerable changes and, as Mr. Chatterjee stated, the Committee had made certain improvements. I hope the House will accept the sug-

gestions made by the Select Committee.

पंडित ठाकुर दास भार्गव (गुड़गांव):

जनाब स्पीकर साहब, मैं दूसरे मेम्बरान के साथ सिलेक्ट कमेटी (प्रवर समिति) का हाउस की तरफ से शुकिया अदा करने में शामिल होता हूँ। सिलेक्ट कमेटी ने बड़ी मेहनत और जां फिशानी से इस बिल को देखा और इसके अन्दर बहुत सी इम्प्रूवमेंट्स की हैं।

दरअसल यह इलेक्ट्रिसिटी का डिपार्टमेंट एक ऐसा डिपार्टमेंट है कि जो निहायत ही अहम (महत्वपूर्ण) है और जिसकी तरफ जितनी तबज्जह दी जाये थोड़ी है। आमतौर पर जब किसी देश की सिविलाइजेशन (सभ्यता) का मेयार लिया जाता है उस वकत वहां का हर एक आदमी कितनी इलेक्ट्रिसिटी खर्च करता है यह मेयार दुनिया में माना जाता है। अगर दुनिया के इस मेयार से हम अपने आपको देखें तो हम दुनिया के बहुत से मुल्कों के मुकाबले में निहायत ही पस्त (पिछड़े हुए) हैं। इस वास्ते जिस कदर जल्द मुमकिन हो और जिस कदर से ज्यादा रकम हम खर्च कर सकें हमें इलेक्ट्रिसिटी के वास्ते खर्च करनी चाहिए। इस गरज के वास्ते कुछ अर्सा हुआ १९४८ में एक ऐक्ट (अधिनियम) इस हाउस ने पास किया था जिसमें बोर्ड बनाने की और दूसरी तजावीज थीं लेकिन बहुत थोड़े प्राविन्सेज (प्रांतों) में यह बोर्ड्स बने हैं और अभी तक नहीं मालूम कितना अर्सा और लगेगा जब यह बोर्ड्स अपनी ठीक शक्ल अख्तयार करेंगे।

14 hrs.

प्राइवेट कम्पनीज को जहां लाइसेंस मिलता है वहां पर आमतौर पर देखा जाता है कि प्राइवेट कम्पनीज के जो अखराजात हैं वे शायद अब भी गवर्नमेंट के अखराजात से कम होते हैं। गवर्नमेंट की कितनी कम्पनीज

[पंडित ठाकुर दास भार्गव]

मौजूद हैं जिनके कि अन्दर खुद गवर्नमेंट ऐसा इन्तज़ाम नहीं कर सकी है कि कनज्यूमर्स (उपभोक्ताओं) से कम से कम रकम वसूल की जाय तो भी यह कहा जा सकता है कि गवर्नमेंट की जो बड़ी बड़ी कंसर्न्स हैं जैसे रिबर वॉलीज के उनके रेट्स प्राइवेट कम्पनीज के जो लाइसेंस हैं उनसे कम हैं और मैं इस मौक़े पर श्री नन्दा को मुबारकबाद पेश करता हूँ कि उन्होंने जो वायदा किया था कि वे उन रेट्स को जो पंजाब के अंदर कई कम्पनीज दे रही थीं और जहाँ अभी तक भाखरा डैम की बिजली नहीं पहुँची थी, अब भाखरा डैम की इलैक्ट्रिसिटी उन छोटी छोटी जगहों में भी पहुँच गई है और हमारे यहां यानी ज़िले हिसार के रेट्स भी पहले के मुक़ाबले में कम हो गये हैं ।

इस बिल की कई एक दफ़ाओं के प्राविजंस (उपबन्ध) ऐसे हैं जो निहायत ही माकूल हैं और जिनसे कि मौजूदा हालत में तरक्की होने का इमकान (आशा) है ।

मैं सबसे पहले कहना चाहता हूँ कि प्रीपैरेशन स्कीम में दस साल के बजाय पन्द्रह साल की जो रकम तजवीज की गई है वह स्टैप इन दी राइट डाइरेक्शन (उचित दिशामें-कार्य वाही) है । इसी तरिके से जहाँ तक सैक्शन (धारा) ७५ का ताल्लुक है, यह एक बहुत ही संतोषजनक बात है कि आयन्दा जो रिपोर्ट होगी उस रिपोर्ट के अन्दर आयन्दा कार्यवाही करने का बोर्ड जो इरादा रखेगा उसके मुताल्लिक भी उस रिपोर्ट में हवाला दिया जायगा और जहाँ तक हो सकेगा उन पालिसीज का भी जो पालिसीज की स्टेट गवर्नमेंट बोर्ड के वास्ते रखेंगी उनका और जो दीगर (अन्य) पालिसीज होंगी उनका भी जिक्र होगा जिसके कि माने मैं यह समझता हूँ कि लेजिस्लेचर्म (विधान मण्डलों) को अख्तियार होगा कि वह इनकी चर्चा करें और उनको ठीक करें । लेजिस्लेचर्स के सामने सारी चीज आयगी और उन तमाम

पालिसीज में अगर कोई इस किस्म की चीज नजर आयगी जो पबलिक इंटरैस्ट (जन हित) के खिलाफ़ हुई तो लेजिस्लेचर को अख्तियार होगा कि उन पर ग़ौर करे और आयन्दा जैसी पालिसी होनी चाहिए उसके मुताल्लिक डाइरेक्शन (निदेशन) दे सके ।

[MR. DEPUTY-SPEAKER in the Chair]
14: 05hrs.

मैं मिनिस्टर साहब की तवज्जह क्लोज़ (खण्ड) १४ की तरफ़ दिलाना चाहता हूँ । उसकी रू से दफ़ा ५७ और उसके थोडक़ील (अनुसूची) के अन्दर जो अख्तियारात लाइसेंसिंग कम्पनीज को दिये गये थे कि वे जहाँ तक उनके रोज़नेबूल (उचित) रिटर्न्स का सवाल है, वे अपनी क्रिस्मत के खुद मालिक हैं और जैसा कि पंजाब गवर्नमेंट ने अपने सकुलर लैटर में कहा कि यह लाइसेंसिंग कम्पनीज के वास्ते एक किस्म का चारटर था कि जहाँ कहीं किसी सुरत में उनको रोज़नेबूल रिटर्न्स मिलने में दिक्कत हो तो उनको यह अख्तियार था कि अपने रेट्स को जैसा चाहे तबदील कर लें । अगर इस क्लोज़ की हिस्ट्री को जनाबवाला मुलाहिजा फ़रमायेंगे तो देखेंगे तो कि जब तक यह दफ़ा ५७ और उसके मुताल्लिक जो इंसिडेंटल (आकास्मिक) प्राविजंस हैं, वे सन् ४८ के ऐक्ट में नवीं आयें, खसूसन वार डेज में बहुत दिक्कत हुई थी और उस वक्त उन चीजों की क़ीमत जो इलैक्ट्रिसिटी के जैनेरेशन में यूज होती थी दुगुनी तिगुनी हो गई थी । इलैक्ट्रिसिटी कम्पनीज के वास्ते एक मुसीबत खड़ी थी कि वे एकदम अपनी इन सब चीजों को देखते हुए अपनी ग्रामदनी को नहीं बढ़ा सकती थीं और इस वास्ते सन् ४८ में दफ़ा ५७ और उस के इंसिडेंटल प्राविजंस में कम्पनीज को यह अधिकार दे दिया कि वे अपने रोज़नेबूल रिटर्न्स को ५ परसेंट (प्रतिशत) और उस के ऊपर ३० परसेंट तक वे बढ़ा सकती थीं । कम्पनीज अपने

अखत्यार से बढ़ा सकती थीं और पहले सन् १० का जो ऐक्ट या दूसरे ऐक्ट थे उन सब की पूर्वाह न करके और पिछले एग्जिमेंट या लाइसेंस की भी परवाह न करते हुए कम्पनीज को यह खास अखत्यार दिया गया था। लेकिन जैसा कि श्री चौकसी ने अपनी एग्जिमेंट (साक्ष्य) में सेलेक्ट कमेटी के सामने कहा और उस में बम्बई हाईकोर्ट के एक जजमेंट का हवाला दिया कि अब भी इन दफात ५७ इत्यादि की ठीक व्याख्या नहीं होती और इस में रिट्रास्पेक्टिव बनाने के लिये तबदीली होनी चाहिये यह बिलकुल उस जजमेंट के मुताबिक था जो हमारे पंजाब हाईकोर्ट ने भी एक मुकद्दमे के सिलसिले में सादिर फ़रमाया था। उस मुकद्दमे में जो पंजाब हाईकोर्ट में हुआ एक कम्पनी ने अपने अखत्यारात से जो दफा ५७ के अन्दर थे, मिनिमम (न्यूनतम) चार्जज की रकम, मुकर्रर कर दी। वह मिनिमम चार्जज की रकम पहले जब सन् ४५ में वार डेज थे पहले गवर्नमेंट आफ इंडिया के आर्डर्स में थे लेकिन सन् ४६ या ४८ में वह आर्डर वापिस ले लिया गया और वह मिनिमम चार्जज का आर्डर क़ायम नहीं था, तो दफा ५७ और इंसिडेंटल प्राविज़स के मुताबिक तमाम कम्पनीज ने अपने चार्जज पहले चार्जज के मुताबिक कर दिये ताकि उन को रीज़नेबुल रिटर्न्स हासिल हों। एक शस्स ने अपना दावा उस बेसिस पर पेश किया जो सन् ४६ के आर्डर की रू से मिनिमम चार्जज का कानून खतम हो गया और इसलिये कम्पनी मिनिमम चार्जज वसूल नहीं कर सकती इसलिये वह शस्स वापिसी रकम वसूलशुदा का हक़दार था। चुनावे उस शस्स ने सिविल कोर्ट में दावा दायर किया कि यह चार्जज ज्यादा हैं और चूँकि वह आर्डर मंसूख (रद्द) हों चूँका है इस वजह से कम्पनी को इस का अधिकार नहीं है। कम्पनी ने धाकर जवाबी दावा किया कि हमें दफा ५७ के नीचे इस का अखत्यार दिया हुआ है और हम अपने रीज़नेबुल रिटर्न्स को बढ़ा सकते

हैं लेकिन अक्वल अदालत ने इन अखत्यारात की पूर्वाह न करते हुए उस मुद्दे के लिये डिग्री कर दी। अब अगर वह रकम बढ़ी होती तो वह मामला अग्रील में डिस्ट्रिक्ट कोर्ट में जा सकता था और इसलिये वह वहां पर नहीं जा सका चूँकि वह रकम बहुत थोड़ी थी। जब हाईकोर्ट में वह मामला रिवीजन (Revision) में गया तो वहां पर इस बात की चर्चा हुई कि-दफा ५७ और उस के जो शेड्यूल हैं उन के मुताबिक क्या कम्पनी को अखत्यार है कि वह इस तरीके से अपने रिटर्न्स को पूरा कर सके और क्या वह उन चेंजेज को कर सकती थी जो उक्त न किये। पंजाब हाईकोर्ट ने जो फ़ैसला सादिर फ़रमाया वह यह था कि दफा २३ ऐक्ट १९१० की रू से, ऐलेक्ट्रिसिटी ऐक्ट की दफा २३ की रू से अगर इस को दफा ७० के साथ पढ़ा जाय तो यह जो दफा ५७ और इस के जो साथ के कानून हैं उन की रू से किसी कम्पनी को अखत्यार नहीं है कि वह अपने रेट्स का रीएडजस्टमेंट (पुनर्निर्धारण) कर सके। पंजाब हाईकोर्ट के जजमेंट में यह फ़रार दिया गया कि दफा २३ के अन्दर जो चीज दर्ज है वह दफा ५७ से गवर्न नहीं होती। दफा २३ इस तरीके पर थी :

"In the absence of an agreement to the contrary, a licensee may charge for energy supplied by him to any consumer—

(a) by the actual amount of energy so supplied, or

(b) by the electrical quantity contained in the supply, or

(c) by such other method as may be approved by the Provincial Government."

चूँकि प्राविन्शयल गवर्नमेंट ने इस की एप्रूवल (स्वीकृति) नहीं दी थी इसलिये हाईकोर्ट ने यह फ़रार दिया कि उस कम्पनी को यह अधिकार नहीं था कि वह अपने मिनिमम चार्जज अपने हुकम से मुकर्रर करती। जब यह तबज्जह दिलाई गई कि

[पंडित ठाकुर दास भागंव]

दफा ५७ की रू से और दीगर इंसिडेंटल प्राविजन्स की रू से यह अख्तयार कम्पनी को जरूर हासिल था लेकिन पंजाब हाईकोर्ट ने यह फ़ैसला सादिर फ़रमाया कि दफा २३ दफा ५७ और दूसरी चीजों से गवर्न नहीं होती। मेरी नाक्रिस राय में पंजाब हाईकोर्ट का यह इंटरप्रेटेशन (ब्याख्या) दुस्त नहीं था। बम्बई हाईकोर्ट का जो फ़ैसला सादिर हुआ उस की बाबत चौकसी साहब की यह एविडेंस हमें मिली है कि बम्बई हाईकोर्ट का वह फ़ैसला पसन्द नहीं किया गया और सेन्ट्रल गवर्नमेंट ने उस को पसन्द नहीं किया। सेन्ट्रल गवर्नमेंट की राय में दफा ५७ और उस के इंसिडेंटल प्राविजन्स एक कम्पनी को यह पूरा अख्तयार देते हैं कि वह अपने ड्यूज को जिस तरह से चाहे रिऐडजस्ट कर सके और रीजनेबल रिटर्न्स की हद तक उस को ला सकती है। मैं अर्ज करना चाहता हूँ कि यह प्राइवेट इलैक्ट्रिसिटी कम्पनीज एक तरीके से रैगुलेटेड कम्पनीज हैं और उन को जो नफ़ा है उस की तादाद मुकरर है और अगर उस नफ़े से कम्पनी को कम नफ़ा हो तो उस को उस नफ़े को पूरा करने के वास्ते अख्तयारात दिये हैं और मैं चाहता हूँ कि चौकसी साहब के दफा १४ के अन्दर यह अल्फ़ाज दर्ज कर लिये जायें :

The provisions of the Sixth Schedule and the Seventh Schedule shall be deemed to be incorporated.

और यह जोड़ दिया जायें

(and to have always been incorporated) in the licence of every licensee, not being a local authority.

Shri N. C. Chatterjee: They want to make it retrospective.

पंडित ठाकुर दास भागंव : यह निहायत वाजिब था। यह बिल्कुल वाजिब था कि रिट्रास्पेक्टिव (पूर्ववर्ती) रकम को वसूल नहीं होना है। लेकिन ताहम जितने कवानीन थे, जो

इस वक्त मौजूद हैं, उन का इंटरप्रेटेशन ऐसा होना चाहिये जैसा कि सेन्ट्रल गवर्नमेंट चाहती है, कि हर एक कम्पनी का अख्तयार है कि वह रीजनेबल रिटर्न्स हासिल करे। लेकिन कानून के अन्दर जो अख्तयार है, उस को कम करने के माने यह है कि आप रीजनेबल रिटर्न्स के हासिल करने का मौका कम्पनी को नहीं देते हैं। दफा २३ की रू से जहां प्राविशल गवर्नमेंट का अख्तयार है, तो क्या प्राविशल गवर्नमेंट का यह अख्तयार है कि लेजिस्लेचर ने जो कानून पास कर दिया है, उस को वह एंजॉयमेंट (रद्द) कर सकती है? सरकार ने यह माना है कि यह नतीजा हर्गिज नहीं हो सकता, इसलिये यह अमंडमेंट माने जाने के काबिल है कि जहां दफा १४ में दिया हुआ है :

"and the licence granted to him thereunder and of any other law"

उस के अल्फ़ाज यह हैं :

"The licensee shall comply with the provisions of the said Schedules accordingly, and any provisions of the Indian Electricity Act, 1910, and the licence granted to him and of any other law, agreement or instrument applicable to the licensee shall, in relation to the licensee, be void....."

उस के आगे शामिल करना चाहिये :

"deemed to have always been"

चूँकि दफा २३ के इस हद तक वाएड कर दिये जाने से कुल दफा ५७ से कॉम्प्लिकट पैदा होता है इसलिये यह अमंडमेंट भी माना जाना चाहिये कि दफा १४ में पहले तो यह अल्फ़ाज जोड़े जायें :

"deemed to have always been"

और बाकी के हिस्से में यह अल्फ़ाज बढ़ाये जायें, जहां लिखा है कि

"Provisions of the Indian Electricity Act, 1910"

उस के आगे बढ़ाया जाय : "including section 23" इस अमेंडमेंट से साफ कर दिया गया है कि २३ दफ्ता ५७ से गवर्न होती है। जिस के माने सिर्फ यह हो सकते हैं कि सन् १९१० के ऐक्ट का कोई प्राविजन इस सेक्शन ५७ पर हावी नहीं हो सकता है। लेकिन पंजाब हाई कोर्ट ने फैसला कर दिया, और वह फैसला पंजाब के अन्दर अब तक कायम है, और दफ्ते ५७ व ९ या १७ बोर्डयूल कम्पनी को पूरे अख्यारात नहीं देते। पंजाब के अन्दर हर एक एलेक्ट्रिसिटी कम्पनी के वास्ते यह हक नहीं है कि वह अपने ड्यूज का रिऐडजस्टमेंट कर सके। मैं कहना चाहता हूँ कि अगर आप यह अख्यार नहीं देंगे तो जो प्राइवेट कम्पनीज हैं उन का जो अख्यार आप एक हाथ से देते हैं वह पंजाब हाईकोर्ट के फैसले से प्रैक्टिकली छिन जाता है। इस चीज को दुस्त किया जाना जरूरी है।

इस के अलावा, इस बिल के अन्दर है कि बोर्ड के मेम्बरस एलेक्ट्रिसिटी कम्पनीज को डाइरेक्शन्स दे सकते हैं। मैं इस पावर को तो ऐंबोयेंट करवाने के हक में नहीं हूँ, मैं नहीं चाहता कि स्टेट बोर्ड्स एलेक्ट्रिसिटी कम्पनीज को डाइरेक्शन न दे सकें, और मैं खुश हूँ कि सिलेक्ट कमेटी ने निहायत वाजिब प्राविजन किया कि रीजनेबल डाइरेक्शन ही दी जा सकती है। लेकिन बेहतर होता कि रीजनेबल डाइरेक्शन्स (Directions) को तय करने के वास्ते वही अथारिटी कायम होती जो सारे सिविल राइट्स का फैसला करती है। जो देश भर के लोगों के वास्ते सारे सिविल राइट्स का फैसला करती है। अगर डिस्ट्रिक्ट कोर्ट वह अथारिटी होती तो हम बेहतर सैटिस्फैक्शन दे सकते हैं। इस के लिये रीजनेबल डाइरेक्शन्स का तय करने का अख्यार सेन्दुल स्टेट अथारिटी को न हो कर किसी डिस्ट्रिक्ट जज या जुडिशल अफिसर को होता तो अच्छा था ताकि पूरी तरह से इत्मीनान हो

सकता कि जो डाइरेक्शन्स लगाये जाते हैं वह पब्लिक इंटरैस्ट में लगाये गये हैं और कम्पनी को बेजा तौर पर धक्का नहीं लगाया जाता।

