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10th February, 1948

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CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

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1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Tuesday, 10th February, 1948

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

PURCHASE BY GOVERNMENT OF INDIA CLOTH AND YARN FROM JAPAN AND OTHER FOREIGN COUNTRIES

201. **Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply please state the quantity and the price of cloth and yarn purchased by India's Supply Mission from Japan?

(b) Was the price settled before the purchases were made?

(c) Is it a fact that the purchase price is found to be more than double the price of Indian cloth and yarn?

(d) What was the total cost of this cloth and yarn and was it payable in sterling?

(e) In view of this high price has Government been able to cancel the contract?

(f) What will be the loss to Government if the contract is not cancelled and who is responsible for not fixing the prices before the purchases were made?

(g) Has any cloth been purchased from other foreign countries on Government of India account?

(h) If so, what quantity was purchased, from which country was it imported and what was its total value?

The Honourable Mr. O. H. Bhabha: (a) The quantity of cloth purchased is Eighty million yards. The prices of the cloth, f.o.b. Japanese port, vary from 9 annas per yard to 12½ annas per yard. No yarn has been purchased.

(b) Yes, Sir.

(c) The f.o.b. price varies from thirtyfive per cent. to Eightyfive per cent. more than the (controlled) ex-mill prices of corresponding varieties of Indian cloth. If to the f.o.b. prices are added freight, insurance etc. the landed cost in India of the more expensive varieties would come to more than double the (controlled) ex-mill price of corresponding Indian cloth.

(d) The total f.o.b. value is about Rs. 6 crores, payable in dollars.

(e) It has not been possible to cancel the contract for cloth but it has been decided to re-export the cloth.

(f) Government do not expect to incur any loss on this transaction. The prices were agreed to by Government before the contract was entered into.

(g) No, Sir.

(h) Does not arise.

Mr. R. K. Sidhva: The Honourable Minister stated that the Government has decided to re-export the cloth. May I know whether it has really been re-exported?

The Honourable Mr. C. H. Bhabha: 3/4ths of it has been given to people who have contracted for re-export.

Mr. E. K. Sidhva: For what purpose was this imported?

The Honourable Mr. C. H. Bhabha: This contract was entered into in April 1947, with the avowed object of relieving cloth shortage in the country.

Shri B. Das: May I enquire whether the sellers of this cloth to India were representatives of U. K. or U.S.A. or Japan?

The Honourable Mr. C. H. Bhabha: This cloth was bought from the SCAP agency in Japan.

Shri B. Das: May I know whether that agency belongs to the Japanese people or is that controlled by U. K. or U. S. A.?

The Honourable Mr. C. H. Bhabha: It is an agency which is working under the SCAP administration. It is, as the Honourable Member knows, an American authority that is functioning there.

Mr. R. K. Sidhva: Has that a branch in India or was the transaction made direct?

The Honourable Mr. C. H. Bhabha: The question does not arise. It is a Government to Government transaction.

Mr. Tajamul Husain: May I know the reason why Government agreed to pay double the price of the cloth?

The Honourable Mr. C. H. Bhabha: At the time when the contract was entered into, there was such scarcity of cloth that the Minister in charge of the particular department at that period considered it would greatly help to relieve the shortage of cloth in the country.

SUPPLY OF RICE BY GOVERNMENT OF NEPAL

202. *Mr. R. K. Sidhva: (a) Will the Honourable Minister of Food please state whether it is a fact that the Government of Nepal will supply 1,800,000 tons of rice during the year 1948 to the Government of India at Re. 8 per maund?

(b) Is it a fact that in view of this contract it will not be necessary to import rice from any foreign country?

(c) At what price do the Government of India intend to sell this rice to consumers through Provincial Governments?

(d) Do Government propose to see that excepting the actual transport charges and other out-of-pocket expenses no other profit will be allowed to either middlemen or Government?

The Honourable Shri Jairamdas Doulatram: (a) The Government of India have entered into an agreement with the Government of Nepal for the supply of twenty lakh maunds of paddy at the price of Rs. 8 per maund.

(b) The quantity involved is only twenty lakh maunds or about seventy thousand tons of paddy and this will hardly suffice to cover the deficit of Bihar and U. P. This country used to import nearly a million and a half tons of rice before the war, exclusive of supplies from Nepal, and therefore these supplies will not obviate the necessity for the importation of rice from other countries. The failure of the Monsoon in Madras will on the contrary increase this necessity.

(c) and (d). The paddy will be taken by Provincial Governments at cost and it is a settled principle that Provincial Governments do not make profit on their food supply operations. It does not follow that these particular supplies can be sold at cost; they may be pooled with other supplies obtained by the Provincial Governments and the pooled price charged to the consumer.

As regards middleman, I am sure that if any intermediaries have to be used the Provincial Governments concerned will see that they receive only fair allowances and no more.

Shri Upendra Nath Barman: Is the Honourable Minister aware that West Bengal also is deficient as regards paddy and rice?

The Honourable Shri Jairamdas Doulatram: Yes.

Shri Upendra Nath Barman: Will the Honourable Minister please consider whether a portion of this Nepal rice may be given to West Bengal in order to meet the requirements there specially at Jalpaiguri?

The Honourable Shri Jairamdas Doulatram: A certain proportion of this rice is intended for West Bengal.

Mr. Tajamul Husain: May I know whether the rice in question is fine, medium or coarse?

The Honourable Shri Jairamdas Doulatram: I cannot say.

IMPORT OF WHEAT FROM AUSTRALIA

203. ***Mr. R. K. Sidhva:** (a) Will the Honourable Minister of Food please state what quantity of wheat is expected to be imported from Australia?

(b) Is it a fact that the total crop of Australia is expected to be less this year owing to late season rains and that the quality is expected to be poor?

The Honourable Shri Jairamdas Doulatram: (a) We have entered into an agreement with the Australian Government according to which they will supply to us 25 million bushels which is approximately equal to 6.65 lakh tons of wheat during 1948. There is a further provision under the agreement that if the Australian Wheat Board is able to procure 210 million bushels, a further 5 million bushels i.e. about 1.33 lakh tons will be sold to us by Australia.

(b) The Australian wheat crop which looked a bumper crop in November has suffered damage from unseasonable weather in November and December and the quantity and in some places quality of the crop have been affected.

Mr. R. K. Sidhva: Has any contract with any other country been made for the import of wheat?

The Honourable Shri Jairamdas Doulatram: Not yet.

Mr. R. K. Sidhva: Will this quantity be sufficient for our requirements?

The Honourable Shri Jairamdas Doulatram: No. Government propose to enter into fresh contracts with new sources of supply.

Shri K. Santhanam: May I know if it is a fact that the price to be paid by India for Australian wheat is much higher than the price to be paid by Britain for the wheat contracted at about the same time as the Indian contract?

The Honourable Shri Jairamdas Doulatram: There is a slight difference.

Shri K. Santhanam: Will you please tell us the difference?

The Honourable Shri Jairamdas Doulatram: I think it is probably about 1 shilling.

Mr. R. K. Sidhva: Is the 1 shilling f.o.b. or c.i.f.?

The Honourable Shri Jairamdas Doulatram: It is f.o.b. Australia port.

Mr. R. K. Sidhva: How much will it come to by c.i.f.?

The Honourable Shri Jairamdas Doulatram: That will require calculation. I cannot tell you straightaway.

Bakshi Dr. Tek Chand: May I know the respective prices?

The Honourable Shri Jairamdas Doulatram: The U. K. price is 17 shillings and the price for us is sh. 18/6, per bushel.

Shri K. Santhanam: May I know how much it works out per ton?

The Honourable Shri Jairamdas Doulatram: You can work it out.

Shri K. Santhanam: Does the Honourable Minister think £2 per ton is a small difference?

The Honourable Shri Jairamdas Doulatram: Whatever the difference, we were able to get this rate from Australia. We were not free parties. This was the rate at which we could receive it.

Shri K. Santhanam: May I know why Australia has chosen to take more from a sister dominion than from Britain?

The Honourable Shri Jairamdas Doulatram: I understand that because the United Kingdom will always be a deficit country the U. K. always needs food from outside, it is able to get better terms. We are not customers every year of many countries. The United Kingdom being a country which has not got sufficient food has always to take from some country or other, and it is therefore a constant customer and able to get better terms.

Shri K. Santhanam: Will the Honourable Minister think of the desirability of fixing higher prices for jute and other things supplied from India?

The Honourable Shri Jairamdas Doulatram: I cannot say yes straightaway.

Shri T. T. Krishnamachari: May I know whether by reason of the ceiling being fixed by the International Food and Agricultural Organisation, we are likely to get some benefit in regard to importation of wheat from Australia, which I understand is much less than that of last year?

The Honourable Shri Jairamdas Doulatram: I cannot say at present.

Mr. E. K. Sidhva: Is the price f.o.b. or c.i.f.?

The Honourable Shri Jairamdas Doulatram: F.o.b.

Shri H. V. Kamath: In view of the scarcity of foodgrains in India, why should our Government have agreed to deliver immediately large quantities of maize to Egypt?

The Honourable Shri Jairamdas Doulatram: There are certain transactions relating to grain which are intended to secure for us a more needed variety of grain. We need rice; sometimes we hand over our maize in exchange for rice.

Shri H. V. Kamath: Are we getting anything in exchange for the maize we send to Egypt?

The Honourable Shri Jairamdas Doulatram: Yes.

Diwan Chaman Lal: Is there a clause in the Australian agreement for the purchase of this grain which stipulates that on the price being fixed at a lower level by the Food Emergency Organisation, the price of this Australian grain will *pari passu* be lowered?

The Honourable Shri Jairamdas Doulatram: If I have understood the question aright, I can say that if the rate at which we will be able to get wheat from the International Organisation is lower than the one at which we have to get from Australia, we get the advantage of the lower.

ACCEPTANCE BY DIRECTOR OF SUPPLY BOMBAY, OF TENDER FOR LIQUID METAL POLISH

204. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Industry and Supply be pleased to state when and from whom the Director of Supply Bombay accepted the tender for 25,000 lbs. of liquid metal polish?

(b) What was the price for which it was accepted by the Director?

(c) Is it a fact that the name of the firm and the acceptance of the tender were not disclosed to some concerns interested, in spite of repeated requests? If so, why?

The Honourable Mr. C. H. Bhabha: (a) The Director of Supplies, Bombay, did not accept the tender of any firm for 25,000 lbs. of liquid metal polish. He placed an order against a rate contract entered into by the Directorate General Industries and Supplies, where prices were cheaper as compared to those quoted against the tender.

(b) The price for this quantity, which is the one accepted in the rate contract, is Re.-/10/- (Annas ten) per lb.

(c) Where orders are placed against current rate contracts, it is not customary to publish details of the transactions and inform others, since publication is made when the rate contract is originally entered into.

Dr. B. Pattabhi Sitaramayya: Would it not have been better, Sir, if the name of the firm whose tender was accepted and the circumstances under which it was accepted, had been disclosed to the concerns who were interested in this business?

The Honourable Mr. C. H. Bhabha: That is not the practice, Sir.

Dr. B. Pattabhi Sitaramayya: Even so, Sir, would it not have been better for the Director of Supply, Bombay, to have said why the other tenders were not acceptable?

Mr. Speaker: The Honourable Member is arguing and asking for opinions, instead of seeking information.

Dr. B. Pattabhi Sitaramayya: Was it not the practice in previous years to announce the reasons for the acceptance of a particular tender?

The Honourable Mr. C. H. Bhabha: No, Sir, that has never been the practice.

Dr. B. Pattabhi Sitaramayya: Will Government be pleased to introduce this system in future?

The Honourable Mr. C. H. Bhabha: I do not think there is any necessity for introducing such a system at present.

Mr. R. K. Sidhva: Was the tender that was accepted the lowest?

The Honourable Mr. C. H. Bhabha: Yes, by about twenty per cent.

RE-EXAMINATION OF CEMENT PRICE

†205. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether there has been any increase in the price of cement recently? If so, has the price been raised with the consent of Government?

(b) On what considerations was the increase based and permitted?

(c) Are Government aware that even with the prices as they were, cement companies have made huge profits?

(d) Do Government propose to re-examine the position and disallow the increase in price?

The Honourable Mr. C. H. Bhabha: (a) and (b). The Honourable Member's attention is invited to the reply given to parts (b) and (c) of Mr. R. K. Sidhva's starred question No. 91 answered on the 3rd February 1948. The recent increase in price had the consent of Government. A copy of the Government of India's letter dated 22-12-1947 to Provincial Governments, which explains the increase, is tabled. Government hope that this price increase will bring about an increase in production.

†Answer to this question laid on the table, the questioner being absent.

(e) No, Sir.

(d) As stated in the letter tabled, the increase will be in force up to the 31st of July.

No. I(11)-15(3)/47

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

From

C. R. Natesan, Esq.,

Under Secretary to the Government of India.

To

All Provincial Governments,

New Delhi, the 22nd December, 1947.

SUBJECT :—Increase in public price of cement

Sir,

I am directed to say that the Cement Marketing Company of India Limited made representations to the Government of India urging that the existing rate of Rs. 65 per ton of cement was uneconomic, and that there was a strong case for an immediate increase on account of the increase in manufacturing costs (labour, coal and gunnybags) and in freight charges. The Government of India, after examining carefully the points raised in the representations, and also the materials made available to them by the Cement Marketing Company of India, as well as by their constituent groups, have decided that an increase of Rs. 15 per ton should be allowed, in addition to an increase of Rs. 7-8-0 per ton on account of freight increase, consequent on the increase in railway rates notified with effect from 1st January 1948. This increase of Rs. 22-8-0 per ton will be in force up to 31st July 1948, subject to examination and re-fixation, if necessary, by 1st April 1948, of the freight charges, based on actual calculations.

2. I am to request that the Provincial Government will kindly take immediate steps to notify the increase.

I have, etc.,

(Sd.) C. R. NATESAN,

Under Secy. to the Govt. of India.

Copy to :—

The Chief Commissioner, Delhi
Ajmer-Marwara
Panthiploda
Coorg

The D. G. I. & S., Shahjahan Road, New Delhi.
The Hon. Cement Adviser, D. G. I. & S., New Delhi.
All Regional Hon. Cement Advisers.

The Ministry of Commerce, Labour, Transport,
Works, Mines, & Power, Communications,
States, External Affairs &
Commonwealth, Relations.

The Engineer-in-Chief's Branch.

By order,

(Sd.) C. R. NATESAN,

Under Secy. to the Govt. of India.

STEEL PRICES

The Government of India have decided to raise the price of steel purchased from registered stockists by Rs. 80 per ton with effect from today, it is learnt. Of this increase only Rs. 23-8-0 will go to the producing companies.

In case of purchases from registered producers the increase will be Rs. 75 per ton.

The increase is nearly 30 per cent. over the existing price level and is on level with recent increases in the prices of other commodities.

In spite of this increase, steel prices in India will continue to be the lowest in the world.

It will be recalled that a reduction of Rs. 12-8-0 per ton in the selling price of steel by the steel companies was made on April 1, 1946. Since then the liabilities of the companies have increased because of the enactment of the Business Profits Tax Act and an increase in the Corporation Tax. The working cost has also risen on account of increase in the cost of labour and raw materials.

Taking these factors into consideration, the Government of India have felt that if production is not to be adversely affected, some immediate relief to the companies is called for.

They have accordingly, decided that, pending an examination by the Tariff Board of the question of the fixation of steel prices on a long-term basis, the cut of Rs. 12-8-0 referred to above should, as an interim measure, be restored to the companies, to the recent increase in railway freight charges both on raw materials and finished goods, there will be an addition of Rs. 11 payable to the main producers, they getting Rs. 23-8-0 per ton in all.

Government expect to import from the U. K. and the U. S. A. substantial quantities of certain categories of steel in 1948. But the price of this steel will be higher than the Indian price. As it would be invidious discrimination among consumers to sell imported steel at prices higher than charged for indigenous steel and would, in effect, raise the price of all steel to the higher level, it has been decided that the increased prices should be spread over all categories of steel except billets, which are only used by re-rollers.

To equalize the high prices of imported steel with those of indigenous steel and to meet the additional payment of Rs. 23-8-0 to the main producers, the prices at which the consumers will purchase from the registered producers have been increased by Rs. 75 per ton. The prices at which the controlled and registered stockists will sell have been increased by Rs. 80 per ton, the extra Rs. 5 being added to cover the Bihar Sales Tax.

These increases come into effect from January 27.

NATIONALIZATION OF CEMENT INDUSTRY

+206. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether there is any proposal to nationalize the cement industry?

(b) If not, why not?

(c) Are Government aware that this is a key-industry and a national asset to India?

The Honourable Mr. C. H. Bhabha: (a) and (b). The Honourable Members' attention is invited to the reply given to Diwan Chaman Lall's starred question No. 36 answered on the 30th January, 1948. The general question of nationalisation of industries is under consideration by Government.

(c) Yes, Sir.

IMPLEMENTATION OF INTERIM REPORT OF HIGH POWER COMMITTEE ON RAILWAYS

207. *Shri B. Das: (a) Will the Honourable Minister of Railways be pleased to state if the High Power Committee on Railways is still functioning?

(b) Has that Committee submitted any interim reports and if so, do Government propose to lay on the table of the House a copy of such reports?

(c) Have Government taken any action to implement any of the interim recommendations?

The Honourable Dr. John Matthai: (a) The Indian Railway Enquiry Committee, 1947, functioned up to 15th October 1947 when they adjourned. The Committee will resume work shortly.

(b) No Report, but an interim note on one subject only has been received.

(c) The note is under consideration of the Ministries concerned.

Shri T. T. Krishnamachari: May I know whether there has been any change in the personnel?

The Honourable Dr. John Matthai: Well, this Committee suspended work some time about the middle of October about the time my Honourable friend Mr. Neogy had to vacate his office as Chairman. The Committee is going to meet very shortly and I am glad to say that my Honourable friend Pandit Kunzru has agreed to take Mr. Neogy's place as Chairman.

Shri T. T. Krishnamachari: May I know whether the Committee has suffered shrinkage in other directions as well beyond the desertion of the Chairman?

†Answer to this question laid on the table, the questioner being absent.

The Honourable Dr. John Matthai: The only Member who has left the Committee finally is an expert from America whom we got for a special purpose. He worked for about four months and has gone back.

Shri B. Das: May I inquire whether the Committee Members did not reach any conclusion from their day to day work although they worked for nine months in the year 1947?

The Honourable Dr. John Matthai: Most of the time they were doing a very arduous investigation in which their main business was to collect and sift material.

Shri B. Das: The Chairman has left and also the American expert. Are there no records of what their views were during those nine months of work?

The Honourable Dr. John Matthai: Since the Committee had not completed their investigations, they could not possibly have written their Report.

Shri B. Das: Does that mean that the whole work will be re-investigated all over again?

The Honourable Dr. John Matthai: I should not think so.

Shri M. Ananthasayanam Ayyangar: Was it not intended at the time of the appointment of the Committee that Members of the Standing Finance Committee should also be associated with it? Is there a single Member of the Standing Finance Committee for Railways in that Committee at present?

The Honourable Dr. John Matthai: I am not aware that there was such an understanding.

Shri M. Ananthasayanam Ayyangar: Was it intended that a person who had absolutely no knowledge of the Railways or who never worked in the Standing Finance Committee for Railways, should sit in this Committee?

The Honourable Dr. John Matthai: Practically every Member of the Committee was appointed on the ground of his own individual merits in relation to the work involved.

Shri M. Ananthasayanam Ayyangar: But was previous experience in connection with Railway Administration through either being a Member of the House or of the Standing Finance Committee for Railways, not considered as one of the necessary qualifications for Members of this Committee?

The Honourable Dr. John Matthai: The real position is this. When this Committee has concluded its work and has formulated its recommendations, those recommendations would come before the Standing Finance Committee and they would have every opportunity then of considering the recommendations.

Shri T. T. Krishnamachari: Is it the intention of the Honourable Minister to put a time-limit for the submission of the Report of the Committee?

The Honourable Dr. John Matthai: I have had a discussion on that subject with Pandit Kunzru and I think he hopes to give us the Report at a very early date.

APPOINTMENT OF RAILWAY RATES TRIBUNAL

208. ***Shri B. Das:** (a) Will the Honourable Minister of Railways be pleased to state whether Government have decided to appoint a Tribunal for fixing railway rates?

(b) If so, who are the Members of this Tribunal and what are their functions?

The Honourable Dr. John Matthai: (a) I would refer my Honourable friend to the statement I made in this connection when presenting the interim railway budget on 21st November, 1947. It is Government's intention during the current session to bring forward a Bill providing for the establishment of a Railway Rates Tribunal.

(b) As the Bill has not yet been placed before the Assembly no decision has been reached regarding appointments of Members. Their functions will be decided by the Assembly when passing the Bill.

ORGANISATION OF AN ALL-INDIA GUR MARKETING BOARD

†209. *Prof. N. G. Ranga: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether Government are making any efforts to help the producers of Gur, most of whom are peasants, to co-operatively market their Gur and avoid middlemen's profits and if so, in what manner and to what extent;

(b) whether there is any Provincial or All-India organisation sponsored by any Co-operative Society or by Government to improve the marketing conditions of Gur; and

(c) whether Government propose to consider the advisability of organising an All-India Gur Marketing Board in order to improve the quality of Gur, and to form a co-operative organisation for its marketing etc.?

The Honourable Shri Jairamdas Doulatram: (a) The Government of India had a comprehensive survey on marketing of sugar and gur carried out in 1943. The important decisions of the Indian Central Sugarcane Committee on the main recommendations of the Marketing Report were conveyed to all Provincial Governments and the sugar producing States towards the end of 1945 and they were requested to implement these recommendations which *inter alia* suggested the following sections:

(i) Steps should be taken to organise Co-operative Marketing Unions as important business centres for the financing, marketing and distribution of gur.

(ii) Arrangements should be made to organize Co-operative Societies of gur producers for preparing superior quality gur and marketing the same under standard grades. Government have not been able to take any direct steps to organize co-operative marketing of gur.

(b) Madras and Bombay have organized Provincial Marketing Societies to promote co-operative sale of agricultural produce including gur. It is understood that the U. P. Government recently re-organised their Gur Development section with a view to promote, among other things, the orderly marketing of gur. There is no All-India Co-operative organisation for the marketing of gur.

(c) Government will consider the advisability of an All-India Gur Marketing Board.

DEVELOPMENT OF ANIMAL NUTRITION DEPARTMENT OF IZATNAGAR RESEARCH SECTION

†210. *Prof. N. G. Ranga: Will the Honourable Minister of Agriculture be pleased to state:

(a) when the Department for animal nutrition was opened at Izatnagar;

(b) whether any such research is being carried on in any other province, and if so, where;

(c) whether any effort is being made to develop and popularise improved grasses at Izatnagar Research Station;

†Answer to this question laid on the table, the questioner being absent.

- (d) how many students and research scholars are being trained there; and
 (e) whether it is proposed to increase the capacity of this station for research and training?

The Honourable Shri Jairamdas Doulatram: (a) On 11th March, 1939.

(b) Research relating to animal nutrition is also being carried out at Jhansi (U. P.), Gauhati (Assam) and Anand (Bombay) under the general direction of the Indian Council of Agricultural Research. Animal Nutrition Section at Izatnagar is the only one in India which deals with fundamental as well as applied research in animal nutrition. It also advises Provincial and State authorities on all problems concerning Animal Nutrition.

(c) The Animal Nutrition Section at Izatnagar deals with research on the nutritive value of grasses and other feed materials. The development of grasses is beyond its jurisdiction. The work of growing different types of grasses on experimental plots has been taken up by the Indian Agricultural Research Institute. As regards popularisation, over 150 articles have been published in scientific and popular journals, in addition to occasional radio talks. Government propose to take further steps to develop and popularise nutritive grasses and undertake greater propaganda.

(d) The Animal Nutrition Section imparts training on Animal Nutrition every year to about 50 agriculture and veterinary students from all parts of India. Besides this 12 research scholars deputed by different Provinces and States have been trained in different branches of Animal Nutrition and are engaged on research problems of fundamental importance. In addition special research scholars are also trained for dealing with specific problems peculiar to their Provinces. In consequence, several Universities have awarded higher research degrees to students as follows:

D.Sc.....	1
Ph.D.....	6
M.Sc.....	1

In addition 10 students are going up for these degrees and associateship of this Institute this year.

(e) The question of improving and expanding the existing facilities for both training and research has been under consideration with the Post War development plan of the Institute.

IMPLEMENTATION OF THE RECOMMENDATIONS OF INDUSTRIES CONFERENCE

†211. ***Prof. N. G. Ranga:** Will the Honourable Minister of Industry and Supply be pleased to state:

- (a) what the recommendations of the recent Industries Conference are;
 (b) whether Government have formulated their conclusions thereon and if so, when they will be published;
 (c) whether Government are contemplating to constitute the All-India Industries Advisory Board; and
 (d) if so, whether Government propose to consider the advisability of providing representation to the primary producers and consumers also?

The Honourable Mr. C. H. Bhabha: (a) The recommendations of the Industries Conference are embodied in the nine Resolutions adopted at the Conference a copy of which is laid on the table of the House.

(b) Government are considering the recommendations of the Conference and hope to announce their conclusions shortly.

(c) and (d). Under item III(h) of Resolution No. I, the Industries Conference recommended the setting up of a Central Industrial Advisory Council and this recommendation is under consideration along with the others.

†Answer to this question laid on the table, the questioner being absent.

Resolution No. 1.

I. This Conference views with grave concern the continued decline in industrial production which has occurred during the last two years.

II. This Conference is of the view that the present inability of Industry to produce to its installed capacity and to expand as planned is mainly due to

- (a) inadequacy of transport to meet present needs,
- (b) unsatisfactory relations between management and labour,
- (c) shortage of raw materials and defects in their procurement and distribution,
- (d) difficulty in obtaining capital goods and constructional materials to instal them,
- (e) supply and exchange limitations on the import of the full requirements of industry, and
- (f) paucity of technical personnel.

This Conference recommends the following immediate measures :—

(1) *Transport* —

- (a) The increase in the movement of coal by four million tons per annum over the existing level of 25 to 26 million tons per annum to enable existing requirements to be met. For this purpose, the fullest use should be made of present wagon availability, and every effort should be made to increase wagon availability and other railway facilities.
- (b) The assessment of the transport required for the movement of finished goods and raw materials necessary for full production; and arrangements to secure such transport through a reduction of less essential movements, whether of goods or passengers.
- (c) An examination of all possibilities of increasing total goods traffic such as rationalisation of line, power and wagon capacity, and fullest use of present resources.
- (d) The fullest utilisation of road, river, sea and air transport.

(2) *Raw, Materials* :—

- (a) Special assistance for increased production in India of industrial raw materials like steel, cement, caustic soda and other chemicals, light metals etc.
- (b) The increase of imports of essential raw materials in short supply, like steel, non-ferrous metals, caustic soda and other chemicals, etc.

Foreign exchange difficulties should be overcome to the extent possible by limiting less essential imports, by increasing exports, including export for barter, and by arranging deferred payments and loans in cash or commodities on lines approved by Government.

- (c) The planned utilisation of industrial raw materials in critical short supply with a view to secure increased production. To the extent possible, such distribution of raw materials should be effected in consultation with representative Associations of industry in the case of organised industries and with Provincial and State Governments in other cases.