मुझे इस एलेक्ट्रिसिटी ऐक्ट के अन्दर श्री नन्दा जी की स्पिरिट नजर आती है। उन्होंने ने यह कोशिश नहीं की कि किस किस प्राइवेट कम्पनी को गिलोटिन किया जाय, या उस के कारबार करने के अख्यारात में इतनी कमी कर दी जाय कि उसे अपना काम करने की फ्रीडम न रहे, जैसा कि मैं ने नये बैंकिंग कम्पनीज बिल में देखा है, जिस के अन्दर चाहा गया है कि प्राइवेट कम्पनीज का जितना ही गला घोंटा जाय, थोड़ा है, और उन्हें फ्रीडम थ्राफ ऐक्शन न रहे। जैसा हमारे प्राइम मिनिस्टर साहब ने फरमाया था अगर प्राइवेट सेक्टर को कायम रखना है, प्राइवेट सेक्टर का एक नया टर्म हमारे तुलसीदास जी ने रक्खा है, नान पब्लिक या नान स्टेट सेक्टर, यह बिल वाकई अच्छा है क्योंकि प्राइवेट सेक्टर का नाम लेते ही कई लोगों के नास्टिल में स्टिंगिंग होने लगती है। तो नान स्टेट सेक्टर जो है उस के बारे में प्राइम मिनिस्टर साहब ने फरमाया था कि जब तक आप इसे कायम रखना चाहते हैं तब तक उस को इनिशिएटिव, एन्ट्रप्राइज (उपक्रम) और कारबार को ठीक तरह से करने का पूरी आजादी दी जाय, उन के अन्दर इम्प्रोपर इंटरफियरेंस (अनुचित हस्तक्षेप) न किया जाय। इस बिल में मैं देखता हूँ कि इम्प्रोपर इंटरफियरेंस करने का कोई फैसला नहीं किया गया है कि उस को बिल्कुल ऐसा कर दिया जाय कि वह कुछ कर ही न सके। मसलन रीजनेबल डाइरेक्शन्स के मूताल्लिक जो प्राविजन्स हैं उन से इतना मतलब निकलता है कि वह इतनी लिबर्टी नहीं ले सकता है कि अपना काम अच्छी तरह से न करे, साथ ही उस का इतना गला भी नहीं घोंटा जा सकता कि वह किसी किस्म का रेस्पाइंट

[पंडित ठाकुर दास भार्गव]

ही हासिल न कर सके। मैं इस प्राविजन को खुशामदीद करता हूँ।

इसी तरह से रेटिंग कमेटी का प्राविजन है। मैं कह सकता हूँ कि रेटिंग कमेटी का जो प्राविजन है वह बड़ा रीजनबल है, उस के अन्दर यह कोशिश की गई है कि तमाम प्वाइंट ग्रान व्यू का रिप्रेजेंटेशन हो। जहाँ तक बोर्ड का ताल्लुक है, उस के अन्दर एक मेम्बर तो जुडिशल आफिसर होगा, दूसरा मेम्बर भी गवर्नमेंट का ही एग्जाइटेड होगा प्रैक्टिकली, लेकिन तीसरा जो मेम्बर होगा उस को यह दोनों मेम्बर चुनेंगे। वह उन की च्वायस का होगा। मैं चाहता हूँ कि इस को थोड़ा लिबरल किया जाय। जब दो मेम्बरों को लेने का अख्यार स्टेट गवर्नमेंट्स को दिया गया है तो तीसरे मेम्बर को लाइसेंसी को मुकर्रर करने का हक देना चाहिये। इस के माने यह नहीं है कि वह किसी अपने कजिन को मुकर्रर कर दे बल्कि ऐसे आदमी को मुकर्रर करेगा जो मामले की देखते हुए ठीक फैसला कर सके। मैं समझता हूँ कि बेहतर होता अगर रेटिंग कमेटी में दो आदमी तो गवर्नमेंट मुकर्रर करे, लेकिन उन दो आदमियों को अख्यार न दिया जाता कि वह वह रेटिंग कमेटी के तीसरे मेम्बर को लें। जो तीसरा मेम्बर हो वह किसी एसोसियेशन आफ लाइसेंसीज का मेम्बर हों या चेम्बरस का मेम्बर हो, लाइसेंसी के पसन्द का हो ताकि उस के अन्दर लाइसेंसी का यह कॉन्डिसेंस हो सके कि मेरी च्वायस का मेम्बर लिया गया है। जहाँ स्टेट गवर्नमेंट्स और दूसरों को अपनी तरफ से एक मेम्बर मुकर्रर करने का अख्यार होता वहाँ पर सैटिस्फैक्शन ज्यादा हो सकता है। मैं मानने को तैयार हूँ कि कोई स्टेट गवर्नमेंट या दूसरी अथारिटी जो जज को मुकर्रर करेगी तो वह जज ठीक से अपना काम करेगा, लेकिन जो लाइसेंसी है वह इस बात की परवाह नहीं करेगा कि

जज की ओपीनियन क्या है और वह क्या फैसला करेगा। अगर दूसरा आदमी कम्पनी का एग्जाइटेड (नियुक्त) होगा तो वह खयाल करेगा कि उस का आदमी उस के प्वाइंट ग्रान व्यू (दृष्टिकोण) को भी सामने रखेगा।

The Minister of Planning and Irrigation and Power (Shri Nanda): Which clause are you referring to?

Pandit Thakur Das Bhargava: Page 7, clause 14. It reads:

“(2) Where a Board is constituted under this Act, the rating committee shall consist of three members as follows:

(i) one member shall be nominated by the State Government who shall be a person who is or below the rank of a District has been a judicial officer not Judge;

(ii) one member shall be a member of the Board having experience of accounting and financial matters; and

(iii) one member shall be a representative co-opted jointly by the two members referred to in clauses (i) and (ii) from an association of licensees of which the licensee concerned is or is eligible to be a member, and if there is no such association, from such Chamber of Commerce or similar body as the the State Government may direct.

(3) Where no Board is constituted under this Act, the rating committee shall consist of five members of whom three members shall be nominated by the State Government, one member shall be nominated by the licensee and one member shall be nominated by the association.....”

So far it is all right.

यहाँ पर कुछ जिक्र किया गया :

“one member shall be nominated by the licensee”

में चाहता था कि जो आप का बोर्ड है, उस के अन्दर भी यही उसूल बरता जाय। यहां पर दो मेम्बरों में से एक को एप्वाइंट करने का अख्तियार लाइसेंसी को दिया गया और एक कोई एसोसियेशन का मेम्बर हो।

जहां तक दूसरे तरह के बोर्ड का सवाल है, वहां एक मेम्बर जुडिशल आफिसर होगा, एक मेम्बर बोर्ड का होगा और तीसरा जो मेम्बर होना चाहिये था वह लाइसेंसी की मर्जी से होना चाहिये, उसे आप किसी एसोसियेशन आर लाइसेंसी या चेम्बर्स आर कामर्स वगैरह में से ले लें। मैं यह अर्ज करना चाहता हूँ कि जो भी ट्राइब्यूनल बनती है रेटिंग कमेटी की, वह ऐसी हो जिसके अन्दर लाइसेंसी को हर तरह से पूरा पूरा विश्वास हो।

अब मैं सिर्फ दो बातें और अर्ज करना चाहता हूँ। जहां तक नफे का सवाल है, मेरी अदब से गुजारिश है कि आपने पहले पांच परसेंट की मैक्सिमम लिमिट मुकर्रर की थी। मेरा भी एक छोटी सी इलेक्ट्रिसिटी कम्पनी से वास्ता है। हमने कभी भी पांच परसेंट से ज्यादा डिविडेंड डिस्ट्रीब्यूट नहीं किया है। जहां तक कि सवाल उन लोगों का था जो शुरू से ही मेम्बर थे, जो हमें फायदा इनकमटेक्स के रिलीफ से हुआ उसका फायदा किसी शेर-होल्डर को नहीं पहुंचा क्योंकि जब कम्पनी कोई इनकम-टैक्स देती ही नहीं थी तो फ्री आफ इनकम-टैक्स के माने क्या रह जाते हैं। जब टैक्स ही वसूल नहीं किया जाता तो गवर्नमेंट से क्या रिबेट मिल सकता है। इस वास्ते फ्री आफ इनकम टैक्स का जो रूल है उसका फायदा शेरहोल्डर्स को नहीं पहुंचता है। जब तक इनकम-टैक्स देना शुरू नहीं किया जाता जब तक रिलीफ भी नहीं मिल सकता है। इनकम-टैक्स वाजिबउलअदा से ज्यादा पर लगता है। जिस वक्त ऐसा होता है तो शेरहोल्डर्स के डिविडेंड में से इनकम-टैक्स कटता है। तो यह जो पांच परसेंट फ्री आफ इनकम-टैक्स की लिमिट रखी गई है, वह भी पहले चन्द सालों तक जबकि कम्पनी इनकम-टैक्स नहीं देती है,

उसका फायदा शेरहोल्डर्स को नहीं पहुंचता है। ये जो शेरहोल्डर हैं ये कोई बड़े अमीर लोग नहीं हैं, बड़े घनाढ्य नहीं हैं। मैं पंजाब की बात जानता हूँ और वहां के मुतालिक मैं यह कह सकता हूँ कि वे मिडल क्लास को बिलोग करते हैं। तो अगर आप सही मानों में चाहते हैं कि इसका (Expansion) एक्सपेंशन हो और इस इंडस्ट्री में बहुत सारा कैपिटल आए, तो आपको यह जो पांच परसेंट की लिमिट है, उसको बढ़ाना होगा। मैं यह मानता हूँ कि ऐसी कम्पनियों में रिस्क नहीं है, प्राफिट भी मिल जाता है लेकिन यह प्राफिट उतना नहीं होता है जितना कि दूसरी कम्पनियों में मिलता है। वहां पर बहुत ज्यादा प्राफिट मिलता है। अगर आप श्री तुलसी दास की तजवीज को कि इसको साढ़े छः परसेंट कर दिया जाए नहीं मानते हैं तो साढ़े पांच और साढ़े छः के बीच जो फिगर है यानी छः परसेंट इसको आप मान लें। यह प्रापर फिगर होगी और हर एक के प्वाइंट आफ व्यू से बिल्कुल जस्टिफायबल होगी। अगर इसको छः कर दिया गया तो उन लोगों को जिन्होंने इनवैस्टमेंट कर रखा है, उसका प्रापर रिम्युनेशन मिल सकेगा। इसकी वजह यह है कि शेरहोल्डर्स को इससे ज्यादा नहीं मिलना है, किसी और को किसी और गर्ज के वास्ते कितना ही मिल जाए, लेकिन इससे ज्यादा शेरहोल्डर (अंश-धारी) को नहीं मिल सकता है। तो जो छः परसेंट है वह भी इनकम-टैक्स (आयकर) कट कर क्या रह जाता है, कुछ भी नहीं रह जाता है। मैं यह मानता हूँ कि आज टैक्सों की बहुत ज्यादा जरूरत है और ज्यादा से ज्यादा टैक्स होने चाहियें। लेकिन प्रापर बैलेंस रखने के लिए यह मुनासिब है कि इस लिमिट को साढ़े पांच के बजाय छः कर दिया जाए ताकि लोगों के अन्दर सेंटिसर्फिक्शन हो और साथ ही आईदा के लिए इस इंडस्ट्री को एल्फैंड करने का भी मौका मिलेगा।

अन्त में मैं एक ही बात कहना चाहता हूँ। श्री साधन गुप्त ने बहुत सी तजवीजें

[पंडित ठाकुरदास भार्गव]

पेश की है। मैं उनकी तजवीजों के मुताल्लिक कुछ नहीं कहना चाहता। लेकिन मैं अर्ज करना चाहता हूँ कि जहाँ तक उनका यह खयाल था कि हमको वर्कर्स के इंटरैस्ट्स को ही ज्यादा तौर पर ध्यान में रखना चाहिये, इससे मैं सहमत नहीं हूँ। मैं चाहता हूँ कि वर्कर्स की जितनी भी जायज मांगें हैं उनको स्वीकार कर लिया जाए। लेकिन सिर्फ वर्कर्स के इंटरैस्ट्स का ही खयाल रखना और दूसरों के इंटरैस्ट्स की कोई परवा न करना ठीक नहीं है। कंज्यूमर के जैनरल इंटरैस्ट्स को भी आपको देखना चाहिये। एक रेग्युलेटिड इंडस्ट्री में जैसे कि इलैक्ट्रिसिटी की है, जो पब्लिक इंटरैस्ट है उसको भी आप नजरदाज नहीं कर सकते हैं। आपने मुनाफे की एक सीमा बांध दी है और उस सीमा के बाहर जाकर मुनाफा नहीं दिया जा सकता है। ऐसी सूरत में कंज्यूमर इंटरैस्ट नाजायज तौर पर एफेक्टिव हो जायेंगे। अगर आप आया परसेंट इसे बढ़ा देंगे तो जो इसिडेंस (भार) कनज्यूमर (उपभोक्ता) पर होगा वह नैगलिजिबल सा होगा। तो यह जो चीज है कि पब्लिक इंटरैस्ट को इसके अन्दर इतना ज्यादा प्रिडामिनेंट पाट रहे कि प्राइवेट इंटरैस्ट की परवा न की जाए, मैं दुस्त नहीं समझता हूँ। मेरी राय में बैलेंस एप्रोच ही प्रापर एप्रोच होगी। आपने कम्पनियों के बनाये जाने के लिए लाइसेंस लेने की व्यवस्था की है और अब तक इसको एबरोगेट नहीं किया है। तो जिन कम्पनियों को आप लाइसेंस दें उस लाइसेंस की शारायत के अन्दर और इस कानून के जितने कमांड्स हैं उनके अन्दर, मैं चाहता हूँ आप उन कम्पनियों को प्रापरली फंक्शन करने का मौका दें। इस बिल के जो जैनरल प्राविजस हैं उनको आप्रेशन में लाने के वास्ते भी मैं समझता हूँ, यही अप्रोच मुनासिब है। अगर हम इसी अप्रोच को अपनायें तो देश के अन्दर हम इस इंडस्ट्री को ज्यादा बढ़ा सकेंगे।

मैं एक बार फिर जिलैक्ट कमिटी को और आनरेबल मिनस्टर साहब को जिन्होंने इस बिल को पेश किया है, मुबारकबाद देता हूँ।

Shri Nanda: Mr. Deputy-Speaker, Sir, the discussion in the House, although not many Members have spoken, has proved to be very interesting and illuminating. I am content and feel quite happy—I am sure the Chairman of the Select Committee will also be so—that the Members in the House have found the Bill, as amended by the Select Committee, generally acceptable.

The question of approach has been raised. As the Chairman pointed out, our effort was to strike a balance between conflicting claims and to adopt a balanced approach, to give as much satisfaction as possible to all points of view concerned, and I believe that we have succeeded in that effort.

Shri Tulsidas conceded that point but he was not content with the fact that nine out of eleven suggestions of the Federation were accepted. He, as possibly behoves private enterprise, would not rest content but would ask for more. I believe the hon. Member in his own mind is satisfied that we have gone as far as possible to meet the requirements of industry, and to prevent any unreasonable restrictions or encroachments, as has been pointed by Pandit Thakur Das Bhargava.

I now take up the points that have arisen in the course of this discussion. There was, in the first place, the question of Electricity Boards. The hon. Member Shri Tulsidas has emphatically referred to it in his minute of dissent and other Members who spoke also have made a mention of that fact. I owe the House an explanation why an Act of 1948, which made it incumbent on States to set up Electricity Boards, has not been implemented fully these many years.

It was early last year, when I found that this provision of the Act had to be extended year after year, that I felt there was need to look into the matter and to make some more effort about it. So I called representatives of various States and tried to explain to them that Parliament would expect that this provision, is carried into effect. The representatives of the States explained their own difficulties—administrative difficulties, financial difficulties, technical difficulties, difficulties in securing suitable persons to man these Boards and so on. But we continued our efforts, and hon. Members will be pleased to know that just a week before now the position was that the number of States which had agreed to set up Boards was such that it would cover about 75 per cent of the energy generated in the country. At that time, about three or four States still held the position that they were not prepared to implement this provision immediately. They still went on explaining their difficulties. But, I am able to inform the House that to-day the position is that all the States in the country have agreed to set up boards. At the last meeting in 1955, I took one step. I told the States that the extension the Government had now given would be the last extension. That period will expire now. May be some States may require a little more time to make the necessary arrangements for setting up those boards, and in the case of some States, reasonable extension may be given. But, the satisfactory part of it is that all the States have agreed to set up the boards and it will be only a few months' time before this is actually implemented.

Shri Tulsidas: Is it possible for the Minister to give a time-limit, say, up to the end of March?

Shri Nanda: The time-limit is there. According to what I had conveyed to the States, the time-limit is till the end of March. Some States, owing to re-organisation and other factors, have explained their difficulties in adhering to this date and they may require some little extension. At any rate, I

believe in less than a year's time, all the States will have got these arrangements enforced.

The other provisions are somewhat minor, though they might appear to be very essential things from the point of view of hon. Members like Shri Tulsidas. Taking the question of reasonable return, on the one side, we have got the views of Members like Shri Sadhan Gupta—there is also an amendment from the same Member—the intent of which is to bring down the return from the level at which it stands. That apparently would be the consequence of the acceptance of that amendment, namely, there should not be a calculation of the standard of reasonable return on the basis of the capital base, but it should be on the basis of paid-up capital only. This has been urged time and again by that quarter, but I am sorry to say that I have not been able to find any good reason for accepting it, because, in the first place, I think that the paid-up capital alone being the primary basis for calculation of return would be irrational. The hon. Member cited the case of a particular company which was getting very much more, because it has in the past years accumulated a lot of reserves. Therefore, its capital base increased in these years when the restriction was not operative. That particular company, instead of distributing the amounts, ploughed it back. We have to induce the industries to plough back a good part of the profits. Moreover, those companies which were set up earlier had built up their assets on the basis of very low prices and the replacement costs are now very much heavier. Therefore, considered from many points of view, it would be wrong to adopt the paid-up capital as the basis. Looking at the figures of dividends declared by those companies, it is obvious that the rate is not excessive. Even the particular company to which the hon. Member made specific reference has not given a dividend of anything like 25 per cent. It was very much less. The latest figure I have got shows that it was less than half of that.

[Shri Nanda]

On the other side, the contention of hon. Members like Shri Tulsidas is that we should increase this. I do not think there is any reason for that either. What the Act had laid down initially, i.e., 5 per cent, was all right in these circumstances. The change that we have made now brings the provisions in a line with the changed circumstances, namely, the rate of interest has increased and it should be made up. But if the intention is that we must go beyond this, it will need some special justification.

Then, the question of income-tax concession is there. It does not amount to nothing. Are the industries prepared to give up this privilege of having this return not being subject to income-tax? That will be the test whether it is tantamount to no particular advantage to them. I am quite sure they will not say that. Only in certain special cases which Panditji point out, when they do not become liable to income-tax that the position might arise. But that cannot be made a ground for raising the scale for all. I have also compared the dividend return figures for other companies and I find that the electricity undertakings have not been worse off than the other companies over a period of years. Therefore, I do not see any reason or valid ground for increasing the rate of return.

I will now take up the question of deferred taxation reserve. Mr. Tulsidas referred to it and said that the income-tax exemption would not be material. At that stage, possibly the hon. Member was not aware of the fact that the representatives of the Federation and Mr. Somani had made the request that this provision about the deferred taxation reserve, which we had introduced in the Bill at the instance and insistence of the representatives of the industry, should be taken out. We said them that we would consider it. I am prepared to say now that we will take it out. Therefore, that question does not remain.

Turning to the other question, hon. Members should remember in the first place that the contribution of the private sector to this industry is very small relatively. In the first Five Year Plan, the contribution of the public sector was Rs. 250 crores and that of the private sector was Rs. 26 crores only. The proposed investment in the second Plan is Rs. 427 crores in the public sector and Rs. 42 crores in the private sector.

Shri Tulsidas: It will be Rs. 75 crores.

Shri Nanda: It might come to that. Therefore, I do not hold any brief for what Shri Gupta said that the private sector is vanishing. He referred to the electricity industry in the private sector and said that that was gradually vanishing. It is true so far the position of the electricity industry in relation to our industrial policy is concerned it is going to be more and more, and almost entirely the responsibility of the State. It does not mean that it should not have a fair deal. It should be enabled to function effectively. In regard to the tight market position, for funds the information that I have for the past years is that the debentures etc., could be raised by a number of companies. The present passing phase should not become the ground and basis for permanent policy. It may be that this may last for some time; but the fact of stringency does not apply to the electricity industry alone. Therefore, that cannot be a special argument in this case. Then, the hon. Member said that the rates for the consumers in the public sector were higher than invariably or usually was the case in the private sector.

Shri Tulsidas: I wanted to know what is the position.

Shri Nanda: The dates depend not on the point whether it is in the private or public sector. Usually the private sector has small plants. They would be more costly and therefore the rates will have to be higher. Now, the hydro-electric power which is going into the public sector is very

much cheaper. So, in order to contradict any wrong impression that may be created, I may point out that there is no evidence to show that the moment the public sector undertakes generation of power the rates have to be higher or it becomes more costly.

There are certain other points raised by Shri Gupta and I shall now deal with them. He referred to the representation of labour on the Electricity Board. The hon. Member said that whereas we have looked to the interests of the consumer and made provision that the consumer may be represented on the State Electricity Councils we have not done the same thing for labour. If the hon. Member would refer to the Act and the Bill he would find that so far as the Councils are concerned, labour has already got a place there. Therefore there is no question of giving it a place more than what it has already got. So far as Boards are concerned, just the giving of representation to certain interests fit in with the purpose of the constitution of the Board. It is for business purposes.

So far as labour interests are concerned, the principle of participation of labour in the management has been accepted. It is not necessary that representatives of labour should be members of the Board. There will be other ways of bringing that about. It is not a matter which is confined to the electricity industry alone; it applies to other industries as well. Therefore, methods will be devised in order to bring in labour and secure participation for it in the management of industry. It will apply to workers engaged in this industry also.

The only consideration that has been raised is that labour has not got living wage in many cases and that the bonus is only partial compensation for that and therefore there should be better consideration of the claim of labour in respect of bonus than in the case of the supervisory staff who are better paid. The discriminations between the lower paid and

the higher paid is of a different kind. It was the feeling of the Chairman and other members of the Committee that discrimination in this matter would not be desirable. I would ask: where is the difficulty about it? A bonus that has been declared by a company or a licensee is not going to be disapproved by the State. Normally it will not be disapproved by the state and what we are providing for is only a precautionary clause. Shri Gupta wants to make a distinction in regard to the supervisory staff and he wants to take out the reference to workers from the scope of the Bill. It will not really be desirable to make a distinction. What Mr. Tulsidas said in this connection is that there is in the Income-tax Act some kind of restriction about this bonus; but it applies only to a period of three months as a maximum and it does not remedy the difficulty here in this industry. In respect of electricity industry the position will be this, namely, whenever it is to be met as a tax it becomes an item of expenditure and it becomes a base on which the reasonable return has to be calculated.

Therefore, that consideration does not apply specially in this case.

I believe I have covered all the points that were raised in the course of this discussion, except the one raised by Pandit Thakur Das Bhargava about "deemed to have been". Now, the Chairman himself—an eminent lawyer—and the Members of the Select Committee considered that point specifically also. The hon. Member knows that as the provision now stands, protection has been given that notwithstanding anything contained in the licence, the licensee is entitled to get a reasonable return and to raise the rates, in spite of the terms of the licence, to a level which will enable him to secure a reasonable return. On various considerations it was felt that this would suffice and that there was no practical need to do any fur-

[Shri Nanda]

ther thing at this stage. That is the position.

Pandit Thakur Das Bhargava: I referred to section 23 of the Electricity Act of 1910 which requires that the approval of the Provincial Government must be obtained. And the Punjab High Court has held—I will send a copy of the judgment to the hon. Minister—that that section governs section 57, and section 57 does not take away the power mentioned in section 23 of Act of 1910.

Shri Nanda: I shall have it examined. But at the moment I can only say that the words “notwithstanding anything contained in the licence” will possibly obviate or counteract any mischief that might arise from that section, because that was not there previously. But still I will have it looked into.

Mr. Deputy-Speaker: The question is:

“That the Bill further to amend the Electricity (Supply) Act, 1948, as reported by the Select Committee, be taken into consideration.”

The motion was adopted.

Clauses 2 and 3

Mr. Deputy-Speaker: The question is:

“That clauses 2 and 3 stand part of the Bill”.

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 4—(Amendment of section 5)

Shri Sadhan Gupta: I beg to move:

(i) Page 2—

for lines 4 and 5, substitute:

“4. In section 5 of the principal Act,—

(i) in sub-section 2, for the word “three”, the word “five” shall be substituted;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—”

(ii) Page 2—

after line 14, add:

“(d) at least one shall be a person chosen in the prescribed manner to represent the interests of employees employed in the generation, supply and distribution of electricity who are workmen as defined in the Industrial Disputes Act, 1947; and

(e) at least one shall be a person representing the interests of consumers of electricity.”

Sir, I have listened with care to the hon. Minister's speech justifying the exclusion of workmen from the Electricity Board. I could not find in it any reason to convince myself. Now, the Minister has stated that the plans of associating workmen with the management of industry are still to be formulated, are still under consideration, and therefore before that is decided this matter cannot be taken up. That is what I understood him to say. Now, Sir, I for one am very much apprehensive about this delay in finalising this plan. We brought it up in connection with the Companies Bill, in connection with the State Bank Bill, and we have been bringing it over again and again. But still we are met with the same answer that the plan has not yet been formulated and therefore it cannot be considered.

In this case, however, it is quite a different matter. It is not the association of the workers with the management of the industry; that is a different matter, whether the workers will take part in the management of electricity concerns. The question here is whether the workers will be represented in arriving at decisions regarding development, regarding ‘co-ordinated development’ as section 18 of the Electricity Supply Act of 1948 puts it, whether the workers will

have any say or will have any representation in the matter of deciding on the co-ordinated development of the electricity industry. There, as I pointed out, the workers had a double interest. The workers' representation was useful not only to the workers but to the country as a whole. First of all, as I pointed out, the workers were concerned because decisions taken in the Board might vitally affect them. I quoted the instance of automation of installing automatic machinery which might throw a lot of workers out of employment in this industry. And the question would at once arise about their compensation, about how many workers to throw out, about giving them alternative employment and so on. All these questions have their relevance in any decision of the Board.

Secondly, it might be decided that electricity undertaking should increase their production, and then the question would be the increase of work-load of the workers. In that case also the workers would be interested, because the question would arise whether they are able to undertake the additional work-load; if they are made to undertake the additional work-load, how much that would be; whether they are entitled to any increased emoluments in respect of the additional work-load and so on. At every stage, as I visualize it, the workers have an interest, and therefore in their own interest they should be represented. It is entirely different from participating in the management of undertakings. I would not give up the case for management, but what I want to say here is that this is an entirely different case, independent of the question of participation in the management.

Then, as I pointed out—I do not want to repeat it in detail but I want to point out briefly—the participation of the workers would be of benefit to the industry also, because the workers can bring into the deliberations of the Board the practical experience of the working of the industry and, therefore, may make valua-

ble suggestions in the light of their practical experience. If, as happened in many industries, the workers have made valuable suggestions regarding increase of production and by adopting them the industry has benefited—that often happens in socialist countries—, there is no reason why we should not take advantage of that. Therefore, on these two grounds I again strongly plead for granting workers representation on the Board.

Shri Nanda: I have already dealt with this issue, and I feel that there is less force in that argument after having heard him than I felt before. Because, he separates the question of management from the type of questions which he has mentioned. If that is so, then it is not a question of management but of certain interests of employees as employees. For that there are other ways and other methods of securing protection for the interests of workers. There are of course tribunals; there is the whole machinery for settlement of industrial disputes. Settlement of industrial disputes would be the best way of looking after those interests and then there is joint consultation between workers and employers also, apart from the management in general. As I already pointed out, the workers have representation on State Electricity Council. That is specifically mentioned here and since the hon. Member pointed out that there will be some assistance in the two boards in securing suggestions from workers regarding co-ordination and regarding the general improvement of the working of the undertakings, I would like to invite his attention to section 16 of the Act of 1948, where the functions of the State Electricity Council have been set out and among the functions are to advise the Board on major questions of policy and major schemes, to review the progress, to consider such other matters etc. Therefore, there is a rule for receiving any useful advice which the representatives of labour on the Council could offer and I am sure, the Board will benefit by those suggestions. Thus, there is no need for accepting that amendment.

Mr. Deputy-Speaker: I shall put both the amendments of Shri Sadhan Gupta.

The question is:

Page 2—

for lines 4 and 5, substitute:

“4. In section 5 of the principal Act,—

(i) in sub-section 2, for the word “three”, the word “five” shall be substituted;

(ii) for sub-section (4), the following sub-section shall be substituted namely:—”

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

after line 14, add:

“(d) at least one shall be a person chosen in the prescribed manner to represent the interests of employees employed in the generation, supply and distribution of electricity who are workmen as defined in the Industrial Disputes Act, 1947; and

(e) at least one shall be a person representing the interests of consumers of electricity.”

The motion was negatived.

Mr. Deputy-Speaker: The question is:

“That clause 4 stand part of the Bill.”

The motion was adopted.

Clause 4 was added to the Bill.

Clauses 5 to 26 were added to the Bill.

Clause 27.— (Amendment of Sixth Schedule)

Shri Nanda: I beg to move:

(i) Page 15, line 37—

for “paragraphs” substitute “paragraph”

(ii) Page 16, line 5—

after “the clear profit” insert:

“(excluding the special appropriation to made under item (Va) of clause (c) of sub-paragraph (2) of paragraph XVII)”.

(iii) Pages 16 and 17—

omit lines 23 to 44 and 1 to 23, respectively.

I may mention here that this amendment is as a consequence of my acceptance of a suggestion of my hon. friend, Shri Somani that the fair taxation reserve clause, which we had introduced at his insistence should be omitted. We are omitting that.

I beg to move:

(iv) Page 17—

lines 40 and 41—

omit “during the year in which the asset ceases to be available for use”.

(v) Page 21—

omit lines 17 and 18.

(vi) Page 21—

for lines 32 to 38, substitute:

“(b) the income derived from investments other than those included in the capital base under the provisions of clause (d) of sub-paragraph I.”

Apart from what I have explained, I wish to inform the House that these are only consequential amendments.

Shri Sadhan Gupta: I have got 4 amendments.

I beg to move:

(i) Pages 20 and 21—

for lines 32 to 36 and 1 to 3 respectively substitute “(xiii) bonus paid—

(a) to employees who are workmen as defined in the Industrial Disputes Act 1947;

(b) subject to the provisions of paragraph (a) of this subclause, where any dispute regarding such bonus has been referred to any tribunal or other authority under any law for the time being in force relating to Industrial or Labour disputes in accordance with the decision of such tribunal or authority; and

(c) in any other case, with the approval of the State Government."

(ii) Page 21—

after line 3, add:

"Provided that notwithstanding anything contained in the Industrial Disputes Act, 1947, whenever any Industrial dispute arises between any licensee and his workmen regarding the payment of bonus, such dispute shall be referred for adjudication to an Industrial Tribunal by the appropriate Government immediately after receipt of a request in this behalf from a Trade Union or from seven or more Workmen employed by the licensee."

(iii) Page 21 line 5—

add at the end:

"given either of its own motion or on application by the licensee or any Trade Union which has as its members the employees of the licensee or any section thereof who are workmen as defined in the Industrial Disputes Act, 1947, or by seven or more of such employees"

(iv) Page 22, line 13—

add at the end:

"subject, however, to a maximum calculated by applying double the said Reserve Bank rate to the paid up capital"

As far as amendment No. 8 is concerned, that is a very ticklish question which has come up and this relates to bonus to employees; then Nos. 9 and 11 are also concerned with that and amendment No. 15 is concerned with the new scheme of regulation of profits.

With regard to the question of bonus, I have heard the speeches that have been made by the hon. Minister as well as by other hon. Members against my plea for adopting a discriminatory scheme as between some employees and others as between workmen, that is to say, employees—highly paid officials. Shri Tulsidas urged the argument that there should be no discrimination on the question of bonus, because in any case, the Income-tax authorities would not allow a high rate of bonus. The point is if you do not fetter the discretion to pay the bonus to anyone and everyone, then that bonus becomes an item of expenditure and subject to payment of taxes, you can pay that bonus to whomsoever you like. What is more is, as the hon. Minister pointed out even those taxes become items of expenditure, so that by paying bonus to highly placed officials or to the *binamidars* whom you appoint as officials, you can practically circumvent the whole system of regulation of profits. Therefore, I would plead for the retention of the 'fetter' as far as it relates to payment of bonus to highly placed officials, namely, 'the fetter of approval' of the State Government. But in relation to workers or rather workmen, as defined in the Industrial Disputes Act, that is to say, the supervisory staff, clerical staff and subordinate staff. I would adopt a different procedure. I would grant them complete freedom for the payment of bonus. Shri Mohiuddin is very much tickled about my advocating complete freedom for the capitalists in this matter. The reason is obvious. We the communists want that the workers should have an improved standard of living and wages for their

[Shri Sadhan Gupta]

work. Therefore, we do not want to impose any fetters which would come in the way of their earnings. In this instance, if we do not advocate complete freedom, what we would have to advocate is that that freedom should be subject to the approval of the State Government, that is to say, the freedom should be restricted so that it should be subject to the decision of the Industrial tribunal as has been provided in this Bill. These are the fetters that we want to remove in the case of the workmen.

Why do we want to remove them? In the first place, if we make it subject to the approval of the State Government, then, the licensee can defeat the claim of the workmen simply by sitting tight on the claim without approaching the State Government for approval. If the licensee does not want to pay the bonus, he may not find it convenient to tell the workers, I do not want to pay bonus because that may give rise to many complications, strikes and what not. The simple way would be to procrastinate, to sit tight over the matter, not to go to the State Government, not to take its approval at all, so that this provision of para (b) of sub-clause (xiii) would, in practice, amount to denial of bonus to workmen in many cases. On the other hand, there is provision for adjudication. This is a very unsatisfactory procedure because the workmen do not have access to Industrial tribunals as of right. The State Government must refer it to an Industrial tribunal before there is an adjudication. Any one who is connected with labour matters, who knows anything about labour matters knows how dilatory that procedure is. First of all, there are negotiations with the employers. Then, it goes up to the conciliation stage. When there is refusal or no satisfactory answer, the Conciliation officer delays with it. God knows for how long, sometimes for a year or so. Then, there are attempts at conciliation in which perhaps the employer does not turn up and repeated opportunities are given

to him. That also takes time. Then, finally, it may either be referred to a tribunal or not referred to a tribunal. Therefore, there is an initial hurdle apart from the delay which is caused in conciliation. The hurdle is that the Conciliation officer may not recommend reference and a reference may not be made. Therefore, the workmen are denied the bonus which is justly due to them, which the profit undoubtedly warrants. When it is referred to an adjudication after one or two years or even after a lesser period, it takes time in adjudication, filing of statement by the two sides, so many other things like calling for accounts, etc. Besides that, the Industrial tribunals, at any rate, in industrial areas are so heavily occupied that they cannot even take up a case for a considerable amount of time. All this keeps the demand for bonus hanging, keeps the workers expectant and still the bonus does not come. The workers feel frustrated and demoralised and there is considerable danger of disturbance of industrial peace. If you provide this kind of machinery, you really encourage industrial strife and strike or lock out, as is inevitable, happens. That way, considerable complication may arise. Even apart from complications, it is but fair that the demand of the workmen for bonus should be decided as soon as possible. Therefore, if you make the employees' right of bonus free of fetters, the workers can straightaway negotiate with the employers, they can bring forward their demand and take it up with their strength and the employers have no way of avoiding it. They have to face it and either to agree to it or deny it, in which event, of course, conciliation may take place. Here, you give the employers a right of evading it and compel the worker to face adjudication.

Regarding the approval of the State Government, that is another matter to be considered. You know that the Government has a certain unreasonable attitude towards bonus. The Gov-

ernment has taken up the attitude that the employees appointed in the public sector will not get bonus. This attitude that the Government has taken, I would say, is unreasonable, because, if an undertaking in the public sector earns a profit, then they should pay to their workmen a bonus, because bonus is a very important thing. As I have pointed out previously, it is partial satisfaction of the shortfall of the workers' wages from living wages. However, the Government thinks that bonus should not be granted, I do not know for what reason. A large part of the electricity industry would be in the public sector. Therefore, there may be many difficulties in the way of the State Government approving payment of such bonus in such an industry. If bonus is paid by the private sector without intervention of the State Government, the State Government would not be so much embarrassed in the matter. But, if the State has to take the responsibility of approving payment of bonus to the workmen, the State Government will take into consideration the demands which will arise for payment of bonus to their employees in the public sector in the State. All these things are there. When the Government has adopted this unreasonable attitude, it would be very dangerous and it would be very prejudicial for industrial peace to leave to them the responsibility of approving the payment of bonus in the case of workmen. In the case of workmen, their payment of bonus should be left absolutely unfettered. Therefore, I have moved amendment No. 8. I would ask your permission to move it without paragraph (b) which is really redundant. Because, industrial labour disputes would always concern the workmen. Para (a) could cover the case; para (b) is not necessary. Therefore, I would move it in this form.

"Pages 20 and 21—

for lines 32 to 36 and 1 to 5 respectively substitute—“(xiii) bonus paid—

- (a) to employees who are workmen as defined in the Industrial Disputes Act 1947;

- (b) in any other case, with the approval of the State Government.”

That would be a logical thing and in the case of workmen the right to bonus would be absolutely free.

The question has been raised why discrimination should be made in the matter of approving. I have given the answer. The hon. Minister raised the question today. Discrimination should be made because, in the first place, it would mean delay; it would, in the second place, give the licensee a chance of evading payment by sitting tight; thirdly, it would create an embarrassment, though very unreasonable, in the State Government and prejudicially affect the interests of the workers. If you do not agree to this scheme of mine in the case of bonus, I would suggest that there should be compulsory adjudication when an adjudication is requested by the workmen. That is why I have moved amendment No. 9 which reads:

Page 21, after line 3, add:

“Provided that notwithstanding anything contained in the Industrial Disputes Act, 1947, whenever any Industrial dispute arises between any licensee and his workmen regarding the payment of bonus, such dispute shall be referred for adjudication to an Industrial Tribunal by the appropriate Government immediately after receipt of a request in this behalf from a Trade Union or from seven or more workmen employed by the licensee.”

That would be the second best because at least the workers would be sure that an adjudication would follow the demand for bonus if the licensee were not willing to grant it or is sitting tight over it in order to evade it.

Even if you do not accept that, I would suggest amendment No. 11 by which the workers would have the right to approach the State Govern-

[Shri Sadhan Gupta]

ment for approval. The amendment reads:

Page 21, line 5 *add* at the end:

“given either of its own motion or on application by the licensee or any Trade Union which has as its members the employees of the licensee or any section thereof who are workmen as defined in the Industrial Disputes Act, 1947 or by seven or more of such employees”.

That would be the last alternative. Of course, I would not suggest it with any sense of happiness because it only enables the workers to approach the State Government for approval, and it does not guarantee their right to bonus, but it will at least protect the workers from the employer's evasive tactics and give them the right to approach the State Government for approval. It may be urged that already they have this right, but it is better to recognise this right by law, because otherwise State Governments may not take notice of it unless the approach comes from the employers, because it is, after all, the employers who have to pay the bonus and therefore the question of approval would not come in. Therefore, I would recommend my amendment No. 8. If that is not acceptable, I would suggest acceptance of my amendment No. 9, and in any event I would at least suggest acceptance of amendment No. 11.