Provinces and States should be invited to consider, in consultation with industries in their areas, the possibilities of rationalising the use of raw materials in short supply so as to secure maximum production. For this purpose they should suggest standards of classification of units in an industry according to efficiency in production, so that all-India standards may be laid down.

(3) *Technical man-power* :—

- (a) The establishment of scientific and technical liaison offices abroad for the recruitment of technical personnel and the placing of advanced Indian students and technicians in foreign universities, technical institutions, and the acquisition of technical information.
- (b) The increase of facilities in India for the training of scientific and technical personnel, and the training of labour to increase its efficiency and skill.
- (c) The maintenance of a register of scientific and technical personnel.

III. This Conference recommends that during the next three to five years the increase of capacity and production in certain industries for which plans have been approved and are under execution should be pressed forward with vigour. The essential pre-requisite for such expansion is the increase of production of commodities and provision of services which are basic to industry and without which any expansion would be impossible. The following measures are, therefore, recommended :

- (a) *Railways* : The capacity of rail transport should be increased to meet prospective demands of movement of constructional materials, fuel, raw materials and finished

- products. The import of locomotives and wagons should be given high priority and existing capacity for manufacture should be developed so as to secure self-sufficiency at the end of this period.
- (b) *Steel*: New steel plants should be erected and brought into production and in the meantime every effort should be made to import the country's essential requirements in iron and steel.
 - (c) *Cement*: The approved plan for the expansion of cement production should be hastened to an early completion so that this important constructional material becomes available for the installation of new industrial plants.
 - (d) *Electric power*: Simultaneously with the preparation and execution of Hydro-electric projects like the Damodar Valley Scheme, which will take time, existing plans for the installation of ancillary Thermal power stations should be speedily implemented.
 - (e) *Coal*: The recommendations of the Indian Coalfields Committee regarding the acquisition of mineral right, planned and co-ordinated development of production in new areas, regulation of use and distribution and creation of suitable executive machinery amongst other things, must be implemented early, so that, the growth of the coal industry on rational lines can be facilitated.
 - (f) *Oil*: In order to reduce dependence on foreign sources, prospecting for oil should receive increased attention and the possibility of producing substitutes from coal should be investigated.

In addition, legislation to secure the fullest utilisation of power alcohol produced in the country should be enacted.

- (g) In the light of the development anticipated under (a) to (f) above, targets for the next five years should be fixed in a realistic manner for other important industries like cotton textiles, paper and newsprint, chemicals, penicillin, sulpha drugs and anti-malarials, heavy and light engineering, electric and other machinery and machine tools. Suitable machinery should be established for watching and ensuring progress towards the targets.
- (h) *Machinery for watching and ensuring the execution of immediate and short-term plans*: The need for close consultation between the various Ministries concerned industrial development needs no emphasis.

It is also necessary to associate representatives of Provincial and States Governments, Industry and Labour in a periodical review of progress and the measures necessary to stimulate it. A Central Industrial Advisory Council should be set up with appropriate Sub-Committees for important groups of Industry and one Sub-Committee for reviewing and advising on problems of transport in relation to Industry. Similar Industrial Advisory Committees should also be constituted in the Provinces.

- (i) To assist Government on the proper utilisation of scarce raw materials, capital goods, foreign exchange and other resources, a Priorities Board should immediately be set up.

IV. Current limitations of men and materials necessitate concentration on immediate and short-term measures for increasing productive capacity. A long-term plan, however, should be based on the needs of the country for the achievement of maximum self-sufficiency, a higher standard of living and maximum exploitation of indigenous resources. The long-term plan, therefore, must be of a fundamentally different character. The Conference, therefore, recommends that separate machinery for long-term planning must be established very early so that completion of the immediate and short-term programme might merge smoothly into future plans for industrial development. A planning Commission or Development Board, free from the preoccupations of immediate problems of industrial development appears to be suitable.

V. This Conference recommends the creation of permanent machinery, both in the Centre and in the Provinces and States, for the regular collection and maintenance of accurate industrial statistics, as provided for in the Industrial Statistics Act of 1942.

Resolution No. II.

This Conference recommends to Government that while enunciating their national policy of industrial development, the following aspects among others, should be kept in view:—

- (1) The need for an equitable distribution of the country's wealth and production leading to rapid improvement of the standard of living and comfort of the masses of the Indian people, based on social justice
- (2) The need for the fullest utilisation of the country's resources without allowing wealth to accumulate in the hands of a section of the people.

- (3) The need for central planning, co-ordination and direction so as to obtain maximum efficiency and output, a fair and reasonable distribution of the industries throughout the country in relation to the potentialities of each area, and also to determine a fair basis of wages and profit.
- (4) The division of industries into three broad categories :—
- Industries which should be under State Ownership and management.
 - Industries which may be jointly owned and managed by the State and private enterprise.
 - Industries owned and managed by private enterprise.

In selecting the industries as aforesaid, which will be reviewed from time to time, the paramount considerations will be the country's basic economic and defence requirements on the one hand and the possibility of quick and efficient production on the other.

Resolution No. III.

This Conference, while recognising that participation of foreign capital and enterprise, particularly as regards industrial technique and knowledge, will be of value for the rapid industrialisation of the country considers that the conditions under which they may participate in Indian industry should be carefully regulated in the national interest, and that all arrangements between private industry in India and abroad should have the prior approval of the Central Government.

Resolution No. IV.

This Conference recognises the importance of cottage and small-scale industries to the economy of the country. It is of the view that while the size and nature of these industries make it unavoidable that their proper development must remain the responsibility of Provincial and State Governments, the Central Government should investigate how far and in what manner these industries can be co-ordinated and integrated with large-scale industries. The healthy expansion of cottage industries depends on the provision of raw materials, technical advice and organised marketing of their produce. For this purpose the Central Government should establish a Cottage Industries Board.

Resolution No. V.

This Conference recommends that the following suggestions be considered by the Central Government in consultation with the Provinces :—

- that raw materials of vital importance to industry like coal, steel, cement and cotton should be exempted from the Sales Tax;
- that the tax on other industrial raw materials should be low and at uniform rates;
- that taxation of the same material more than once should be avoided; and
- that the policies of Provincial and State Governments regarding the levy of Sales Tax should be co-ordinated.

Resolution No. VI.

This Conference considers that the lack of a uniform policy in the matter of provincial excise has adversely affected indigenous manufacture of spirituous medicinal and other preparations.

The Conference recommends :—

- that an uniform rate of excise duty be fixed on spirituous, medicinal and other preparations in all Provinces and States, and be collected at the point of manufacture for credit to the first importing Province or State; and
- that all inter-provincial restrictions on the free movement of spirituous, medicinal and other preparations be abolished.

Resolution No. VII.

This Conference is of the view that the expansion of the alcohol industry whether for power or for other industrial purposes is of national importance.

The Conference recommends :—

- that Central legislation to enforce admixture of power alcohol with petrol should be undertaken:

- (b) that the question of reducing the excise duty should be considered with a view to making the mixture of power alcohol and petrol available to the consumer at a reasonable price; and
- (c) restrictions on manufacture of by-products be removed.

Resolution No. VIII.

This Conference notes with regret that the census of manufacturing industries for the years 1944 to 1946 has failed. It is of the view that this failure is largely due to the inadequacy of staff and organisation in the Provinces and States. It recommends that adequate machinery is necessary both at the Centre and in the Provinces and States for their regular collection and maintenance of accurate industrial statistics as provided for in the Industrial Statistics Act of 1942. It is also of the view that the existing statistical forms should be re-examined with a view to simplifying them, if possible.

Resolution No. IX.

This Conference considers that the increase in Industrial production which is so vital to the economy of the country cannot be achieved without the fullest co-operation between labour and management and stable and friendly relations between them. The employer must recognise the proper role of labour in industry and the need to secure for labour fair wages and working conditions; labour for its part must give equal recognition to its duty in contributing to the increase of the national income without which a permanent rise in the general standard of living cannot be achieved. Mutual discussion of all problems common to both and a determination to settle all disputes without recourse to interruption in or slowing down of production should be the common aim of employers and labour. The system of remuneration to capital as well as labour must be so devised that while in the interests of the consumers and the primary producers excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking.

For attaining these objectives, this Conference recommends:—

- (a) that the fullest use should be made of Statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner; where it does not exist, it should be created without delay. Such machinery should as far as possible be uniform throughout India.
- (b) the establishment of machinery, Central, regional and functional, for the study and determination of fair wages and conditions of labour, and fair remuneration for capital; and methods for the association of labour in all matters concerning industrial production, such as the formation of Central, Regional and Unit Production Committees.
- (c) the constitution in each industrial undertaking of Works Committees representing management and duly elected representatives of labour for the settlement of any dispute which may arise from day to day.
- (d) that, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of housing of industrial labour; the cost of such housing should be shared in suitable proportions between the Government, employers and labour, the share of labour being given in the shape of a reasonable rent.

The principles enunciated above having been accented, this Conference calls upon labour and management to agree to maintain industrial peace and to avert lock-outs, strikes or slowing down of production during the next 3 years.

This Conference invites labour and Management to assist Government to secure, promote and guarantee such agreements between the parties as will usher in a period of contained and orderly advancement towards a co-operative Commonwealth.

PROTECTION TO HANDLOOM WEAVERS IN DISTRIBUTION OF YARN.

†212. *Prof. N. G. Ranga: Will the Honourable Minister of Industry and Supply be pleased to state:

- (a) in how many provinces the controls over yarn and cloth have been removed;

†answer to this question laid on the table, the questioner being absent.

(b) whether the collections made through the surcharge on yarn will be utilised either wholly or in part for the benefit of handloom industry which has so largely paid it;

(c) whether the distribution of yarn to the handloom weavers as between different provinces will be reviewed in the light of varying needs of different areas and if so, when;

(d) whether preference will be given to weavers co-operative societies in such distribution; and

(e) whether any steps are proposed to be taken to take charge of all the yarn produced by mills and to regulate the prices of yarn, in order to prevent the exploitation of weavers by spinning mills?

The Honourable Mr. C. H. Bhabha: (a) The Government of India's orders withdrawing control over prices and distribution of cloth and over prices of yarn are intended to apply to all provinces.

(b) Government will consider the Honourable Member's suggestion.

(c) Government are retaining the existing yarn distribution system for the time being. The quotas of yarn allotted to the various provinces have been carefully considered on several occasions, and the Government of India do not intend to alter them for the present.

(d) The Provincial Governments are responsible for the distribution of their yarn quotas.

(e) This suggestion would be contrary to Government's policy of gradual decontrol.

ENCOURAGEMENT TO SHIP-BUILDING INDUSTRY IN INDIA.

213. *Shri R. R. Diwakar: (a) Will the Honourable Minister of Industry and Supply be pleased to state what the total Coastal Shipping Tonnage in India is and how much of it was built in ship-building yards in India?

(b) How many ship-building concerns are there in India and what is the tonnage they manufactured during the last three years namely, 1944-45, 1945-46 and 1946-47?

(c) Are Government aware that the tonnage manufactured in Indian ship-building yards is wholly inadequate? If so, what steps are Government taking to encourage the industry of ship-building in India?

(d) Are Government giving special facilities and concessions for Indian ship-building concerns at present? If so, what are they? If not, do they intend to do so in the near future?

(e) Is it a fact that Shri A. M. Bhatt of Bhatkal (Bombay Province) has submitted a ship-building project for mechanising country craft and building steel coasters? Is it a fact that the project includes the establishment of an Institute for Marine Engineering and Naval Architecture?

(f) Are Government aware that the project is being delayed for want of sufficient facilities? If so, do Government intend taking immediate steps to provide the required facilities?

(g) Have Government evolved any plan for building more and more ships in India so as to make India self-sufficient in this respect? If so, what is the plan? If not, when do Government intend evolving a plan?

The Honourable Mr. O. H. Bhabha: (a) The total Coastal shipping tonnage in India is approximately three lakhs gross (including British tonnage) and the whole of it was built in overseas yards.

(b) There are five main ship-building concerns in India, who during the years 1944, 1945 and 1946 built small launches of a total tonnage of 10,270, 8,508 and 18,544 tons, respectively. These launches are not suitable for coastal shipping. Figures according to financial years are not available.

(c) and (d). Yes, Sir. The intention is to encourage by all possible means the building in India of as many ships as possible and this matter is under active consideration. Government are releasing steel required for building ships and steel and cement required for extensions of ship-building yards and ship-building berths.

(e) Yes, Sir.

(f) The question of giving assistance to Mr. Bhatt is under consideration in consultation with the Government of Bombay.

(g) The question of development of ship-building industry so as to enable India to build within the next 5 years a minimum of 50,000 gross tons per annum is under consideration.

Shri R. R. Diwakar: Does the Honourable Minister know that just at present the project of Mr. Bhatt has been held up because the Bombay Government has not extended the facilities that are necessary?

The Honourable Mr. C. H. Bhabha: As I said, we are in consultation with the Bombay Government to try and assist this gentleman and similar other projects.

Shri T. T. Krishnamachari: May I ask the Honourable Minister in reply to his answer to part (d) of the question, whether it is the idea of the Government to encourage firms which fabricate boats to enter this industry—like the Hind Construction Limited?

The Honourable Mr. O. H. Bhabha: I do not know about the particular firm but the Government's policy is to encourage every firm which is out to develop the ship-building industry in this country.

Shri E. E. Diwakar: Is the Government aware that Mr. Bhatt's project has been held up because the Bombay Government has said that they will not be able to give any facilities even if Mr. Bhatt prospected and spent lakhs of rupees on it?

The Honourable Mr. C. H. Bhabha: Government have no such information on the subject.

Shri K. Santhanam: May I know, Sir, if in view of the fact that ship-building is likely to meet with very stiff international competition, it is not desirable to promote a national concern for ship-building on a big scale instead of allowing four or five small projects to build ships separately?

The Honourable Mr. C. H. Bhabha: That suggestion will be considered.

Shri M. Ananthasayanam Ayyangar: How is it that that suggestion has escaped the notice of the Government till now?

Mr. Speaker: Order, order. Next question.

Shri M. Ananthasayanam Ayyangar: Sir, I want to ask a question.

Mr. Speaker: Yes.

Shri M. Ananthasayanam Ayyangar: In view of the fact that there is shortage of tonnage even for coastal trading, have Government made any efforts to obtain ships by way of reparations either from Italy or from Japan?

The Honourable Mr. C. H. Bhabha: Yes, Sir. Claims have been made on behalf of India to get some ships from Japan by way of reparations.

Shri M. Ananthasayanam Ayyangar: May I know what is the total tonnage expected?

The Honourable Mr. C. H. Bhabha: I am not in a position to give any definite information at this stage.

214. *[Cancelled, the Member having resigned.]

AUCTIONING OF LAND AND CROPS IN DELHI PROVINCE BELONGING TO MUSLIM EVACUEES.

215. ***Giani Gurmukh Singh Musafar:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that the land and crops in Delhi Province belonging to Muslims but cultivated by Hindu tenants, have been auctioned by Government on the evacuation of Muslim owners? If so, why?

(b) If the answer to part (a) above be in the affirmative, what share of the proceeds do Government propose to give to the Hindu tenants, who cultivated the land?

The Honourable Shri Jairamdas Doulatram: The question should have been addressed to the Honourable Minister for Relief and Rehabilitation. It has accordingly been transferred to the list of questions for 14th February 1948, when the Honourable Minister for Relief and Rehabilitation will answer it.

ALLOTMENT TO REFUGEES OF PLATFORM STALLS ON EAST PUNJAB RAILWAY

216. ***Giani Gurmukh Singh Musafar:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that Muslim vendors and stall keepers who used to sell various articles to the passengers on the platforms of East Punjab Railway Stations, have left?

(b) If the answer to part (a) above be in the affirmative, do Government propose to lay on the table of the House a statement showing the names of such Railway Stations, the number of Muslim vendors at each Railway Station, who have left and the number of stalls thus vacated by them?

(c) What steps have been taken by the East Punjab Railway to introduce new vendors at each Railway Station?

(d) Do Government propose to issue instructions to the authorities of the East Punjab Railway to the effect that such vending contracts should be given to the refugees from West Punjab and N.-W. F. P.?

The Honourable Dr. John Matthai: (a)-Yes.

(b) A statement showing the contracts which were held by Muslims and are now vacant due to the contractors having migrated to Pakistan is laid on the table of the House.

(c) and (d). Notices have been served asking the contractors, who have left, to resume work, and instructions have been given that if a contractor, on whom notice has been served, fails to resume work, as asked in the notice, the contract shall be cancelled and a suitable person appointed in his place, provided the Divisional Superintendent is satisfied that it is necessary to make replacement. In making replacements special consideration is being given to applications from refugees.

Statement showing Muslim contracts vacant due to Mohammadan Contractors migrated to Pakistan from E. P. Railway

S.No.	Name of Station	Nature of contract
1	Abohar	Bread tea, stall, sweetmeat, fruits, cigarettes and drinks
2	Amritsar	Bread, fruits, cigarettes, sweets, tea and cold drinks.
3	Amritsar	Bread, sweets, tea and cold drinks.
4	Amritsar	Fruits.
5	Amritsar Goods Office	Cigarettes and betel leaves.
6	Amritsar Goods Office	Bread, cigarettes, sweets, tea and sharbat.
7	Beas	Bread, fruits, sweets, cigarettes and drinks.
8	Ferozepore City	Tea, sweets, bread, drinks, cigarettes and fruits.
9	Ferozepore Cantt.	Drinks, tea stalls, bread, sweets, betel leaves and milk.
10	Fazilka	Bread, sweets, fruits, and drinks.
11	Fatehgarh Churian	Bread, fruits, cigarettes, sweets and drinks.
12	Hoshiarpur	Tea and cold drinks.
13	Jallalabad	Sweets, cigarettes, drinks and fruits.
14	Jullundur City	Cigarettes, tea, cold drinks and bread.
	Jullundur City	Fruits.
15	Jullundur Cantt.	Fruits.
16	Kot Kapura	Sweets, fruits, bread and drinks.
17	Kapurthala	Fruits and cigarettes.
18	Kartarpur	Sweets, bread, fruits, cigarettes, tea and cold drinks.
19	Lohian Khas	Sweets, bread, fruits, cigarettes and drinks.
20	Ludhiana	Tea stall, and sharbat.
21	Ludhiana	Fruits.
22	Ludhiana	Milk, cold drinks, bread, sweets, tea and aerated waters.
23	Malsianshah Kot	Sweets, fruits, drinks and cigarettes.
24	Nakodar	Bread, tea, drinks, fruits, cigarettes and sweets.
25	Nawanshahr Doaba	Bread, sweets, tea, fruits and cigarettes.
26	Phillaur	Bread, sweets, fruits, cigarettes and drinks.
27	Phagwara	Bread, cigarettes, tea and cold drinks.
28	Patti	Sweets, bread, and fruits.
29	Sunan	Fruits and bread.
30	Tanda Urmur	Bread, fruits, cigarettes, sweets, tea and cold drinks.
31	Batala	Bread, fruits and tea.
32	Gurdaspur	Tea.
33	Pathankot	Bread, tea, fruits and sweets.
34	Sirhind	Sweetmeat, Mohammadan bread, betels, cigarettes, drinks and tea stalls.
35	Rajpura	Muslim bread, betel and drink and tea stalls.
36	Ambala Cantt.	Muslim bread, sweets, drinks, tea stalls, milk, biscuits.
37	Jagadhri	Sweetmeats, Muslim bread, drink, tea stalls, cigarette and betels.
38	Saharanpur	Sweetmeats, bread, betels, cigarettes, drinks and tea stalls.
39	Deoband	Fruits, bread, cigarettes, drinks and tea.
40	Meerut Cantt.	Bread, biscuits, cakes, drinks, and tea stalls
41	Muzaffarnagar	Bread, fruits, drinks and tea stalls.
42	Meerut City	Bread, fruits, betel, cigarettes, drink, tea stall and Biscuits
43	Delhi Junction	Sweetmeats, milk, curd and Rabri.
44	Delhi Junction	Betel leaves and nuts, chilam and tobacco.
45	Delhi Junction	Tea stalls on platforms.
46	Delhi Junction	Bread, shirmal, biscuits, fruits, Sharbat, and tea.
47	Delhi Junction	Stall for cigarettes, betel, fruits, drinks and tea.
48	Panipat	Tea stall, drink, cigarettes and biscuits.
49	Panipat	Fruits and bread.
50	Karnal	Tea stall, bread, cigarettes, betels, drinks and biscuits.
51	Panipat	Fruits.
52	Kalka	Bread, sweetmeats, drinks, tea stall, biscuits, cigarettes and betels.
53	Barog	Fruit, sweetmeats, bread and tea stall.
54	Jakhal	Biscuits, tea and drink stall, cigarettes, betels, fruits and biscuits.
55	Bhatinda	Sweetmeats and biscuits.
56	Dhuri	Bread, tea and sweetmeats.
57	New Delhi	Biscuits, drinks, cigarettes, tea stall, bread, betel and sweetmeats.

Mr. R. K. Sidhva: Do Government still continue giving these licences on communal basis?

The Honourable Dr. John Matthai: No.

Shri K. Santhanam: In view of the fact that many refugees have to be quickly employed, will the Honourable Minister find some way of expediting the process?

The Honourable Dr. John Matthai: The process is being pushed forward expeditiously.

Shri M. Ananthasayanam Ayyangar: May I know if it is not one of the terms and conditions of the contract itself that in default of their carrying on all the work it will be terminated? If so, what is the need for a special notice?

The Honourable Dr. John Matthai: You have got to make certain whether the contractor is simply out of the locality or out of the business.

Shri M. Ananthasayanam Ayyangar: But how long does the Honourable Minister intend to take before he comes to a final conclusion in the matter?

The Honourable Dr. John Matthai: The shortest possible time.

Shri M. Ananthasayanam Ayyangar: May I know what is the largest period of time over which the default has arisen?

The Honourable Dr. John Matthai: It varies with individual cases. In each case it would be the minimum time.

Shri M. Ananthasayanam Ayyangar: May I know if the Honourable Minister has been waiting for three months in this regard?

The Honourable Dr. John Matthai: Certainly not. I have been making appointments from time to time.

EXAMINATION OF COASTAL DEEP SEA FISHING SCHEME.

217. *Raj Bahadur Sri Narain Mahtha: Will the Honourable Minister of Agriculture be pleased to state whether, in view of the long coast line of India and the growing food shortage in the country, Government have examined any schemes for coastal deep sea fishing, and if so, with what results?

The Honourable Shri Jairamdas Doulstram: Government of India have under consideration detailed schemes for developing deep sea fishing in Indian waters. The main handicap against starting such schemes is the lack of essential data in regard to fishing grounds, fishing seasons and the types of fish available in different areas and at different levels in Indian waters. Fishing operations which are carried out with the indigenous fishing crafts at present are confined to inshore waters within a radius of 5 to 10 miles and as a result while inshore fisheries are being intensively fished, the rich off-shore and deep sea fishery resources are hardly touched. With a view to assessing the values of various types of power craft and gear, determining the fishing grounds and fishing seasons, etc., and developing economic and suitable types of vessels and equipment for the exploitation of the deep sea fisheries, the Central Government have started, under the Central Fisheries Research Scheme, a Pilot Deep Sea Fishing Station at Bombay. A mine-sweeping trawler "Berar" renamed "Meena", which was surplus to the Naval requirements, was obtained from the Disposals Directorate and after extensive structural modifications and additions has been converted into a fishing vessel. This vessel went on its trial voyage on 19th January 1948 and returned the next day with about 3 tons of fish. As soon as the key fishing personnel arrive from the U.K., this vessel will be starting regular fishing operations in the Arabian Sea. In addition, orders have been placed for two Reekie fishing boats from the U.K. for fishing with ring nets. The question of purchasing some more power fishing boats for use in the Arabian Sea and the Bay of Bengal is being pursued actively.

Some commercial fishing concerns, [such as, The India Fisheries Limited, Natsin Fisheries Limited, West Coast Fisheries Ltd., and the Andamarine Development Corporation] have also been helped to obtain power fishing vessels and equipment for starting fishing operations in different areas.

Mr. R. K. Sidhva: What efforts have Government made for procuring trawlers for the fishing industry?

The Honourable Shri Jairamdas Doulatram: Every effort will be made.

Mr. R. K. Sidhva: No, no. My question is whether any effort has been made?

The Honourable Shri Jairamdas Doulatram: I cannot say straightaway.

Shri H. V. Kamath: Is it not a fact that in spite of so much river fish and sea fish available in our country, we are wasting so much of our money in importing fish from abroad?

The Honourable Shri Jairamdas Doulatram: I think it was clear from my reply that we are making every effort to use our own resources.

Mr. Speaker: This is more or less a matter of opinion. It is not necessary to answer the question.

RESEARCH IN EVOLVING NEW VARIETIES OF PADDY

218. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Agriculture be pleased to state what progress has been made in the matter of research in evolving new varieties of paddy?

(b) Are Government aware that in Russia scientists have been able to evolve a variety of paddy which will completely fructify in five weeks' time?

(c) What efforts are being made to persuade the cultivator to use improved quality of seeds?

The Honourable Shri Jairamdas Doulatram: (a) Some tangible results have been achieved in producing new rice varieties in India; over three hundred of them have been evolved and released. The area under cultivation of improved varieties is approximately four million acres. Improvement has also been effected for yield, earliness, stronger straw resistance to disease, flood and salinity. Further intensive research in evolving new varieties is in progress.

(b) It is understood that the new early Russian variety under local conditions takes seven weeks to flower and another three weeks to ripen. Fourteen other Russian varieties are being studied at the Central Rice Research Institute, Cuttack. Four of these have been found to flower in six weeks. All Russian varieties have, however, proved to be poor yielders under Indian conditions during the first year of trial. It has also been found that early maturing varieties are comparatively low yielders.

(c) Propaganda about and distribution of improved seeds have been undertaken by Provincial and State Governments. This is partly subsidized by the Centre.

TELEGRAPH TRAINING CENTRES IN MADRAS CIRCLE

219. *Shri V. C. Kesava Rao: Will the Honourable Minister of Communications be pleased to state:

(a) what is the number of training centres for telegraphists in the Madras Circle;

(b) whether additional training centres are proposed to be opened; and

(c) if so, whether Government propose to consider the question of opening a training centre at Bezwada?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Two—one at Bangalore and one at Madras. The training class at Madras is temporarily closed and is proposed to be opened shortly.

(b) No. The classes at the above places can accommodate 150 candidates against the normal intake of 71 per year.

(c) Does not arise.

INVESTIGATION INTO EXPLOITATION OF IRON AND COAL IN ANDHRA DISTRICTS

220. *Shri V. C. Kesava Rao: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware that large quantities of iron and coal capable of exploitation on commercial basis, are reported to be in the Andhra Districts?

(b) If so, have Government considered the question of exploiting these natural resources?

(c) Has an investigation been made into the potentialities of these districts in this respect?

The Honourable Mr. C. H. Bhabha: The question will be answered by the Honourable Minister for Works, Mines and Power, to whom this question should have been addressed.

RECRUITMENT OF GERMAN AND OTHER ENEMY NATIONAL SCIENTISTS AND TECHNICIANS FOR INDIAN INDUSTRIES

221. *Shri M. Ananthasayanam Ayyangar: (a) Will the Honourable Minister of Industry and Supply be pleased to state how many requests for assistance in recruiting German and other enemy National Scientists and Technical Experts have been received from industrial and other concerns in India?