Mr. Deputy-Speaker: What about amendment No. 15? There is a fourth best also.

Shri Sadhan Gupta: Regarding amendment 15, it relates to the regulation of profits. The scheme adopted in the Act and confirmed in the Bill is the scheme of granting a certain percentage of the capital base as a reasonable return. As I said, the extent of the capital base differs from company to company. In an old established company, the capital base bears no relation to the paid-up capital. It is much bigger in comparison with the paid-up capital. In new companies the

capital base is likely to be much smaller in proportion to the paid-up capital. The normal way of calculating returns is in relation to the paid-up capital. The hon. Minister has said that even in the instances I suggested the dividend was not large. I do not know what dividend they paid, but what I know is this, that under the Act they would be entitled to earn a reasonable return which would be 25 per cent of the paid-up capital. I do not know what dividend they paid, but they would be able to pay it. What dividend they pay is quite another matter, that depends on their will, but what we want to do here is so to regulate the profits that unconscionable dividends may not be paid. Obviously, the electricity industry must be treated on a different footing from other industries. First of all, as I pointed out previously, the electricity industry is a public utility industry, and is of vital concern for the development of our country. Therefore, they cannot be allowed to make unconscionable profits. Secondly, from the other point of view, from the capitalist point of view, the risks attendant on the electricity industry are far less than the risks attendant on ordinary commercial or industrial ventures. They have hardly any risk of failing. They have a monopoly in areas at any rate where there are industries flourishing, where the demand for electricity is likely to be great, and there is no risk at all. It is those areas we are considering here, because in other cases whatever the regulation of profits you adopt, it will not very much matter, because they are not in a position to make unconscionable profits. It is only in these cases in which unconscionable profits may be made that the regulation becomes relevant. In these cases they have a monopoly and through no merit of theirs they have a huge capital base. Simply by exploiting their monopoly, simply by charging certain rates from the consumers they make a profit, they cannot but make a profit, and that way they expand their capital base. Why should we allow a

huge return on that kind of capital base? Let us give the shareholders the return that they deserve, a reasonable return on their investments. Therefore I suggest that the return should be fixed with reference to the capital base, subject to a maximum fixed with reference to the paid-up capital. I have suggested that the maximum should be calculated on double the Reserve Bank rate. Under present conditions the maximum would amount to seven per cent. I am not very happy about this seven per cent, but I think I cannot have my own way in this matter. Therefore, to have a compromise I am suggesting seven per cent. I would not also adhere to any rigid percentage. If the Minister thinks that some other percentage is more suitable, he may adopt it. But the crux of the matter is the principle whether we should be enabling companies to earn on their capital base, enable them to earn a profit out of all relation to their paid-up capital, especially when these companies do not owe it to their merit that their capital base has expanded so much in view of the monopoly which they have enjoyed over a long period of time.

Mr. Deputy-Speaker: Shri Somani.

Shri G. D. Somani: Most of my amendments are covered by the amendments proposed by the Government and therefore I do not propose to move them.

Shri Gadgil (Poona Central): He is always in agreement with the Government.

Shri Nanda: This ground now covered by the observations made by the hon. Member, Shri Sadhan Gupta has been traversed several times in the course of the discussion. I do not want to repeat what I have said before.

The hon. Member is very anxious about the interests of labour. I appreciate his anxiety, but I feel his apprehensions are not well founded. Regarding the question of bonus, the hon. Member says that the licensee will delay a reference to the State. If

actually he has made up his mind to pay bonus, which is the assumption, why should he then delay making a reference to the State for approval. But the main point of the hon. Member is that this adjudication procedure should be open to him. Whether the State Government given approval or not, whether the licensee decides in favour of paying the bonus or not, they are immaterial considering that he has a right to approach some other machinery for securing whatever claim he may have for bonus. His point is that this machinery is extremely dilatory. My first answer is that this machinery itself is being simplified and has been simplified, and therefore, I am sure that those delays will be obviated. I recognise the fact that in the past there have been cases of delays, and sometimes inordinate delays. But they will not be there hereafter.

But, in this particular case, the situation is somewhat different. The hon. Member was saying that if I did not accept his first amendment which asks me to make a distinction between the workers and the supervisory staff—which, I am not prepared to do for reasons which I have already explained—then, I should accept his other amendment to the effect that a dispute of this kind should be compulsorily referred to a tribunal.

I just secured a copy of the Industrial Disputes Act, 1947, and there I find in section 2 (ix) the following definition of 'public utility service':

" 'public utility service' means, among other things, any industry which supplies power, light or water to the public."

Then, there is section 10 in Chapter III of that Act, where the procedure has been laid down for reference of disputes to boards, courts or tribunals. The proviso to sub-section (1) of that section reads as follows:

"Provided that where the dispute relates to a public utility service and a notice under section

[Shri Nanda]

22 has been given, the appropriate Government shall, unless it considers that the notice has been frivolously or vexatiously given or that it would be inexpedient so to do, make a reference under this sub-section notwithstanding that any other proceedings under this Act in respect of the dispute may have commenced."

Shri Sadhan Gupta: May I ask for a clarification? The notice under section 22 is a notice of strike. Does the Minister envisage that in every case, when the question of bonus is raised, the workers must give a strike notice and then go to adjudication?

Shri Nanda: It is not conflated of the question of claim on behalf of the employees in the electricity industry only; this is a general clause which applies to all public utility services. However, that is another issue. I was only explaining that there is provision for compulsorily referring this dispute to adjudication. It is only a question of certain steps to be taken by the workers. So, it is not that the worker in this case has not got protection—a special protection in this case—because he is employed in a public utility service.

As a third alternative, he said that if I did not accept this amendment also, then, the workers should be allowed to approach the State direct. But, having explained that what he has asked for in his third amendment is already there, I believe that any recourse to his third amendment will be wholly unnecessary. My further answer would be that I do not see what meaning the procedure suggested has, namely that when the employer has not decided on giving bonus, the workers should directly refer the matter to the State for approval. But, for what will they ask for approval? There is no decision to pay bonus. That means that the workers only make a claim before the State for a certain amount of bonus. That means that

there is a dispute. But that dispute should be settled not by Government but through the machinery to which the worker has access at present. For these reasons, I am not prepared to accept his amendments.

Then, I come to his last point regarding reasonable return. I have dealt with that at length earlier. I think it is wholly an unscientific thing to link up the return of an industry with paid-up capital, because that paid-up capital has no relation at all to the total investment in an industry. Any decisions that have been taken in regard to what the appropriate reasonable return should be in relation to an industry in other cases, either, through the Tariff Commission or other such machinery, have always been in terms of the investment, the total block or something comparable to that only and not in terms of paid-up capital, for that would be a very unreasonable and irrational procedure to adopt.

I am sorry I am not able to accept the hon. Member's amendments.

Mr. Deputy-Speaker: The question is:

Pages 20 and 21—

for lines 32 to 36 and 1 to 5 respectively substitute:

“(xiii) bonus paid—

(a) to employees who are workmen as defined in the Industrial Disputes Act, 1947; and

(b) in any other case, with the approval of the State Government.”

Those in favour will say 'Aye'.

Some Hon. Members: 'Aye'.

Mr. Deputy-Speaker: Those against will say 'No'.

Several Hon. Members : 'No'.

Mr. Deputy-Speaker: The 'Noes' have it.

Shri Sadhan Gupta: The 'Ayes' have it.

Mr. Deputy-Speaker: Let the bell be rung....

15-38 hrs.

[**MR. SPEAKER in the Chair**]

Mr. Speaker: I shall now put the amendment to vote again.

The question is:

Pages 20 and 21—

for lines 32 to 36 and 1 to 3 respectively substitute:

“(xiii) bonus paid—

(a) to employees who are workmen as defined in the Industrial Disputes Act, 1947; and

(b) in any other case, with the approval of the State Government.”

Those in favour will say ‘Aye’.

Some Hon. Members: ‘Aye’.

Mr. Speaker: Those against will say ‘No’.

Several Hon. Members: ‘No’.

Mr. Speaker: The ‘Noes’ have it.

Shri Sadhan Gupta: The ‘Ayes’ have it.

Mr. Speaker: Those in favour may kindly rise in their seats. I find that there are six.

Now, those against may kindly rise in their seats. So, by an overwhelming majority:.....

Shri V. P. Nayar (Chirayinkil): What about the voice?

Mr. Speaker: The voice was nice.

Shri Sadhan Gupta: The voice of the people.

Mr. Speaker: By an overwhelming majority, the amendment is lost.

Shri V. P. Nayar: Our voices were louder than theirs.

Mr. Speaker: I have to decide by the number of voices and not on the pitch of the voices.

The motion was negatived.

Mr. Speaker: I shall now put the other amendments moved by Shri Sadhan Gupta to the vote of the House.

The question is:

Page 21—

after line 3, add:

“Provided that notwithstanding anything contained in the Industrial Disputes Act, 1947, whenever any Industrial dispute arises between any licensee and his workmen regarding the payment of bonus, such dispute shall be referred for adjudication to an Industrial Tribunal by the appropriate Government immediately after receipt of a request in this behalf from a Trade Union or from seven or more Workmen employed by the licensee.”

The motion was negatived.

Mr. Speaker: The question is:

Page 21, line 5—

add at the end:

“given either of its own motion or on application by the licensee or any Trade Union which has as its members the employees of the licensee or any section thereof who are workmen as defined in the Industrial Disputes Act, 1947 or by seven or more of such employees”

The motion was negatived.

Mr. Speaker: The question is:

Page 22, line 13—

add at the end:

“subject, however, to a maximum calculated by applying double the said Reserve Bank rate to the paid up capital.”

The motion was negatived.

Mr. Speaker: I shall now put the Government amendments to the vote of the House.

The question is:

Page 15, line 37—

for “Paragraphs” substitute “Paragraph”

The motion was adopted.

Mr. Speaker: The question is:
Page 16, line 5—
after "the clear profit" insert:

"(excluding the special appropriation to be made under item (Va) of clause (c) of sub-paragraph (2) of paragraph XVII)".

The motion was adopted.

Mr. Speaker: The question is:
Pages 16 and 17—

omit lines 23 to 44 and 1 to 23, respectively.

The motion was adopted.

Mr. Speaker: The question is:
Page 17, lines 40 and 41—

omit "during the year in which the asset ceases to be available for use".

The motion was adopted.

Mr. Speaker: The question is:
Page 21—
omit lines 17 and 18.

The motion was adopted.

Mr. Speaker: The question is:
Page 21—
for lines 32 to 38. substitute:

"(b) the income derived from investments other than those included in the capital base under the provisions of clause (d) of sub-paragraph I".

The motion was adopted.

Mr. Speaker: The question is:
"That clause 27, as amended, stand part of the Bill"

The motion was adopted.

Clause 27, as amended was added to the Bill.

Clauses 28 and 29 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Nanda: 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.

FINANCE (NO. 2) BILL
AND

FINANCE (NO. 3) BILL—Contd.

Mr. Speaker: The House will now resume further consideration of the motions to consider the Finance (No. 2) Bill and Finance (No. 3) Bill and also the amendment for reference of Finance (No. 3) Bill to a Select Committee moved on the 7th December, 1956.

Shri N. C. Chatterjee, who was in possession of the House last time, may now continue his speech.

Shri N. C. Chatterjee (Hooghly): Mr. Speaker, Sir, from the point of view of building up healthy traditions in a democratic set-up, it is desirable that the introduction of such radical changes in the structure and level of taxation should be confined to the occasion for presentation of the annual budget when Parliament can have a full picture of the overall budgetary position. But it has been ruled that the Bills are in order and we have got to address ourselves to the merits.

[MR. DEPUTY-SPEAKER in the Chair]
15-55 hrs.

The first thing I want this Parliament to consider is whether the expanding governmental control over the private sector is in consonance with the objectives of democratic socialism or with the declaration made by the Prime Minister. The Five Year Plan definitely envisaged an important role for the private sector, which Shri Tulsidas today has described, as you know, as the 'non-State sector'. The Plan embodies

a large extent the aspirations of the people for getting out of the clutches and ravages of crushing poverty and for attaining a higher standard of living. In a planned economy, there should be peaceful co-existence of both the public and private sectors, and if you allow the private sector to function, you must give it a fair trial.

In the Second Five Year Plan, we have stated that the socialistic pattern of society is not to be regarded as a fixed or rigid pattern. We thought that the present Finance Minister would make an objective approach to economic problems. He says that he is not rooted in doctrine or dogma. If our country is to develop according to its own genius and traditions, then we must recognise that it is not desirable that our economy should become a monolithic type or that the State should be a totalitarian one and should eliminate all private enterprise. In a growing economy, if it is to be increasingly diversified, there must be scope for both the public and private enterprise to expand simultaneously. We have assigned an important place to the private sector in the Plan. We have placed upon the private sector obligations of an onerous nature, and we expect them to discharge those obligations. But if we want them to play the role assigned to them, then we should not place too many curbs, too many restrictions and too many fetters so as to destroy initiative or to imperil enterprise.

The other day the Prime Minister administered a very salutary piece of advice which, I hope, was meant for all, including his colleagues and the planners. He said that once the private sector was allowed to operate in any sphere, it must be allowed to do so without hindrance and without undue restrictions. Are you not going against this declaration of the Prime Minister? At present, governmental control over economic activity is quite extensive. On the top of that, you are by this type of fiscal measures ordering companies to deposit part of their reserves and also a por-

tion of their current profits with Government. This will certainly hinder normal activities, and the investment plans that the private sector has been enjoined upon to undertake are bound to be upset. In spite of all assurances of the Minister, bureaucracy will rule triumphant, and there are bound to be delays and procrastinations in disposing of applications for return of deposit of reserves.

We know that in spite of the assurance of the ex-Finance Minister, Shri C. D. Deshmukh, the private sector and to undergo very great difficulties under the Companies Act. If you think that the private sector is thoroughly incapable of undertaking economic development in this country, then be consistent. Weed it out and be a thorough socialist. If you think that the private sector is not showing either initiative or enterprise, then liquidate it, if you like. But do not impose progressive restrictions, limitations and disabilities of this character and then utilise the failure of the private sector as an excuse for expanding the public sector.

The private sector is today complaining—and I think there is a great deal in the complaint—that it would have made a better and more impressive record of achievement, if it was not to work under all these limitations and handicaps.

The hon. Minister indicated the other day that he was going to take drastic action because some companies had misbehaved. His complaint was that they had utilised funds for speculation or for purchasing new undertakings. Can we get any figures from him? Can we get any reliable data to know that the Companies have thus misbehaved?

Shri Gadgil (Poona Central): There are facts and possibilities, he has taken both into consideration.

Shri N. C. Chatterjee: Mr. Gadgil is not yet a Finance Minister.

Shri Gadgil: It will be a bad day for you if he becomes one.

Shri N. C. Chatterjee: I know it will not happen.

Mr. Deputy-Speaker: Anyhow, that is not the issue at present.

Shri N. C. Chatterjee: What proportion of the reserves have been utilized in this manner? Secondly, may we know whether this abuse is continuing even after the promulgation of the new Companies Act? Very stringent provisions have been incorporated into that Act with regard to interlocking. Mr. Deshmukh's Act had imposed very serious restrictions on the manner in which investments can be made by a company within a particular group in the shares of that group. I had the privilege to be a member of that Select Committee and I know that a limit has been placed on the amount of such investment. Government has extensive powers of control and inspection and investigation under the new Companies Act. Are we to understand that all these sections, all these restrictions, which the ex-Finance Minister has imposed have all proved abortive? Can the Finance Minister give us any data as to how much he expects out of this compulsory deposit of reserves on reserves on current profits? The Finance Minister has not taken the trouble to give us any reliable evidence or proof about the existence of malpractices or abuses and we should like to have some reliable data before us. If the amount is not appreciable, will it be worthwhile to have this shock tactics or will it simply kill the goose that lays the golden egg?

The fact is that your Plan is not realistic. The fact is that you are neither consistent nor logical. The fact is that the Government have not the courage and the conviction. You pay lip homage to socialism. You want the private

sector to continue to contribute handsomely to the election funds. Therefore, you want to keep them alive for your purposes.

But you do not admit that the Plan is over-ambitious. You do not admit that the estimates in the Plan are unrealistic. In spite of all the special pleadings of the sponsors of the Plan, some of the financial provisions of the Plan are known to be inadequate. You are now admitting in a grudging way that the requirements of foreign exchange are bigger than what was estimated. But you do not pay any heed to the timely criticism which was advanced. It is amazing that when one of the members of the Planning Commission categorically stressed that it would be different to implement the Plan in a period of five years, still you endorsed the Plan without making due provision for this legitimate criticism. Secondly, the same member of the Planning Commission pointed out that deficit financing on an extensive scale may prove dangerous to the economy and may cause hardship to certain sections of the population. Yet, the Plan was signed by the members of the Planning Commission without making provision for this criticism. The Plan was imposed on the country in that manner. The same member of the Planning Commission also drew attention to the need for balanced development of both transport and production. You simply stated: these are important points and signed the report. But really no adequate consideration was given to this very important and serious criticism of the Plan, coming from a man who is a member of the Planning Commission.

In the United Kingdom they had a Royal Commission on the Taxation of Profits and Income. After a good deal of deliberation, they said:

"We are not at all impressed by the argument that the taxation of capital gains would achieve a more equitable distribution of tax burden between one tax-payer and another."

They also gave their verdict, saying:

"We do not share the view of those advocates of the charge who maintain that it is called for by the need to correct an evident inequity between different taxpayers."

Therefore, unless one is dogmatic we have got to be very careful before we introduce such kind of taxation. The effort to make the capital gains tax a logical or scientific or just tax by marginal adjustment is foredoomed to failure. The British Royal Commission was urged to recommend it. But although they had very competent men, they had deliberately stated:

"Such a tax would have some, even possibly, a serious disincentive effect on the private savings which now takes place and though it might discourage small number of people who were enabled by the obtaining of capital gains to maintain a standard of living out of relation to their income, its general effect will be to tax very much larger number of people without the justification of an equitable design."

That is the finding of an important Commission.

The Finance Minister had enunciated the principle that personal savings can play no very large part in financing the vast investment programme of the Plan. That is a dangerous argument in a country where corporate earnings and corporate savings must necessarily be a relatively small part of the stream of our national finance. There may be some justification in theory to some taxation of capital gains; but there can be none in either theory or practice for this kind of penal taxation by penal legislation, through fiscal measures. After all, dividends and capital gains have a high saving potential and by diverting large parts of them to the exchequer, not much net increase in

capital formation may be achieved. This will be credit squeeze and this will discourage investment. On the contrary, the trends towards capital formation would be discouraged by the assault on the incentive for savings and investment. Indeed the terms in which the capital gains tax is being revived are certainly onerous. Even Mr. Kaldor did not suggest the lowering of the exemption limit. The revised scales may prove expropriatory especially as the exemption previously given in the case of transfers of property on compulsory acquisition is not being repeated in the present measure.

Mr. Liaquat Ali Khan's budget, so far as we know, produced Rs. 6 crores in two years and then tax on capital gains was given up. How much the present hon. Minister thinks to get? Will the price index be affected? I am afraid, the Finance Minister's taxation proposal will have a very limited impact on the price index. On the level of foreign exchange, I am afraid, it will have very little effect. National planning will be a mockery if it results in the poor becoming poorer.

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): Capital gains tax makes the poor poorer!

Shri N. C. Chatterjee: Not only that. You are also diverting current profits by imposing further taxation on dividends. That will make the poor poorer. Equity investment is mostly held, as you know, by poor middle class people. It will be hard hit.

What I am afraid of is that by taking charge of liquid capital, Government may impede the working of the private sector seriously and this kind of additional taxation will be a further disincentive to both production and saving. The real truth is that the current economic trouble is due to the inability of the Government to adjust the Plan to the national resources available. Fiscal measure will not be effective unless they are

[Shri N. C. Chatterjee]

accompanied by an efficient utilisation of fiscal weapons. The assumption that the public alone is at fault, or the private sector is at fault, is not quite fair. Government is itself a major culprit. It has failed to adjust the expenditure to income. It has failed to make the Plan objective and realistic and there lies the main difficulty. That problem should be first tackled and solved.

Shri Gadgil: I never thought that my hon. friend, Mr. Chatterjee, will read out such a reactionary speech. Obviously, it means that it has not come out from his heart. He almost seems to be an advocate of the capitalist system.

My grievance against the present Bills is this. They have been introduced, if not too late, late. They do not go very much. They go very little. The object of the Bill is to take us nearer to the goal that we have set before ourselves and, to that extent, I have already publicly welcomed it.

There are certain tests by which I have always been measuring taxation proposals. One of them is that once you have accepted that the future society is going to be casteless and classless, then whatever measures you take are judged by the standard whether the steps are calculated to bring that ideal nearer.

16 hrs.

The step may be long or may be short. In my view the whole thing should be finished quickly. If I may borrow an expression—I hope I will not be misunderstood—it should be by *Jhatka* and not by *Halal*. I do not believe in the gradual death of capitalism by a process called euthanasia. I do admit that in certain special circumstances, gradualness has a place. But having established political democracy, it is hard to justify to the vast poverty-stricken, down-trodden masses that we could not progress much more quickly. I have

always held that the alternative to violent revolution is the revolutionary use of the Constitution.

Now, what are these measures? My own view is that these measures, as I said, should have been introduced much earlier. At least the approach should have been assertive and not apologetic. At Calcutta my esteemed friend, Shri Krishnamachari, the Finance Minister—I do not know—called the Government as a buccaneer of altruistic motives. I think that designation is eminently deserved by the capitalist classes in this country minus the qualifying adjective.

Shri T. T. Krishnamachari: They have altruistic motives.

Shri Gadgil: I do not subscribe to the view that all property is theft, but those certainly in the hands of the capitalist classes in India are as good as theft, and the sooner you take it back and restore it to the lawful owner, the better.

I do not think there is any necessity for the Government to be apologetic. The capitalists do not even deserve crocodile tears, much less any sympathy, for in the past they have behaved in a manner which does not justify the sort of treatment that is being given by the Government. Now they are making these taxes. They always say, "We are all for a socialist society and there is a necessity", but when it comes to draw a logical conclusion, they say, "Not industry", "Not now" and "Not in this manner". This reminds me of what happened in the House of Lords when Lord Clive was on trial. The House of Lords voted the major that those who commit atrocities must be punished. They voted the minor and Lord Clive was one of them. When it dawned on the Lordships that the conclusion would be something not to their taste, they suddenly resiled and passed a resolution that Lord Clive had done meritorious services and, therefore, all that should be dropped.

The private enterprise had done such great services for the country and, left to themselves, they will turn this land into a land of honey and milk!

But our experience is contrary to these claims. What they have done during the last 30 or 40 years is such, as I said, that it does not deserve the treatment which the Government of India has been giving. Even under the First Plan, during a period of five years, the net result is that the poor classes have either remained poor or have become poorer, except the organised section of industrial labour to some extent, and the rich have become richer. And by emphasising a particular type of industry and giving a free hand for consumer goods industry for some time, and when such a situation operates in the context of a licensing system or a mixed economy, the result is that there is a sort of monopoly capitalism. Even a very balanced quarterly like *The Tata Quarterly* in one of its issues, has gone into the structure of our industry and has tried to ascertain what were the effects of the licensing system or mixed economy, and with apology and some sort of plausible argument, the conclusion drawn is that in certain industries, if not monopoly, at least oligopoly has been established. In certain industries, some sort of special pleading is there. The fact remains that on the one hand we are trying to build up a classless society and trying to extend the public sector, and on the other hand we are allowing these people, who are already well entrenched, a free hand because there is no free competitive market. I can understand the utility to a limited extent of private enterprise in the industrial field if the market is absolutely free and competitive market. But that is not so.

What I find is that during the last nine years when there was not enough supply of raw material, Government help was sought and Government help

was given. Whenever there were labour troubles, appeals were made to labour—Oh! in the interest of national good, you must not ask for wages here and there. When prices were not favourable to them, they asked for certain things. In short, the losses were public and profits were private. That adequately was the position of private sector and the position still continues.

Completely for socialist society, I think, we are, because this House has unanimously accepted that resolution in the month of December 1954. If this is the strategy, then every tactic that is followed must accord with the main strategy, and if it does not, then the House will be perfectly justified in rejecting the same. Now what is being sought? The Finance Minister said indirectly that the inequalities in income may be removed to a slight extent. That means that that objective does not, at any rate from the speech he has delivered, weight much with him. On the contrary, he should have said definitely that these proposals are not merely financial proposals but they have a socialist or sociological aspect, and it is a definite step, a further step, in the establishment of a classless society or socialist society.

Coming to the merits, we are told that this capital appreciation tax—nothing new—was introduced in the 1947-48 Budget by Liaquat Ali Khan. I quite remember that after his Budget speech was over,—I happened to be the Secretary of the Congress Party, and you know the weakness of a politician for a newspaperman—a newspaperman asked me for my reaction, and I said that it meant death to the capitalist class. The next day the whole Congress Party was astir—What is this? This is aimed against the Hindus and so on and so forth. In that atmosphere the proposals and the principles embodied in these Bills were not considered purely on merit and the result was that it was there for a year or so. We know that from 1948-49 upto the time when

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this particular capital appreciation tax will come into force, huge profits have been made both in a manner which may be considered legitimate and in a manner which is difficult to say legitimate because nobody knows how much water the fish drinks—it is impossible to say. Those who are actually in the business really know how they manage. The point is that for increase in the capital value which is due not to any effort or efficiency on the part of the earner or the owner, it must be accepted in justice and fairplay that he is not entitled, at any rate, to the whole of it.

I buy a house. Suddenly, some Act, a town planning Act comes and my property rises in value. If I sell it it has appreciated by twenty or thirty per cent when I have done nothing, not even current repairs. Is it fair that I should have the entire sum over and above the real value? The State is a partner. Without the State or society, you cannot earn a single copper coin. I ask my capitalist friends to go to a jungle and let me see how much they earn. There will be no buyer; there will be nobody. The conception of wealth is essentially a social conception. Even the sanctity of private property has a social background. This is my watch and I have engraved my name on it. It does not make it my property unless the society accepts it to be the property of Mr. Gadgil and if anybody tampers with it, the entire apparatus of the State comes to see that I am not deprived of it.

Whatever wealth you have collected or whatever wealth you have earned is there because of the law of the land and the institutions which are approved and accepted by the society at large. If that is the basis of private property, is not Government justified in taking a reasonable part? In future it should take a substantial part straightway. At any rate, there is a case for taking as much as has been proposed here.

It is said: "This will affect capital formation." Once you accept that your society and economic organisation is going to be of a particular type, socialist type, the responsibility for capital formation is not on individuals; it is on the community as such. What are you doing? You are allowing these people to earn to any extent. Their argument is, if they earn a hundred, they should earn more and then they say: "We will contribute to the formation of capital." They say this, that and the other. Boiled down, it comes to this. We allow them to earn a profit of Rs. 100 and they give us just Rs. 5 or Rs. 10 by way of investment and another Rs. 5 or Rs. 10 by way of taxes. Cannot we annex the whole thing, leaving a small field for the private enterprise? It is my considered view, and I have voiced it on both relevant and irrelevant occasions, that all the main industries must be nationalised.

Otherwise, all your talk of socialism and equality of opportunity is meaningless. There cannot be equality of opportunity unless there is equality of income or near-equality of income. What is the good of telling a poor man that the portals of the university are open to his boy when he has no money? Again, what is the good of the Railway Minister telling me that anybody can go and make use of the air-conditioned compartment when I have no money even to buy a third class ticket? So, equality of opportunity is meaningless unless there is equality of income or near-equality of income. What has been done in the First Plan should not be repeated in the Second Plan. At least the rich should not become richer. Then we shall manage the poor disinherited of the earth, which we have continued to be whether it is the Moghul Raj or the British Raj or anybody's Raj.

The British Raj came and they opened roadways so that poverty can travel from Madras to Bombay, Bombay to Calcutta, and Calcutta to

Delhi, with or without typewriters. It makes no difference. They had remained poor; they continue to be poor, when they are the masters of the country. You will go to them in another two or three months' time and ask for their votes. I am going to tell them: "Unless you are promised that the inequalities of wealth shall disappear as quickly as possible, you will not be justified in voting the party which does not stand for a quick transformation of the present society into an egalitarian society."

They are always saying that the direct taxes should be less and less. That has exactly been the history of this country after Independence. From 1948 and onwards, till the last year's Budget, the direct taxes were either removed or lessened. The Excess Profits Tax has gone; Capital Appreciation Tax has gone and so on. No dividend limitation. It was introduced for the first time when the Act for the electrical supply undertaking was piloted by my humble self and passed by this hon. House. I thought that the principle, once accepted, would be extended in other industries. But, nothing of that kind was done. A little attempt was made in April when the current year's Budget was introduced and some further step is now being taken.

The only objection is that there will be no incentive for capital formation. The responsibility for that, in my humble opinion, is on the community itself, namely, the State. So, why should we go to these people? They dictate the terms. They take Rs. 90 and give only Rs. 10. Why not take most of these industries by way of nationalisation?

We are told that they are junks. The capitalist who runs an industry which does not give him profit is yet to be borne just as a politician who is averse to publicity is to be borne. The point is this. Apart from the economic importance of nationalisation, it is a great moral strategy. They know that this is the work of the

community; this is the work of the nation and they will put their best in the work.

I am the occupier of a room. The relation between me and possession of the room is one today. If I am told that I am a permanent occupant of that room, the relation will immediately change for the better. But, if I am told that I am the owner immediately, the best, the noblest and the most efficient in me will come forth and will express itself in the actual improvement of the room and in its decoration and so on.

Today, the capitalists are saying: "Shri Khandubhai Desai and Shri Nanda are inciting the labourers to ask for more wages, twenty or twenty-five per cent. more. How can we run them?" If you cannot run them, hand them over. If you say that you cannot run them and that they will go to dogs; let them go to dogs. I am quite ready and I have not the slightest doubt that, if they are offered, my friend, Shri T. T. Krishnamachari, will have them, this evening, not even tomorrow. It is no good telling us so. We know a little about it, both as politicians and administrators. If you really think that you are not going to get any profit, you will not have this carcase even for a minute. You are making tons out of them. So much of surplus economic power in your hands is a danger to the society because economic power virtually, in final analysis, means political power. You can appoint anybody. You can utilise that power in any manner.

Today, when he just tries to tackle this problem of deposit, you say: "What is this? The industries will lack working capital." What he is afraid of is this. They will invest it, not in the public sector by buying bonds or loans. You will invest it in certain industries which will go to strengthen your own front. Six months ago, it was almost an article of faith with the whole country—the socialist pattern of society was ap-

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proved by everybody; even the Hindu Sabha people were eloquent at one stage. But, now there is an organised opposition. I want to warn my hon. friends here. This Free Enterprise Front is a front patronised by capitalists here and capitalists outside.

Just consider how and to what extent you will allow the import of foreign capital in this country. Only yesterday the Finance Minister said that there is no rigid percentage, everything will be considered on merits. I want him to stand by the old policy that in any new concern, or even so far as expansion of old concerns which are in the hands of foreigners is concerned, the control should be in the hands of the Indian people. We might become prosperous and we might lose our freedom. If it is a question between prosperity and freedom, I shall vote for the latter, and I am certain the entire House will be with me. Therefore, although he has said it, and it is capable of any meaning—he is very clever that way—I want to tell him that it is better to be clear, lucid and honest about it and not necessarily clever. The point is that if you want the control of deposit from our Indian companies, and I understand the strategy to be that these things should not be invested in such a manner as to prejudice our Plan, there is greater necessity so far as foreign capital is concerned. After all, just as books are for reading and it is no good having a book almirah with so many volumes when nobody reads them, what is the good of having money unless it is continually turned over and in such a manner as not to result in affecting the Plan in a disadvantageous way?

My submission is that, if an honest concern, which suffers for lack of capital for the purpose of expansion or for working capital, goes to the Finance Minister—you know, he himself has been a private enterprise *wallah*, not now, and so he will not

be at least against you—he will do whatever is reasonable. I go a step further. If you convince me that certain inconveniences are likely to be caused, I am prepared to consider them. But I am sure, as he has given an assurance that so far as administrative inconveniences are concerned they will be removed, subject to that you must not worry about it, because we want to see that every step taken in industrial field advances the implementation of our ideal of establishing a classless society, and I do not want to follow tactics which will ultimately sabotage my strategy. That is the main thing that I want to impress on this hon. House.

Now about indirect taxes and direct taxes. Compare what has happened in the six years. Tax after Tax has gone and indirect taxes are added every year. Whether this article or that article, I don't mind luxury goods being taxed. But along with it the poor man's necessities are taxed. I am for it, because it is my Plan, my community's Plan, my country's Plan. I am for it, but I must be convinced that there is equality of sacrifice and the burden is not on those who can afford to bear least. When you ask me to tighten my belts I can't stand the sight of fat-bellied and pot-bellied capitalists. They must be properly sized and then only there is an atmosphere of equality of sacrifice. Then people will go to any length and honour any order that this Government may desire to be honoured by them, by their industry, by their labour and by such small savings as they may have.

What I suggest is that I am not looking at these as merely financial measures. They say it is only Rs. 16 crores, only Rs. 4 crores here and there. If it is so little, why are you worried. But I do emphasise on the ideological aspect. Somebody criticised that Government is too much after ideology. My grievance is that they are not. They are always willing to do something but are afraid to

do it, and, as I said, throughout the attitude has been apologetic when it ought to be assertive.

Lastly, while private sector is allowed, it must get all that is due and legitimate, just as a condemned man even if he is to be hanged the next day is entitled to his evening meal. We cannot deny him. That is only fair. But let him understand the fate that awaits him. So let me appeal to their patriotism that in this great endeavour of building new India on the lines which have been approved by this House you have also a part to play. Don't indulge in anti-social activities. While food is scarce in this country it is sold at a high price, and we are told it is being smuggled out of this country. The whole Plan depends upon the stability of prices. If you maintain the price level then alone the Plan will be successful. Leave aside all other international complexities, we will meet them. But let us be sure that we are absolutely united, our methods are clean and our objects are clear. Then only we will meet this challenge. If the Plan fails, he has rightly struck a note, democracy fails.

After all what is democracy? What is democracy unless I find my personal life is a little better than what it was? If it is going to be the same thing like the doctor's prescription, who writes ditto, then there is nothing in it. If it is going to mean to me in terms of concrete experience, more food and better food, more cloth and better cloth, better housing, better educational facilities for expansion of my personality to which I have a right guaranteed by the Constitution, then only I shall reconcile. But if it is merely a form, and if that form continues and contents are different then it means nothing. People today are very much non-violent. I want them to be non-violent, but there is a limit to human sufferings. For ages they have remained like that. They won't remain any longer because they have become conscious of the political power which is with them.

Sir, there is no case for opposition of a Bill of this type. I am sure, if it has been possible under the procedure to increase something by getting sanction of the President, if it was a practicable thing I would have done that. It is not practicable and, therefore, this does not go much. But, as I said, I am one who does not think good is the enemy of better. Therefore, I support the Bill entirely.

Shri Asoka Mehta (Bhandara): Mr. Deputy-Speaker, Sir, after the aggressive and ultra radical speech of Kaka Sahib, what I have to say is bound to sound moderate. Before I turn to the proposals for additional taxation made by the Finance Minister I would like to say something on the wider framework that he provided to this additional taxation in his speech.

He gave us a resume of the economic conditions that are prevailing now and I believe, while it may be useful to go into the economics of some of these tax proposals, and it may be useful also on the eve of the election to make some kind of a sentimental or emotional observation about the conditions of the people, it is necessary, if we are not to face greater difficulties later on, to look at our economic situation. I think it is reaching a critical point. We in this House and this country are often complacent about our internal conditions. We are prone to be acutely aware of international situations and international tensions. I feel that the Finance Minister has not done justice to himself, to the House and to the country by playing down the serious situation that is confronting us today. The tax screw is being applied from time to time. We are told that more taxes will have to be imposed. But even when the tax screw is being applied, we also find that resources are falling. The short-falls in the resources are becoming increasingly alarming. The foreign exchange gap is widening; and, it is widening at a time when the international situation has become somewhat obstinate and our difficulties there are growing. The Plan im-

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plementation is weakening. Whether it is wise to have a Plan of this size or whether it should be cut down is a different problem. But, this House adopted the Plan and we find that from day to day and from week to week, we seem to be falling behind.

If we look at the development of our national income in the past few years, we find that the increase in the national income has been tapering down. Three years back, there was a substantial increase, but since then every year the rate of increase is going down. Why? It is because in the earlier period the increase was mainly due to fortuitous circumstances. We thought that inside our economy, we have discovered or uncovered the forces of development, that a dynamism of our economy had at last been brought out. But, on the other hand, looking to the developments that are taking place, we find that it was only an accidental improvement and we seem to be still in the stagnant condition that we were in before. There have been sharp changes in the seasonal pattern of money-supply; there have been so many developments. I do not have the time to bring all these threads to a common knot or to provide an adequate focus for all these developments. But, I would say that the crux of the problem has been well brought out by the Reserve Bank in their report some-time back. The situation has worsened since then, i.e., since June 1956. The report says:

"While real national production has shown only a modest increase, the stepping up of the developmental expenditure has been accompanied by larger deficits in the Government accounts."

What does it mean? It means that the economy's digestive capacity is going down. As a matter of fact, we seem to be suffering from some kind of economic indigestion. Unless economy has the requisite digestive capa-

city, just as a human being begins to suffer, economy begins to suffer.

We have been, and I am among the sinners, accustomed to quote figures. We talk about the increase in the index of wholesale prices or cost of living, but very rarely do we realise exactly the price that the people are paying. Recently a survey was made of the conditions of the people in Poona city by Prof. D. R. Gadgil and it has been quite a revealing one. A similar survey had been made some years back. What is the result? 76 per cent. of the families in Poona, as my friend Shri Pataskar should know, are living under poverty line and 25 per cent. are living under the line of destitution. In the last ten years or so, 10 per cent more have come under the destitution line. When a similar survey was made some years ago by Professor D. R. Gadgil—this survey has been made under the Programme Research Committee of the Planning Commission—15 per cent of the families were destitute. Today 25 per cent are destitute and 75 per cent are living under poverty line. This is what is happening in one of the cities of which we are all proud. It means that the conclusion is irresistible that the inflationary tendencies in the economy have been eating into the living standards of the people, meagre as they have been. This is the reality that we are. The Prime Minister said that we must pour our sweat and blood to build our country. We are pouring our blood; 10 per cent more of the people of Poona have been pushed under the destitution line. What more can we do?