(b) What steps have Government taken to secure for Indian industries the services of German Scientists, Technicians and Experts?

(c) In how many cases were the Government of India able to help, by arranging for the recruitment of suitable personnel?

(d) Do Government propose to make a statement giving:

(i) the number of such Scientists, Technicians and Experts who have already arrived in India;

(ii) their names;

(iii) their qualifications; and

(iv) the concerns employing them?

(e) What are the prospects of securing the services of other personnel, in whose case specific requests have been received from Industrial concerns?

The Honourable Mr. C. H. Bhabha: (a) About 230.

(b) The Government of India have approached the U.K. and the U.S.A. Governments for the release from the British and American Zones of Germany of technicians required by Indian industry.

(c) and (d). None so far. But a small contingent of about thirty technicians is expected very shortly.

(e) Government hope to meet specific requests provided Indians with suitable qualifications are not available and there are no objections from the security point of view.

Mr. Tajamul Husain: May I know what salary Government would give to German technicians and science experts?

The Honourable Mr. C. H. Bhabha: That will depend upon individual cases.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister whether any specific applications have been received from industrialists that they have got particular persons in view and that their services may be obtained from Germany or other places for helping the industry of this country?

The Honourable Mr. C. H. Bhabha: Yes, Sir. Such requests have been received from particular industrialists and it is in pursuance of such requests that the matter has been taken up also.

Shri H. V. Kamath: Now that the war is over, is it proper to describe the Germans as "enemy" still?

Mr. Speaker: Order, order. The question does not arise.

Mr. Tajamul Husain: I want to know the maximum amount of pay and the minimum amount of pay, the Government of India are prepared to pay to foreign scientists.

The Honourable Mr. C. H. Bhabha: None of them has been engaged so far. So the question of salary does not arise at the moment.

Mr. Tajamul Husain: Will the House be consulted at the time?

The Honourable Mr. C. H. Bhabha: I am afraid that is not possible.

Shri M. Ananthasayanam Ayyangar: Will the Honourable Minister kindly take steps to see that the case of those industrialists who have made specific applications for particular persons from abroad is taken up first and that those persons are arranged to be sent here for the further expansion of industry in this country?

The Honourable Mr. C. H. Bhabha: That will be done.

UNSTARRED QUESTIONS AND ANSWERS

SUPPLY OF ELECTRIC ENERGY TO THE SERUM PRODUCING SECTION OF IZATNAGAR RESEARCH STATION

1. Prof. N. G. Ranga: Will the Honourable Minister of Agriculture be pleased to state:

(a) whether Government are aware that though electricity is available at Izatnagar and also Bareilly, which is at a distance of 4 miles, the boilers and furnaces maintained in the serum producing section of Izatnagar station, are even today dependent upon charcoal and ordinary fuel;

(b) whether Government are aware that the production of serum for different cattle diseases is not being developed adequately and that sufficient number of students and scholars are not being trained there to be sent out to various provinces; and

(c) if so, whether there are any proposals for the extension of that department?

The Honourable Shri Jairamdas Doulatram: (a) Yes. This is due to the fact that the efforts of the Institute to obtain electrically worked large sized autoclaves and sterilizers from abroad have so far proved unsuccessful. Further efforts in this direction are being continued. It is however not certain that the electrically operated equipment as marketed abroad will be suitable for operation on the load existing on the electric lines at the Institute. The matter is being considered. Meanwhile the possibility of getting suitable equipment manufactured in India is being investigated.

(b) The production of sera and vaccines is being developed and every effort is being made to meet the demand of the Indian Union and adjacent countries as far as possible. Great difficulties are however being experienced due to

shortage of staff and non-availability of certain essential materials in sufficient quantities. All possible facilities are provided to students and scholars deputed by Provinces and States and adjoining countries and workers trained for the purpose are already employed in certain provinces and States. But it is true that more students need to be trained to meet the demand of the provinces. For technical reasons manufacture of every kind of serum and vaccine in the provinces and States has also not yet been possible.

(c) The question of increasing the production capacity of the Biological Products Section and of improving and expanding the existing facilities therein for both research and training has been under consideration in connection with the post-war development plan of the Institute. Government hope to expedite their decision on the matter. To deal with the immediate problem, the Animal Husbandry Commissioner with the Government of India is due to leave shortly to visit the Institute.

STEPS TAKEN FOR CONSTITUTION OF COTTAGE INDUSTRIES BOARD

2. Prof. N. G. Ranga: Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether it is a fact that the recent Industries Conference has recommended that a Cottage Industries Board should be appointed and whether Government have given the assurance that the said Board would be appointed within two months; and

(b) if so, whether steps are being taken to constitute this Board?

The Honourable Mr. C. H. Bhabha: (a) Yes, Sir.

(b) The recommendation is under consideration and Government hope to announce their decision shortly.

SHORT NOTICE QUESTION AND ANSWER

RESTRICTIONS ON THE LOADING OF GUR FOR TRANSIT BY RAIL

Shri H. V. Kamath (on behalf of **Seth Govinddas**): Will the Honourable Minister for Railways be pleased to state:

(a) Whether it is a fact that the loading of gur (jagree) has been completely stopped on private account for almost the entire gur production season and from the entire gur producing stations, and that a free booking is allowed for sugar produced by the mills;

(b) whether Government are aware that production of gur is the profession of poor peasantry and a stoppage of its movement has created a most devastating situation causing the ruin of the poor peasants, as a most artificial and un-economic price has been forced on them in this way; and

(c) if so, whether Government propose to take immediate steps to allot wagons for transport of sugar and gur on at least the same priority and save the peasants from ruin?

The Honourable Dr. John Matthai: (a) No. Both sugar and gur are placed in Class II (b) and enjoy the same priority. It is, however, true that due to the general worsening of the rail transport situation during recent months, railways are finding it difficult to meet readily commitments in Class II (b) priority, and this has inevitably affected the despatch of gur, as of other commodities, from some of the production centres. Also, sugar was temporarily, in a better position than gur for a period of one month immediately after the 20th December, 1947, as, at the express wish of the Ministry of Food, it was raised to Class I (b) following the decontrol of sugar.

(b) Yes. Gur along with other foodstuffs was elevated from Class IV to Class II (b) priority with effect from the 8th December, 1947, in order to assist the movement on trade account.

(c) Does not arise.

Shri H. V. Kamath: Sir, has Government's attention been drawn to Mahatma Gandhi's post-prayer message on "Independence Day" in the course of which he said:

"It is remarkable that there is now a glut in the market of *gur*, the poor man's supply for caloric deficiency. There would be no remedy for glut nor for reaching places outside the boundary of production unless there is quick locomotion If *gur* is sold at Rs. 8 per maund at Rohtak and at Rs. 50 in Bombay, we must say that there is something wrong with the working of the railways."?

The Honourable Dr. John Matthai: It is in order to facilitate the movement of *gur* under the new conditions that we decided to elevate it from a lower grade of priority to a higher grade of priority?

Shri H. V. Kamath: But is the shutting off of *gur* from some markets the reason for the high prices that are maintained for *sugar*?

The Honourable Dr. John Matthai: As far as we in the Ministry of Railways are concerned all that we can do in the existing conditions of transport is to give the best possible facilities for the movement of an essential commodity like *gur*.

Shri H. V. Kamath: Is it not a fact, Sir, that in spite of the high price of *sugar*, Government have supplied 20,000 tons of *sugar* to Pakistan, but no *gur* at all?

The Honourable Dr. John Matthai: That question must be addressed to another Ministry.

CONDOLENCE MESSAGE FROM THE PRESIDENT OF THE GRAND NATIONAL ASSEMBLY, TURKEY, ON THE DEATH OF MAHATMA GANDHI.

Mr. Speaker: Before the House proceeds with its business, I have to read to the House a message received from the President of the Grand National Assembly, Ankara, Turkey:

"The Grand National Assembly during its meeting held on February 3 came to know with greatest sorrow of the death of the great leader, Gandhi, victim of a horrible crime. On behalf of the Grand National Assembly and on my own behalf I request you, Mr. President, to accept and convey to the Constituent Assembly, the expression of our profound sympathy, in assuring you at the same time of the active share that we are partaking in the profound sorrow which has befallen your country."

TAXATION ON INCOME (INVESTIGATION COMMISSION) (AMENDMENT) BILL.

The Honourable Shri B. K. Shanmukham Chetty (Minister for Finance): Sir, I move for leave to introduce a Bill to amend the Taxation on Income (Investigation Commission) Act, 1947.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend the Taxation on Income (Investigation Commission) Act, 1947."

The motion was adopted.

The Honourable Shri B. K. Shanmukham Chetty: Sir, I introduce the Bill.

INDUSTRIAL FINANCE CORPORATION BILL—Contd.

Mr. Speaker: The House will now proceed with the further consideration of the motion moved yesterday, namely, that the Bill to establish the Industrial Finance Corporation of India, as reported by the Select Committee, be taken into consideration.

Prof. Shibban Lal Saksena (U. P.: General): Mr. Speaker, Sir, in the speech of the Honourable the Finance Minister I did not find any reply to the arguments contained in the Minute of Dissent of my Honourable friends, Prof. K. T. Shah and his colleague Diwan Chaman Lal. I think this was a major omission because the House would like to know why he has not agreed to accept the arguments given therein and I would like to draw some attention to some of the arguments contained therein. In clause 3 they have said that these people who will be purchasing the stock of this Corporation will be guaranteed a minimum profit. In private industry the main thing which makes them very careful about the running of an undertaking is their profit. But here there will be no incentive to see that the Corporation is working on sound principles and the persons concerned will try to fulfil their own personal interests and because they are guaranteed minimum profit so they will not care for national interest. I therefore think that if guarantees are given to them about the minimum profit and all that, then there is every reason that it should be controlled by the State; otherwise these people who will be controlling the Corporation will not have the necessary interest which is necessary to keep the corporation working properly. Then yesterday, I said that there should be a National plan. Now in these paragraphs 4, 5 and 6 these gentlemen in their Minute of Dissent have pointed out that as it is there is the danger that the development of the country will be lop-sided, that parts of the country which are not yet fully developed may not be developed properly and therefore it is necessary that this Bill should provide for a completely State-owned Corporation because then alone the State-owned Corporation can develop the country on national lines. Every part of the country must be developed according to its resources. What happens today is this: Instead of developing every portion of the country industrially only such portions as are convenient are developed. What I want is that the National Planning Commission should evolve a fresh plan and see which portion of the country is undeveloped and then according to that plan develop the undeveloped areas. This will not happen with the Corporation because the industrialists will only take the convenience of those who are in the industry and they will see that profits accrue to them. If you want that the country should be developed according to the national plan, it is necessary that this Corporation should be in charge of the State completely.

Again I am very much surprised that the Board of Directors contain at least half of Directors to be elected by the shareholders and of the remaining half the Reserve Bank and the Government is to appoint. The Reserve Bank at present is not a national body, but it might become so some time hereafter. At present the majority will be of persons elected by private shareholders and I think it is a very extraordinary suggestion that the State should guarantee profits and yet it should have a minority of Directors therein. This certainly is a very strange provision of the Bill. Then in paragraph 6, the Honourable Finance Minister has pointed out that for the successful working of the national plan it is essential that the State should own the power. I think there is no reply to the arguments contained in this paragraph and I do wish the Honourable the Finance Minister to give his reply to the argument raised therein. Then, as I said yesterday, these ten crores of Rupees may not be sufficient and if we have a private owned Corporation we have to put a limit. But this is a State-owned Corporation and it is not necessary to put a limit. In that case according to the needs of the situation

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we shall get money and money shall not be lacking because the State shall be there to guarantee everything and for a huge national planning I am sure we will require crores of rupees, not only 10 crores, but probably 100 crores of rupees and for that we require no limitation on its finances, which would cripple its activity. Again these two friends have pointed out in paragraphs 8 and 9 very important lacuna in the Bill. They say that the Corporation must own certain shares in concerns and have further pointed out how the shrewd operators of the Stock Exchange can defeat the State in its purpose of trying to develop industries as it wants to develop. Then it has been pointed out in paragraph 10 that large capital may be locked up if it is a State enterprise, but as has been pointed if we have to develop every portion of the country it may require large sums and for that I said there must be provision for ample money and there must be no limitation upon it. That is another reason why we want that it should not be a private Corporation where the finances will be limited. I therefore think that what we want is a corporation which should be able to do its functions properly and it should not have any private enterprise in it. Then, inflation can also be checked thereby. We can draw all the money of this Corporation and by that we can finance all the industries of the country which in turn will bring in ample return to the country. I had wished that the Honourable the Finance Minister had given reply to the arguments put forward in the Minute of Dissent. What is the advantage obtained by putting the Bill in this form. It cannot even be said that private industry has got experience which it will use in working this Bill because there are methods by which the skill could have been harnessed without making it a privately owned concern. I want the Honourable the Finance Minister to give a reply to this question: What are those advantages which he envisages will be to the Corporation by keeping the Bill in this form? Twenty different persons will own the shares of this company. Really there will be a handful of people who will control this enterprise and as this Corporation is going to finance the entire industry of the country it will mean that these people, say 1,000, will control the entire destiny of the State. I was sometimes back reading a book and in that it was pointed out that fifty-five per cent. of the national wealth of America is owned by fifty families of that country and twelve Directors of the Syndicate are more powerful than the Cabinet and the President of the U.S.A. That would also happen in this case. The twelve Directors of this Corporation, the majority of which will be private capitalists will be more powerful than the Cabinet Ministers of our country. I therefore think it is most important that this Bill should provide for a completely State-owned Industrial Corporation and we should not try to keep those odd forms of economic structure which, as everybody knows, are no longer supposed to be the best forms in the world today.

Then, as I said yesterday, my experience of the Sugar Syndicate shows that these capitalists cannot be properly trusted in this matter, and the experience of some foreign countries also supports me. I will read some extracts from the speech of the Minister of Finance in England during the discussion of the Bank of England Bill. He quoted certain authorities to prove that there was always a struggle between the financiers and the State in trying to control the finances of a country. He quoted Gladstone as saying.

"From the time I took office as Chancellor of the Exchequer, I began to learn that the State held, in the views of the Bank and the City, an essentially false position as to finance. I was tenaciously opposed by the Governor and Deputy-Governor of the Bank. I had the City for antagonist on almost every occasion."

So that is the experience even in England where they have long enjoyed complete independence and where they generally do not do anything unpatriotic. Even there this struggle exists between financiers and the State to control the finances of the country.

Then, Sir, I wish this Bill had been modelled on the lines of the Coal Nationalisation Bill in England. There the whole enterprise has been made a State-owned enterprise and yet they have harnessed all the experience and knowledge of the consumers and those who are concerned in the industry. After providing for a National Coal Board on which there is one Chairman and eight members who are all appointed by and responsible to the Minister, they have two bodies, one called the Industrial Coal Consumers' Council and another called the Domestic Coal Consumers' Council, to advise them when something goes wrong. Their experience of business will help them to suggest methods by which they can improve the working of this industrial enterprise. I want that instead of these people being allowed to be Directors, the industry which is held by this Corporation and other major industries should be allowed to become advisory bodies who should advise the Corporation. Government must have their own men on the Board of Directors, etc. who must run the enterprise; and if there is anything faulty in it they should be able to advise the men who are running the industry and who have got experience. In this way they can harness their skill and at the same time keep this as a State enterprise. In this way you can combine all the benefits of their experience together with the benefits of State enterprise.

Then, as I said yesterday, we cannot as men elected on that mandate of nationalisation of industry go on passing Bill after Bill which will really be a negation of that mandate. If we read the debates on the Coal Nationalisation Bill and the Bank of England Bill, we will find that in the very first year of their coming to office they fulfilled the promises which they gave to the electorate. Here there is a large majority behind this Government which is elected on the principle that we shall have State control of industries. Here this is a key industry or the key to all industries and the financial corporation which will manage all these things is being made a privately controlled corporation. I think this is a negation of all the promises which we made, and therefore we must immediately change this Bill. Again, we have failed to face up to a very critical situation. While our Government are trying to tackle this position I should like to warn them that side by side there must be something to show the people that the promises we made are being fulfilled. If we go on repressing the people that will not serve our purpose; we must show the people that we are for them and are doing something for their benefit. That is only possible if we have a corporation which is completely State-owned and can develop industry in every possible way. Otherwise there will be great difficulty for Government in facing the electorate again. We have been told repeatedly that we have got national planning which is to be put into effect. It must be done quickly; and if we make this kind of provision it will only show that we are only talking and doing nothing in practice. Therefore in order to tide over our difficulties and to prove that we have fulfilled the promises we made it is necessary that we must immediately make this Corporation a completely nationalised organisation and put into effect a large programme of complete national planning for the development of the country, so that in ten years we will be equal to Russia and America. That is only possible if energy and enterprise is shown. One Honourable friend said yesterday that this will help large-scale as well as small-scale industries. I think it must be for all industries and for the entire national plan, because only when we see everything in its proper context and perspective can we develop anything. I want this Corporation to finance the entire national plan, and for that we must have a completely nationalised Corporation. I hope the Finance Minister will not tell me that this is a limited Bill which is intended to finance small industries and that for the others he is going to bring forward another Bill. If so this must be scrapped and there should be only one Bill. In fact another Bill must come which must completely and in a most comprehensive manner cover every item of our national programme. In fact that Rehabilitation Corporation Bill which we

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passed should have thought of it because over 40 lakhs of people have been displaced and there should be a national planning. I should like to know from the Finance Minister what the exact scope of this Bill is and whether it is intended to finance the entire programme or only a small portion of it, in which case it becomes useless. I think this must have a big function and it must finance the entire national scheme. The last time when we were discussing nationalism of industries a friend said that we had the said experience of the railways. But the railways though State-owned then were not being run in our interests but in the interests of the foreign Government. Only now they have become a truly nationalised industry and if they work in the proper manner they will become a source of great income. Even as they are, the Railways have been a source of great income to the Government, and I hope that this Corporation will also be of very great and powerful help to the Government in seeing that the entire national industry of the country is developed according to its plan.

12 Noon

Then the other day the Finance Minister said that he had a proposal to nationalise the Reserve Bank as well as the Imperial Bank of India. I wonder when he is planning to nationalise these two banks why this Corporation, which is going to perform similar functions should not be nationalised. Why is he shy for making this a nationalist Corporation?

One other lacuna in the Bill is about labour. It provides for plants for industry and the State is guaranteeing profits and there is all such talk. What I want to know is what provision has been made in this Bill to see that the industries which are helped by this Corporation will treat labour properly. In every Bill, as I pointed out the last time during the discussion on the Sugar Industry, when the State takes upon itself this responsibility of financing any industry, it sees to it that Labour in that industry is given a fair deal. But no such provision has been made. That had been done in the Coal Bill in England and as I pointed out it was also so in the Sugar Act in England. In every Bill brought forward by the Government, and where Government is guaranteeing the profits of the Corporation, there must be provision that labour must be treated properly. It should be entitled to all the benefits. In fact, from 1930, when the Government gave protection to sugar industry, the sugar industry developed. From 31 factories in 1930 there came up 147 factories in 1947. What happened? The profits earned by the factories was 100 per cent. and 70 per cent. whereas labour was getting Rs. 4 to Rs. 5 per month and the Board had to confess that labour had not been given a fair deal. Although the consumers purchased the sugar at Rs. 4, they purchased the sugar at Rs. 10 or Rs. 11. I do want that the industries that are helped by this Corporation shall guarantee to see that labour gets all the minimum wages. This has been neglected and I hope the Finance Minister will see to it. It is the habit so far not to care for labour interest. I hope in the free India we will see that they are given a full share in the profits as well as a share in the management of the Corporation. Then if it is a completely State-owned enterprise we shall be able to debate its working every year, otherwise there will be something going on behind our backs. If it becomes a completely nationalised industry, then like railways we will have time to put forth our criticisms and that will improve matters and it will become more useful than it is at present.

Now somebody will question what kind of control I want over this Corporation: whether it should be completely state-owned, like the posts and Telegraphs and the Railways. I will quote a passage from the speech of the Parliamentary Secretary to the Ministry of Fuel and Power during the discussion of the Coal Industry Nationalisation Bill and I will point out several ways in which control can be exercised by Government:

"I do not propose to go through the Bill in detail, but I should like to say a few words about some of the more essential and controversial parts of it. First, may I refer to the

important question of the relationship of the National Coal Board to the Minister and, through the Minister, to Parliament? As soon as it is decided to set up a great public corporation of this kind one is faced, of course, with a number of alternatives. This is not the first corporation of the kind in existence in our country. We have, for example, the Post Office. There we have a trading organisation; but it is entirely financed by the State, and is completely controlled by a Minister of the Crown responsible to Parliament for all its details, and its employees are civil servants. That is one extreme.

"At the other extreme we have an organisation such as the London Passenger Transport Board, where the Finance is not State finance. The Board has finance of its own, not backed by State credit. The Minister has not even the power of appointment to the Board, and Parliamentary control, is remote in the extreme, and scarcely arises at all, except when the Board happens to have to come to Parliament for fresh powers. There are, of course, other examples between those two. The Central Electricity Board is not so far from Ministerial Control as the London Passenger Transport Board: the British Overseas Airways Corporation is still nearer to what I may call the Post Office alternative.

"In this matter, we follow the middle way, and I am sure that the right honourable Gentleman the Member for Bombay (Mr. Macmillan) will think no worse of us for that. We do not go to the extreme of the Post Office. We do not think there should be a Minister in charge of the day to day business of this great organisation. On the other hand, we do not think that the National Coal Board can or should be independent, entirely remote from control. We say that the Minister must have powers of general direction. Indeed, we go rather farther than that, because we specify in the Bill a number of particular points on which his authority is to be exercised; for example, expenditure on capital account. He may also give directions regarding the use of reserves—within the scope of the Bill, we have made that clear—directions regarding the use of this type of expenditure"

We therefore want that this Corporation should finance and the State should be able to control it through the Minister. Those who will be proposed as the Chairman and Directors of the Corporation should be able to deal with the working of it, and they should be able to prepare reports. There should be committees of industrialists and of labour who can advise if anything is going wrong and then this Corporation should report to the Minister how it is functioning. In that way we will be able to exercise full control over and we shall be able to carry out the mandate given by the country.

I shall be sorry if I am told by the Finance Minister that he cannot now change the Bill. This question of nationalization will be brought to the House again and again and it will be no use saying, like the last time, that there was difficulty in getting personnel. There is no difficulty here. We have all the necessary skill in the country on which the Government can fall back upon and with their help this Corporation can work and fully develop our national schemes and we can very soon be able to occupy our proper place in the comity of nations.

I am sorry that I have taken so much time of the House but this is an important Bill on which will depend the future progress of the country. Unless the Finance Minister says the scope of the Bill is very limited and he is coming forward with a bigger Bill to finance the entire national programme, I would suggest that we give up this Bill because it would not be sufficient to carry through the national schemes which I am sure must come up very soon.

Dr. B. Pattabhi Sitaramayya (Madras: General): Mr. Speaker, this Bill has proved a little more controversial than was expected. There is nobody in the House, I dare say, who will question the correctness of the position that such corporation should be wholly nationalised and that they had better start with such state organisation. I was myself of that view and as a member of the Select Committee I had argued much and long for it along with the professor who has chosen to add a dissentient minute to the report of the Select Committee. The fact is that while principles are always unchallengeable the question of expediency also comes into politics. Politics is the resultant of the two equal and opposite forces of *principle* and *expediency* and in between we have to find a *via media*. Principles embody eternal truths, expediency addresses itself to the needs of the moment. It is really a struggle between the immediate and the mediate, between the ideal and

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the real, between theory and practice and as politicians we have also to recognise the background and foreground of each problem. It is true that we are starting on a clean slate and that therefore we had better nationalise our institutions at least from now. It is also true that we have inherited a lot of luggage which we have to carry along with us. Our journey is not so light and easy as it is presumed to be, when it is stated that we have started with a clean slate. The slate is clean but the luggage is heavy. The fact is that between the time when this Bill was committed to the Select Committee and the time when we are now discussing it several things have happened pertaining to the region of banking. This institution is after all a bank and while we were on this subject naturally we began to argue "Yes, it is quite alright that we should make this a national body, a complete state bank, pertaining to the region of banking. This institution is after all a bank and the Imperial Bank? My Honourable friend who has preceded me has asked a seemingly correct question *viz.*, when you have decided to nationalise those banks, why on earth do you begin this bank as other than a national bank? The very argument which is advanced by him is the argument against him. It is because we have chosen in between the presentation of this Bill and the consideration of this Bill, to nationalise the Reserve Bank and the Imperial Bank that we do not also add a third national institution like that, since our resources are limited. What have we committed ourselves to? What are the facts in rupees, annas and pies?

The Imperial Bank's nationalisation, as it has been stated, is likely to cost us twentyfive crores. The Reserve Bank would cost some eleven crores. Then again we have also the unexpected Bill, the Relief and Rehabilitation Corporation, which pretends to be a business corporation and I hope that the pretensions that it lays claim to will prove true. In any case it is stated that it will cost ten crores—So 25 plus 11 plus 10 comes to 46 crores. Over and above this we are fighting a war which is almost being fought on our own soil and up to now it has cost over twentyfive crores. That makes it nearly seventy crores. In addition we have to meet a debt of ninetytwo crores, which will fall due in the course of this year. Then you have the Damodar Valley Project the scope of which is very large. It is likely to cost us thirty crores. So we have in all to face 192 crores and where are we to get it from? Is it exclusively to come from the mint at Nasik or from the coffers of the capitalists and the rich men of the country? That is the question that confronts you straightaway and you have to answer it in a straight manner. If you are going to manufacture more currency notes, you know what the result will be—disaster. If you are going to appeal to the markets for money you have to appeal under conditions which will elicit a ready and adequate response. It will not do for us to ask for a loan of fifty crores and then when the money is not forthcoming to, depend upon under writers or the Reserve Bank or the Imperial Bank. That will not be a situation that will be conducive to the stability or the dignity of this Government. We have started anew and it should not be said that we have really embroiled ourselves with bad finance. That being the case I merely state that while the arguments embodied in the dissentient minute of the Professor, who is the author of the minute, are un rebuttable in theory, the facts that I have advanced also are equally un rebuttable. Therefore in between nationalisation and capitalistic endeavour there must be a half-way house which would meet the needs of the nation's progressive tendencies and programmes. It is true that in our election manifesto our party has embodied the ideal that key industries should be nationalised or brought under national control. This is not a condition imposed for the sake of election. It was embodied in the fundamentals' rights programme which was passed by the Congress as early as April 1931. That remains there. The key industries have not yet been nationalised. Those are industries which call much more urgently for

nationalisation than this banking industry. After all in the bank you sow rupees, the plant of rupee rises. The tree bears rupee flowers and rupee fruits. There is nothing to lose in this concern. It is after all a business concern, a banking concern and a simple concern in which it would quite meet the needs of the nation if we took adequate care to see that national control was established. Now has it been established?

We have therefore to address ourselves to the provisions that have been made. I will not read all the provisions. Forty per cent. of the capital is subscribed by the Reserve Bank and the Imperial Bank. Six out of twelve are to be Government Directors and the Managing Director is to be a Government nominee. This number is adequate enough to ensure that the management is properly brought under national control. After all supposing it is a state bank, what would happen? You will nominate all the twelve directors and you know that the absence of an opposition is a demoralising factor, whether it be for the Government of India as it stands at present or whether it be for a bank which you want to start. The absence of a real opposition does not conduce to the fulfilment of the principles of responsible government or responsible administration in a bank. You know also that without coming within the iron grip of disciplinary rules we are trying to establish an opposition, so that we may speed up the march of a slow government as we think it to be, broaden its outlook and compel it to think in still broader sweeps and wider curves. Even so we are trying to establish an institution of which it cannot be said that "power corrupteth and absolute power absolutely corrupteth". It does not exactly corrupt, it corrodes, when people feel that there is no opposition, that your strength is unassailable and that your march cannot be impeded and the fact that there is nobody to question you is a factor which will certainly corrode your temperament and nature. Now, if there is state management with all the state nominees as directors, there will be absolutely nobody to check them and ultimately you will establish what is called a managerial aristocracy which has come into existence elsewhere and which is bound to come into existence even here. I do not say on that account that state institutions are destined not to come into existence. Considering the present situation I think we shall be strictly within the four corners of our own election manifesto if we bring into existence an institution which, though it may not be entirely a state institution, will at least be under national control. How do we control it? We control it by the capital; we control it by the management; we control it by the dividends; we control it by the inspection and by the audit; and we control it above all by that supreme power that we possess as a legislature to pull it up whenever we want to. These are the remedies open to us. You can nationalise it any day. You have a provision in the Reserve Bank constitution that it may be nationalised any day by simply paying one per cent. extra over the capital market value or the face value of the capital for each year that it has existed. For thirteen years it has existed. Today you can take it over under State ownership. You may be able to take over this institution also when we think that the time is ripe for it or our finance will permit it or the order of precedence will demand it. These are the factors which will govern the question. Nationalisation is a question not of argumentation as to the fundamental principles which guide the policy but it is a fore and aft question as to which is essential and non-essential, which is primary and secondary. It is in a judgement of this matter the sense of proportion, the sense of perspective and the sense of propriety which we must necessarily bring to bear upon all these problems that we have to decide namely whether we should start this institution as a completely national undertaking. After the events that have taken place and after our decision to take over the Reserve Bank and the Imperial Bank it would be just as well to proceed with this institution as it has been planned in the Bill before us with such additional precautions and safeguards as the House may think fit if they are

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considered necessary. I would therefore appeal to the House not to press for this theoretical fulfilment of a policy. After all we are not treating our election manifesto as a scrap of paper. Some people fear that if we have to take over this institution at later date we may have to pay unnecessary premiums upon the market value of the shares. Well, the market value of the share increases or it does not increase; or I may say, it should or should not increase. If it should increase we welcome the rise. If it should not increase, we have the scissors in our own hands. We can prevent the market from quoting bullish rates over others because after all we will control the dividends and we can control the dividends not only of this institution but also of the other institutions concerned. Much has been said of a coterie of twelve people controlling the whole of an institution. It is quite possible. It is said that in France two hundred families control the Government. In England forty families control it. If that is so we are trying to copy that excellent example in this country also. It is bound to happen when power comes to one or two individuals. You cannot help it. But at the same time we must combat it by timely, healthy, moderate and reasonable criticism. I do not fear that such capitalists will get a monopoly or that the thousand people who borrow will get a control over this institution. After all who are the people who are going to subscribe to this institution? They are insurance companies, banks investment corporations and the co-operative movement in different proportions. We can control those institutions also. These people cannot make extra profits because profits are limited to five per cent. And if we want to control them by diverting the funds from there, we can control that also. We have got full power in our hands. Therefore, let us march on steadily to a progressive destination so that we may not be embarrassed just now. We are in hard times and we do not know exactly what will be our position tomorrow when the U.N.O. throws up its hands and asks us to fight our own battle on our own soil. Under the circumstances I should not like to embarrass the Finance Department overmuch and we should be satisfied with such controls as have been made possible through this Bill.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Mr. Speaker, Sir, this Bill has raised very large issues much beyond its scope. The question of nationalisation in general has been brought in. I do not complain of this. But I would offer a few remarks in this connection. Nationalisation is a good principle, but as has been pointed out just now by the Honourable Member, Dr. Pattabhi, there is need for compromise between idealism and realism. In fact, even if nationalisation is accepted as the national principle, its application must be cautious. We should proceed from experience to experience. I should think that if at this stage this corporation is at once started as a full-fledged state-owned institution the whole thing may collapse and the institution may end in disaster. Government, as it is notorious, are not good businessmen. I do not say that they will not become good businessmen with experience later on, but we are only an infant institution as a free nation. With regard to business, one rule prevails in business circles, namely that efficiency is the primary consideration. With regard to Government, the dominating principle is sub-serviency to rules. If by adhering faithfully and literally to any set of rules any official brings even disaster to Government, he will be regarded as an ideal officer. There is red tapism and delay and inefficiency in Government management from a business point of view. But in business, if a businessman does not break the rule to save the business from loss or misses a large profit, he will be regarded as a bad businessman. The outlooks are entirely different in the two cases. In these circumstances I believe that Government should proceed rather cautiously. The word nationalisation has been too much of a slogan in this House as well as outside this House. I believe that nationalisation should not be made a slogan but that the question of the desirability of

nationalisation and its speed and the priorities in the different business concerns should be a matter of experience. The first principle in the basic industries is efficient production of consumer goods. The nation requires the production of goods at the cheapest rate in the most efficient manner. That should be the criterion. The world today needs cheaper and more consumer goods. The world needs food; it needs a large number of things. An important consideration in deciding upon nationalisation of any industry would be whether private management would give better returns and cheaper production or nationalisation would serve the purpose better. Or it may be that a midway house between the two extremes would serve the case better. That should, I submit, be the actual practical consideration and criterion. But in discussions in this House about nationalisation much wide and loose talk has been indulged in.

It has, I find, considerable effect in business circles. Already there has been a considerable amount of nervousness in the Stock Exchanges. The Stock Exchanges are a mirror of business and economic life in the country.

Shri M. Ananthasayanam Ayyangar (Madras: General): And sometimes manipulated also.

Mr. Naziruddin Ahmad: Yes, but in talking unpractical things—of nationalisation without qualification—we really give them a handle for manipulating prices. There are a few very shrewd businessmen some of whom are not of the best type. They do not work for the national good but they are a small coterie holding a large sway to the detriment of the large investing public. It is by talking of unpractical things like nationalisation and so forth that fear is genuinely caused and also of course manufactured and, as has been just pointed out, manipulated by some shrewd hard-hearted businessmen. They control the market and in talking freely in this respect, we really abet them in doing so. I should therefore think that we should make our minds absolutely clear about nationalisation. Should we seriously and freely talk about nationalisation of all industries prematurely or should we proceed as we are proceeding in a cautious manner in this Bill?

Shri M. Ananthasayanam Ayyangar: When does that maturity come?

Mr. Naziruddin Ahmad: That maturity would come as the maturity of an infant comes. We are, as I have submitted, only an infant as a free nation born only six months ago. We must attain maturity through boyhood, through youth, and through manhood and old age. We cannot attain majority all at once. We have to attain 21 years before we would be capable of signing even an ordinary document or voting at elections.

An Honourable Member: 18 or 21.

Mr. Naziruddin Ahmad: Yes, 18 or 21. In these circumstances I submit that it is necessary for us to clear our minds of cant and I would request the Honourable Minister to make the policy of the Government plain in this respect. What are the key industries? It is very easy to talk theoretically but we should be clear as to what are the concerns which are key industries and should be nationalised and in what priority and with what speed? That would, I believe, create a reasonable and a much desirable amount of stability in the Stock Exchanges and in the Money Market which largely reflect on the economy of our country. The wider issues that have been raised should be clarified in order to stabilise prices.

Coming to the structure of shareholding in the Corporation, I feel that a very small but powerful coterie of large businessmen will control the whole show. It is claimed that the Government has six nominated members and has also the power to nominate the Chairman. That would in practice give the Government seven out of 18 votes. It should therefore be quite easy

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theoretically for the Government to prevent manipulation. But a little experience in the management of these institutions and in the management of companies through Directors will show that it is easily possible for six shrewd and hard headed businessmen to control the management. Nominated members may be unwary. The impression that the whole business would be dominated by a few businessmen should be removed and there is a feeling in the House that only big business concerns will benefit out of this national institution. Shareholding should therefore have been rather on a more democratic basis. Shares should have been allowed to be subscribed for by a larger number of people than it has been thought fit in this Bill. There is a fear, I believe, on the part of the Government that if a larger number of shareholders subscribe for this institution, the concern would be managed in an unsatisfactory manner. But actual shareholding does not really count. It is the Directorate that really counts. We have our experience of the Reserve Bank. It has a shareholding which is on a democratic basis, but it is being run in a very efficient manner and on thorough business principles. In these circumstances I would request the Honourable Minister to consider whether it is possible to popularise and democratise the shareholding. There is however one thing in favour of associating really good businessmen with this institution. Perhaps that would introduce an element of stability in this business, but small concerns will be put into the shade.

Then, with regard to the structure of the Bill itself, I feel constrained to submit that it has not been very carefully drafted. In fact it has not been divided into appropriate chapters for the different subjects. Clauses do not come in a logical order but in a fitful manner. The Honourable Minister has explained the reason. He has pointed out that it was really drafted by the previous Government. But then, if that is so, the Bill might have been redrafted from the new angle. We find already traces in the Bill of several minds working upon it. There was a fundamental basis laid down by the previous government, and now there are some revisions here and there to make it up-to-date and traces gaps and anomalies are plainly visible. The whole Bill should have been written afresh with clear cut divisions into chapters. There are in the Bill omissions of some importance. There is no clause in the Bill to provide for casual vacancies. Nobody knows what will happen when within his term a Director dies or resigns. Then there is what is called the financial year, but we do not know whether it begins on the 1st of January or as the official year does, on the 1st of April. Then in clause 37 it is provided that if one of the members is out of pocket for the business of the concern on account of some wilful act of his own, he will not be reimbursed. I submit that in order to earn reimbursement according to the Bill, some act which is not wilful will have to be undergone. Thus it is only when the act is unconscious, not wilful, that he will be reimbursed his out of pocket expenses for the Corporation. I should think the proper expression should be not 'wilful' act but 'wrongful' act. Perhaps it is a misprint.

Then there is a confusion about certain technical expressions. We find there is a general tendency to make some confusion about the word 'prescribe'. The word 'prescribe', so far as I know, has all along been used in the sense that it is prescribed by the Government by rules framed under an Act. In this case, however, the Bill makes distinctions between 'rules' made by the Central Government and 'regulations' made by the Board. But the word 'prescribed' as it was used ever before was strictly confined to prescribed by rules made under the Act. Here the word 'prescribed' is an amphibious word which is now used indiscriminately in the case of rules and regulations. In the Damodar Valley Bill which is coming on, they have differentiated it, but in the present Bill they have not differentiated it. I think it is necessary to give some stability to the meaning of a well-known words. It is all very well to say we

have defined "prescribed" as prescribed by rules as well as regulations, but it was easy to prevent this unnecessarily promiscuous use. But there is no necessity for introducing this uncertainty, to unfix the meaning of a word which has been fixed already. If it is necessary, it can be easily removed by proper wording and proper definition.

Then the Honourable Minister has, in his opening speech, said that this Corporation should be taxed. While supporting it, he said that the Railways and other institutions should be taxed. I think the House should have a clear idea of what is really meant and what the statement really implies. If this corporation is taxed, who will pay the taxes? I think those persons who take loans, those who are consumers, they have to pay and the tax is paid visibly by the shareholders and the shareholders have a right of refund along with their own income-tax on the basis of their personal incomes. If the corporation is not taxed, then if the shareholders receive a dividend that dividend along with the individual income of each will have to be assessed for income-tax. So, if we delete this clause, no person having an income of Rs. 2,000 or upwards would escape; the effect would be a more rational taxation.

Then coming to the proposal of taxing the Railways, I think the object of the idea will reveal itself. The Railways are patronised by passengers. If you tax the Railways the effect would be that the cost of travel and transport will be increased and the passengers, consigners of goods will have to pay more. The effect would therefore be that you rob the passengers and consigners of goods to benefit the passengers and consigners of goods. They are only the people of the land. It is not robbing Peter to pay Paul but just like robbing Peter to pay Peter. It will be robbing the people to pay the people. In fact, in real economics, this does not effect any improvement. If you tax Railways, why should you not tax the Post Offices or the Co-operative organisations, the Telegraphs Department and others? And why not tax this House itself? In fact if you go on taxing things like this, you will be taxing the patience of the people very soon. The Honourable Minister should stop talking about taxing the Railways and the like and make it clear as to what industries he wants to nationalise in order to stabilise the Money Market and also to check speculation and gambling in the Money and the Stock Exchanges.

With these words, Sir, I on the whole support the First Reading of the Bill and would support a modified economy—something like State control to begin with. There will be ample time when we gain sufficient experience to nationalise the corporation or other similar institutions, but at the present time we should know the attitude or the mind of the Government in this respect.

Shri K. Santhanam (Madras: General): Mr. Speaker, Sir, I know that the House has debated over this for a long time and I will not take much time of the House. Many things have been said in this House which require a word of clarification. Sir, the Select Committee has made very many important improvements for which I heartily congratulate them. Particularly, they have provided that the Industrial Finance Corporation can take charge of any industrial concern when it fails, and manage it under clause 28. Again, in Clause 1 they have provided that the scope may be extended to all States. I have been fighting for the inclusion of this clause in every Bill so that all Bills which we pass here may be taken advantage of by such States as may be willing to benefit by them; but the Law Minister prevented me from introducing such a clause in one or two Bills. But I hope hereafter the Legal Department will make it a rule to provide such a clause in every Bill that comes before this House.

Sir, a great many speeches have been made on the issue of nationalization. I think there has been a lot of confusion about this question. Mr. Shibban Lal Saksena has argued as if this Bill has been brought up for the general industrial development of this country in all possible manner but the actual

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scope of the Bill is that it is intended to finance only private concerns. The assumption behind the Bill is that there is going to be a sector of industries which will be managed by private enterprise and that sector requires some fostering, some assistance by Government. This Institution is intended to provide that assistance. It is not intended to finance State enterprise either by the Centre or Provincial Governments; they will have to provide other financial machinery for that purpose. Mr. Shibban Lal Saksena's whole case falls because he wants nationalized industry; that is an entirely different issue. If he wants all industry to be nationalized, then the only thing is to oppose this Bill, "We do not want this Institution—it ought to be scrapped." Therefore he simply wants to strike at the whole Bill and his entire speech was, I am sorry to say, wholly irrelevant for this occasion unless it was meant as a total opposition to this Bill.

Prof. Shibban Lal Saksena: Will it not form part of the National Plan?

Shri K. Santhanam: I do not know the National Plan but he instanced the Railways and coal. If he is agreeable to private industries then you can consider how far the State should control it. But his main opposition was that if the industry goes into private hands, the private capitalists will ruin this country and that therefore this Corporation should be nationalized.

Shri H. V. Kamath (C. P. and Berar: General): Sir, is not my friend usurping the power of the Chair in calling the speech irrelevant?

Mr. Speaker: The Honourable Member is perfectly in order.

Shri K. Santhanam: I have the highest esteem for my friend Mr. Shibban Lal Saksena. A speech can be irrelevant though it is made in all good faith.

I wish to take up the attitude of Prof. K. T. Shah. So far as I could understand him, he did not object to the sector of private industry. But his argument was that this financing concern should be a purely State concern. Sir, if private industry is to be financed, I do not exactly understand why only the State should provide all the funds, because today the State as it stands has to manage its own State concerns: the Damodar Valley Corporation is a purely State concern, the Rehabilitation Finance Corporation is a purely State concern. Therefore it is but right that the Government should go to the Market and borrow all the money that is needed and provide funds. Here the object is that Government takes money from the people to hand it over to private concerns, because the entire purpose of this Bill is to finance industrial concerns and by definition an industrial concern is any public limited company. Therefore it is good that as much of this capital as possible should be taken not directly by the State but with the help of other private concerns. It is said that as soon as these private concerns come, there will be something wrong. I think for the purposes of this Bill, it is not only necessary but actually desirable that private concerns should be associated with the management of this Corporation because when all the Banks are there, they will know much more than the representatives of the Central Government can know, as to which concern is likely to benefit, who are the promoters, what is the status of the promoters, what are the prospects before any Company which is promoted and which concerns deserve help. Their assistance will be of great value.

In the process of nationalisation, there are two opposite tendencies. One is "Make it all State. Make it all bureaucratic." After you have made it all State and all bureaucratic, then the opposite comes in. "Both the officials and the non-officials. First put the non-officials as advisory and then give them all the powers." Between these two, we do not know where we stand. I think we should have very clear ideas about nationalisation. Every concern is nationalised provided the Legislature has ultimate control over it and we have got effective control over the management. The inclusion of a

certain number of non-officials either as representatives of private institutions or as nominees of the Central Government does not affect the virtue of nationalisation. Suppose it is wholly State aided. What sort of Directorate shall we have? We will say, some four or five officials and some four or five non-officials. Who will be the non-officials who will be nominated?—the very people whom it is sought to bring in by this process of a limited number of shares because it will be only those who are managing the Scheduled Banks and those who are managing the Insurance Companies who will be fit to serve, who will be competent to serve.

An Honourable Member: The Reserve Bank also.

Shri K. Santhanam: I am taking the Reserve Bank more or less as a State concern. I am including it in the same concern. The same people are bound to be nominated in the Directorate. Now what is the great object of nominating them without asking them to bring some money into the concern? Now the provision in the Bill says: "Bring money into the concern. Bring Rs. 5 crores and you also serve." Instead of that, Mr. Shah says: "Don't bring in any money to the concern, but serve." Now, this is a sort of defeatist policy. If it is purely a governmental project, I should say that no private interests should come into it, but where the main purpose is to promote private concerns, then, what is the harm of having private assistance? It is argued: "Why have you nationalised the Reserve Bank? Why have you nationalised the Imperial Bank? Then why don't you make all our Banks nationalised?" Now, I do not know how the nationalisation of the Imperial Bank is going to take place. Whether it is going to take the form which is embodied in this Bill is a matter to be considered. So far as the Reserve Bank is concerned, its main purpose is not to finance other people. Its main purpose is to manage the currency of the country. That is why we do not want any private interests to interfere. So far as the Imperial Bank is concerned, it also manages Treasuries and is also the agent of the Reserve Bank. To that extent, Government is vitally interested for its own business. The Imperial Bank is also the general financial backbone of the country, and therefore we want to have control. In the case of the Imperial Bank I am not sure that it will be sufficient to have a fifty one per cent. directorate in the management, but that is a matter for consideration. In any case, the object of this particular concern being only to finance private industries, I think it is not only proper but it is the right thing to have a directorate which is composed purely of Government nominees, purely of banks.

Then one other point which many of our critics have missed. If you will look at the Directorate, six members are provided by the Government and the Reserve Bank and two members are provided by the Co-operative Banks. They have assumed as if the representatives of the co-operative concerns will be like the representatives of the Scheduled Banks and will have only private interests in their minds. I think the representatives of the Co-operative Banks will be as public-spirited and as careful of national interests as the representatives of the Government themselves and therefore we get out of 12 at least 8 people who will be directly interested in safeguarding the national interests and I think the representatives of other Banks also in their own interests will help this Corporation to see that the loans are not squandered. If they are squandered their own structure will be affected because the solvency of the Scheduled Bank is even more dependent upon the general prosperity of the industry than the Reserve Bank or the Government. Therefore, the presence of representatives of Scheduled Banks and Insurance Companies, who are the big institutional investors, is a matter of the greatest importance. I think the present structure of the Institution is a wise structure and for mere theoretical considerations we should not destroy a thing which is really good in itself. Nationalisation will have to depend on the objective. We will have to require a particular kind of nationalisation for

[Shri K. Santhanam] running a State industry. We must have another kind of nationalisation for helping the private industry. We must have a third kind of nationalisation to promote peasant cultivation, and yet another for State mechanised cultivation. Therefore, to lay down any such blind formula, as that the word "nationalisation" means all the capital should be State capital and all the management should be official would be destructive of national economy. So, I oppose the idea of converting it into an absolutely State Bank or a bureaucratised Bank. I think the present structure is the only proper structure for the particular purpose concerned and so I heartily approve of the changes made in the Select Committee and support the Bill as it is.

Only one point more, Sir. In this particular case, clause 5 provides for the repayment of the principal only. In the Reserve Bank they provide for the repayment of something more than the principal in the event of liquidation, but here when the Government wants to take over, it has simply to make a formal order under 36 saying "We propose to liquidate this concern" and simply pay off the principal and take it over. It has not to go to a court. In this respect, it is a vast improvement over the Reserve Bank Act or other Acts. Clause 5 says: "The shares of the Corporation shall be guaranteed by the Central Government as to the repayment of the principal"

An Honourable Member: It is only a guarantee.

Shri K. Santhanam: What is the guarantee of the principal, if it is to be a perpetual Corporation,—and principal will be perpetual,—why should there be any guarantee? The principal only becomes payable when the Corporation is taken over by the Government or liquidated.

Diwan Chaman Lall (East Punjab: General): There is no provision for taking over. There is only provision for liquidation.

Shri K. Santhanam: It is always open to take over by the single Clause Bill in the Legislature. We never say "We won't take it over", but it is always open to us to take over any concern which is set up by Statute. If you insert a clause now saying "I shall take over" nobody would come in. Why should an Insurance Company or a Bank put in money if you are going to take over?

Diwan Chaman Lall: But Mr. Santhanam, you will come in again on the same argument and say "Do not take it over".

Shri K. Santhanam: Why should I not say so? If the State floats loans on the credit of the entire revenues, why should it hand it over to private industries. I think it is on the whole an unbusinesslike and unreasonable principle. Even if you want to take it over by the State, I think the better provision is to leave things as they are and whenever you want, either through the process of liquidation or by an amending Bill, provide conditions under which you can take it over. So I suggest that it is not good to tamper with it suddenly and introduce anything which will upset the structure of the Bill.

With these words, Sir, I heartily support the Bill as it has emerged from the Select Committee.

Kazi Syed Karimuddin (C. P. and Berar: Muslim): Sir, I have not the least doubt in my mind that this is an unwelcome measure and I am bold to say that from the speeches of the members of the House and from the bulk of the public opinion in the country, the provisions of this Bill are opposed to public opinion and to the opinion of the members in this House.

My Honourable friend Mr. Krishnamachari has plainly stated his faith in the economic principles and his loyalty to the Party.

The Honourable Mr. Sidhva said that he would not like to embarrass the Government although he believed in nationalization. There are several Members of this House who have made speeches and who accepted the principle of nationalization and opposed the principles

underlying the Bill, but because of some other circumstances, may be party discipline or anything else, that they supported this motion.

Sir, it is very clear that the Members of this House and the Members of the majority party in this House are torn between the sentiment of loyalty to the party and their faith in the nationalization of industries in the country. This is not an ordinary Bill as the Honourable Mr. Santhanam has said and very rightly said. Their vote in favour of this Bill is a victory for the private enterprise. Therefore, I say this is a very vital Bill. This is a Bill with far reaching effects on the economic interests of this country. Sir, I submit that we have a National Government. The white capitalists have left this country. We are politically emancipated but it is yet to be seen whether we are free from the economic bondage of the capitalists of this country and if we fail in this test then my submission is that we are not free from that economic bondage in which we have been living. This is not a question of details which I am discussing. There is a great divergence of views between the Honourable the Finance Minister and the Members of this House and myself. The Honourable the Finance Minister has declared times out of number that he wants private enterprise for long years to come and this is

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): On an important matter like this, I do not think I can allow a statement like that to go unchallenged. I have not expressed any opinion on the general policy of nationalization. What I stated on a previous occasion was that even if a policy of nationalization was adopted on a planned basis, there will still be room for private enterprise in this country for many years to come.

Kazi Syed Karimuddin: I accept his statement and I interpret it to be that there is room for private enterprise for long years to come, and this is a link in that chain.

My submission is that the introduction of this Bill and the passing of this Bill will be a great hindrance in the nationalization of industries in this country. If this Bill is passed by this House, there would be commitments for 25 years or more as the provisions of this Bill will provide and it will not be so easy looking to the opinion of the investors in this Corporation to nationalize it or to take it over by merely by an amending clause in a month or two.

Sir, in the Statement of Objects and Reasons of this Bill it is stated that "the provision of credit for medium and long-term capital requirements of industry falls outside the normal activities of commercial banks and, in certain cases the usual methods of capital issue are not wholly practicable or suitable. In order to fill this lacuna, Industrial Finance Corporations, to provide medium and long-term credit for facilitating post-war rehabilitation and development, have been established in several countries." This is a statement in the Statement of Objects and Reasons. This was at a time when there was no move for the nationalization of the Reserve Bank and the Imperial Bank. Now that there is a declaration by the Honourable the Finance Minister that the Reserve Bank of India and the Imperial Bank would be nationalized, where is the lacuna now? The Reserve Bank of India can float a loan, can create money and can start State industries direct without establishing such a Corporation.

Shri K. Santhanam: It cannot lend long term credit.

Kazi Syed Karimuddin: Now in the speech the Honourable the Finance Minister stated yesterday that he has practically accepted the recommendations of the Central Banking Commission which made the recommendations many, many years ago. Those many years are gone. The regime in which those recommendations were made is gone. The times have changed and we are in a state of national independence and there is a national Government now. The people of this country, Sir, have absolute faith in the financial stability of this Government. The resources of this country are very

[Kazi Syed Karimuddin]

vast and instead of establishing this Corporation, if the Government issues a floating loan, if the Government issues bonds and invests that money in industries direct, it would be much better than to give a considerable sum of money to private enterprise and to guarantee them their principal and to guarantee their dividends. The question of labour will not be solved and there will be no utility to the State except probably in the shape of income-tax. The Board of Directors may not develop those national industries which are not profitable. The Board of Directors will care for those interests in which the profits are high. Instead of giving this enterprise to the private enterprise I do not see why Government money should not be utilised for the national industries and industries which would be to the great advantage of the country. Therefore my submission is that the passing of this Bill will be a vote in favour of private enterprise and I am opposed to the fundamentals of the Bill. I submit, Sir, that the Bill should be thrown out.