When some of these taxation measures are being discussed, my friends like Shri Chatterjee and Shri Tulsidas raise questions of all kinds saying, "What about incentives? What about this difficulty and that?" I understand all those difficulties, but here is a basic fact from which we cannot get away. Recently there was a survey made of the condition of unemployment or severe under-employment in

towns and cities of India. This survey was made again by an official body. It reveals that 5 million people are either unemployed or severely under-employed. What does it mean? Anything between 20 to 25 per cent of the labour force in our urban areas is unemployed or under-employed. What is happening to them? When we say that the wholesale price index has reached 433 points, that in the last seven months the index number has gone up by more than 50 points, that the prices have been increasing at the rate of 2 per cent a month, we have to realise that this kind of increase is eating into the vitals of our people. What are we doing to meet this? The Plan is there, but it is breaking down. Whether it is a question of foreign exchange, whether it is a question of resources or implementation, from every side, we find that things are not going as we had planned. Still there is a kind of complacency in the country and that is to my mind most disconcerting. I wish the Finance Minister, and if possible the Prime Minister, had given a ringing call to the country that we are on the threshold of a serious economic situation and we shall meet it jointly by the devoted efforts of the people as a whole. This is a crisis. My friend, Shri Chatterjee, talks about what will happen if reserves are to be deposited. During the war, reserves and profits were deposited; there was E.P.T. Any fresh capital was raised had to be deposited with the Reserve Bank. At that time Mr. Tulsidas and Mr. Chatterjee had no objection, because it was a situation of emergency. Today these objections are being raised, because the Finance Minister is not prepared to go and tell the country that there is a similar emergency. We are literally pouring our blood to build our country. That is my serious quarrel, if I may use the word, with the Finance Minister.

There has been a big gap in the foreign exchange and a sudden jump in imports; sterling balances have gone down. I am surprised, because

if I am not mistaken—if I am mistaken, I apologise for the mistake—some months ago, when the present Finance Minister was Minister of Commerce and Industry; he had pooh-poohed the very idea of a foreign exchange gap; but, today we find that there is a big gap which has emerged. It is because of a certain policy of import and export that the present Finance Minister pursued when he was Minister of Commerce and Industry. I do not like this. I hope the Finance Minister will pardon me when I say that he should take up one position as Minister of Commerce and Industry and a different position when he becomes Minister of Finance. I do not like this. I want to know what the Government has to say to this. There is my friend, the Labour Minister and also the Planning Minister. They talk about 25 per cent increase in wages. I ask, as I asked the previous incumbent of the office of Finance Minister on an earlier occasion, can we afford it? I am in favour of increase in wages, because prices are rising; but, it will have to be linked up with increase in production. If you are going to have increase in wages unrelated to increase in production, you are going to undermine the very solvency of our economy.

These are facts from which we cannot get away. I am not concerned with capitalists, nor with pseudo-socialism of Kaka Gadgil. I am concerned with certain basic facts that we have to face, and I find that Members on the Treasury Benches seem to be singing different tunes. It is not even an orchestra; it is rather a deafening cacophony of voices. Time has come for the Finance Minister, who prides himself on being a good economist, having a lot of experience, and also being rather an early brand of socialist—I believe, from the time before I was born—if that is so, it is necessary that he should end this cacophony and see that the divergent voices are brought together and some kind of meaningful orchestration is there if he is to be trusted with the stewardship of our economy.

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Then, what has been his trade policy? His policy, as the Reserve Bank report says, has been one of progressive but controlled liberalisation of imports. My contention is that the policy really has been not controlled but progressive realisation of imports, and suddenly we wake up. I do not know how he justifies it. He wants to draw in the horns, but even if he does so it will take some months before the drain is stopped.

Shri T. T. Krishnamachari: May I point out to my hon. friend, just as a matter of information, that so far as our foreign exchange resources are concerned, they were maintained more or less at a stable equilibrium almost from 1954, and they have been added up during 1952, 1953. We have drawn on it, certainly deliberately, since the beginning of the year. But it was part of the policy of import and export followed in the past when we were really adding up to these resources.

Shri Asoka Mehta: The gap that we were expecting over a period of five years has overtaken us in the very first year. If it is part of our deliberate policy, well, I am happy to know about it.

And this deliberate policy is followed when steering itself is in danger. I do not know whether one can say with confidence that the sterling area is a safe area just now. I will not quote figures; the Finance Minister knows about them better than myself. But the fact remains that the sterling area has been losing dollar and gold reserves at a fairly rapid rate. And political developments have been taking place which are likely to have their disturbing consequences. And the Suez Canal has been stopped—I do not blame the Finance Minister for it—but 65 per cent of our foreign trade passes through the Suez Canal. All these difficulties are there. Suppose tomorrow something happens to sterling; suppose sterling topples down; where will we be? When I say we are facing a crisis, I do not say that everything is the creation of the Gov-

ernment and the Finance Minister; I am not foolish enough to say that. I say there are difficulties in which we are living, and it is the business of somebody to sound a note of warning to the country and say let us not be complacent about it. And I do hope that the Finance Minister, when he introduces a special budget of this kind, would sound such a note of warning rather than go about in the kind of way in which he has been doing.

Shri N. C. Chatterjee: Robin Hood;

Shri Asoka Mehta: I was reading the *Capital*, and I find that in regard to the proposals he has made in the Finance Bill about increasing import duties, it says that these proposals are "in fact lenient". So I do not know. I again want to know whether it is the hangover of the policy that he was pursuing previously that still continues, and if it does I hope he will cast it off.

Shri T. T. Krishnamachari: But I do not take my advice from the *Capital*.

Shri Asoka Mehta: I am not saying that you take it from any one; I will come to it a little later—about the advice part of it.

Then I would make a suggestion to the Finance Minister that he should take an early opportunity of meeting the Finance Ministers in the Commonwealth countries or in the sterling area. I would also like him to go to Washington. Recently, he has been sending his aides and officers; but I think we are facing a situation where he should personally go. A similar suggestion was made by Mr. Gaitskell about his Finance Minister, and I would support this plea about a meeting of the Finance Ministers of the sterling area. And I would like him to go to Washington and not be satisfied with sending either his aides there or with carrying this long-range correspondence with various individuals in the United States of America. If he goes there, I am sure he will be able to get more assistance, which we need, and he may be able to work

up some kind of a Foodgrains and Fibre Bank, for which I believe there is a fairly good atmosphere in the United States. If speculation is to be checked here, an International Bank of Foodgrains and Fibre set up in the United States would be of great value. I need not dilate the point further, because I know the Finance Minister is quite aware of it. But he has got to show his drive, his dynamism there and see that these things get done. Because, otherwise what will happen? My friend Mr. Chatterjee and other conservative economists will say, "Cut down deficit financing". And where are we? If you cut down deficit financing, and the Plan, unemployment will grow, and all kinds of difficulties will grow. We are in a way cornered, and we have got to take an aggressive attitude. We have sometimes to take a rather speculative risk in order to get out of the difficulties into which we have gone, and there I believe the Finance Minister should not be satisfied with what he can do in this country, but he should be prepared to go out of India also.

Next, I would like to refer to the budget proposals. I am sorry, it is my misfortune that again I have to bring up this matter, but there has again been a leakage. On the previous occasion I referred to it. A Capital Gains Tax has been levied. But some businessmen seem to have made a lot of capital gains already—capital gains which are going to escape the net of the tax completely. I have my own information. I am prepared to place it at the disposal of the Finance Minister. Whether it is reliable or not it is for him to find out. And this is what the *Capital* has to say—I believe it is a responsible paper—this is from the *Capital* of the 6th December:

"Once again, certain large speculators were able to get wind of what was in store before it was actually announced, and so relieve their fellow gamblers of considerable sums of money".

I am not worried about what happened to the fellow gamblers. And it goes on to say:

"It is ironic that Mr. Krishnamachari's announcement last Friday should have put huge capital gains into the hands of a few speculators on the Calcutta stock market, if on no other, and that the Finance Minister is unlikely even to see an anna of it."

Here you introduce a Capital Gains Tax. And what is the first result of that Capital Gains Tax? Somebody makes a lot of capital. This is what the *Capital* has to say. The charge is substantiated by a fairly responsible journal like the *Capital*. And I would like to know from the Finance Minister tomorrow whether he is prepared to make searching enquiries into the matter, or is this going to be a kind of normal policy of the Government?

Shri T. T. Krishnamachari: All that I can tell my hon. friend is that unless I have been talking in sleep, it could not have gone out at all. Because, it was absolutely confined to a couple of people, and the only person that could have given it is that I should have done it unconsciously speaking in sleep. But I do not suppose anybody visits my house when I am sleeping.

Shri Asoka Mehta: If it is as simple as that, if it was a question of the subconscious or the unconscious of the Finance Minister, I do not think the *Capital* would have dared to say what it has said.

Shri T. T. Krishnamachari: May I tell my hon. friend that the *Capital* will dare a little more?

Shri Asoka Mehta: I am also prepared, and I am sure my friend from Calcutta would also be able to help us, and I would like to know if the Finance Minister is going to make a searching enquiry.

Shri Sadhan Gupta (Calcutta South-East): Lady Macbeth did not keep to her bed while asleep—and perhaps something like that happened!

Shri Asoka Mehta: I am glad that there is a Banking Amending Bill. I cannot go into it just now. I am also happy that the Finance Minister has been responsible for introducing selective credit control. Here again, the Finance Minister has had talks with the bankers. I do not know what the bankers told him. Evidently he found the bankers intellectually sterile, because they had no suggestions. I have had talks with bankers in Bombay.

An Hon. Member: Shri Tulsidas.

Shri Asoka Mehta: Not Shri Tulsidas; but others who take banking more seriously than Shri Tulsidas. They have told me—I do not know if it has been brought to the notice of the Finance Minister—that in Bombay and Calcutta Rs. 100 crores are circulating in private hands and lots of business deals are done on a cash basis. No sales tax, no income-tax, nothing appears in any books. This is being done in an organised manner and some of the trade associations are responsible for this kind of activity. If the Finance Minister wants, I can tell him the name of the banker. A very responsible banker gave me this information. I would like him to look into these matters because he himself has said it. It is something amusing. Here is a difficult situation. We are piling up taxes on taxes and imposed new taxes on the common people also. What is being done about tax evasion? He made yesterday or day before yesterday a startling statement. He said, if all the people paid their taxes, naturally income-tax, I would be able to increase the size of the Plan by 25 per cent which means by Rs. 1200 crores, which means an annual loss in income-tax to the tune of Rs. 200 crores, a fantastic loss. If that is what he feels, it is time that he looks into the working of his own department rather than come to this House and say, I want this tax and that tax. Levy by all means capital gains tax and other taxes on those who can afford to pay them. We have increased the prices. We have the Central

sales tax and other taxes on the common people. In the National Development Council, you have called upon the State Governments to increase the taxes. There has been a suggestion that the revenue that the peasants have to pay should also be increased. When these taxes are being thought of seriously, is it not time that you look into these matters and see that leaks are stopped? I cannot understand a Finance Minister of the ability of Shri T. T. Krishnamachari going about saying, Rs. 200 crores are not coming to my coffers, if only people paid, I would do this, I would do that. What is the administration doing?

Then, again, I do not know what is being done about economy. In England, in a similar emergency, Parliament set up a Committee called the National Economy Committee. It was the business of the Committee to see that the expenditure was cut down. The former Finance Minister said that the Cabinet was going to set up some Committee.

Shri T. T. Krishnamachari: May I tell my hon. friend that all these files that I have here are budgetary estimates which are being looked into, every item, by myself?

Shri Asoka Mehta: I do not know, when additional taxes are to be piled up upon the people, when this Parliament is called upon to sanction taxation, whether we are discharging our duty to the people if we leave the onerous responsibility of looking after the economy in expenditure on the shoulders of the Finance Minister alone. It is our responsibility and it is our privilege and this House should not be prepared to give up its responsibility and deny itself its privilege. There also nothing is being done.

I am happy that the provisions of the Capital gains tax have been activated. They have been there. I have often asked that they should be activated. I am happy that has been done. In the past four years, industrial securities have registered a price rise of

50 to 100 per cent. The capital gains tax has been activated a little late. There is a major exception. Many exceptions have been made; there is one exception which, to my mind, is disturbing. In clause 4 you will see, it is stated,

"Provided that...under a deed of gift, bequest or will shall not for the purpose of this section be treated as a sale, exchange, relinquishment or transfer of the capital assets:"

Here, I would like to invite the attention of the Finance Minister to what Professor Kaldor has to say in his report on page 34. He talks about exemptions. He says:

"If, on the other hand, transfers by way of gifts, bequests, etc., are exempted.....These exemptions may easily cut the potential long term yield of the tax by two-thirds or three-quarters and they do not seem to be justified on any principle of equity."

I would like the Finance Minister to tell us why this major exception, which is not justified on any ground of equity and which is likely to cut the long term yield—after all, a tax of this kind can be thought of only in terms of a long period—has been made. As far as this tax is concerned, I find that the financial journals have endorsed the tax and I do not think there is any serious opposition even from our capitalist friends.

As far as tax on dividends is concerned, I would say two things. Professor Kaldor has made his own criticisms. I am not worried about what he has said. My own point is, the Finance Minister should have an integrated tax structure in his mind. I would not like him to pick up something from here and something from there and tag things together. As we have a planned economy, we should have a fairly integrated tax structure before us. He has himself said that we have got into a rut and that we should get out

of it. We do not want and we are not entitled to enquire what taxes will come and when. But, it will be useful to know from the Finance Minister some time what is the general integrated tax structure that he has in view.

An hon. Member: Another leak.

Shri Asoka Mehta: I do not know how it can be a leak. One should have a fairly good idea of what kind of taxes he has in view. Otherwise, what happens is this. Here, Professor Kaldor has suggested various taxes and riveted them together. You take away the rivet. If you bring them piecemeal, we do not know what the implications will be.

I do not know if the Finance Minister is interested in making a fundamental change. Are we really moving towards socialisation of savings and investment? Is there going to be any change? If you are really moving in that direction, it means a major change in the character and slant of our economy. Are we on the threshold of it? If we make that basic change, I believe, the whole character of our economy changes and I would welcome that change. I would like to know clearly whether we are moving in that direction.

About the provision of deposit reserves, as I pointed out, similar provisions were made in an emergency in the past. I find that another financial journal *Indian Finance* says, these deposits can be described as an incentive to expansion. I do not know whether that opinion is shared by others. I do not know whether these deposits will prevent the things that have been happening. Here is an interesting instance. In a report of the Orient Paper mills, this has happened. It is said,

"In order to meet the requirement of funds to implement the modernisation and expansion programmes of the Company, it is proposed to raise further capital of the order of Rs. 50 lakhs by the

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issue of preference shares. Since the period under report, the Company has acquired the entire issued share capital of the Air-Conditioning Corporation Private Ltd., manufacturers, dealers and importers of airconditioning and refrigeration equipments with factories in Calcutta and Bombay."

The Orient Paper mills has not the money for modernising its own plant; but it has the resources to buy up an airconditioning factory. What a paper mill has to do with airconditioning passes my imagination. Is this kind of thing going to be permitted? The Finance Minister is reported to have said at the party meeting that he is going to have a list of 20 industries in which they can invest the reserves. What exactly does it mean? I would very much like to know much more about this scheme, because this kind of hanky panky has been going on for a long time and I do not think it adds to the health of the economy. If this can be checked without in any way adversely affecting the normal needs of our economy, it needs to be done. Here, I would agree on one point which some of the previous speakers have referred to that the Finance Minister must work out very carefully the impact of these changes on the bank resources. To what extent the banks are in a position to bear the consequential impact of these changes—that needs to be carefully thought out, because that is the one point on which a number of critics have been rather outspoken.

17 hrs.

I have just two small points to make before I conclude. One is about deficit financing. I thought the former Finance Minister was pursuing the strategy of putting in a fairly large dose of deficit financing in the initial period and then stepping up taxation after that during the remain-

ing three or four years. Now that policy seems to have proved difficult, and we are now in for what we may call loosening the reins and tightening the reins alternately. This loosening the reins and tightening the reins alternately may be a useful policy, but I would not like that we cut down our deficit financing drastically. We should somehow recover or re-discover the digestive capacity of our economy, because if we do not do that I do not think we shall ever be able to raise the resources that we need to put through a Plan of the size that is needed by the country. And with it, it is necessary to give special attention to the production of food and cloth. I feel that far too much attention is being given to the new institutional set-up that is likely to be introduced. Suddenly our Prime Minister developed interest in agricultural co-operatives, and when he develops sort of an interest in something, practically every one develops an interest in it. I am sure you must have read the report that Mr. Gomulka had to give up the experience in Poland. The agricultural co-operatives have been yielding 16 per cent less output than the small peasants. The State farms, of course, have been yielding probably 25 to 30 per cent less. Let us not rush into some of these things. Of course, co-operative marketing and other things are necessary, but in the difficult situation in which we find ourselves, we have got somehow or other to create conditions where the small peasants with what little assistance we can give them, without bringing about those drastic changes of bringing them into co-operative farms and all that, are able to produce more of what we need. This is an emergency, and emergency measures have to be taken. If that attitude is adopted, I believe we shall be able to meet the situation.

About labour, I would just like to say two things. One is that while there is a case for increase in wages, that has got to be linked up with

higher production. I would like the Prime Minister and the Finance Minister, after the Prime Minister is free from his international preoccupations, to call the trade unions together, talk to them. It is necessary if we are to get over the crisis that is threatening us to call them together and get their co-operation for the next two or three years. They will likewise have to call the industrialists and see to it that the entire structure of management is modified, it improved. If it is not done, it is no use appealing to the labour. And above all, I believe it is necessary by seeking the co-operation of all sections of the people and all political parties in the country to bring them together to see that we are able to step up in the next six months, one year or two years, food production and cloth production in a very big way. And for that the co-operation of millions of people is needed. That can be obtained only if we can create in this country an awareness of the crisis that is confronting us and the willingness to forge the unity through which alone we can overcome the difficulties that are facing us.

Shri Morarka (Ganganagar-Jhunjhunu): Sir, on the Order Paper there is a motion in the name of Shri Tulsidas to refer these Bills to a Select Committee. I am not supporting that motion in view of what the hon. Finance Minister explained, namely that these Bills have to be passed by this House and then they have to be sent to the other House and before the session ends they have to be put through. But in saying so the Finance Minister characterised the motion of Shri Tulsidas as a dilatory one. I am sorry I cannot agree with these remarks of the Finance Minister, because you know, Sir, that when the annual budget is presented to this House and when the Finance Bill is introduced which contains the tax proposals, almost two months' time is given to this House to consider the

Bill, to understand its provisions and appreciate its implications and then only it is passed.

You may recall that in 1952-53 there was no proposal for fresh taxation at all. In 1953-54 only Rs. 1.5 crores were raised. In 1954-55 it was Rs. 11.85, in 1955-56 Rs. 21.70. Even then two months' time was given to discuss and finalise the tax proposals contained in those Finance Bills. For the year 1956-57 this is the third time we are considering major proposals for taxation. In February we considered taxation proposals for about Rs. 34.15 crores. Then we had the big excise duties, and now we are having this third dose of taxation which comes to about Rs. 16 crores. Sir, my grievance is not against the amount that you are raising by taxation. As the Finance Minister has said, it is a national emergency. We have a Plan to put through and for that purpose if the internal resources have to be raised and geared up, taxation can certainly be raised, but the manner in which the proposals are put before the House and the manner in which they are hurried through, certainly, is not desirable.

Last time when the Finance Minister put the proposals for increasing the excise duty before this House, he quoted certain facts and figures. The main justification for the Finance Minister in raising the excise duty was that there was a big gap between the fair price of cloth and the actual price charged on the market, and he quoted two particular qualities of cloth. He said the price of certain dhotis and certain sarees were so high that he was fully justified in increasing those excise duties. I am told by the people in the market, and I am even supported by a paper no less than the *Commerce* that the figures quoted by the Finance Minister were not accurate. I will seek your indulgence to read only one paragraph from *Commerce* dated 22nd September, 1956, which reads like this:

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"We have since had these figures (the figures given by the Finance Minister) checked up with the trade. This was possible, because T.T.K. was good enough to give the names of cloth bought by his men. Our enquiry shows that the figure of Rs. 7-4 per pair Samrat dhoti mentioned by him as the ex-mill price is perfectly correct. But where he has gone wrong is the fact that this ex-mill price excludes the excise duty amounting to Rs. 1-8-6 per pair (at the rate before the increase). The same is the case in regard to the India United Mills sari, on which the excise duty was of the order of As. 15 per sari. So, the big difference between the fair price assumed by him and the actual price paid by him will be practically wiped out if allowance is made, as it should have been made, to the excise duties mentioned here. It, therefore, looks as though T.T.K. has been misled by some official who forgot the fact that the ex-mill prices noted by him were exclusive of the excise duties. Indeed, a section of the cloth trade was amazed that the Finance Ministry should make such serious factual mistakes and levy taxes on the basis of such wrong data."