श्री मोहन लाल गौतम : माननीय स्पीकर साहब, मैं इस बिल पर थोड़ने को नहीं होता अगर इस बिल में एक ऐसा सिद्धांत छिपा न होता जिसकी वजह से इस बिल को सपोर्ट करने में मुझे दिक्कत हो रही है। मैं इस बिल के लिये फाइनेंस मिनिस्टर साहब को मुवारकबाद नहीं दे सकता हूं। क्योंकि रिजर्व बैंक और इम्पीरियल बैंक के नेशनलाइज करने का जो एलान किया गया था वह एक उसूल था जिसे गवर्नमेंट और पार्टी ने मान लिया था कि बैंकिंग को हम नेशनलाइज करेंगे। अगर यह बात सही है कि इम्पीरियल बैंक और रिजर्व बैंक को आप नेशनलाइज करने जा रहे तो मैं उस बहस पर इस वक्त नहीं पड़ना चाहता हूं कि उसमें आपको क्या दिक्कतें आयेंगी और कितना रुपया आपको देना पड़ेगा, उस बहस में और उस विस्तार में मैं नहीं जाना चाहता हूं। लेकिन मैं समझता हूं कि इस वक्त जबकि ब्रिटिश हुकूमत खत्म हो गई है और जबकि हम एक नये समाज का संगठन करने जा रहे उस वक्त हम किन उसूलों पर चलेंगे इसको साफ हो जाना चाहिये।

एक दोस्त ने इलेक्शन मैनीफैस्टो (Election Manifesto) का जिक्र किया है और दिक्कत बतलाई है कि यहां इन उसूलों पर अब नहीं चला जा सकता है। हो सकता है कि जिस वक्त हमने इलेक्शन मैनीफैस्टो (Election Manifesto) निकाला था उस वक्त हमको यह पता नहीं था कि यह जिम्मेदारी हमको अपने कंधों पर उठानी पड़ेगी। लेकिन मैं उसके बाद की बात और अभी इस जमाने की बात आपके सामने रखना चाहता हूं और वह १५ अगस्त के बाद की बात है जबकि इस गवर्नमेंट ने अपने कंधों पर बोझ उठा लिया था और अंग्रेजी हुकूमत यहां से खत्म हो गई थी। उस वक्त कांग्रेस कमेटी का जल्सा हुआ था और १७ नवम्बर को एक प्रस्ताव आल इंडिया कांग्रेस कमेटी (All India Congress Committee) ने पास किया था, मैं इसकी तरफ आपका ध्यान दिलाना चाहता हूं, जो प्रस्ताव आल इंडिया कांग्रेस कमेटी की तरफ से बनाई हुई सब कमेटी (Sub Committee) ने पेश किया और जो इस वक्त मुल्क के सामने पेश है, वह एजिटेटर्स (agitators) या क्रान्तकारियों की बनाई हुई रिपोर्ट नहीं है। इसमें इस गवर्नमेंट के प्रधान मंत्री शरीक थे और यह

रिपोर्ट उनके सभापतित्व में और उनकी लीडरशिप (leadership) में तैयार की गई है इसलिये उन मेम्बरों को जो गवर्नमेंट की जिम्मेदारी नहीं उठा रहे हैं और जो गवर्नमेंट की दिक्कतों से इतने ज्यादा परिचित नहीं हैं जितने कि प्रधान मंत्री जी हैं और होना चाहिये। अगर प्रधान मंत्री की कमेटी की रिपोर्ट में यह कहा गया है कि इस बेसिस (basis) पर हम आगे मुल्क और समाज का संगठन करेंगे तो मेरे ख्याल में किसी भी प्राइवेट, किसी भी यहां के मेम्बर के लिए जो गवर्नमेंट की दिक्कतों से इतना वाकिफ नहीं है यह कहना मनामिव नहीं होगा कि तकाजे से इस वक्त हमको धीरे-२ चलना चाहिये।

में अर्ज करूंगा कि इस गवर्नमेंट के जिम्मेदार आदमी, और इस मुल्क के जिम्मेदार आदमी वह सब जब आल इंडिया कांग्रेस कमेटी की बैठक में धरोक हुए तो उन्होंने एक सिद्धान्त मुल्क के सामने रखा कि हम इस तरह आगे समाज का संगठन करेंगे और इस तरह से हम मुल्क को ले जाना चाहते हैं। आप सब लोग मुझे माफ करेंगे अगर मैं कुछ दो एक बात उस प्रस्ताव की पढ़कर आपका समय ले लूं। प्रस्ताव जो आल इंडिया कांग्रेस कमेटी में पास हुआ उसके अलफाज यह हैं:—

"Political independence having been achieved the Congress must address itself to the next great task, namely, the establishment of real democracy in the country, a society based on social justice and equality. Such a society must provide every man and woman with equality of opportunity and freedom to work for the unfettered development of his or her personality."

स्पीकरसाहब मैं खासतौर से आपका ध्यान दिलाना चाहता हूं।

"This can only be realised when democracy extends from political to the social and economic spheres."

इस प्रस्ताव के और सब हिस्से छोड़ कर एक वाक्य इस प्रस्ताव का पेश करना चाहता हूं :

"such a social structure can provide an alternative to the acquisitive economy of private capitalism."

प्राइवेट कैपिटलिज्म (Private Capitalism) की जगह हम दूसरे तरीके से आर्थिक व्यवस्था इस देश में लाना चाहते हैं। इस कमेटी में जिसमें पं० जवाहरलाल नेहरू, मौलाना आजाद, और इस हाउस के बहुत से मेम्बर शामिल थे और कांग्रेस के बहुत से जिम्मेदार आदमी भी थे उन्होंने जो रिपोर्ट नवम्बर के बाद लिखी है जब कि वह जमाना नहीं था जैसा कि इलैक्शन मैनिफेस्टो (Election Manifesto) के समय लोग गैर जिम्मेदारी के साथ बात कर सकते थे वल्कि पूरी जिम्मेदारी महसूस करके कर ली थी, उस वक्त की रिपोर्ट की बेसिस पर मैं आपके सामने रखना चाहता हूं और जिससे यह साफ जाहिर है कि हम इस कैपिटलिज्म को बदलना चाहते हैं। हम इन प्राइवेट एंटरप्राइज (Private enterprise) बेसिस (basis) पर जो इकनामी है उसको बदलना चाहते हैं।

The Assembly then adjourned for Lunch till Half-Past Two of the Clock.

The Assembly re-assembled after Lunch at Half-past Two of the Clock, Mr. Speaker, The Honourable Mr. G. V. Mavalankar, in the Chair.

श्री मोहनलाल गौतम : जनाब स्पीकर साहब मैं यह अर्ज कर रहा था कि नेशनलाइजेशन (nationalisation) के खिलाफ जो आरग्यूमेंट्स (arguments) दिये गये थे वह सबसे बड़ा आरग्यूमेंट (argument) यह दिया गया था कि एक्सपीडीएन्सी (expediency) का तकाजा यह है कि इस वक्त नेशनलाइज (nationalise) न किया जाय ।

मैंने अर्ज किया था कि जो लोग इस गवर्नमेंट को इस वक्त चला रहे हैं और जिन पर गवर्नमेंट को चलाने की जिम्मेदारी है, वह सबसे ज्यादा जानते हैं कि (expediency) क्या चाहती है । आज हम लोगों में से वह लोग जो कि अभी गवर्नमेंट की अन्दरूनी हालत नहीं जानते और सिर्फ एसेम्बली के ही मेम्बर हैं । इनको यह मालूम नहीं है कि गवर्नमेंट की दिक्कतें क्या हैं और गवर्नमेंट क्या करना चाहती है । इसलिये मैंने अर्ज किया था कि अगर इस गवर्नमेंट के सबसे बड़े वज़ीर पंडित जवाहरलाल नेहरू और मौलाना अबुल कलाम आजाद और इस हाउस के कुछ मेम्बरान इलैक्शन मैनिफेस्टो (election manifesto) के वक्त नहीं जब यह जिम्मेदारी हमारे ऊपर नहीं थी, बल्कि पन्द्रह अगस्त के बाद जबकि हम अपनी जिम्मेदारी को अच्छे तरीके से महसूस करते थे, अपनी दिक्कतों को अच्छी तरह से अनुभव करते थे । उस वक्त उन लोगों ने क्या फैसला किया । उसकी तरफ मैं आपका जनाब स्पीकर साहब ध्यान दिलाना चाहता हूँ ।

मैंने अर्ज किया था कि आल इन्डिया कांग्रेस कमेटी ने यह साफ साफ अपने १७ नवम्बर के प्रस्ताव में ऐलान किया था और उसके एक, दो क्वोटेशनस (Quotations) आपके सामने पढ़ता हूँ । उसमें साफ साफ कह दिया गया है कि अब जब कि हमको पोलिटिकल इन्डिपेंडेंस (political independence) मिल गयी है, उसके बाद हमारा यह बहुत बड़ा काम जो बाकी रह जाता है वह यह है कि हम सोशल (social) और इकोनोमिक डेमोक्रेसी (economic democracy) इस मुल्क में कायम करें, उसके साथ साथ यह भी कह दिया गया है कि प्राइवेट कैपिटलिज्म (private Capitalism) की जगह हम दूसरा इकोनोमिक सिस्टम (economic system) इस मुल्क में लाना चाहते हैं । यह रेज़ोलूशन (Resolution) आल इन्डिया कांग्रेस कमेटी का था जिसमें यह सिद्धांत स्वीकार किया था और एक सब कमेटी बनाई पंडित जवाहरलाल नेहरू, मौलाना आजाद और इस हाउस के कुछ मेम्बरान उसमें शामिल थे । उसकी जो रिपोर्ट है उसके कुछ खास खास हिस्सों की तरफ मैं जनाब वाला आपका ध्यान दिलाना चाहता हूँ और मैं कहना चाहता हूँ कि उन असूलों के होते हुए और ऐसी रिपोर्ट के होते हुये हमारे लिये बहसियत एक कांग्रेसमैन के बड़ी दिक्कत होती है कि मैं इस बिल को (support) कर सकूँ, क्योंकि हम जो (public) के सामने ऐलान करते हैं

उनको हम यहां अमल में न लायें यह मेरी समझ में नहीं आता। यह कमेटी थी और उसकी report of the Economic Programme Committee of the A.I.C.C. जिसमें से मैं एक दो Quotations आपके सामने रखना चाहता हूँ।

"Industries should be promoted on non-profit lines."

"No state aid should be given to an individual except through his co-operative society."

Industries के बारे में इस कमेटी की रिपोर्ट यह है :

"New undertakings in defence, key and public utility industries should be started under public ownership. New undertakings which are in the nature of monopolies or in view of their scale of operations serve the country as a whole or cover more than one province should be run on the basis of public ownership."

An Honourable Member: Read out the remaining sentence as well.

Shri Mohan Lal Gautam:

"This is subject to the limit of the State's resources and capacity at the time and the need of the nation to enlarge production and speed up development."

The reply to my Honourable friend is given in the same report itself. I would draw the attention of Honourable Members who are interested, to the following paragraph in the report:

"All resources available for investment should be subject to the control and direction of the State. The State should set up Finance Corporations for financing industries. Banking and Insurance should be nationalised."

Dr. B. Pattabhi Sitaramayya: May I know from where the Honourable Member is quoting?

Shri Mohan Lal Gautam: It is from the report of the Economic Programme Committee of the A.I.C.C. under the leadership of Pandit Jawaharlal Nehru.

Dr. B. Pattabhi Sitaramayya: May I know if it has been considered by anybody else?

Shri Mohan Lal Gautam: It is only a report and it has been considered at least by Pandit Jawaharlal Nehru.

The Honourable Shri N. V. Gadgil: He may have been in a minority. I am not quite sure.

Shri Mohan Lal Gautam: I can assure my Honourable friend that he has signed it without a minute of dissent.

श्री क० सन्तानम : क्या पं० जवाहर लाल नेहरू Prime Minister की हैसियत से थे।

श्री मोहनलाल गौतम : A. I. C. C. की कमेटी में पंडित जवाहर लाल नेहरू Prime Minister की हैसियत से नहीं थे, यह सन्तानम साहब को मालूम होना चाहिये। सन्तानम साहब को मालूम ही होगा कि A. I. C. C. का फैसला इस गवर्नमेंट पर बाइंडिंग (binding) है और उसको कैरी आउट (carry out) करना पड़ता है और अगर नहीं करेंगे तो इस गवर्नमेंट को रिजाइन (resign) करना पड़ेगा।

Decontrol के बारे में आपसे यह अर्ज करदूँ कि मुझे गवर्नमेंट के कम से कम दो चार आदमियों से बातें हुई हैं कोई भी नहीं समझता था कि decontrol होना चाहिये, या decontrol के हक में हो, लेकिन आलइन्डिया कांग्रेस कमेटी के फैसले के मुताबिक इस गवर्नमेंट को अपने best judgement के खिलाफ जाना पड़ा।

The Honourable Shri N. V. Gadgil: It is not yet the report of the All-India Congress Committee.

Shri Mohan Lal Gautam: It is only a report of a sub-committee to the A.I.C.C.

Dr. B. Pattabhi Sitaramayya: May I point out that this is not a Congress Government?

Mr. Speaker: We need not enter into that question now. May I know whether the report has been adopted by the A.I.C.C.?

An Honourable Member: The A.I.C.C. has not even considered it.

Shri Mohan Lal Gautam: Pandit Jawaharlal Nehru has signed it.

An Honourable Member: He has signed so many other things.

Mr. Speaker: That is not the point under discussion now. The Honourable Member may proceed.

श्री मोहनलाल गौतम : मैंने अभी नहीं कहा कि A. I. C. C. ने इसे मंजूर कर लिया है। मैं जो कह रहा हूँ वह यह है कि जो लोग एक्सपीडिएन्सी (expediency) की बिना पर इस चीज़ को सपोर्ट (Support) करते हैं कि अभी नेशनलाइजेशन (nationalisation) को पूरी तौर पर नहीं होना चाहिये।

मैं अर्ज करना चाहता हूँ कि पंडित जवाहरलाल नेहरू जिन पर इस गवर्नमेन्ट को चलाने की सबसे ज्यादा जिम्मेदारी है, वह यह रिपोर्ट मुल्क के सामने पेश करते हैं और वह इस मुल्क के सामने आ चुकी है जो ओपोजीशन (opposition) शुरू हुआ है, वह भी आपके सामने है। इसलिये मैं उन साहबान को जबाब दे रहा हूँ जो यह समझते हैं कि वह इस गवर्नमेन्ट की दिक्कतों को ज्यादा समझते हैं, वनिस्वत पंडित जवाहर लाल नेहरू के।

यही रिपोर्ट है जो सब-कमेटी ने पेश की है और A. I. C. C. के सामने पेश होगी मैं इस बहस में इसलिये गया कि इस वक्त जब कि आज़ादी हासिल हो चुकी है। इस वक्त सब से ज्यादा क्रिटिकल टाइमज़ (Critical times) हैं। सवाल इस वक्त यह है कि क्या हमें जो अभी तक वायदा करते रहे हैं मुल्क के सामने और जिन वायदों को सामने रख कर हम दुनियां को कहते रहे हैं कि हम को स्वराज्य इसलिये चाहिये। हम इलैक्शन मैनिफेस्टो (Election manifesto) में वायदा करके इन एसेम्बलियों में आये तो क्या हम आज इस तरह का इकोनोमिक सिस्टम (economic system) बनाना चाहते हैं या तरह तरह के ब्रहानों से हम इस कैपिटलिस्ट सिस्टम (Capitalist system) को और मजबूत करना चाहते हैं। यह सवाल आपके सामने है इसका फैसला करने के बाद ही इसके फायदे और नुकसान पर गौर किया जा सकता है।

मैं यह आपके सामने रखना चाहता हूँ और इस बात का फैसला करना चाहिये कि इस कारपोरेशन (Corporation) के नुकसान और फायदों पर गौर किया जाना चाहिये, मैं अर्ज कर रहा हूँ कि मैं एक कांग्रेस का आदमी हूँ, उसके हुकम मेरे लिए हैं और उसके मुताबिक जो भी बात इन हाउस में आयेगी उसको सपोर्ट (Support)

कहूंगा या अपोज (oppose) कहूंगा, मगर मेरे सामने यह दिक्कत पेश आ रही है कि अबतक हम दुनिया के सामने यह कहते आये हैं और जितनी बातें यहां आ रही हैं वह सब उसके खिलाफ जा रही हैं, मैं यह अर्ज करना चाहता हूँ कि यह बिल इस वक़्त हाउस के सामने है बजाय इस के कि हम कैपटलिस्ट सिस्टम (Capitalist System) को कमजोर करें और ऐसी इकनॉमी (Economy) को कायम करें जो सोशलिस्ट (Socialist) ढंग पर चले और हम उसको कुछ मजबूत करते जा रहे हैं। बहुत तरह के आरग्यूमेंट (Arguments) पेश किये गये हैं, मगर मैं उनमें इस वक़्त नहीं जाना चाहता हूँ। इसके हक में भी बहुत से दोस्त बोल चुके हैं।

एक चीज़ जो मेरी समझ में अब तक नहीं आई है वह मैं आपके सामने रखना चाहता हूँ। वह यह है कि जैसा कि आनरेबिल फाइनेंस मिनिस्टर (Hon'ble the Finance Minister) साहब और बहुत से दोस्तों ने कहा है कि इसका इन्तजाम जो होगा वह बोर्ड आफ़ डाइरैक्टर्स (Board of Directors) के हाथ में होगा जिस में ६ डाइरैक्टर्स (directors) गवर्नमेंट की तरफ से होंगे और ६ प्राइवेट कैपटलिस्ट (Private Capitalists) या शेअर होल्डर्स (Share holders) की तरफ से आयेंगे। जब मैं इस क्लॉज (Clause) को देखता हूँ जिसमें बोर्ड आफ़ डाइरैक्टर्स (Board of Directors) का जिक्र है तो मुझे यह मालूम होता है कि गवर्नमेंट की तरफ से सिर्फ़ तीन डाइरैक्टर्स (Directors) होंगे और दो रिजर्व बैंक की तरफ से होंगे। अब सवाल यह होता है कि रिजर्व बैंक की तरफ से जो डाइरैक्टर्स (Directors) होंगे क्या वह गवर्नमेंट के डाइरैक्टर्स (Directors) हो सकते हैं। मैं अदब से कहूंगा कि नहीं, क्योंकि रिजर्व बैंक के बोर्ड आफ़ डाइरैक्टर्स मैजोरिटी में हैं और वह शेयर होल्डर्स के नुमाइन्दे होंगे, इसका कान्स्टीट्यूशन (Constitution) यह है कि इसमें १ गवर्नर (Governor) और दो डिप्टी गवर्नर (Deputy Governor) होंगे जोकि बोर्ड आफ़ डाइरैक्टर्स (Board of Directors) की सिफारिश पर गवर्नमेंट, नौमिनेट (Nominate) करेगी यानी ३ आदमी बोर्ड की रिकमैण्डेशन (Recommendations) पर नौमिनेट (Nominate) होंगे वह कौन होंगे, इन तीनों को निकालकर अगर बोर्ड की कम्पोजीशन (Composition) को देखा जाय तो वह तीन भी उन लोगों के नुमाइन्दे होंगे जोकि प्राइवेट सबस्क्राइबर (Private Subscriber) या कैपटलिस्ट (Capitalists) हैं, और चार गवर्नमेंट की तरफ से होंगे, इसमें ८ डाइरैक्टर्स होंगे लेकिन अब सिर्फ़ सात रह गये हैं क्योंकि अब इसमें रंगून नहीं है ७ तो दो और ४ गवर्नमेंट के ये सब कुल मिलाकर ११ हो गये, ३ नाम जो रिजर्व बैंक रिकमैण्ड (Recommend) करेगा उसको गवर्नमेंट मान लेगी और वह भी हिस्सेदारों के आदमी होंगे।

इस मुल्क में यह कायदा नहीं है कि जो गवर्नमेंट के अफसर हैं वह रिटायर (Retire) होने के बाद किसी इन्डस्ट्रीयल कनसर्न (Industrial concerns) में

[श्री मोहन लाल गौतम]

मुलाजिमत नहीं कर सकते हैं, यह बहुत बड़ी चीज है और दूसरे मुल्कों में ऐसा होता है दिक्कत यह है कि चार डाइरेक्टर्स (Directors) जो रिजर्व बैंक में गवर्नमेंट के होंगे उनको तरह तरह के लालच दिये जा सकते हैं क्योंकि दूसरों को खुश करने के लिए वह रिटायर (retire) होकर बड़े २ कारखानों में मुलाजिमत कर लेते हैं, तो ये चार आदमी भी इनके इनफ्लूएन्स (influence) से बाहर नहीं होंगे, लेकिन यह जो कहा जाता है कि वह गवर्नमेंट के नुमाइन्दे होंगे में इसको मानने के लिए तैयार नहीं हूँ। कहा यह जाता है कि नेशनलाइज (nationalise) हो जायगा। यह तो डिक्लेरेशन (Declaration) से जाहिर है, लेकिन जब (nationalisation) होगा तो एकस्पीडिएन्सी (expediency) वीच में आ जाय तो यह मुझे मालूम नहीं है कि क्या क्या बातें बीच में आ जायेंगी जैसे कश्मीर की लड़ाई है। आप आज यह कह दें कि हमने नेशनलाइजेशन (nationalisation) करने का फैसला किया है तो यह एक पायस विश (Pious wish) है और इम कारपोरेशन (Corporation) की तस्वीर को आप इस तरह से देखें जो आज है न कि जो किसी जमाने में हो सकती है, ऐसा करना गलत है, इसकी आज तस्वीर यह है कि शेयर होल्डरों (Share holders) की मैजोरटी (majority) होगी और आपके बहुत थोड़े नुमाइन्दे होंगे, इसके अलावा इसमें कोआपरेटिव (Cooperative) की तरफ से जो दो नाम होंगे मुझे मालूम नहीं कि आप उन्हें अपने आदमी कहेंगे या कोआपरेटिव (Cooperative) के जो आदमी आयेंगे वह प्राइवेट इन्टरप्राइज (Private Enterprise) वालों में से ही होंगे। इसलिए बोर्ड आफ डाइरेक्टर में आपकी माइनोरिटी (minority) होगी मैजोरटी (majority) नहीं होगी।

अब आप कहते हैं कि एक एग्ज्यूकेटिव कमेटी (Executive Committee) होगी और कन्ट्रोल (Control) उसके हाथ में होगा तो मैं इसको तरफ़ जनाब स्पीकर साहब आपकी तबज़्जो दिलाना चाहता हूँ कि इसमें गवर्नमेंट नौमीनेटेड (Nominated) आदमी नहीं होंगे। क्योंकि इसके लिए यह है कि मैनेजिंग डाइरेक्टर (Managing Director) गवर्नमेंट की तरफ़ से होगा लेकिन दो नौमीनेटेड (Nominated) में से होंगे और दो इलैक्टेड (elected) में से सेंट्रल बोर्ड (Central Board) की ओर से आयेंगे। इसमें जो अंग्रेजी का मतलब है वह तो इसके फार्म लिखने वाले ही जानते होंगे। सेंट्रल बोर्ड आफ दी रिजर्व बैंक (Central Board of the Reserve Bank) से जो चुने हुए आदमी होंगे वह नौमीनेटेड (Nominated) हो जायेंगे। "Two Directors nominated by the Central Board of Reserve Bank" में इसको नहीं समझ सकता। मैं यह समझता हूँ कि वह इलैक्टेड (Elected) होंगे। आपने जो शब्द नौमीनेटेड (Nominated) रक्खा है उसको

जैसा मैं समझता हूँ उससे यह जाहिर नहीं है कि वह रिजर्व बैंक के नॉमिनेटड मेम्बर (Nominated Member) कहलायेंगे। एकज्यूकेटिव कमेटी (Executive Committee) में आपका सिर्फ मैनेजिंग डाइरेक्टर (Managing Director) होगा और चार मेम्बर ऐसे होंगे जोकि प्राइवेट इन्टरप्राइज (Private Enterprise) चलाने वालों में से होंगे और ये कैपिटलिस्ट (Capitalist) होंगे। मैं अदब से अर्ज करता हूँ कि जो यह कहा जाता है कि इसमें गवर्नमेंट का कन्ट्रोल (Control) होगा मैं यह नहीं समझ सकता कि यह कैसे होगा। और यह बहुत आसानी से कैपिटलिस्ट (Capitalist) के कन्ट्रोल (Control) में चला जायेगा। इस तरह से इसके लिखने वाले ने बहुत होशियारी से इसको लिखा है। इस कारपोरेशन में गवर्नमेंट का शेयर (Share) आधे से ज्यादा नहीं मानता हूँ क्योंकि वहाँ आपका शेयर (Share) सिर्फ २० प्रतिशत है, इससे ज्यादा नहीं होगा। न आपका शेयर (Share) ही ज्यादा है और न आपकी बोर्ड आफ डाइरेक्टर्स (Board of Directors) में मंजोरिटी (Majority) है। और न एकज्यूकेटिव कमेटी (Executive Committee) में आप मैनेजिंग डाइरेक्टर (Managing Director) के सिवा अंर कुछ नहीं हो सकते हैं। इस लिये इस शकल में इस इम्पॉर्टेंट (Important) मेटर (Matter) को हाउस के सामने रखने का मतलब यह है कि जो प्राइवेट इन्टरप्राइजेज (Private Enterprises) वाले हैं वह अपना प्रोफिट (Profit) ले जायें। लेकिन हमें इस वकत इस बात की जरूरत है कि तमाम इन्डस्ट्रीज (Industries) और डिफेन्स (Defence) का ख्याल रखते हुए, खाने, कपड़े की प्लानिंग (planning) करनी चाहिये जिससे इन्डस्ट्रीज (Industries) चले। अगर यह कैपिटलिस्ट (Capitalist) के हाथ में चली जायगी। तो उसका सिर्फ प्राफिट (Profit) मोटिव (Motive) ही होगा। इन्डस्ट्रीज (Industries) को बनाने का नहीं होगा। इस समय जरूरत इस बात की है कि हमें डिफेन्स (Defence) और खाने पीने और कपड़े की तरक्की का ख्याल करते हुए इन्डस्ट्रीज (Industries) को बढ़ाना चाहिये जिस तरह से इस बिल को हाउस के सामने रक्खा गया है मुझे इसमें खतरा मालूम होता है।

एक आरग्यूमेंट (Argument) दिया गया था कि हमको १३० करोड़ रुपया दें। मिस्टर पट्टाभी बुजुर्ग हैं, विद्वान हैं, मैं उनके आरग्यूमेंट (Argument) को काट नहीं सकता हूँ। उन्होंने कहा है कि हमें ९२ करोड़ रुपया कर्जा देना है। मेरे ख्याल में उसे रिन्यु (Renew) किया जा सकता है और अभी उसको देने की कोई जल्दी नहीं है। हमारे पास रुपया भी है और सेविंग बैंक (Saving Bank) का रुपया भी है और मैं यहीं तक कहने के लिये तैयार हूँ कि टाटा प्लान (Tata Plan) में इस बात को बिल्कुल अलग नहीं कर दिया गया था कि हम नासिक में रुपया बनाकर इस कार्य को नहीं चला सकते हैं।

[श्री मोहन लाल गौतम]

इसलिए नासिक और नासिक मिन्ट (Mint) को इतना बुरा समझ लेना चाहिये यह कोई जरूरी नहीं है।

आनरेबिल श्री एन० वी० गैडगिल : वहां स्ट्राइक (Strike) भी हो सकती है।

श्री मोहन लाल गौतम : वहां अगर स्ट्राइक (Strike) हो जाये तो मुझे मालूम नहीं है कि यहां का जो काम है वह कैसे चलेगा और इसको आनरेबिल मिनिस्टर को सोचना होगा। असलियत तो यह है कि वहां की स्ट्राइक (Strike) के बाद इस बैठक का होना भी मुश्किल हो जायेगा। इसलिए उसकी स्ट्राइक (Strike) को दूर करने की पूरी कोशिश करेंगे, ऐसी मुझे पूरी उम्मीद है और यह जिला नासिक उन्हीं के सूबे में है और वह अपना आफिसियल (official) और नानआफिसियल (non-official) असर डालेंगे कि वहां कोई स्ट्राइक (Strike) न हो।

मुझे अस्ल में मुस्लीम लीग के एक आनरेबिल मेम्बर ने जो आरग्यूमेंट (argument) दिये थे कि "शेयर मार्केट (Share Market) बड़ा नीचे गिरता जा रहा है और बिज़नेस (Business) खराब होता जा रहा है" तो मुझे इस पर कोई ताज्जुब नहीं हुआ। क्योंकि उनकी तो यह पालिसी (Policy) है और क्रीड (Creed) है और वह यह समझते हैं कि जो बैसटेड् इन्टरेस्ट (Vested Interests) है उसको मेनटेन (maintain) करेंगे इसलिए वह तो हैकनीड आरग्यूमेंट्स (hackneyed arguments) है। इसलिए मुझे उसके बारे में कहना नहीं है मुझे तो अपने कांग्रेस मेम्बरों के कहने पर बड़ा ताज्जुब होता है कि अभी हम नेशनलाइजेशन (Nationalisation) की तरफ नहीं जा सकते और यह कहते हैं कि यह सिर्फ इक पायसविश (Pious wish) है इसको हम अमल में नहीं ला सकते। मैं कहता हूं कि आपका जो यह तरीका है और आप मुल्क को जहां ले जा रहे हैं वह बहुत खतरनाक है और इसमें किसी का भी इन्टरेस्ट (interest) नहीं है। और कम से कम उन लोगों का जिन्होंने आजादी की लड़ाई लड़ी थी उनका तो इससे कोई वास्ता ही नहीं। इस तरह का इकनॉमिक सिस्टम (Economic System) जो देना चाहते हैं तो उनको तो यह सोचना होगा कि जो कोशिश उन्होंने की थी वह वाकई इस काम के लिए की थी या बेकार की थी।

इन लफ्जों के साथ मैं यह दरखास्त करता हूं आपने फाइनेंस मिनिस्टर साहब से जो इस वक्त हाउस में बहुत से लोगो ने कहा है उसको गौर करते हुए और जो गवर्नमेंट की पालिसी (Policy) डिकलीयर (Declare) की गई है उस पर गौर करते हुए वह इस बिल को वापस ले लें। दो, तीन, चार दिन के लिए वापस ले लें और इस तरह की जो तजवीजें आ रही हैं उसकी लाइट में इसको एमेन्ड (amend)

करके फिर पेश करें। हमारी दिक्कत यह है कि जब एक मर्तबा किसी मिनिस्टर की तरफ से कोई बिल आ जाता है तो हम उस के फन्डामेन्टलस (Fundamentals) में उसके खिलाफ बहुत नहीं जा सकते हैं। हाँ, अगर ऐसा न किया जाये तो आनरेबिल मिनिस्टर साहब यह कर सकते हैं कि जो ऐमेन्डमेंट्स (Amendments) इस तरह के पेश किये गये हैं कि इसको एक स्टेट (State) कौरपोरेशन (Corporation) बना दिया जाये उसको मंजूर करके इसको एक रियली (really) स्टेट कांसरन (State Concern) बनाने की मेहरबानी करें। यह मेरा कहना है।

(English translation of the above speech.)

Shri Mohan Lal Gautam (U. P.: General): Mr. Speaker, Sir, I would not have stood up to speak on this Bill had there been no latent implications which make me feel rather reluctant to support it. I cannot congratulate the Honourable the Finance Minister for having introduced this Bill, because the announcement regarding the nationalisation of the Reserve Bank of India and the Imperial Bank of India marked a fundamental principle which both the Government and the political parties had accepted and according to which it was agreed that the Banking Industry would be nationalised. If it is true that the Reserve Bank and the Imperial Bank are going to be nationalised, I do not want to enter into this discussion at this stage nor do I want to dilate on the difficulties it will entail and how much money we will have to pay. I do not desire to debate this point nor do I want to go into details of this issue. But I realise that now when we have got rid of the yoke of the British and when we are out to organise a union on altogether new lines, it is high time that we state clearly the principles we are going to adopt and the lines we are going to follow in future.

A friend has referred to the Election Manifesto; he has drawn our attention to one difficulty in this connection, viz., that it is not possible for us to proceed along these lines. May be, when we formulated this Election Manifesto, we did not know that we shall have to shoulder this responsibility. But I want to place before you later things, things of today, things that happened after the 15th August, at a time when the present administrators had assumed charges of their offices and when the British rule in India had come to an end. A meeting of the Congress Committee was held at that time and the All India Congress Committee passed a Resolution on the 17th November. I want to draw your attention to this Resolution which was put forth by the Sub-committee appointed by the All India Congress Committee and which Resolution is now before this country. It is not a report prepared by agitators or revolutionaries. The Prime Minister of our Government had a hand in its making and this report was prepared under his leadership. Therefore those Members who are not sharing the responsibilities of the Government and who are not as much acquainted with the difficulties of the Government as our Prime Minister is, and as he should be . . .

If it has been stated in the report submitted by the Committee with the Prime Minister as its head, that on this basis the union of this country and of this nation will be organised. I do not think it is proper for any private individual or any member of this House who is not properly acquainted with the hardships of the Government to say that present circumstances demand that we should proceed slowly.

I would submit, Sir, that responsible men of this Government and of this country, when they attended the meeting of the All India Congress Committee, gave to the nation a principle according to which they desire to organise the union of this country and along the lines of which they want to proceed. The

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House will excuse me if I take a bit of their time in reading out to them an extract or two from this Resolution. The Resolution which was passed by the All India Congress Committee runs as follows:

"Political independence having been achieved the Congress must address itself to the next great task, namely, the establishment of real democracy in the country, a society based on social justice and equality. Such a society must provide every man and woman with equality of opportunity and freedom to work for the unfettered development of his or her personality."

I solicit your attention, Mr. Speaker, to these lines:

"This can only be realised when democracy extends from political to the social and economic spheres."

Putting aside everything else of this Resolution, I want to quote one sentence from this Resolution:

"Such a social structure can provide an alternative to the acquisitive economy of Private capitalism."

Instead of 'private capitalism' we want to have in this country another form of economic system. The Committee included men like Pandit Jawaharlal Nehru, Maulana Azad and a good many members of this House and not a few responsible Congressmen. The report was drafted by this Committee after the month of November. It was a time quite different from that when the Election Manifesto was issued and when people could talk in an irresponsible manner. Our leaders fully realised their obligations to the public when they submitted this report. On the basis of this report I want to bring home to you, and it is clear, that we want to change the system of capitalism. It is unanimously held that we want to change this system of Private enterprise.

The Assembly then adjourned for Lunch till Half-Past Two of the Clock.

The Assembly then adjourned for Lunch till Half-Past Two of the Clock.

Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Shri Mohan Lal Gautam: Sir, I was saying that the strongest of all the arguments that have been put forth against nationalisation was that expediency demands that the industry should not be nationalised at this time. I stated that the men who are at the helm of affairs at present and on whom rests the responsibility of steering the ship of the Government know best what expediency demands. There are some men today who are simply members of this Assembly and are utterly unacquainted with the inside of the Government. These men do not know what difficulties confront the Government and what they desire to achieve. It was for this reason that I had stated that I want to draw your attention to the decisions which were reached by our present Prime Minister, Pandit Jawaharlal Nehru, Maulana Azad and some members of this House. These decisions were taken not when the Election Manifesto was issued and when we were unfettered by responsibilities like the present, but they were taken after the 15th of August when we were alive to our responsibilities and also to our difficulties.

I stated that in their Resolution of the 17th November, the All India Congress Committee had clearly mentioned this thing. I will read out to you one or two quotations from this Resolution. It says explicitly that now when 'political independence' has been achieved, the great task which remains to be done is to establish in this country 'social' and 'economic democracy'. Along with this it has also been stated that we want to replace our present system of 'private capitalism' by another form of 'economic system'. This Resolution was passed by the All India Congress Committee and its principle was accepted. A sub-committee was constituted. Pandit Jawaharlal Nehru,

Maulana Azad and some members of this House served on this 'sub-committee', and a report was submitted by it. Sir, I beseech your attention to some particular points in this Report and to say that in the face of these principles and this Report it is difficult for me as a Congressman to support this Bill because I fail to understand why we cannot put into practice those principles which we told the public we would adopt. I like to give you a few extracts from the Report of the Economic Programme Committee of the All India Congress Committee:

"Industries should be promoted on non-profit lines."

"No state aid should be given to an individual except through his co-operative society."

Following is the report of this Committee on Industries.

"New undertaking in defence, key and public utility industries should be started under public ownership. New undertakings which are in the nature of monopolies or in view of their scale of operations serve the country as a whole or cover more than one province should be run on the basis of public ownership."

An Honourable Member: Read out the remaining sentence as well.

Shri Mohan Lal Gautam:

"This is subject to the limit of the State's resources and capacity at the time and the need of the nation to enlarge production and speed up development."

The reply to my Honourable friend is given in the same report itself. I would draw the attention of Honourable Members who are interested to the following paragraph in the report:

"All resources available for investment should be subject to the control and direction of the State. The State should set up Finance Corporations for financing industries. Baking and Insurance should be nationalised."

Dr. B. Pattabhi Sitaramayya: May I know from what the Honourable Member is quoting?

Shri Mohan Lal Gautam: It is from the report of the Economic Programme Committee of the A.I.C.C. under the leadership of Pandit Jawaharlal Nehru.

Dr. B. Pattabhi Sitaramayya: May I know if it has been considered by anybody else?

Shri Mohan Lal Gautam: It is only a report and it has been considered at least by Pandit Jawaharlal Nehru.

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): He may have been in a minority, I am not quite sure.

Shri Mohan Lal Gautam: I can assure my Honourable friend that he has signed it without a minute of dissent.

Shri K. Santhanam: Was Pandit Jawaharlal Nehru then in the position of the Prime Minister?

Shri Mohan Lal Gautam: Shri Santhanam may know that Pandit Jawaharlal Nehru was not on this committee in the capacity of Prime Minister. He might be knowing that the decisions taken by the A.I.C.C. are binding on this Government and that the latter are expected to carry these out, and if it is not done the present ministers will have to resign their posts. May I say that in connection with the decontrol of commodities, I have had occasion of talking to a few officers of the Government. None of them opined that controls should be abolished; none of them favoured the idea. But according to the decision taken by the A.I.C.C. the present ministry had to go against the best judgment of their Government.

The Honourable Shri N. V. Gadgil: It is not yet the report of the All India Congress Committee.

Shri Mohan Lal Gautam: It is only a report of a sub-committee to the A.I.C.C.

Dr. B. Pattabhi Sitaramayya: May I point out that this is not a Congress Government.

Mr. Speaker: We need not enter into that question now. May I know whether the report has been adopted by the A.I.C.C.

An Honourable Member: The A.I.C.C. has not even considered it.

Sri Mohan Lal Gautam: Pandit Jawaharlal Nehru has signed it.

An Honourable Member: He has signed so many other things.

Mr. Speaker: That is not the point under discussion now. The Honourable Member may proceed.

Sri Mohan Lal Gautam: I never said that the A.I.C.C. has accepted it. What I am saying is about those persons who support it on the basis of 'expediency', who do not advocate complete nationalisation. I like to submit that this Report has come to the public from Pandit Jawaharlal Nehru who shoulders the greatest responsibility of the Government. This Report is before us now. The opposition to the Report is also not unknown to us. Therefore I am answering those persons who think that they realise better than Pandit Jawaharlal Nehru what obstacles and difficulties beset the Government. This is the report that has been submitted by the 'sub-committee' and which is going to be presented to the A.I.C.C. I had to enter into this discussion because the present is the most critical time after the dawn of Independence.

We have been giving promises to the public from time to time; keeping these promises before us, we have been telling the world that we want Independence for this purpose; we made promises in the Election Manifesto and came into the Assemblies. The question which confronts us at this time is whether we meant to establish this kind of 'economic system' when we made our promises or whether these are just excuses by which we only want to strengthen the present capitalist system. This question is before us. Only after deciding this issue can we go into its merits or demerits.

This is what I place before you. We should decide whether we ought to go into the pros and cons of this Corporation. I am saying that I am a Congressman. I respect the orders from the Congress and I shall support or oppose the various issues arising in this House according to these very behests. But I experience one difficulty. Upto this time we have been giving the people certain promises; but all things that are being brought before us are quite contrary to that. This Bill is before the House. Instead of weakening this 'capitalist system' and replacing it by an 'economic system' on the lines of socialism, we are only strengthening the 'capitalist system'. A variety of arguments have been given—I do not want to go into them—and many friends have also spoken in favour of this Bill.

I want to place before you one thing which I have not been able to understand. It is this. The Honourable the Minister for Finance, and many friends, have said that the management of this corporation will be in the hands of a Board of Directors which will consist of six representing the Government and six private capitalists or the share-holders. When I read this clause about the Board of Directors, I find that the Government will have only three Directors and two will be from the Reserve Bank. The question arises whether the Directors representing the Reserve Bank can be representatives of the Government. With respect, Sir, I will say 'no', because the Directors of the Board of Directors of the Reserve Bank of India are there by virtue of a majority; they will be representing the share-holders. The Constitution of this corporation is as follows:

There shall be a Governor and two Deputy Governors who will be nominated by the Government on the recommendation of the Board of Directors: In other words three men will be nominated on the recommendations of the

Board of Directors; who will be these three nominees? If we examine the constitution of the Board after taking out these three nominees, the remaining three Directors will also be representatives of the private subscribers or the capitalists; four shall be nominated by the Government. The Board shall have eight directors but now only seven remain because Rangoon has gone out of it. These seven and four from the Government of India make a total of eleven. The three nominees of the Reserve Bank of India will be acceptable to the Government and these three shall also be representatives of the share holders.

It is not binding upon the Government employees in this country not to take up appointments in Industrial concerns after they retire from service under the Government. This is important. The practice in other countries is different. The difficulty is that the four Government nominees on the Board of Directors of the R. B. I. are liable to be subjected to temptations, because by pleasing others they can secure sinecure posts in big industrial concerns. These four men, therefore, will not be immune from the influence of their colleagues. I am not prepared to accept that these four men will be representatives of the Government. What is said is that it will be a nationalisation. So at least the declaration says. But when we have nationalisation, I cannot say expediency may rise again. I do not know what other things may arise again like the Kashmir war. It would be a 'Pious wish' if the Government declared today that they have decided to nationalise the industries. You should look upon this picture as it exists today and not as it can be in the future. It would be a mistake if we did that. The picture as I see it today is that the share-holders will have a majority and the Government representatives will be in a substantial minority. Besides, there shall be two representatives from the Co-operative Society. I do not know whether these two men will be Government persons or representatives of the private enterprise. The Government therefore will be in a minority and not in majority on the Board of Directors.

It is said that there shall be an executive committee which shall control this institution. I like to point out to you, Sir, that no nominees of the Government will be there on this committee. The Managing Director shall be appointed by the Government but there will be two nominated members and two shall be elected to this Committee by the Central Board. The persons elected by the Central Board of Reserve Bank of India will become nominated members.

It says: "Two Directors nominated by the Central Board of Reserve Bank".

I cannot understand this. I take it that these men will be elected. The word 'nominated' as it stands, and as I read it, does not clearly indicate that these members will be called the nominees of the Reserve Bank. The Managing Director will be the only Government nominee on the Executive Committee and other four members will be representative of the private enterprise and they will be capitalists. I submit, respectfully that I cannot follow, how will the Government be able to control it. Easily the capitalists will be controlling it. The makers and writers of this constitution have very cleverly worded it. I do not think the Government will have more than fifty per cent. shares in this corporation. As a matter of fact it is only 20 per cent. and will not be more in any case. Neither the Government have a bigger share nor have they any majority in the Board of Directors and nor will they have on the executive committee any representative, other than the only one Managing Director. My object of placing this important point before the House, therefore, is that the lion's share in the profits of the concern shall accrue to the private enterprise. But what we need at this time is that, keeping in view all the industries and the defence of our country, we should plan our food and clothing problems in such a way as can enable the industries to run on uneffected. If the industry

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goes into the hands of the capitalists its only motive will be profit making and not the establishment of industry. The present times demand that industries should be organised with a view to meet in an improved way the country's demands, for defence, food and clothing. I have doubts about this Bill as it has been presented to the House.

An agreement was put forth for earmarking a sum of Rs. 130 crores. Shri Pattabhi is a venerable man. He is wise and erudite. I cannot refute his argument. He has stated that our national debt stands at 92 crores of rupees. I think this can be renewed and we need not hasten to pay it off just now. We can afford to wait. We have got money in our exchequer and have also money in the savings fund. I am prepared to say that in the Tata Plan it was not altogether rejected that we cannot do this work by issuing currency minted at Nasik. It is not necessary for us to think that the Nasik Mint is bad.

Honourable Shri N. V. Gadgil: There can also be a strike there.

• **Shri Mohan Lal Gautam:** If there is a strike in the mint there, I do not know how will we be able to carry on our work here. The Honourable Minister will have to think over that. The fact is that if there is a strike it might become difficult for us to meet here. I have, therefore, full hopes that efforts will be made to avoid any chances of a strike there; moreover my Honourable friend belongs to the Province of which this district forms a part and I hope he will use his influence both official and non-official, for preventing a strike there.

In fact, I am not the least surprised at the argument given by a Muslim League friend, viz., that the share market is slumping down and business is being adversely affected. It is because this is their policy and creed and they have firm faith in it and they will maintain all the vested interests. These are, therefore, hackneyed arguments. I have therefore nothing to say about them. I am amazed at my fellow congressmen, when they say that this is not the time for nationalisation and think that this is merely an impracticable 'pious wish'. I affirm that the present policy of the Government is fraught with dangers and so is the path along which we are leading our nation. This does not serve any body's interest; at least it does not help those soldiers who fought the battle of Independence. If you want to give them this kind of economic system they will have to pause and think over again whether they contributed their efforts for getting only such things or whether those efforts have been in vain.

With these words I request the Honourable Finance Minister to consider the views expressed by a big number of the members of this House and keeping in view the declared policy of the Government to withdraw the Bill for a few days for amending it in the light of recommendations made here and for presenting it again to the House. Our difficulty is that once a Bill is presented by a Minister it is not advisable for us to go much against the fundamentals of that Bill.

If, however, the Honourable Minister finds it difficult to do this, he may accept the amendments suggested here for making this corporation a real state concern.

Shri C. Subrahmanyam (Madras: General): Mr. Speaker, Sir, the points at issue before the House have been pointedly put before us by my Honourable friend Mr. Santhanam in his able speech. The first point we have to bear in mind is that this Corporation is not an industrial concern by itself. It is only a banking concern for the purpose of helping other industrial concerns. The second point we have to bear in mind is that this Corporation is not intended to finance industries started by the state. It is primarily, and only, intended for the purpose of helping private enterprise. If that is so, the question arises

whether private enterprise has got any place in our national economy. If we decide once for all that there shall be no private enterprise, then certainly we have got to oppose this Bill. So this House as a body, responsible for the governance of this country has got to decide now whether there is going to be nationalisation in its entirety or we are going to give some scope for private enterprise. Before we decide that we should also decide the immediate objective before us. I have no doubt that if we want to build up a strong India, an India which would withstand the evil forces which are ranging against her both inside and outside the borders, industrialisation to the maximum extent possible and at the maximum speed is essential. That is the urgency of the situation; that is the necessity of the situation in which we are placed. If that be so, our policy should be modelled in such a way that the development of industry will not be hampered in any way. We have got to answer the question whether the State as it is constituted now, is in a position to take up the entire industrial development of the country. Sir, the answer can only be that the State is not in a condition in which it will be able to undertake the entire industrialisation of the country. So in order to find out a formula for the purpose of the development of the industries in this country, a conference was called, and the second resolution adopted in this conference ran as follows:

"(1) The need for an equitable distribution of the country's wealth and production leading to rapid improvement of the standard of living and comfort of the masses of the Indian people, based on social justice.

(2) The need for the fullest utilisation of the country's resources without allowing wealth to accumulate in the hands of a section of the people.

(3) The need for central planning, co-ordination and direction so as to obtain maximum efficiency and output, a fair and reasonable distribution of the industries throughout the country in relation to the potentialities of each area, and also to determine a fair basis of wages and profit.

(4) The division of industries in three broad categories :

(a) Industries which should be under State ownership and management.

(b) Industries which may be jointly owned and managed by the State and private enterprise.

(c) Industries owned and managed by private enterprise."

So the resolution contemplated three categories: (1) Industries which would be under State ownership and management; (2) Industries in which the State will participate; and (3) Industries which will be completely left for private enterprise. This resolution was adopted to which the Government was a party and I think Government have accepted it.

Now, Sir, the Economic Committee's report has been cited by a previous speaker as saying that it is for complete nationalisation and that as Congressmen we cannot accept the principles of this Bill. It is not so. I am prepared to stand by that committee's report. If we go through it, it no doubt says that as far as new undertakings in defence, key and public utility concerns are concerned, and also industries which serve more than one province, they should be public owned. This is subject to the limit of the State's resources and capacity at the time and the need of the nation to enlarge production and speed up development. It is that need of the present situation and the resources and capacity, that we have got to take into consideration in coming to a conclusion whether we are going to give any place to private enterprise or not.

Shri K. Santhanam: 'Publicly owned' does not necessarily mean completely state-owned.

Shri C. Subrahmanyam: I am much indebted to my Honourable friend, Mr. Santhanam who says 'public owned' does not necessarily mean completely state-owned. Further, Sir, it is not as if private enterprise is completely shut out. Even in this long term plan a place is given to private enterprise. Otherwise I do not see the necessity for the following paragraph:

"In private industry the existing system of managing agency should be abolished as early as possible. Private industry will be subject to regulations and control in the interest of national policy in industrial development."

This economic programme which has been chalked out by the sub-committee contemplates private industry to a certain extent. Therefore it is not as if this Sub-Committee's report says there will be complete nationalisation and there is absolutely no place for private industry. Sir, private enterprise has got to be there at least for a limited period if we want to industrialise our country to the maximum extent possible and with the maximum speed. It is only for that purpose 'his Corporation comes into existence. Certain industries have got to be started whether they are profitable or not. They are essential for the economy of our country. They are basic industries or key industries. If the State is not able to start those industries, certainly private enterprise should be induced to start those industries. But they may be industries in which immediate profit may not be available. Therefore private enterprise may hesitate to take up those industries immediately. It is only to induce private industrialists to take up those industries which are essential but may not yield immediate returns that this Corporation comes into existence, and in the preamble to the resolution it is clearly stated 'it is particularly in cases where capital issue methods are not practicable this Corporation will come to the aid of the industry'. So it is only for the purpose of aiding those industries which are essential for our country but which may not be started by private industrialists because they may not yield immediate results, that this Corporation is coming into existence. I do not see any objection therefore, as a Congressman or otherwise, to the principles embodied in this Bill.

There is one other point which I would like to mention before resuming my seat. Some objection was taken to the taxation proposals in respect of state-owned corporations. As far as this corporation is concerned, there are certain private individuals also owning shares. They would be earning profits and there is nothing improper in taxing those incomes. But as far as the taxing of public-owned industries is concerned, as a layman I find it is merely a book adjustment. Here is a railway concern which is owned by the Government. Here is the Finance Department. The Railway Department earns say 12 crores of rupees as profit. You say 'Out of this 12 crores, transfer 2 crores as tax to the Finance Department. That is all. If the Railway loses, the Finance Minister will have to make some provision to make up that loss. So I do not see anything objectionable in taxing the state-owned concern. Perhaps I might say in respect of the State-owned concerns that they should be run on business lines. If we tax, it is only to test the efficiency of the concern. That is all, nothing more than that.' There are private-owned concerns which are being taxed; still they are able to show profits. It is only for the purpose of finding out whether the state-owned concerns are working efficiently or not we take out from their profits a certain amount as tax and if even then they are able to show the same returns as a private industry, then we may be quite sure these state-owned concerns also are run as efficiently as any private enterprise. I am unable to understand the other implications of it because I am not a financial expert. I hope it is only in that light that the Honourable the Finance Minister suggested that state-owned concerns also should be taxed and it was not intended as a counter-blast to the proposal for nationalisation as it was understood by some of my Honourable friends. With these words, I resume my seat.