As I said, my grievance is not against raising taxes, but when you bring forward measures of taxation, such important measures, at least the House must know the implications of the measures, we must be supplied with full facts and figures before we can give our assent to these proposals.

My next criticism about the present proposals is that enough data is not given to this House to appreciate the implications. For example, we are not told what would be the total gain on account of the capital gains tax. We are not told how much he expects to collect from the increased dividend tax. We are again not told

how much he expects to receive by way of compulsory deposits in the first instance. These are the things which we must know. Otherwise, what are we discussing? How can we intelligently apply our mind to the proposals which he has put forward? The national emergency is there, more money is required. The taxation proposals are there. The House should pass them immediately so that the other House may pass them. Very good. But why were these proposals not placed before the House when the House started the session on the 14th November? Why so much delay? This is my one criticism and I hope the hon. Members of this House would appreciate the force behind this criticism.

My second point is this, that a new type of procedure is being introduced here in the sense that the Government wants now a blanket power of taxation. They say: "You give us the power to put tax up to this limit. We are not putting so much tax today, but give us that power so that whenever the need arises we can increase the tax". I would give you example after example to illustrate my point. I think this tendency has started only recently. Last time when the Finance Minister brought before the House his proposal for excise duties, he wanted the excise duties of six annas, four annas and four annas on superfine, fine, medium and coarse cloth respectively, but he said: "No, I am not raising the excise duty to this level today. I am only going to levy four, three and two annas respectively." He wants to keep the margin for himself, so that whenever he wants he can raise the taxes, and the whole trade will be at his feet and the entire public will be at his mercy. Is that fair? The proposals of taxation must be concise, precise, specific and definite. Then only this House can apply its mind to the taxation proposals.

The power of delegated legislation may be exercised very well in other fields, but it should never be introduced in the field of taxation. The right of taxing the people is a very serious and important right, and that right should be confined, and belong to this House only; it should not be delegated to any executive authority.

Professor Kaldor has criticised the giving of greater authority to the executive in a matter of taxation. Of course, he was not considering the question of increasing the tax whenever the executive liked as there was no such contingency before him, but he was only considering the classification of companies under section 23A. So that is my second criticism in regard to the power of taxation that Government want to take.

They do not want to raise the tax to the full extent today, but they want to take a power under which they can exercise the right of raising the tax whenever they like to do so within the ceiling fixed. May I invite your attention to the present proposals? So far as rayon yarn is concerned the excise duty which the Minister proposes to impose today is two annas per lb. But he wants the power to raise it up to Rs. 1-8-0. Is this House to apply its mind to the proposal on the basis of Rs. 1-8-0 or, is the House to say that As. 2 will be enough? Every time if new taxes are to be imposed, or the old taxes have to be increased, the Finance Minister must come before this House and justify his demand to increase the taxes.

Similarly, in regard to stamp duty, he wants to raise it by Rs. 5, Rs. 10 and so on, but he says that at the present moment, he is raising them only by 50 per cent of the rates that he has proposed.

Sir, we find the same thing in regard to compulsory deposits also. He wants to take power under this Bill to have 75 per cent of the current profits and 25 per cent of the past accumulated reserves. But he says that for the time being his intentions are to have only 50 per cent

of the current profits. If his intentions are only to have 50 per cent of the current profits, then why should he take these powers which are going to be very harsh for the trade and industry. Why should he create unnecessary nervousness in the minds of the people? After all, the House is going to be there and whenever he likes, he can come again, justify his case and have the necessary powers.

Shri Bhagwat Jha Azad (Purnea cum Santal Parganas): These powers are there so that the money-bags may not misbehave.

Shri Morarka: I do not want to answer my hon. friend. He talks without understanding anything. (*Interruptions*).

Shri Bhagwat Jha Azad: I know better than you.

Mr. Deputy-Speaker: When the hon. Member hits, he must be prepared to receive it back also.

Shri Bhagwat Jha Azad: I have also hit back. What is the harm?

Mr. Deputy-Speaker: Not continuously.

Shri Morarka: In regard to compulsory deposits, we have two sets of provisions; one is in respect of the current profits, and the other is in respect of the past accumulated reserves. The Finance Minister says that 75 per cent of the current profits and 25 per cent of the past accumulated reserves would be the ceiling up to which he can take.

My hon. friend from Bhandara who just preceded me said, why did Shri Tulsidas, Shri G. D. Somani, and Shri N. C. Chatterjee not object when there was a national emergency and the British Government imposed these restrictions. I wonder where he got this information from. I am sorry that such a clever person as the Member from Bhandara should have spoken like this. Was there any legislation any time in the past saying that the reserves of the company should be deposited with Government in any

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emergency? I am afraid my hon. friend has mixed up two different things.

During the war, the then Government used to give permission for fresh capital issues on certain conditions, one of which was that till the applicants utilised the sum for the purposes for which they were asking, those sums would remain deposited with Government. The same is the case today under the Capital Issue Control Orders. The same power is being exercised even today in the same manner. Government can impose the condition that the money would remain with Government till the concern can make proper use of it.

Similarly, there was the excess profits tax in India. Government can impose excess profits tax, and whatever is received by way of tax can be kept with them. If they want any compulsory deposits out of the current profits, they can have them by all means.

But today the reserves which a company has got are not free or liquid reserves so that you can just pounce upon them and take them. They are reserves invested somewhere. This is not my view only. I am supported in this view by the Taxation Enquiry Commission. I am quoting from the Report of the Taxation Enquiry Commission, Vol. I, page 108:

"Outstanding reserves do not indicate the available liquid resources for industry that could be drawn upon for replacement and other purposes, because all reserves would have been put to some business purpose or other. Taking the assets side, cash and near cash i.e. investments and EPT deposits) may be deemed to be liquid; in addition, receivables (book debts, advances against goods etc. and miscellaneous current assets may also be deemed to be liquid in varying degree. A large part of

receivables is in the form of book debt. The major part of current assets represented by stock in hand (finished goods, raw materials and work in progress) is customarily regarded as 'working assets' and not as liquid assets".

Then they go on to say what is the position in the 407 companies, about which the Reserve Bank had carried out a survey and analysed the position. Now, even during the years 1946—51, according to the Reserve Bank survey, most of these reserves are re-invested by the companies towards capital formation. Even Professor Kaldor, who was called here as an expert on taxation, has this to say about these reserves. (I am quoting from page 87 of this Report):

"It is not always appreciated that the ploughing back of profits is an essential requirement for steady expansion in the case of a private business. It cannot grow through an increase in the share capital through public subscriptions; and its borrowing power is strictly limited to a proportion of the share capital employed in the business".

Then he says at the footnote:

"In India, taking all companies (public and private) together, the ratio of ploughed-back profits to net disposable profits after tax was 68% (i.e. Rs. 66.5 out of Rs. 98 crores) which makes the 40% limit applicable to all private companies the more absurd".

Now, what I am endeavouring to prove is that these companies whose reserves you want to be deposited with the Reserve Bank or with the Government, have not got those reserves in liquid form lying with them and hence it is not possible for these Companies to deposit them with the Government without seriously disturbing their working. The Finance Minister himself said in the course of his speech that there was a tightness in the money

market and that the legitimate demands of commerce and industry were suffering. Now in such a situation if you want to take Rs. 30 or Rs. 40 or Rs. 50 crores, whatever it may be, from these companies, where is this money to come from? Leaving aside all the technicalities, physically the money will have to come from those companies and will have to go to Government. Would this increase the tightness of the money market or would it decrease it? I would like to know from the hon. Minister what he proposes to do to meet a situation like that.

Unless serious thought is given to this, I am afraid a compulsory provision like this may cripple some of the industries. There are many companies which never claimed any depreciation. Those trading companies also would be required to deposit 25 per cent of their past accumulated reserves with the Reserve Bank.

These are the points to which the Finance Minister must seriously apply his mind to see that industries—even though, he is no longer the Minister for Industries—of the country do not suffer by any such provisions which are not taxation measures—as the Finance Minister does not hope to get any tax from this—but which, according to him, are merely regulatory provisions, by which he wants to regulate the investment of those funds. Then I think there must be some sort of latitude allowed. If you find that a concern is running its business with all the reserves invested in the business, this compulsory provision should not apply.

My next point is about foreign exchange. Our Finance Minister in his speech has said that the foreign exchange situation is very alarming or something like that. Our Five Year Plan, a summary of which I have here, anticipated a shortfall of Rs. 1100 crores during a period of five years in our foreign trade. If you take that figure, then per year it comes to slightly more than Rs. 200

crores. So the present deficit is an anticipated one but where we have gone wrong is not that our balance of trade has gone the other way but the way or the manner in which we should have augmented our foreign exchange reserves both on public and private accounts has not been done. So far as foreign trade is concerned, there is nothing wrong with it. It has worked almost according to the pattern of the Finance Minister. But where we have gone wrong is that so far we have not been able to receive the required capital from abroad, either on private account or public account or on both. I am quoting from page 41 of this summary:

“Over the five years, the aggregate deficit on current account is estimated at Rs. 1120 crores. It will be seen that a large part of the deficit is expected to occur in the second and third years of the Plan. This “hump” in the middle of the Plan period is accounted for by the fact that imports of steel, machinery and equipment are anticipated to reach a peak at about the time the Plan is halfway through.”

Then, again, on page 42, this is what it says:

“Part of the deficit of Rs. 1100 crores can be financed by drawing down the foreign exchange reserves of the country. These reserves are required essentially to enable the country to tide over temporary balance of payments difficulties. If the reasonable level of such reserves be taken at some 6 or 7 months’ imports, Rs. 200 crores or so of the sterling balances to India’s credit could safely be utilised to meet part of the foreign exchange requirements of the Plan.

“After allowing for a withdrawal from foreign exchange reserves of Rs. 200 crores, there remains a gap of Rs. 900 crores, which can be filled through the inflow of private foreign capital

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and by external finance—in loans and grants—from international agencies and friendly foreign governments.”

As I said, our foreign exchange position is alarming, not because we have imported more than what we planned—there may be slight marginal things here and there—but because the foreign capital they expected, the foreign assistance they expected from friendly governments, the foreign loans they expected, all that has not come. Therefore, the position has become serious. But even assuming that the foreign exchange position is serious, what action has the Finance Minister taken in today's Budget? In these proposals, what are his concrete proposals for saving our foreign exchange? Proposals are there to increase import duty on certain articles. What are those articles? They are dried fruits, woollen goods and things like that. How much would be conserved in our foreign exchange by imposition of these duties? Of course, we would get certain revenue in foreign exchange—it is all right. But that certainly is not a measure which would help substantially the position of our foreign exchange. More drastic remedies and more radical measures are needed for improving the position.

My final point, which is a very short point, is about the dividend tax. The Finance Minister has increased the dividend tax. I welcome the increase in the dividend tax, but unless and until he simultaneously increases the tax on bonus shares or he announces his policy completely banning the issue of such shares it will be always advantageous for the companies now to issue more and more bonus shares. Now once more bonus shares are issued, the companies will not here to deposit 25 per cent of the reserve with the Reserve Bank, as these reserves would be capitalised and therefore disappear. Secondly, those who issue bonus shares can avoid dividend tax also because smaller dividends can be declared on larger capital, that is increased capital.

If the Finance Minister wants his dividend and his capital reserve policy to succeed fully, he must simultaneously decide not to give permission to issue bonus shares or the tax on the bonus shares must be increased.

Shri T. S. A. Chettiar (Tiruppur):
Sir, we stand by the Plan. It is necessary that the Plan must be got through and the resources and incomes must be tapped. But, before we go in for larger taxation, is it not our duty to see that we spend every rupee that we get properly? To me this is a matter of great importance. The Finance Minister, when delivering the Budget speech, mentioned:

“With the large and growing outlay in the context of the Plan, both on revenue and on capital account, the question of securing the maximum possible economy and avoiding wastage owing to delays and inefficiency assumes added importance. . . . We have an Economy Unit set up under the Home and Finance Ministries continuously re-assessing the staff requirements of various Central Ministries. . . . We have been in consultation with the Planning Commission and have come to the conclusion that the best way of dealing with this matter would be to set up a special high powered committee of Ministers and the Deputy Chairman of the Planning Commission at the Centre to organize a thorough investigation. . . .”

What has been done in this matter? Have any economies been obtained? My information is that the wastage about which mention has been made is there; it has been going on.

There was a question asked in this House. The former Governor of Orissa made a statement that in the D. V. C. project, there had been considerable wastage of expenditure. An

explanation was read out by the Planning Minister. It must have been written by somebody, I am sure, may be an Under Secretary. It satisfied nobody.

We know that in many of these projects, there is an immense wastage, it is so with the many buildings that we see around us in Delhi costing one crore and two crores. I understand that the building recently constructed for the UNESCO Conference it was a month's function; it was a great and glorious function—cost very high. What is the price that the tax-payer had to pay for that? I do not know the exact expenditure but my information is that it cost anything between Rs. 80 and Rs. 130 lakhs. That is the cost of the building *Vigyan Bhawan*. Have we any justification for spending such huge amounts when we want to save every pie for the implementation of the Plan. I feel that we are not saying; no attempt is made to save. I shall come to the Home Ministry's unit a little later.

As far as capital expenditure is concerned, we spend many more times than necessary in these projects, buildings and other things. No attempt is made to economise.

I now come to the staff position. In 1935, it has been said that the staff of the Secretariat totalled 45,000. Today, I am told it is 65,000. Of course the Secretaries and the Ministers and the members of the Central Board of Revenue are all closely in touch with the Secretariat. But, what we hear is this. For the lower class of officials, the work begins a few minutes after 10 and ends at 5. In between, they do not devote enough time to their work; they are not very efficient. What is the yardstick by which they measure the work of these people? I want to know that.

I am told that the intensive work begins at the Deputy Secretary level.

In the lower cadres the work is neglected and not done properly. The records are not maintained properly. I would like to know whether the Government have gone into this matter and whether so many people in every office are necessary for doing the work. What is the yardstick?

I am for taxation. Tax the rich and tax the higher dividends. But, before we do it, it is the duty of the Finance Minister and the Government to see that every rupee is properly utilised. I am not sure that we are doing it.

The Finance Minister was good enough to inform us that deficit financing would have to be stopped hereafter. I expected that he would give us some knowledge about the amount that had been issued as deficit finance today and that the amount he had proposed to withdraw. We know that the cost prices are increasing. The increase in cost may be due to scarcity in some cases, and the increase may also be due to inflation. It is for them to determine as to what portion of this increase of cost is due to inflation and if that is so, the way in which they propose to find the amount that is tried to be bridged. If we are to avoid inflationary tendencies by deficit financing, we provide Rs. 1000 crores by way of deficit financing. We expect that some time the Finance Minister would be able to tell us what will be the safe advancement by way of deficit financing and how he has tried to make good the rest of the amount which will necessarily go to Rs. 400 or Rs. 500 crores.

The money that he proposes to raise now is only Rs. 16 crores. It has not been made clear as to how he proposes to find the rest of the amount. I do not know whether he will be able to make it clear in his reply, but I hope some time he will be able to do it.

Coming to some of the tax proposals, I would like to urge the point that I urged earlier when this Bill was taken up. The Speaker laid down

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a very good principle while discussing the Budget and the proposals of the Government during the budget discussion. While Government is entitled to bring taxation measures—and normally in this House taxation measures are not referred to Select Committees—vital amendments to the Income-tax Law should be referred to Select Committees. That is because the Income-tax Law being an important law, a Committee of the House should go into it intensively before it is being enacted. We, in this House, have a great responsibility, and the responsibility is greater because we, the Congress, command a large majority, a very large majority, and anything can be done. Because of that very fact we have a greater responsibility to see that the things that are passed are considered properly.

I do think, inspite of the explanation that has been given by the Finance Minister, that this matter of compulsory deposits is a new matter, which is attempted to be brought within the scope of Income-tax Law, and as such this matter should have been considered by this House very thoroughly. Usually, the way of considering things thoroughly in this House is through committees and a Select Committee should have been the proper thing to refer this matter to. I know there would have been delay, but that could have been cut short by saying that the report should be submitted in two days. We are not strangers in this House to be told that such steps have not been taken and Select Committees have not given their reports within a couple of days. Overnight sometimes Select Committees have submitted their reports. If that method was adopted here the Bill would have been much better than it is now, or at least the satisfaction of it having been considered by a Committee of this House would have been there for all concerned. This is not a matter over which I can agitate today, but I do think that the

ruling that was given by the Speaker on the last occasion should be maintained. Any point which is considered to be a vital amendment to the Income-tax Act, or any Act for that matter, should be referred to a Select Committee, because the Finance Minister is entitled to bring in measures for taxation at any part of the year when he thinks it necessary and normally we do not refer matters of taxation to Select Committees.

With regard to one other matter I would like to agree with my friend Shri Morarka, who spoke just before me. Governments are entitled to ask Parliaments to vote taxation measures. While asking the House to do that, normally they are precise. They ask for a definite thing, it may be *ad valorem*, it may be import duty, excise duty or any other thing. But I should think it is rather a strange habit, and it should be discouraged, that the Government is given power to levy taxation to a maximum limit. I find that almost in every page Government have taken the power to tax at a higher rate, though the tax at present levied is much less. I would like to ask the Finance Minister to consider whether we are setting up a good tradition when we do this. The Government, of course, have the power to reduce the tax by notification. But, for increasing the tax, the consent of the Parliament must be obtained. The consent of the Parliament becomes nullified if we give a power like this to the Government providing for the maximum taxation, while the necessity today is for a much smaller amount. I think we are setting up a bad tradition in doing this; not only that. Parliament is not treated properly, because the increased taxation may not have the consent of the then Parliament at the time the tax is levied. The Finance Ministers change their mind, and Parliament also may do so. In matters of taxation, the consent of Parliament must be taken. By giving this

sort of permission providing the maximum limit for taxation while only a certain amount is necessary for the time being, the Parliament's consent is given the go-by. I think it is not a good tradition. My friend, the Finance Minister, is well versed in parliamentary traditions and he has as much interest in setting up good traditions as anybody else, though for the time being it is more convenient to take powers by which he can do things without going to Parliament. But, I do hope that he will consider this matter and take the power only for such taxation as he may want today, leaving future for the future. When he wants more money again, it will be possible for him to come before Parliament.