श्री रामनारायण सिंह : सभापति जी, इस सभा में हम लोगों की हालत कभी २ वैसी ही होजाती है जैसा श्री तुलसी दाम जी ने रामायण में कहा है कि (भई गति सांप छछंदर करी) कहावत है कि यदि सांप छछंदर को चूहा समझकर भूल से पकड़ ले जावे तो यदि उसे छोड़ देता है तब सांप अंधा हो जावे और यदि उसे निगल जाए तो सांप की मृत्यु होजाय। तो जब ऐसी परिस्थिति आजाती है तो सांप सोचता रहता है कि उसको निगलकर मरजाऊं या उसको छोड़कर अन्धा होजाऊं। ठीक वही हालत हम लोग बहुत से कांग्रेस वाले जो यहां के सदस्य हैं, उनकी होजाती है। एक तरफ देखता हूं कि हमारी सरकार है और हमारी सरकार की तरफ से हमारे पुराने मित्र श्री षण्मुखम चेट्टी यह मसविदा लाये हैं। यह बात भी ध्यान में आती है कि यह मसविदा जब तैयार हुआ था अंग्रेजी राज्य था और अंग्रेजी राज्य की कैसी नीति थी वह हम सब जानते हैं। कानून तो पास होते थे हिन्दुस्तान में, यहां की एसेम्बली में, लेकिन उसका इशारा होता था व्हाइटहाल (White Hall) से, और विलायत से। और यह जानी हुई बात है कि यहां विदेशी सरकार थी, और उसकी जैसी नीति यहां पर थी, वह बिल्कुल निर्भर करती थी, शोसल नीति पर उसके साथ यह बात भी ठीक है कि इस कानून का मसविदा अगर अंग्रेजी सरकार की तरफ से पेश होता तो हम लोग बहुत गरज गरज कर इसका विरोध करते। हज़ारों दोष निकालते और कोशिश करते कि यह बिल न पास हो। लेकिन अब तो हमारी सरकार है। हमारे मित्र एक मसविदा हमारे सामने पेश करते हैं। बड़ी दिक्कत का सामना होता है। न तो इसे रद्द करते बनता है, न इसे मंजूर करते बनता है।

यहाँ देख रहा हूं कि बहस हो रही है, इतना समय लग रहा है। कोई नियम बनता है, जिसकी सखत जरूरत होती है। बिल के पेश करनेवाले को बतलाना पड़ता है कि इस बिल के पेश होने से या पास होने से हमारे देश में अमुक २ लाभ होंगे और उसके साथ २ यह भी दिखलाना होता है कि यदि न पेश हुआ और पास न हुआ तो न जाने हिन्दुस्तान पर क्या २ आपत्तियां आयेंगी। मैं नहीं समझता हूं कि हमारे भाई श्री षण्मुखम चेट्टी ने ऐसा कहा है कि अगर यह बिल पास न हो तो हमारे देश में कौन कौन सी विपत्तियां आने वाली हैं और अगर यह बिल पेश होकर पास होजाता है तो न जाने कौन कौन से लाभ होंगे। वह भी इन्होंने नहीं बतलाया है हम लोगों के इलेक्शन मैनीफेस्टो (election manifesto) में लिखा गया था कि हम लोग प्राइवेट एन्टरप्राइज़ (Private enterprise) को एनकरेज (encourage) नहीं करेंगे और हमलोग इसके राष्ट्रीय करण की नीति पर और राष्ट्रीय करण के आधार पर ले चलेंगे। हमारे अर्थ सन्नी को इस पर गौर करना चाहिये कि अब क्या किया जाये। इतने बड़े बड़े कानून पेश हों, इतने बड़े बड़े

[श्री रामनारायण सिंह]

कारपोरेशन (Corporation) बनाये जाएं, प्राइवेट एन्टरप्राइज (Private enterprise) व्यक्तिगत व्यवसाय की मदद की जाये, यह चीज तो इस बदले हुए युग में कुछ अच्छी नहीं जचती और यह गौर तलब बात है। जिस वक्त नेशनलाइजेशन (nationalisation) की बात आती है, तो मेरा दिल बहुत खटकता रहता है और लोग कहते हैं कि अमुक व्यवसाय या अमुक वानिज्य या जमीन को नेशनलाइज (nationalise) किया जाये। मेरी समझ में यह चीज नहीं आती नेशनलाइज (nationalise) कब किया जाये जब देश में नेशनल माइन्ड (national mind) हो जाय नेशनल करेक्टर (national character) हो जाये जिसके मुताबिक हर एक व्यक्ति ऐसा समझने लग जाय कि मैं जीता हूँ देश के लिये न कि अपने लिये। अभी जैसी परिस्थिति है सारे देश में देखा जाय व्यक्तिगत लाभ या स्वार्थ की बात इतनी भरी पड़ी है कि ऐसी हालत में नेशनलाइजेशन (nationalisation) की बात समझ में नहीं आती है। लेकिन इसके माने यह नहीं है कि मैं नेशनलाइजेशन (nationalisation) के खिलाफ हूँ। मैं कोई पंजीपति तो हूँ नहीं जो नेशनलाइजेशन (nationalisation) हो जाने से मेरी कोई हानी होगी। नेशनलाइजेशन (nationalisation) हो तो उससे मेरा कुछ न कुछ लाभ ही होगा। लेकिन जैसा कि देखा गया है अभी ठीक वक्त नहीं है। हमारी सरकार तो नेशनल (national) संस्था है, राष्ट्रीय संस्था है केन्द्रीय सरकार के और प्रान्तीय सरकारों के जितने कार्य हो रहे हैं, वह सारे के सारे राष्ट्रीय ढंग पर हो रहे हैं और राष्ट्रीय हित के लिये सब काम ठीक हो रहे हैं, ऐसी बात तो नहीं हो रही है। और कहीं कहीं तो शक हो जाता है और कहना पड़ता है कि अभी लोगों का नेशनल करेक्टर (national character) ठीक नहीं बना है। तो इससे पहले कि व्यवसाय या संपत्ति या जमीन को नेशनलाइज (nationalise) करने की बात उठे मैं यह चाहता हूँ कि उसके संचालक जो बात करें वह राष्ट्र के नाम पर करें न कि अपने स्वार्थ के कारण। जब तक हमारे बीच में स्वार्थ की भावना है, तब तक नेशनलाइजेशन (nationalisation) की बात, राष्ट्रीयकरण की बात काहे को चलती है। यह देखकर तकलीफ होती है। तो जैसा मालूम हो रहा है और जैसी आवाज उठ रही है कि इस गवर्नमेण्ट से कोई विशेष नफा होने नहीं जा रहा है और हम लोग जो जो सिद्धान्त पहले घोषित करते आये हैं, उन सिद्धान्तों के प्रतिकूल जायें, इस वास्ते और लोगों के साथ साथ मैं भी अपने मित्र, अर्थ मन्त्री से कहूंगा कि इस बिल को वापिस लीजिये, उन्होंने यह भी कहा है कि हां यह तो ठीक है कि अंगरेजी राज्य के वक्त इसकी उत्पत्ति हुई थी, इसका जन्म हुआ था, लेकिन सिलेक्ट कमेटी में इसमें बहुत तबदीलियां कर दी गई हैं। मैं मानता हूँ कि वह सब कुछ कर दिया गया है लेकिन फिर है तो वही न। इस वास्ते मैं समझता हूँ कि इसपर जोर न देकर किसी पर दबाव न डाल कर अच्छा है कि इस बिल को वापिस ले लें। और आयन्दा देखा जायगा जैसा

अवसर आयेगा, वैसा किया जायगा। तो मैं इस पर अधिक कहने को तैयार नहीं हूँ। इस मस्विदे को वापिस लिया जाय यह बहस जो हो रही है, वह बेकार हो रही है।

(English translation of the above speech.)

Shri Ramnarayan Singh (Bihar: General): Mr. Speaker, we have to face similar circumstances here as a snake would face should it catch a mole mistaking it for a rat as described by Shri Tulsidas in Ramayan. In that case if the snake lets the mole go it loses its eye sight and if it swallows the mole it dies a certain death. In that position the snake has to decide whether it should prefer death or blindness. Similarly we the Congress Members find ourselves in the same position here. On the one hand we have a regard for our Government and we find that this draft has been presented by our old friend the Honourable Shri Shanmukham Chetty; while on the other, we know that this draft was prepared when India was under the rule of the British whose policy is so very well known to us. Bills which were passed by the Assembly at that time were all passed under the influence of White-hall from England. That was a foreign Government, and their policy which was applied to India was based on social basis. I can say had this draft been presented by the British Government we would have obviously raised a loud voice against it; we would have found a thousand defects in the draft; and we would have tried our level best that it should not be passed. But today it is a different case: it is our Government and it is one of our friends who has presented the draft. It has therefore become very difficult for us to say anything; we can neither reject it nor pass it.

We are discussing the Bill and a considerable time is being spent on it. When some important Bill is introduced the Honourable Member while presenting the Bill has to explain the advantages and disadvantages of that Bill. I do not know if our friend the Honourable Shri Shanmukham Chetty has explained the difficulties which would result if this Bill is not passed or the advantages that would accrue if the Bill is passed.

It was set out in our election manifesto that we would not encourage private enterprises but would follow the principles of nationalisation. The Honourable Finance Minister should think over it and say what has to be done in this matter? It will not do in the present changed times if lengthy legislation or unwieldy corporations are brought in to support individual enterprise. It is a matter for consideration. I am much troubled when I hear that such and such industry or trade or land would be nationalised. I really fail to understand why it should be done. Nationalisation should take place in the country only when the minds of the people have been nationalised, when they have a national character, through which every individual in the country should think that he would live not for his own sake but for the sake of his country. If you look around in the country you will find that the present atmosphere is so full of selfishness and a desire for individual gain that even a word on nationalisation is not welcomed. But it does not mean that I am here to oppose nationalisation. I am not a capitalist who would be affected by it. On the contrary if nationalisation comes in I am definitely going to gain something by it. But as has been explained it is not proper time for it. Our Government is a national body. The Central Government and the Provincial Governments are supposed to be working on national basis but one could not say that everything is being done for national welfare. Doubts have been arising and it has got to be said that the people have not built a national character so far. Therefore, before the question of nationalisation of trade, wealth or land arises, I would submit that the movers should place the national interest above their own; since so long as the idea of selfishness pervades it is futile to talk of nationalisation. Now when we see and hear that no special advantage will result from this Bill, I do not think we should go against our declared principles. I, therefore, along with my

[Shri Ramnarayan Singh].
 friends request the Honourable Finance Minister that the Bill may be withdrawn. While admitting that the Bill was drafted under the aegis of the foreign Government the Honourable Finance Minister has stated that many changes have been made in it by the Select Committee. I quite agree with that, but I must say that it is after all the same piece of legislation. It will, therefore, be better if no compulsion is exercised and the Bill is withdrawn forthwith. If any necessity for such a measure arises in the future, it will then be time to consider it. The discussion which is at present going on is absolutely useless, and the Bill may therefore be withdrawn.

Shrimati G. Durgabai (Madras: General): Sir, the question may now be put:

Mr. Speaker: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I do not think it is necessary for me at this late hour to detain the House with any long speech. The main discussion on the motion has practically centred round the question whether the proposed Corporation should be a completely State-owned Corporation or whether the capital structure should be in the form in which the Select Committee has intended it to be.

Some Honourable Members have raised the wider question of the policy of nationalisation. I do not think, Sir, that this is the appropriate moment to call upon the House to give a verdict on that wider policy. The Honourable Member Mr. Karimuddin went to the extent of saying that a vote in favour of this policy as it is will be considered as a vote against the policy of nationalisation. I have no doubt that the House will not agree with this point of view of the Honourable Member. The Government of India have not yet formulated the policy of industrial and economic development of the country, especially with reference to the policy of nationalisation. I have no doubt that the Government, when they consider this question, will take into account the desire expressed both in this House and outside, the Resolutions of the Industries Conference and also the Report of the Economic Sub-Committee of the A.I.C.C. I do not know if it is the intention of that Sub-Committee's Report whether the State should straightaway launch on a policy of complete nationalisation of all the means of production and distribution. Honourable Members have placed different interpretations on that document. Reading that document myself, I interpret it to mean that the policy of nationalisation is recommended as the ultimate aim to be achieved and that the pace and the progress of nationalisation should be determined by the needs of the country, and more especially of the resources of the Government. If my interpretation of that document is correct, then whatever concrete shape a more definite enumeration of that policy might take, I feel that there would be scope for private enterprise in certain fields and so long as that scope exist for enterprise, the need for a Corporation of this kind is clear.

The more practical question which this House should take into consideration is whether in the present circumstances it is advisable to have a Corporation completely owned by the State. The most cogent and convincing answer to that question was given by my Honourable friend, Dr. Pattabhi. He himself at one stage of the discussion in the Select Committee strongly advocated the consideration of the question whether we should not have a completely State-owned Corporation and after the consideration of the various points of view, he and the majority of the Select Committee came to the definite conclusion that, for the present, the structure of the Corporation as they have evolved is the most suitable under the circumstances.

Prof. K. T. Shah (Bihar: General): On a point of order, Sir, I think

that what happened in the Select Committee is not to be mentioned here, because so far as my recollection goes the statement made by the Honourable the Finance Minister is not quite accurate.

Mr. Speaker: What the Honourable Member had understood about the point of order is correct, but I see a distinction in what the ordinary rule is and what the Honourable the Finance Minister is at present saying. His only point is that the principle of nationalisation as against encouragement of private enterprise was discussed in the Select Committee. He is not going to mention, nor has he mentioned, as to who said what.

Prof. K. T. Shah: May I point out, Sir, that he said just now that the Honourable Member Dr. Pattabhai Sitaramayya agreed in the Select Committee? I wish to submit that that is not quite accurate.

Mr. Speaker: He only said that this point was discussed in the Select Committee.

An Honourable Member: But he said that even Dr. Pattabhai mentioned it.

Mr. Speaker: All the same, the previous convention stands. The Honourable Minister may proceed.

The Honourable Shri R. K. Shanmukham Chetty: Sir, having sat in this House at many places. I am fully alive to the propriety of what ought to be mentioned and what ought not to be mentioned. It was not my intention.....

Mr. Speaker: I may add not only having sat but having sat in the Chair.

The Honourable Shri R. K. Shanmukham Chetty: Thank you, Sir.

After all, when you come to analyse the various Clauses of the Bill, the House will be convinced that the control exercised on this Corporation is indeed very rigid and there will not be the slightest scope for any group of private individuals to manipulate the operations of this Corporation to the individual advantage of any one person or a group of persons. 40 per cent. of the shares will be held by the Government and the Reserve Bank. The Co-operative Banks will hold 10 per cent. of the shares, and as soon as we nationalise the Imperial Bank the shareholding of the Government will probably become 51 or 52 per cent. altogether, including the shareholding of the Reserve Bank. The balance in the Board is such that Government can exercise very effective control. Over and above this, we have made a provision that Government would be entitled to issue, from time to time, directives to the Board on the question of policy and that Government will be the sole judge as to what are questions of policy and what are not. With regard to the payment of dividends, it has been provided that until the Reserve Fund becomes equal to the share capital and until all subventions granted by the Government in virtue of their guarantee are repaid, the dividend declared shall not exceed the guaranteed rate of the Government dividend, which really means, Sir, assuming that the guaranteed rate is somewhere round about the market rate of Government securities, the dividend cannot exceed that rate for at least ten years to come, and even after that period, the maximum dividend permissible is 5 per cent. I put it to you, Sir, whether anyone has reasonable apprehensions that inspite of these rigid controls there is any chance of this Corporation being manipulated to the advantage of private individuals or Groups. I have no doubt in my mind on this point.

Taking all factors into consideration and more especially the present resources of the Government, I feel, Sir, that to set up a Corporation on the basis of the Bill that is now before the House would be the wisest thing to do and I hope therefore that the House will accept this measure.

Mr. Speaker: The question is:

"That the Bill to establish the Industrial Finance Corporation of India, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. Speaker: We may now take the Bill clause by clause.

Mr. Naziruddin Ahmad: Sir, I move:

"That in part (c) of clause 2 of the Bill, for the words 'the Legislature', the words 'the Central Legislature' be substituted."

The word "Legislature" is not clear; in order to make the clause absolutely clear I suggest the inclusion of the word "the Central Legislature."

The Honourable Shri R. K. Shanmukham Chetty: The Honourable Member will be nullifying the object he has in mind by the inclusion of the words "the Central Legislature."

Mr. Speaker: Is the position clear to the Honourable Member? As the co-operative societies are governed by provincial legislation, if we are to make the change suggested by him, it will place the societies in an anomalous position.

Mr. Naziruddin Ahmad: There appears to have been some misunderstanding on my part. I do not, therefore, want to press this amendment.

Mr. Speaker: But what is the necessity of the article "the" before "Legislature." But I think it is better to leave this over for the third reading. The draftsman may be consulted on the point in the meanwhile.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (c) of clause 2 of the Bill, for the words 'goods, mining', the words 'goods or in mining' be substituted."

This is only a verbal change in the text.

The Honourable Shri R. K. Shanmukham Chetty: I accept that amendment.

Mr. Speaker: The question is:

"That in part (c) of clause 2 of the Bill, for the words 'goods, mining', the words 'goods or in mining' be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (c) of clause 2 of the Bill, for the words 'the generation', the words 'in the generation' be substituted."

This also is in the nature of a verbal change.

The Honourable Shri R. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in part (c) of clause 2 of the Bill, for the words 'the generation', the words 'in the generation' be substituted."

The motion was adopted.

Prof. K. T. Shah: Sir, I beg to move:

"That in part (c) of clause 2 of the Bill, after the word 'goods', the following be added: 'including material, instruments or vehicles necessary for equipping and working industries, services or utilities'."

Sir, I consider that it is necessary to add these words, not only to clear up the meaning of the expression "goods", but also to amplify more fully the utilities which are included. It is, in my opinion, not quite fair to select only one of the several public utilities commonly regarded as such and ignore the rest, or by implication suggest as though the benefits of this corporation would be confined only to one form of utilities, namely, the generation and distribution of electric power. As regards the meaning of the word "goods" some help may be obtained in this connection from such legislation as the Sale of Goods Act. From a reading of the sub-clause it would appear as though only one of the utilities, namely electricity, has been selected and others omitted. I feel that unless this is cleared up, it may go by default and therefore it is in my opinion necessary to add the words I have suggested. Sir, I move.

Mr. Speaker: Amendment moved:

"That in part (c) of clause 2 of the Bill, after the word 'goods', the following be added:

'including material, instruments or vehicles necessary for equipping and working industries, services or utilities.'

The Honourable Shri R. K. Shanmukham Chetty: Sir, I don't exactly understand what the Honourable Member has in mind in moving this amendment. If it is his intention is to include any industry engaged in the manufacture of any of the instruments or vehicles necessary for equipping or working industries, services or utilities, if this is what is in his mind, then it is covered by the general word "goods".

'Goods' include every article that is manufacture of whatever character it might be. But if it is his intention that this Corporation should be in a position to finance a shipping concern, then definitely I do not agree with his object. For example, a shipping concern in so far as it builds ships it certainly will have the benefit of this Corporation because it is covered by the word 'goods', but if merely a shipping company is running a service, this Corporation is not allowed to do that. If really the Honourable Member wants to include goods like ships and other development, I submit that it is already covered by the word 'goods'.

Prof. K. T. Shah: Sir, in the light of this explanation, I would like to withdraw this amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was by leave of the Assembly withdrawn.

Mr. K. Santhanam: Sir, I beg to move:

"That in part (c) of clause 2 of the Bill, after the word 'electricity', the words 'or any other form of power' be added.

In tabling this amendment, I had specifically in mind the Gas Companies in Calcutta and in course of time we might have atomic power also and therefore it is not confined to electricity and we have included 'or any other form of power'.

The Honourable Shri R. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in part (c) of clause 2 of the Bill, after the word 'electricity', the words 'or any other form of power' be added.

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (g) of clause 2 of the Bill, for the word 'stock', the word 'stocks' be substituted."

The other words in this connection are in the plural while this is in the singular. This is perhaps a clerical error.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in part (g) of clause 2 of the Bill, for the word 'stock', the word 'stocks' be substituted."

The motion was adopted.

Shri K. Santhanam: Sir, I beg to move:

"That in part (g) of clause 2 of the Bill, the words 'of the amount' be omitted."

I think the words there do not read well and do not mean anything.

The Honourable Shri R. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in part (g) of clause 2 of the Bill, the words 'of the amount' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr. Nazruddin Ahmad: Sir, I beg to move:

"That in sub-clause (1) of clause 3 of the Bill, the words 'of India' be omitted."

Sir, this is also a verbal change. The name of the Corporation should be 'The Industrial Finance Corporation' I think if we give it this name, it will be quite enough. The words 'of India' appear in many previous enactments with regard to many names. The reason seems to be that in that time we were under the British Crown and they wanted to distinguish the various colonial laws from one another and that is why the name 'of India' was inserted. The word 'Indian' was necessary in the 'Indian Penal Code' in that context. But today we have no connection with any other country. If we say 'Industrial finance Corporation' that would be quite enough. In the long title in the name of the Bill also 'Industrial Finance Corporation' is mentioned. The words 'of India' are no longer necessary.

Mr. Speaker: Amendment moved:

"That in sub-clause (1) of clause 3 of the Bill, the words 'of India' be omitted."

Shri M. Ananthasayanam Ayyangar: My Honourable friend must have seen that various Provinces are financing similar industries. They are also contemplating various Corporations. Thus we will have the Industrial Finance Corporation, Madras, the Industrial Finance Corporation, Bombay, in which case you must give this Corporation 'of India' and the other Province-wise.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 3 of the Bill, the words 'of India' be omitted."

The motion was negatived.

Mr. Speaker: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Prof. K. T. Shah: Sir, I beg to move:

"That for clause 4 of the Bill, the following be substituted:

4. (1) (a) The initial capital of the Corporation shall consist of such shares, or stock, not exceeding twenty crores of rupees to start with, as may be deemed necessary by the Central Government in consultation with the Reserve Bank of India.

(b) The Central Government may, after five years from the establishment of the Corporation, increase this capital from time to time as and when deemed necessary, in consultation with the Reserve Bank of India.

(c) Whenever the Central Government decides to increase the initial capital of the Corporation, the additional capital increased in pursuance of that decision, shall be distributed as between the Central, Provincial and State Governments in the same proportions in which each Government holds the shares or stock on the date of the additional issue:

Provided that if any portion of the additional capital issued is not taken up by any Provincial Government or by the Government of any Indian State that portion shall be taken up by the Central Government.

(2) In addition to the initial capital, and during the period of five years from the establishment of the Corporation, the initial capital of the Corporation may be increased by such Bonds or Debentures, not exceeding, in their aggregate, twice the amount of the initial capital on its own security. Such Bonds and Debentures may be declared by the Central Government to be negotiable instruments under the law relating to such Instruments in force for the time being in India.

(3) (a) The initial capital of the Corporation shall be provided by or through the Central and Provincial Government or by the Government of any Indian State in such amounts or proportions, as the Central Government, in consultation with the Reserve Bank of India, may consider appropriate :

Provided that the Central Government shall at any time have not less than 51 per cent. of the total initial capital of the Corporation :

Provided further that no State or Provincial Government shall be entitled to own more than 10 per cent. of the initial capital of the Corporation.

(6) The shares or stock, constituting the capital of the Corporation, shall not be transferable."

In submitting this amendment to the House I should like to make a few preliminary remarks to dispel some misapprehensions that seem to have been created by some speeches in connection with the general proposition to take the Bill into consideration. It is clear from the wording of this amendment that it joins issue definitely on principle about the ownership of the Corporation. And here by this amendment I seek to substitute for part ownership of the State, as provided for in the Bill a complete ownership by the State, whether represented by the Central Government, the provincial Governments, or such State Governments as join for this purpose. In fact it is an integral part of the amendment, as I have suggested, that the provincial and State Governments should be associated, so that not only should our unity be formal and political, but also real, economic and material in all that concerns the daily life of the people. Those artificial barriers, those distinctions which were created by accidents of history, by the existence of separate States, or by the necessity of administrative convenience by the creation of provinces which were hardly more than *ad-hoc* blocks, will, I hope, disappear very shortly. And nothing will mark the disappearance of those barriers, which have kept us separate from one another rather than united so far so much as the promotion of a truly uniform, harmonious, consolidated national economy.

It is for this purpose, Sir, that I am trying to make this key of all key industries, this provider of the life-blood of the economic system, particularly on the industrial side, a truly national concern. It is, if I may say so, a matter of very little difference between myself and those who do me the honour to support this view, and those on the other side who stand for the proposals as contained in the Bill. The difference is a mere matter of degree. I gathered from some speeches, for instance,—it is certainly evident from the example like that of the Reserve Bank,—that even those who would propose partial ownership now for this Corporation would be prepared within a measurable future—say five years—to admit that this Corporation should be wholly nationalised in ownership, in control and in management. If it is a matter which can be very well done five years hence, I for one fail to see why it should not be done now. If a thing is good to be done hereafter I think it may as well be done now. दुभस्य शिघ्रं कुर्यात् There is some force in the old saying :

"Shubhasya Shighram Kuryat"

4 P.M. and as such I for one would welcome and support the idea that it should be made now.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the panel of Chairmen).]

The only argument that seems to have influenced people is the argument of my very highly respected and honourable friend, Dr. Pattabhi Sitaramayya, who suggested the line of expediency as against the force of idealism. Amongst the many outstanding leaders of India today of Indian thought and public life, there are few for whom I have so much regard for the clarity of thinking, for conciseness in expression, and for relevancy of remarks, as for the honourable Doctor. And yet in this instance I am bound to say that he does not rise to the heights to which, in my imagination, in my experience I had placed him. It is not from leaders of this eminence that we should be taught to make

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of Expediency a fetish, and follow Expediency when it conflicts with ideals. It is, as I have thought, the task of leaders, of statesmen, to make expediency conform to the ideal and not *vice versa*. If leaders are there only to bend before difficulties, if leaders are there only to bow to expediency, if leaders are there only just to follow the popular will, or the fashionable fad of the moment or the mighty stream of numerical vote, then I for one would feel that it is not really doing the duty, carrying out the *Dharma* of true leadership.

Leadership in a country like this, which has just come into possession of its independence, and sovereign authority, should always be pointing high and ever forward and not suggesting to us that we should bow before expediency, that we must accept the gods of the market place, and regard that only as worth doing which is practicable.

In a beautiful series of alliterate expressions, Dr. Pattabhi spoke of a sense of proportion, of perspective, and of propriety. I wondered, even when I heard those alliterative expressions, whether they were applicable more to him or to me, or those of us who take the view that Expediency is not the god that the Honourable Doctor almost implied it ought to be.

Dr. B. Pattabhi Sitaramaya: To neither of us. It is a matter of policy.

Prof. K. T. Shah: Take the sense of proportion, for instance, he mentioned: It is true that a sense of proportion makes a distinction between the seed and the tree. I think he gave that illustration. I for my part am looking to this Corporation as a seed, which is going to germinate, flower and blossom and yield fruit of nationwide importance. I agree that there is a difference in proportion between the seed and the tree. But while if I do not misunderstand him, the Honourable Doctor regarded the tree to be more important than the seed. I beg to submit to this House that the seed is no less important—in fact it is even more important. That is why we pay much more attention to the education of the youth of this country for instance than perhaps looking after fogies like myself: and therefore it is even at the risk of being looked upon as a lunatic lacking in a sense of proportion, because I think of the seed more than the tree, or the blossom or the fruit, that I advocate immediate attention to planting this seed properly. We cannot devote too much time, too much attention, too much thought to this matter before we straighten it out, and see to it that even if our ideals are high-soaring, even if we are talking of something—may I say too idealistic to be worldly—let us have the misfortune if you like, let us make the mistake if you like, of pursuing the ideals. Let them like practical men emulate the worldly and the worth while. I personally would suggest that even at the risk of being considered unpractical it is worth while our fixing our gaze upon this ideal and striving to attain it as immediately as possible and not postpone it.

Similarly, coming to his second alliterate phrase of perspective. There again there seems to be a basic difference. Whereas the perspective is seen, if the term is used in the artistic sense, most clearly given an avenue or distance, the Honourable Doctor seems to suggest as though the immediate was the true perspective. If you really desire to have proper perspective then I beg you to see, a little ahead, rather than merely the immediate necessity, the immediate possibility, the immediate fruitfulness of this institution. Think of the times to come. Think of what this may be a key to. And if you only see it in its proper perspective, I venture to submit if you only see far ahead: sufficiently far ahead and not too far ahead—I am certain you will be able to see that the force of argument, the force of artistry, the force of persuasion, nay the benefit of this country, lies with me rather than with those who oppose this amendment or the principle contained in this amendment.

Last is the mention of propriety. I fail to see wherein one is sinning against propriety by suggesting that the Corporation should be wholly owned, controlled and managed by the State. I for my part do not think that propriety in politics, propriety in legislation means the same thing as mere practicability. And because I do not think that propriety means the same thing as practicability, I venture to submit that, in no sense have I offended or has anyone offended who has taken this view, who thinks that, in sheer necessity, and therefore in utter propriety, we must accept this from the beginning to be a Corporation owned, managed and controlled by the State in the public interest.

It must be in the common ownership of all the citizens of this country. And even though it is confined for the time being only to financing of industries, let me put it to you, Sir, that "Industries" is a conglomerate term in which can be included many things. If you were very meticulous you would not like it to be said, as a great leader of our country once remarked that "Agriculture is the greatest and most important industry of this country" Merely because we for convenience sake make a division between agriculture and industry, we must not keep agriculture out of sight, or ignore forestry. Mining has been included here by an amendment; but the original proposition would have confined it only to the financing of manufactured goods industries. That I submit would have been a very narrow and misleading idea. I know that you will have—and I think on an earlier occasion the Honourable Finance Minister had indicated—other similar proposals before the House to deal with other sectors of our economy. So far so good. But I suggest, that if you create a number of paralleled, co-ordinate, equal institutions with meticulously marked out fields, each for itself, you will not be really helping planned progress, to co-ordinate the activity of this nation's development. You must integrate them all; and for that purpose it would be necessary to centralise, to co-ordinate and work as from a common centre, so that the distribution of the benefit or the advantage that a corporation like this is intended to give will be uniformly and evenly distributed. It should not be made into compartments.

The business of financing the productive enterprises of this country should not be compartmentalised. For therein lies the danger of not only mutual conflicts and rivalries of certain interests against others, but also the danger of lopsided development as between the several regions, and not a uniform planned development such as I for one have been pleading all these years. We have had in the past history of this country many examples in which interests of one province or group of provinces were set off against another for the benefit of the foreigner amongst us and we have lived to rule the day. There was, for instance, the question of the ratio of the rupee to the pound sterling in which the interests of the more industrialised and commercialised provinces was alleged to be in conflict with that of the more agricultural provinces. I can quote many other instances in which the collective interests of this country had to be sacrificed, simply because our people of the several provinces fell into the trap of thinking in compartments rather than as a unified nation, as one solid people.