I would like to mention one other matter. Mr. Gadgil and myself have been Members in this House for many years and we know each other very well. But there is one matter on which I am unable to agree with him, namely, that nationalisation is a panacea for everything. Taking actual facts into consideration, we know that nationalisation is not a panacea for everything. Sometimes the standard of work goes down as a result of nationalisation. I know some of the nationalised concerns. When I go to a private concern, the man there is very smart, but when I go to a nationalised concern, he is indifferent and he does not care whether you purchase anything from him or not. In many cases, efficiency has suffered because of nationalisation. Apart from that, what is still more dangerous is that nationalisation means creating a bureaucracy of officials and the ordinary man has no other choice but be at the mercy of these officials. At the time when food control was at its highest, they nationalised trade in foodgrains and the people had the worst experience in those days when every man was at the mercy of some official or bureaucrat. Corruption was at the highest because food was nationalised. I believe in nationalisation of a few key industries. To be

efficient, they must be a few. To be efficient, they must be necessary and they must be essential. I shall not be a party to the nationalisation of every petty thing, every textile mill. A textile mill is a petty thing when compared to nationalisation. These are small units with a capital of Rs. 25 lakhs employing 500 people. If these things are to be nationalised, inefficiency will be at the highest. I am afraid when people talk glibly about nationalisation of everything. Let us nationalise things which are necessary, things which are essential, things which we can run. Even then, I would like to sound a note of warning. Today, we do not have among the officials people with capacity to manage business. Many of them think that they can manage a business through files. One Secretary said that he can take over the Tatas and manage it efficiently. That only shows that we knew nothing about the Tata. Business experience also is built up. We should build up a section in this Government in which we may pool business experience. Then, we may be able to manage great undertakings efficiently. We should have people who know the ways of businesslike dealing with people and not bureaucratic ways of dealing with people. Until that is done, even about essential things, we should not be too fast. These are by way of general remarks.

Coming to the duties themselves,— personally I am not against the enhanced tax on dividends. I know certain mills have given dividends up to 30 per cent. I asked them myself, this is undue, that an ordinary shareholder should get 30 per cent. He has not done anything except putting his money there. This is rather bad, rather too much. In the higher dividends, higher than 6 per cent. if taxation is levied and that money is tapped, I do not think that we should cry that that is a great hardship. With regard to the compulsory deposits,—I shall not make any other observations; I shall confine myself to small points; I shall not refer to the

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import and export duties; I shall confine myself to the case of these deposits—there is a fear when under bureaucratic control, permission has to be taken for withdrawal of these deposits to be utilised for the industry itself. It is said that up to 75 per cent. of that money may be ordered to be deposited. There is a fear among the people that the industries may suffer. When I talk about industries, I am not referring to the top people. The top people always know how to get suitable orders from the Government. My hon. friend on the other side, Shri Tulsidas, said while discussing the Estate Duties Bill, we are not afraid because we can pay the lawyers and get things done as we like. He said that it is the smaller firms that would suffer from the harsh provisions of the Bill. That is quite true. Even in the matter of deposits, the top people will get orders from the Government in a manner suited to them because they can speak to them, have dinner with them, and persuade them. There are a hundred ways of persuading people. These small units of industry.....

Shri Bhagwat Jha Azad: Is it a sin to have dinner? That is too much to say that. Not a compliment.

Shri T. S. A. Chettiar: Not a compliment; it has happened. What I am saying is this. These small units which are distributed throughout the country will suffer. They cannot persuade the people. They can only write a letter. At the most, they can send a telegram. All of them are to be put under control like this. In spite of the assurance that has been given by the Finance Minister, I am afraid as to how it will work. Under this Bill they have power to make rules to prescribe from time to time, subject to certain limits, the percentage for the calculation of the amount to be deposited, to prescribe the manner in which the deposits may be made, to prescribe the time when and the manner in which refunds of deposits may be made and to prescribe

the rate of interest, etc. I would like to know whether this matter is entirely to be left to the officials or whether they are going to associate any committee of merchants or industrialists to do this job. I would very much wish that a committee is associated with it. There is the Company Law Committee, for instance, under the chairmanship of Shri Viswanatham who may be consulted about it. In any case I would like that a committee which is in touch with business should be associated with this job.

Shri Barman (North Bengal-Reserved—Sch. Castes): It seems from the debate in this House as though it is a complicated financial matter on which I am going to speak. But my safety is that not being a financial pundit, I can very well speak on the general notions that I have regarding this Bill, and the House can very well assess whatever I may say in that light. Therefore, I shall speak generally about the impressions that this Bill creates upon an ordinary man.

It seems to me that this Bill and the controversy that has been raised over this Bill can be compared to the adage of a tempest in a tea pot. After all, what are the provisions of this Bill? As I read it, there are only two or three things at the most. One of them is the deposit of a certain percentage or certain sums of money. The companies are permitted to keep aside certain allowances without taxation which cannot escape taxation unless they deposit a certain amount of the surplus. My apprehension is that when you find so much opposition to this simple provision, there will be no deposit at all. Rather, those who are intent or are determined to keep this money in their own hands or in banks of their own choice will rather pay taxes on those allowances. What is the amount that is to be deposited? It is 25 per cent. of the accumulated profits, and reserves of the company, of past years and up to 75 per cent. of the excess sum after paying dividends, income-tax, super tax etc. plus

some of the allowances under this clause which exceeds Rs. 1 lakh. So, up to Rs. 1 lakh they will keep it in their hands. No fraction has to be deposited. Whatever is in excess of that is to be deposited up to 75 per cent. with the Central Government—either with the Reserve Bank or any other bank that the Government may nominate. I fail to understand why there is so much objection to this from the side of the companies, especially in view of the fact that the further provision has been made that only the approval of the Central Government will be necessary, and the company will be free to draw such amount as they require for investment or other legitimate purposes. Instead of keeping their money on a private bank or a bank of their own choice from which they can draw at any moment they like, they are simply asked to deposit a certain percentage of it with the Central Government, and that amount will be at their disposal, up to 75 per cent. It is only the approval of the Central Government that will be necessary for utilising the money.

Now, that approval is necessary in view of the fact that the surplus sums have got to be invested in some approved undertaking. We know how these large accumulated reserves and other funds deposited with private banks have been misused by those who were at the helm of those banks. We have heard about cornering of valuable goods, cornering of oilseeds, cornering of essential goods like food-grains, and so on. Who furnishes that money? Where does the money come from? It is mostly the money that lies with the bank, which money is at the disposal of these private capitalists.

We know how some of these private banks have crashed. Sometimes, the moneys accumulated in the banks are given as loans in the name of *benamidars*, and persons who are not worth even a hundred rupees are given loans of thousands and lakhs of rupees. We know also of some banks

where, when a crisis is there or a crisis is brought about in an artificial manner, the honest depositors had to compromise their valuable assets with these *benami* debtors at 15 per cent. by this process, the honest depositor loses his money while the dishonest loanee practically reduces the debt that he owes to the bank to a nominal amount. There are many such things happening. I do not say that that is the case with every bank, but there have been such cases.

[MR. SPEAKER *in the Chair*]

17-53 hrs.

My only submission, therefore, is that there should not be any serious objection to a simple provision like this. The company's money remains the company's money; only, a certain percentage of the surplus has to be deposited with the Central Government, so that the Central Government may direct in what way that money can be utilised.

I now come to capital gains. This tax is not a new thing at all. It was there earlier, but it was discontinued from 1st April 1948. Now, it is again going to be revived. It has been said that this tax can fairly be imposed only when there is an emergency. Is there no emergency now before us? We have committed ourselves to the Second Five Year Plan, and we are in need of money; apart from this, the size of the Plan estimates has also been increased by about Rs. 400 to Rs. 500 crores. Are we to give up our Plan estimates? Are we to give up the objectives of our Plan? Is this not an emergency? I think a greater emergency cannot be there than this.

Then there were technical objections here and there as to any article of the Constitution or any rule made by this House. But what is the principal objective to which we are committed by our own Constitution? It is the preamble which is the pivot and the hub around which all our activities should revolve. If there be any

[Shri Barman]

article in the Constitution itself which is not in consonance with this, this House should have no hesitation even to amend it so that our main objective in the Constitution, to which we are pledged, must be achieved. So no technical objection should withhold us from our objective.

It has been said that this capital gains tax will bring in only a paltry sum, say, Rs. 10 or Rs. 15 crores. Then why is this hue and cry raised against it? The country needs money, the Government need money. If that money is to be had from quarters where there is money, it must be had. Only this super-tax is going to be increased. It has been laid down in the Bill itself that only if it exceeds a certain percentage of the dividend, this super-tax is going to be increased. What is the objection to that? The objection is that the investor invests money with the hope that he will get more dividend, and that the value of his equity will appreciate.

Now, may I ask: is not 10 per cent a sufficient sum? I can tell you about industries where the dividend exceeds not 10 per cent. but 100 or 200 per cent. of the original investment. A share with a face value of Rs. 250 brings in an annual dividend of about Rs. 1,000. Its value has appreciated to Rs. 15,000 or Rs. 20,000. Are they not satisfied with this? Can they not pay a little out of it to the public coffers so that the public may benefit?

What are we committed to? What do we see in other fields? We have asked more than 500 princes of this land to give up their right, their kingship. We have acquired zamindari. We are also asking the landlords to give up the possession of their lands beyond a certain maximum. What are we going to pay them? The princes are paid an annual subsistence. What are the zamindars and landlords getting? In West Bengal, when the income is more than a lakh, he is asked to get only Rs. 2 lakhs, double the amount, and that too not at a time, but over

a number of years. Now, do you mean to say that we shall ask all these investors in land to give up their existing rights for the development of the country and attain our objective of a socialist pattern of society but we shall not touch the industrialists? This is a proposition that cannot find acceptance in this country any more. I would ask the industrialists and the capitalists to just consider the trend of the country, to see in what condition the vast masses of our country are. They are waiting to see that this Government will really ameliorate their condition as time passes on; they are waiting for the fulfilment of the Plan. The vast masses, the vast population of the country, are waking from their slumber, though they are not yet fully awakened to demand their rights. It is the duty of this House to see that their hopes do not go without fulfilment and that they attain the objective which we have promised in our Constitution.

18 hrs.

Mr. Speaker: Has he more to say?

Shri Barman: A few minutes more.

Mr. Speaker: Then he may continue tomorrow.

BUSINESS OF THE HOUSE

Pandit Thakur Das Bhargava (Gurgaon): Before you go to the next item of business, may I submit one thing for your consideration? I very respectfully wish to bring to your kind notice that about 1½ hours' time was taken for the constitutional discussion about the Select Committee, etc. and only about 7 hours remained for the actual discussion of the Bills. Only four or five Members have taken part today and very many of us are anxious to take part—I know at least about ten Members. Even the broad provisions of the Bills have not been discussed, what to speak of the promise that the hon. Finance Minister has given that

we can discuss everything in this connection. I want to bring to your notice the very great desire of many Members of the House that you may please consider the apportionment of the time and at least increase it to five hours.

Shri Kamath (Hoshangabad): Whatever time has been saved on other Bills may be utilised here.

Mr. Speaker: What is the guarantee that we will save time on other Bills hereafter?

Pandit Thakur Das Bhargava: This is a most important measure.

Mr. Speaker: When did we start today's discussion on this subject?

Shri A. M. Thomas (Ernakulam): At 3-45 P.M.

Mr. Speaker: We have discussed for 2½ hours today. On the opening day, we had a balance of about 6½ hours, which means we have four hours more.

Shrimati Renu Chakravarty (Basirhat): Even some of the leaders of groups have not spoken yet?

Mr. Speaker: Why are they standing behind?

An Hon. Member: Certainly leaders should be allowed to speak on this question.

Pandit Thakur Das Bhargava: Not merely leaders, but other Members as well, because this is a very important matter.

Mr. Speaker: If hon. Members will confine themselves to 15 or 20 minutes each, tomorrow, I can accommodate some more of them.

Shri A. M. Thomas: No subject which we have discussed so far or yet to discuss is as important as this, so that I hope you will be pleased to give more time for this subject. We anticipated that this being a non-controversial Budget proposal, we might not take much time with it. But the trend of discussion indicates that we require more time.

Mr. Speaker: What has the hon. Minister to say?

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): I am strictly bound by the Chair which regulates the work of this House. If the Chair is disposed to give some more time, at any event I would like that it should not go beyond tomorrow.

Mr. Speaker: It is true that only a few hon. Members have spoken and others are waiting to speak, and that various groups have not been represented there. Instead of extending the time by five hours, I think we can have six hours more, instead of four, that is, from 12 to 6 tomorrow, and we should finish this tomorrow. Let the general discussion go on for five hours and let us reserve one hour for the clause by clause consideration and then finish it tomorrow at 6 o'clock.

CENTRAL COLLEGE OF AGRICULTURE

Shri T. S. A. Chettiar (Tiruppur): The point that I sought to discuss today is a small point but a very important point. The point is that in the Central College of Agriculture, the students from whatever State they may come are compelled to pass a paper in Hindi. This has worked to the disadvantage of some non-Hindi students. We have no objection to Hindi as such. South India is trying to adjust itself to the new conditions. We have introduced Hindi in the schools from the first or the second form. In the course of the next ten or fifteen years, we will be well up in Hindi and there may not be much difficulty for us to catch up and we may be prepared to take a paper in Hindi. Today, our anxiety is that nothing should be done to create trouble and inconvenience for anybody who comes from the non-Hindi area. Instead of creating unity, it should not become the subject and the cause for creating jealousies and disunity.

[Shri T. S. A. Chettiar]

It is not an agricultural college belonging to the U.P. Government or some other Government where the language is Hindi. It is a Central Institute, run out of Central funds. When it was brought over here from Pusa, it was considered to be one of the very important institutions providing for the lower grade and also the higher grade of education like the M.Sc. and also facilitating research in agriculture. Any institution which provides for research must be considered to be an All India institution.

The Minister of Agriculture (Dr. P. S. Deshmukh): May I make it clear that the M.Sc. course is not part of the Central College of Agriculture? It is separate and this rule does not apply to it because it is not a university examination. It does not apply to research also. It applies only to B.Sc. (Agriculture). It is the only course taught in this college.

Shri T. S. A. Chettiar: If it is applicable only to B.Sc., there are B.Sc. (Agri.) colleges in many States. I do not think that this course is a very important one from the Centre's point of view.

There is another point which is sought to be raised. It is proposed to give the whole institution to the university for management. I would like to be clarified whether only this B.Sc. course is going to be handed over to the university or the other research courses also.

Dr. P. S. Deshmukh: Only the graduate course because that is the only course there. Whatever is being done for research, M.Sc. etc. it is all done by the Pusa Institute. It is a separate institution altogether.

Mr. Speaker: Is it not insisted upon in the Pusa Institute?

The Minister of Food and Agriculture (Shri A. P. Jain): No, Sir. They are two separate institutions Central Agricultural College and the Pusa Institute. This rule applies only to the Central Agricultural College.

Shri T. S. A. Chettiar: May I take it that this rule about the compulsory study of Hindi does not apply to the other institution where M.Sc. and other research courses are conducted?

Shri A. P. Jain: No.

Shri D. C. Sharma (Hoshiarpur): Then, your case falls.

Shri T. S. A. Chettiar: Personally, I have no grievance if Hindi is being insisted in the B.Sc. agriculture. The M.Sc. and research courses should not be handed over to the university. It should be run as an All India institution so that the students from all States may be eligible for admission into it and nothing should be done to create difficulties for students coming from outside the Hindi area.

Mr. Speaker: The hon. Member means that wherever the Central university is maintained by central funds, that central institution must not insist upon any particular language.

Shri T. S. A. Chettiar: With regard to B.Sc. I am making no plea. With regard to the other part which provides for M.Sc. and research, these courses are not provided in many of the States and it would not be possible for every university to provide for every such course also. These courses must be maintained in an All India institution. Government should give an undertaking to this effect. Nothing should be done which will prejudice the admission of students coming from the non-Hindi areas.

Shri D. C. Sharma: The Ministry of Education has laid down a policy with regard to the introduction of Hindi at several stages. That policy is two-fold. One is for the Hindi-speaking areas and the other for non-Hindi-speaking areas. May I know if the Ministry of Food and Agriculture has laid down a similar policy with regard to the introduction of Hindi in those institutions which are being run by that Ministry? Of course, institutions

are of two kinds. There are some that serve local or territorial interests and there are other institutions which serve of an All India basis. May I know if the Ministry of Food and Agriculture has a policy with regard to that and if so, is it in any way different from the policy laid down by the Ministry of Education and decided at the conference of the Education Ministers?

Shri A. P. Jain: I quite agree with the Mover of the motion that Hindi should not be used in a way that it may hurt or handicap people living in any part of the country. So far as this Ministry is concerned, we propose to adhere by that policy.

But there appears to be a little confusion. There are two separate institutions. One is the Central College of Agriculture which is affiliated to the Delhi University. The other is the Pusa Research Institute, properly known as the Indian Agricultural Research Institute. This provision of certain tests in Hindi applies only to the Central Agricultural College and not to the Pusa Institute. The Central Agricultural College gives only under-graduate education in agriculture. Of course, it is maintained by the funds of the Central Government, but recently we have come to the conclusion that there is no necessity for maintaining this college. This college was established with a view to provide an institution for giving education to students coming from States where there was no agricultural college. Now, in India everyone of the States has got an agricultural college. Therefore, the necessity for maintaining this college disappears.

We took the decision to abolish this college sometime ago. Then the Delhi University came in. They said that we should not abolish the college. I said that it was not the function of the Ministry of Agriculture to maintain a college of this kind and if the University wanted, if they considered

it necessary as one of the faculties of the University, they could take it over. Some negotiations went on. The Delhi University has approached the University Grants Commissioner for money. If that money is forthcoming, we shall hand over the college to the Delhi University, otherwise this college is going to be closed.

This college, as I said, is affiliated to the Delhi University. The Delhi University in its academic Council, Executive Council etc. took a certain decision that in all the under-graduate courses one compulsory paper in Hindi will be there. That is not a decision of this Ministry. This college being affiliated to the Delhi University that decision also applies to it. In fact this question is not of any importance because this college is going to be closed or it will be handed over to the Delhi University when it will lose its All India character.

Shri Velayudhan (Quilon cum Mavelikkara-Reserved-Sch. Castes): Is it laid down that there should be only one college in one State? Thousands of applications come and they are refused admission because of the limited number of seats. Does the hon. Minister think that we do not want any other Agricultural College in India to train graduates especially during this Plan period?

Shri A. P. Jain: This is rather a strange question. We have set up sufficient number of agricultural colleges to give education to adequate number of agricultural students. If there is need for more colleges, the State Governments will set up more colleges, and we shall give the necessary assistance. It should be remembered that undergraduate education is the responsibility of the State Governments and not of the Central Government.

18.15 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 12th December, 1956.

[Tuesday, 11th December, 1956]

PAPERS LAID ON THE TABLE	COLUMNS	BILL PASSED	COLUMNS
The following papers were laid on the Table :	2491—92		2492—2574
(1) A copy of each of the following Travancore-Cochin notifications, under sub-section (3) of Section 133 of the Motor Vehicles Act, 1939, making certain amendments to the Travancore-Cochin Motor Vehicles Rules, 1952:		Further discussion on the motion to consider the Electricity (Supply) Amendment Bill, as reported by Select Committee, was continued. The motion was adopted. After clause-by clause consideration, the Bill was passed as amended.	
(i) Notification No. T4-11846/55-PWC, dated the 26th April, 1956.		BILLS UNDER CONSIDERATION	2574—2630
(ii) Notification No. T4-5146/54-PWC, dated the 18th July, 1956.		Further discussion on the motions to consider finance (No. 2) and Finance (No. 3) Bills was continued. The discussion was not concluded.	
(2) A copy of each of the following Notifications, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955 :		HALF-AN-HOUR DISCUSSION	2632—36
(i) Notification No. S. R. O. 2342, dated the 20th October, 1956.		Shri T. S. A. Chettiar raised a half -an-hour discussion on points arising out of the answer given on the 28th November, 1956 to Starred Question No. 524 regarding Central College of Agriculture. The Minister of Food and Agriculture (Shri A. P. Jain) replied to the Debate.	
(ii) Notification No. S.R.O. 2409, dated the 27th October, 1956.		AGENDA FOR WEDNESDAY—	
(3) A copy of the Report of the Indian Delegation to the United Nations Wheat Conference held during 1955-56.		12TH December, 1956. Further consideration and passing of Finance (No. 2) and Finance (No. 3) Bills.	