For these reasons I feel that it is not necessary for us to bow down to the argument of expediency, all the more so, because we have been assured that in course of time, in a very short distance of time, it is possible that this Corporation like the Reserve Bank may be nationalised in the sense I mean. The Reserve Bank, when it was first started, was also suggested by people like myself, should have been from the very start a nationalised institution in every sense of the term. Then it was urged that because the power in that day was in foreigners' hands, we might be playing the game of the foreigners

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if we insisted upon the Reserve Bank becoming from the very start a nationalised corporation in the sense I mean. I was not convinced by such arguments even in those days. Nevertheless the interests concerned were sufficiently vocal, sufficiently powerful, and sufficiently mobilised to be able to influence votes, make it a shareholders' Bank, and so levy upon us for 14 years a tax for the benefit of the private proprietors of that national institution, entrusted with one of the most important and vital of services to the country—currency and credit, commerce and industry. If that institution has not done more mischief in private hands than it has, it is a matter for congratulation to those who have conducted it. If it had been a truly nationalised institution, it would have worked for the much greater advancement of our industry, agriculture, commerce and utilities. This is a proposition which I am prepared to maintain by facts and figures from actual experience. I would suggest, therefore, that we should be wiser by the lessons of the past, by what is happening before us; we should avail ourselves of the promises already made as to what is intended by Government themselves in the matter of these important institutions, *viz.*, the Reserve Bank and the Imperial Bank. Why should we not at the very start have this new financing institution nationalised?

The argument was put forward by some, and endorsed by the great authority of the Honourable the Finance Minister that the resources at our disposal may not suffice. I feel sceptic about that argument to say the least. The long list of publications, the long list of liabilities placed before us I grant is very formidable. But on the other side the assets the resources have not been mentioned at all. A glance at the financial columns of any paper on a Thursday or Friday would suffice to tell you what large deposits remain in the scheduled banks, cash deposits, call money. Even if that may not be suitable for utilisation in a corporation like this; even if that may not be utilisable for the long range credit in which this Corporation is intended to specialise, there are something like 200 or 300 crores in fixed deposits in these institutions—scheduled banks run by private enterprise. These remain idle, because there is not sufficient industry, sufficiently profitable field for investment in which these funds can be utilised, employed or invested. It would be the function of the Government, when they are freed from the present pre-occupations, to prepare and carry out a truly National Plan for an all round national development in every sphere of our national life and economy, wherein all this money which is lying idle, unused and unemployed; and which is becoming almost a burden and a risk, would be very fruitfully and productively employed.

Here, Sir, is a proposal for starting a nucleus, establishing a channel, making a conduit pipe through which those idle, immobilised funds would be utilised, and passed on to the nourishing fruitful fields of productive industry or enterprise, in every manufacturing process, in every kind of development of our inherent national resources, and of every kind of service and utility in which this country is still so very backward. It is for this purpose that I should suggest that the bogey (I am sorry to use this word) placed before us, *viz.*, lack of resources and lack of funds, ought not to frighten these leaders of India, these makers of modern India as it is going to be hereafter. If modern India is going to be frightened by such things as lack of resources; if we are going to hold our hand in the matter of national development, merely because we are not able to obtain what is called "capital" for these purposes, I for one would feel great doubt about the future of this country. Let me add at once that I have no doubt about the future possibilities, the real potentialities of this great and ancient land. We were and we shall soon be the workshop of the world; we were and shall again be the market of the world, the carrier of the world, and the banker of the world, too, God willing. In

that hope, in that belief I would not admit even a single mention of doubt, suspicion, or fear, that this country may not have the resources, human or material, with which to attain our objective. Those who give you the counsel of wait and watch, or go ahead slowly, those who preach the doctrine of practicability, the ground of expediency and wisdom of waiting, let me tell you, are not the best friends of this country. We are only waiting for the unexpected dangers that now confront and preoccupy our Government. Once they are over, we must not be found lacking in the programmes of our all round development.

For that purpose, therefore, there is no lack, I repeat, of resources. Even now they are readily available. You may question, indeed, what are the needs of this country for which the resources must suffice. No one has clearly estimated how much we shall need for our full industrial development in the shape of what is called fixed or initial and working "capital". All estimates are sheer guess. We have no data, no plans, we can, therefore, hardly say that the estimates now prepared, by whomsoever it may be, are likely to be maintained when our programmes come actually to be executed. The so-called Bombay Plan made an estimate of something like 10,000 crores of rupees for investment in an all round plan of national development.

I have my own idea as to what we shall need. But I do not stand for my idea any more than for other estimates, simply because, I repeat, we have not got the data, we have not the necessary information. We have not even tried to find out yet what will be our stages of progress in these directions. One thing, however, is clear. Whatever the amount you estimate—be it small or large—you will not need it all at once. That is a thing that people seem to forget, namely, that these big figures like Rs. 3,000 crores, for example, needed for the industrial development would not all be wanted here and now. You need not employ the Nasik security press or the Bombay or the Calcutta mint or—I do not know if there is a mint here—the Delhi mint. We need not create money nor borrow money, if only we properly mobilise available resources and really go ahead in a measured, planned and co-ordinated manner. That must necessarily take time, and while it is taking time we shall need only a fraction of what may be the aggregate requirements of the country in this regard. It must be added in the same breath that here is almost a bottomless pit. It is an expanding economy that we are thinking of. We are not going to be content with a more or less static position, and think after five years that heaven has descended on earth merely because we have accomplished our goal of a five years programme. The five years will hardly suffice to lay the foundation for the next stage forward, and in that stage we shall require more. It is the very nature of planned development and controlled progress, that every stage you attain, every problem you solve, every difficulty you overcome will lead you into new ones; and will make you think of new directions in which you must develop further. There are the actions and the reactions, so that the more you develop, the more and more and still more you would need to develop, till the goal becomes further and further removed; and endeavour and effort will become a sort of permanent sentence upon all of us. This is not to say that we should never think of the stage within controllable distances. For that purpose some working estimates can easily be made. But in making those estimates we must never forget that the figures are but mere guess work; and that in any case the need is elastic and that we shall have to provide also elastic or expanding supplies.

In applying this argument to the issue before us the amount of capital necessary has to be determined. The original Bill provided only for Rs. 5 crores. The Select Committee made it Rs. 10 crores. I am suggesting Rs. 20 crores. But if you follow what I have been saying you would realize that neither ten nor twenty nor even 100 crores would be enough to achieve our objective of developing this country in all the phases of its national economy.

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in all the sides of its national life, to the extent that alone could justify our claiming this to be a really great country, of which we may call ourselves but humble citizens and servants. The programme, as I envisage it, will need, even in the initial stages, far more than the paltry sum of the ten or twenty crores that we are thinking of providing. But I am full of hope and that hope is not merely an idle dream, I can assure you that we shall find all that we need. We have got it with us. It only requires to be drawn out from the hoards and places where it is lying concealed for this or that reason into which I need not go.

I am, therefore, not saying that this Rs. 20 crores I have suggested in the amendment is the last word in the amount of finance we shall need to carry out the objective before us. That objective also has yet to be defined authoritatively. I for one, however, would submit this for your consideration, namely, that we should have before us this aim that India should be able to produce, to manufacture and to work up all the natural resources with which she is gifted, those which are known and those which are not exploited and which may hereafter come to be exploited; so that in the pursuit of our ideal of national self-sufficiency and real independence—economic as well as political—we may have with us all the wealth wherewith to provide a fairly decent standard of living for our people. The "Standard of living" itself is an elastic term. No one has defined it. The National Planning Committee under the presidency of Pandit Jawaharlal Nehru had given some thought to the matter, and given some objective, some criteria, by which you may judge the progress of national development, and the improvement in the standard of living of the people. It is not enough, in fact it is utterly misleading, to think only in terms of money. Money is but a tool and a medium of working the national economy, or for the matter of that, international economy. Let it not become the master as it has threatened to be to those who think only of expediency, and forget in the array of charts and figures the real things that these charts and figures stand for. I suggest that the standard of living will itself go on progressively expanding, so that what is deemed to be quite reasonable today, or what is supposed to be liberal today, may seem to be utterly unacceptable, not to our children, but even to those who come five years hence. That which we think today is a great piece of legislation because we fix some sort of minimum wage for certain categories of workers may be regarded as hardly worth mentioning in—may I use the word without offence—the proper perspective of national development, let us say, in a period of twenty or thirty years, the lifetime of but one generation.

With these objectives before me, I naturally feel that the figures that I have suggested have no relation whatever to reality. But I had to suggest some. If I were to suggest something much bigger, if I were to suggest a capital of Rs. 200 crores, I should be exposed to the charge—and it will be too charitable a term to be used—of being a lunatic, qualifying myself for a lunatic asylum, by those very rational, very serious, very "practical" people, who advise us to submit to expediency, to recognize what is practicable and not what is ideal, to think of the immediate and not of the distant. I have no ambition to qualify to be an inmate of a lunatic asylum just now. And so I am suggesting what I think is a very modest and a very reasonable figure, which there ought to be no difficulty in realising from our immediate resources without even a moment's delay, and without going either to Nasik or, for the matter of that, to New York. It is here and we can get it. If there is only the will, the way will be found. That is all I have to say on the general character of my amendment.

I am not frightened, indeed I am somewhat amazed, if I may say so, by some of the *obiter dicta* I have heard in this House. An Honourable Member was going into the definition of what is a nationalised concern. The word

'nationalised'. I admit, is somewhat confusing, especially in the setting of our recent past and our present environment. But one of the Honourable Members, I am sure, said this as regards the definition. I have taken it down myself. He said "every concern is nationalised if the Legislature has supreme control". This is a proposition which will apply to every concern in the country even as it is. Then there is no necessity whatsoever to make elaborate legislation for nationalising either the Railways or the Bank or anything if this doctrine that every concern over which this Legislature has sovereign and supreme control is nationalised.

Shri K. Santhanam: May I point out that this was one of the conditions mentioned by me? There were two other conditions also. All of them put together was the definition I gave to which he is referring.

Prof. K. T. Shah: I am much obliged to the Honourable Member for the correction. But he also admits that this was one of them. The three together do not alter this one. This remains and I am referring only to this one. The Honourable Member need not therefore get upset if I refer to this as one of the most precious gems that I culled from his speech. Then another honourable gentleman mentioned something more fundamental as regards the very object of this corporation. The object, it was stated, is to encourage private enterprise or private industry. I confess I do not see it in that light at all. The object is, as I conceive it, to have a quite adequate financial corporation which will develop all industries which come under the definition in clause 2. I am not quite satisfied with that definition; but I have accepted it. Taking it as such, I for the moment am unable to say that it shows the intention of only assisting private enterprise. In fact it is my objection to the whole of this Bill, that it thinks only of industry and enterprise being in private hands and the corporation we propose assisting them only. It is because the intention is so, it is because the objective is so, it is because the author of the Bill has throughout been thinking in this line, that many provisions, about which I have given notice of amendment, have been framed as they are. It is however, in my humble opinion, utterly misleading to think or to put forward that this is a machinery which should assist only private industry. Let me point out also the injustice of this machinery. The injustice lies in this, that every industry which may be weak at the start, every industry which is nervous, every industry which is in need of some form of assistance or help, would come to you; but the moment it gets on its feet, the moment it succeeds in the world of commercial economy, that moment it will part company, and swallow or take for itself all the profits and surpluses. Whereas at the initial stage at which it was being built up, it required the whole community to contribute to its success. It drops the collective aid crutches when it begins to earn profit. I say this is very unjust. That you should help an industry to stand on its own legs, and when it comes to a successful stage you leave it entirely to private proprietors to take whatever premium they can get out of it, is very unfair to the community, to the country as a whole. That may or may not be the intention of the author. But I submit that if that is so, it is unfair to the country and I take this inference from the provision of another section of this Bill wherein it is laid down that the corporation shall not hold the shares of any other enterprises; and that if by chance . . .

Shri K. Santhanam: On a point of order, Sir. Are we considering clause 4 or the entire Bill?

Mr. Chairman: The reference to other clauses is perfectly relevant as such reference supports one of the arguments the Honourable Mover is advancing in support of the amendment he has moved.

Prof. K. T. Shah: I was just pointing out that the amendment is necessary, because, unless you have the full right of ownership for this institution, you will be led into snares like this. That is what I am pointing out. That

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is the fundamental idea underlying it. We are all looking upon the utility and service of a corporation like this. We must see to it that a corporation like this not merely brings out the baby, but it nurses it during its infancy, protects it during its adolescence, educates it, trains it and develops it, but does not get the benefit of it when it has reached the highest stage of its full growth. I do not think that would be just to the community—that we should take all the risks, that we should take all the responsibility, that we should bear all the losses, and every time the fruits that come should be taken by somebody else. He may be a nationalist of this country. What of that. After all it is a class. He is not the whole country. Those who are able to subscribe to the industries which are assisted by the Corporation will after all be a relatively small class; and that is the reason why I want that from the start onwards this corporation should be state-owned, state-managed and state-controlled in the public interest of the country as a whole.

I shall say nothing more, Sir, now on the exact figure which I have proposed for the initial capital of this corporation. You will note, Sir, how modest I am in the amendment I have suggested. I pay homage to all the gods of this commercial world, including the Reserve Bank of India as I have suggested that the Government should determine the amount of the capital "in consultation with the Reserve Bank of India". Banks as banks deal in other people's money, and, therefore, are in my opinion parasites, class I, particularly when they are privately owned and privately operated. As bankers, however respectable they may be in the City, they are not to my liking. However, these parasites are with us. We must accept them, and the best of them, or at least the least harmful of them, the Reserve Bank of India, might as well be given the special function which has been given to it by law, of being the adviser, the consultant, the guide for the Central Government.

But remember it is the Central Government alone which has the initiative and which has the final voice in deciding. It may consult them, but are not bound to follow that advice. That is why I have provided what is said in the amendment 'in consultation', and if this figure is not enough, then I suggest that it should be expanded. It should be expanded by means of bonds and debentures. It should be on the security of the Corporation itself. What will be the security of the Corporation? The assets of all the industries which it will help to finance. That ought to be a very substantial sum. I do not think that it will be necessary to give any guarantee such as is proposed in this Bill. Money assistance will be easily forthcoming the moment it is known that this Corporation is handling all industries, or assisting those industries which are calculated to come to the front within a measurable time of five or seven years, or whatever the term may be; that we are only waiting till it matures in a proper manner, and then we shall be entitled to have the full benefit. Those of you who know the history of one of the greatest enterprises of this country, namely the Tata Iron and Steel Company, will know for how long a period the shareholders did not see a red pie of the dividends or profits of that corporation. And even when the profits began to come in, thanks to the first world war, these were only distributed—may I say dissipated—among the proprietors instead of being used to build up the industry. The benefit to the country was a very stunted size of growth of that industry, which, soon after the War, required very intense protection to enable it to keep its place in the world market. In this way what we receive by one hand we have in this economy to pay back by the other; and, therefore, it is that I suggest that the proprietary right, whether given by means of the initial capital or by means of bonds and debentures should, as far as possible, be under State control.

I am particularly referring to the latter. The bonds and debentures, I further submit, should be declared negotiable instruments and thereby such money as is lying idle in the country may be easily tapped and acquired for productive purposes through this institution. Incidentally, I think it will solve the problem of the spiral of inflation, which very often threatens to out-run all controls of the Finance Department, or for that matter even of the Reserve Bank, such as it is. The spiral must be checked. And here is an automatic means by which you will be able to do it, if you have on tap all savings made available for investment in the bonds and debentures of this Corporation, which will be secured by the total assets and possibilities of the industries which are financed by it. After all these are long term investments, and there ought to be no fear of their not proving attractive to the ordinary investor.

Sir, I recognise a slight inconsistency in what I have been saying so far, and the actual terms of my amendment; and that is that I have actually suggested a limit, a proportion, to which these bonds and debentures may be issued. This again is an indication of my homage, of my falling on my knees before the gods of the commercial world, to recognise the virtue of—shall I say modesty—in going slow in these matters. Technically, theoretically, I do not think it is necessary that you should have any such limit or restriction, but I am quite prepared to admit that for the time being at any rate let us have some restriction. After all, as my Honourable friend who just recently corrected me pointed out, we have the supreme authority over this matter. The National Government can always raise it by a vote of this House at any time we think necessary, so that there is no need to insist on a particular limit being set.

That being said, the next stage of the Amendment is the association of the Provincial and States Governments in this concern. I submit that it is highly necessary. This is one of the constructive items in this Amendment. Sir, we should not suggest, even by implication, that there is anything like divergence of interests between the country as a whole and any part thereof. The Provinces and the States, who form the Union of India, must in every one of the acts of the Government of India feel that the Government of India is they and they are the Government of India; the people of India are the Government of India and the Government of India are the people. When this Government speaks it speaks for the whole country. But it can do so only if all the component constituent parts of this vast land are closely and solidly associated in all such matters—which are not matters of words or verbal homage only, but which are matters of material importance to the every day life of the ordinary citizen. I suggest, Sir, that for this purpose we must have in this Corporation from the start the closest association of the component parts of this Union. We must not leave it to them to form their own separate corporations for assisting what we call the national industries.

I do make the distinction between national industries and industries of a somewhat smaller scale or of local importance. There the local Government—the Provincial or State Governments—may make their own arrangements though even there I should wish, in order not to dissipate the national resources, that in every such activity this Corporation should first be approached and only if and when this Corporation is unable to assist or show the ways and means of assisting, should the Provincial or State Government make its own separate arrangements.

Sir, in so far, however, as the existing industries are concerned I take it that they would not necessarily require assistance from this Corporation, particularly if the instructions, which we are assured will be issued to the Management of this Corporation, are couched in the spirit and worded in the letter that we hope they will be. If these instructions are such that the capitalist

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proprietor will not be able to make more than a reasonable profit, up to what is called the prevailing rate in the Market; if the instructions are such as to see that in the industries assisted by this Corporation labour gets its due and full due, that modern conditions of employment are provided for labour, then I do not think that the existing industries would necessarily come to seek assistance, at least not those of them who have already made of themselves a commercial success. Those, of course, who are on the rocks already may come and ask for assistance. But woe betide you to go to the rescue of these people who by their own fault, by their own folly, by their own speculativeness have come to such a pass.

I trust that this warning will be utterly unnecessary. But I do think that in the financing of industries which we are going to take up through this institution, a fair and square deal will be given to labour; otherwise it would be missing the bus completely. I for one would never fail to raise my voice of protest against any industry which would give something like a step-motherly treatment to them; even if my Amendment is not accepted, I say that a public Corporation of this kind should never countenance anything like a left-handed treatment to labour employed.

If the rules and instructions are of the type that I have suggested and are such as will see that the Corporation will be interested not merely in the commercial success of the venture assisted by it, but that it will see to it that it contributes really and substantially to the economy of the nation, to the development of the country, then I take it, Sir, that the figures he has suggested are not of absolute importance. I hope that my amendment seeking to associate from the start the component parts of the Union in the capitalizing of this Corporation would be taken heed of. Sir, there also the limits have been laid down as to how much shall be held by any Provincial or State Government and how much by the Centre. I do believe that the absolute control of the Centre should be there for reasons into which I need not go now as I have already taken a long time of the House. But I do say this, that I stand for maintaining the Central control in the last analysis and therefore have provided that 51 per cent. of the Stock of this Corporation should be held by the Centre and should be non-transferable. I think at the same time that the component parts should also be associated and associated from the start as intrinsic, equal partners—equal I mean in the sense of co-ordinated units in this venture. If they are so associated, if you have got their support, if you meet the needs of every possible corner of this land, the possibility of rapid development of this country into its full potentialities may be achieved. Then this Corporation may not only be well-born in this country but the Honourable the Finance Minister may well deserve every compliment that a grateful country may shower on him.

Sir, I would not take more of your time in further elaborating this amendment. The several parts of these amendments I have tried to explain in general terms. If you scrutinise each letter, perhaps here and there you might find a happier phrase or a happier word than I have suggested. That would not affect the essence of my proposition. That would not affect the nature or the spirit of the amendment that I am putting forward. I trust the House will realise that it is not merely in verbal pyrotechnics that we should have a debate like this. I hope the House will realise that it would not be by merely changing a figure here or a figure there that we could affect the spirit of this Bill, and what is more, the ultimate objective this Bill seeks to attain. In that hope and in that belief, in the faith that here is an instrument we are forging today, in the very first year of this country's independent national existence, which holds out a promise, of a great potentiality on a wide and intensive scale for the national development of all our resources, and all our material and human resources, so that, within a measurable distance of

time, this country may not only take its nominal place along with the leading nations of the world, but also an effective place as one of them, that Sir, I move.

Mr. Chairman: Amendment moved:

"That for clause 4 of the Bill, the following be substituted :

'4. (1) (a) The initial capital of the Corporation shall consist of such shares, or stock, ~~not~~ exceeding twenty crores of rupees to start with, as may be deemed necessary by the Central Government in consultation with the Reserve Bank of India.

(b) The Central Government may, after five years from the establishment of the Corporation, increase this capital from time to time as and when deemed necessary, in consultation with the Reserve Bank of India.

(c) Whenever the Central Government decides to increase the initial capital of the Corporation, the additional capital increased in pursuance of that decision, shall be distributed as between the Central, Provincial and State Governments in the same proportions in which each Government holds the shares or stock on the date of the additional issue :

Provided that if any portion of the additional capital issued is not taken up by any Provincial Government or by the Government of any Indian State that portion shall be taken up by the Central Government.

(2) In addition to the initial capital, and during the period of five years from the establishment of the Corporation, the initial capital of the Corporation may be increased by such Bonds or Debentures, not exceeding, in their aggregate, twice the amount of the initial capital on its own security. Such Bonds and Debentures may be declared by the Central Government to be negotiable instruments under the law relating to such Instruments in force for the time being in India.

(3) (a) The initial capital of the Corporation shall be provided by or through the Central and Provincial Government or by the Government of any Indian State in such amounts or proportions, as the Central Government, in consultation with the Reserve Bank of India, may consider appropriate :

Provided that the Central Government shall at any time have not less than 51 per cent. of the total initial capital of the Corporation :

Provided further that no State or Provincial Government shall be entitled to own more than 10 per cent. of the initial capital of the Corporation.

(b) The shares or stock, constituting the Capital of the Corporation, shall not be transferable."

Shri T. A. Ramalingam Chettiar (Madras: General): Mr. Chairman, Sir. I am one with Professor Shah in his objective of attaining our industrial development as soon as possible and also in the largest measure, but he seems to have read into this Bill very much more than what it purports to be. After all, it does not provide for all the industrial development in the country. It does not say that it is going to help every type of industry that will be taken up both by the Government and by the people. All that it purports to do is mentioned in the Preamble, namely, that it is going "to make medium and long-term credits more readily available to industrial concerns in circumstances where normal banking accommodation is inappropriate or recourse to capital issue methods is impracticable". It is only in those cases where help is necessary and it cannot be found elsewhere that this Corporation is going to render aid.

And then, Sir, the main thing is this. We are all thinking of nationalising industries and by nationalising, Mr. Shah and others admit that there are only two ways according to our election manifesto also, in which industries can be nationalised. One is by State ownership and the other is by State control. Now, so far as State ownership is concerned, that is financed by the State independently. The State is going to find all the money that is necessary for State ownership. As far as State control is concerned, even there there will be State participation. The State is going to take 51 per cent. of shares, or it may be less, or it may be more. In all those cases, the State has to find money independently of this Corporation. All that the State is going to do by way of subscribing for capital either wholly or partly for industrial development is outside the scope of this Corporation. They are to be

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found in addition to whatever help may be rendered by this Corporation. There is only the third class of cases, namely, those private agencies with which the Government does not want to concern itself. Those are the only ones which would require help from this Corporation. Even in that, Sir, it is not all the concerns that are going to seek the help of this Corporation. For instance, there are big institutions like those promoted by Tatas or Birlas. They will certainly be able to find money in the open market. They are not going to come to the Corporation and probably, even if they come, the Corporation would not be prepared to lend any aid to those big institutions. It is only those other institutions which cannot find funds from the public with the credit they have got or those concerns which, not being familiar to people here, will not be able to get the financial support that is necessary from the public,—it is only those two classes of people who will come to this Corporation for help. It is that help that is going to be given by the Corporation and it is for that purpose that the resources of the Corporation will be provided. Taking that limited sphere, Sir, the provision that is made, namely, Rs. 10 crores with the possibility of raising five times that amount by issuing debentures and also getting Rs. 10 crores by deposits,—all this money will not probably be required in the first two or three years. Therefore, Sir, to say that the vast development of industry required for the country would need very much more than Rs. 10 crores etc. etc. is speaking without really understanding the scope of the Bill and the Corporation's sphere of activity. I think that, ordinarily speaking, the demand that will be made on this Corporation will take at least four or five years before the amount of capital that is going to be subscribed will be exhausted, and in addition to that, as I said just now, they can raise five times the capital by debentures and another Rs. 10 crores by deposits.

An Honourable Member: It is not Rs. 10 crores deposits. It has not been raised. It is still Rs. 10 crores.

Shri T. A. Ramalingam Chettiar: Oh! I am sorry. Then, Sir, two other difficulties were mentioned by the Honourable Member Professor Shah. One of them was that he did not want that the shares or bonds of private companies taken by this Corporation should be sold within seven years and that they may be held by the Corporation itself. I have practically answered this question in the earlier part of my speech, namely, that wherever the Government thinks that it ought to participate either wholly or partly in the capital of an enterprise, that is excluded from this Bill. All that money is going to be found independently by the Government. They are not going to come to this Corporation for the money. So, Sir, the question relates only to those companies in which the Government does not want to participate and the shares which they do not want to keep. They cannot get the funds of this Corporation locked up in a concern like that in which they do not want permanently to hold shares. That is the reason, Sir, why a provision is

5 P. M. made that within seven years the shares or bonds that may be purchased by this Company on account of the advance they made should be sold in the market.

The third point raised by Prof. Shah was that the Provinces and the States should participate from the very beginning. Sir, the position of the Provinces—and I do not know very much about the States—does not help in this matter at all. What happens is that the Provinces have got their own idea. They want funds for their own development in so many ways and they have got no money to invest in a Corporation like this. On the other hand, I have been hearing from my Province that they do not know how to raise money for all their needs and it will be very much better for the province if the Centre can raise the funds necessary and loan to the Provinces. In that state of affairs, I do not know whether it will be fair

Shri H. V. Kamath: Mr. Chairman, may I draw your attention to the clock?

Mr. Chairman: Let the Honourable Member finish this point.

Shri T. A. Ramalingam Chettiar: So, Sir, the Provinces will not be in a position to take shares in a concern like this for want of funds.

Mr. Chairman: I hope the Honourable Member will not take long.

Shri T. A. Ramalingam Chettiar: One or two minutes, Sir. So the three points that have been raised by my Honourable friend Prof. Shah are things which do not require very much consideration and are raised on account of his misconception about the functions of this Corporation. He is thinking that it is going to finance all the development activities of the country and that is why he has brought this amendment. So I beg to submit the amendment should not be accepted by this House.

Mr. Chairman: I may inform Honourable Members that the remaining agenda of today will be taken up after the non-official business of tomorrow is over.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 11th February, 1948.
